



Good Corporate Governance Policy Shera Public Company Limited

The Company starts to operate a fiber cement materials business in order to be an important element in creating a residence for the general public that is environmentally conscious. The company aims to run a business together with social responsibility, and to raise the quality of life of people with quality products and services from the production process, technology development, as well as creating innovation based on the true spirit of the organization's philosophy as follows:

PROACTIVE	love to learn, love to create new things
INSPIRING	with a creative demand
PROFICIENT	a full range of expertise
RESPONSIBLE	a focus integration with society

The Company has established various guidelines that can lead to good practices, reflecting social responsibility, including shareholders and all stakeholders, together with good corporate governance principles and the care of society and the environment. The Company has therefore established this good corporate governance policy to be a framework for the operations of directors, executives and employees of the company.

1. Objectives

- A. To create important practices regarding the Company's business operations to be transparent, having a clear standard in accordance with the rules and regulations related to the operation of the Company, related laws including good practices in accordance with the announcement of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other associations or institutions. It also helps to enhance competitiveness and prevent conflicts of interest.
- B. To build confidence in the spirit of business operations to investors, shareholders, stakeholders in business operations both domestically and internationally.
- C. To define the framework of the responsibilities of the Board of Directors and executives to all stakeholders and related parties including creating commitments so that management can use the power under the appropriate limits.
- D. To define effective management tools and performance measurement tools by being able to monitor and improve operational methods to be more efficient by promoting cost-effective use of resources and taking into account the economic impacts, society and environment regularly with concrete actions.



2. Practice

In order to seriously comply with the philosophy and principles of good corporate governance of directors, executives and employees at all levels of the company, the company has published this policy on the website and intranet for everyone to study, review, ask, understand and apply as a guideline for operations, as well as disseminating to stakeholders for acknowledgment.

The principles of good corporate governance, ethics, rules, and guidelines is considered an important obligation that directors, executives, and employees at all levels of the company shall strictly adhere to the principles and must also have a duty to report any work that is contrary to or suspected to be contrary to the principles set forth by the supervisor. It is the duty of the supervisor to directly monitor and giving advice to subordinates to ensure compliance with principles and ethics correctly and honestly.

3. Review of Good Corporate Governance Policy

In order to ensure the good corporate governance policy of the company appropriate and consistent with the legal principles and criteria of the relevant regulators, the Board of Directors will review this policy at least once a year.

Good corporate governance policy

The company operates a business in which the organization has distinguished expertise by commitment and responsibility according to the corporate philosophy that focuses on the development of all aspects with the inspiration of balance towards nature, sustainability, fair, and transparent. Building a corporate culture in business operations will lead all employees at all levels to comply with the corporate philosophy and good corporate governance principles.

The good corporate governance policy is, therefore, an important part of the business which is the responsibility of the directors, executives and employees at all levels in carrying out effectively. There consists of 6 sections as follows:

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| Section 1 | Rights of Shareholders |
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Section 1 Rights of Shareholders

The Company pays attention to every group of shareholders, including institutional shareholders, by providing equal rights as required by law, taking into account that they are the owners of the business and having freedom in their rights for making decisions about buying, selling, transferring the securities they hold, receiving profit sharing from the Company including making decisions on important matters of the Company according to the law. The Company will not do anything that violates or deprives the rights of shareholders and will encourage all shareholders to exercise basic rights as required by law. Shareholders have the right to vote according to the number of shares they hold. One share is equal to one vote.

1. Proceedings regarding the shareholders' meeting

- 1.1 The company has clearly set the meeting agenda as well as the objectives, explanation, and reasons for each agenda including the opinion of the Board of Directors and votes required to approve each agenda in the meeting notice which will be delivered to the shareholders at least 14 days in advance, including providing important information, relevant news in accordance with the requirements of the regulatory authority to allow shareholders to have sufficient time to study the information before attending the meeting.
- 1.2 The Company gives shareholders the right to propose the meeting agenda, raise questions on each agenda or other relevant information in advance within the period of time notified in the meeting notice which can be sent via the Company's email or send a letter to the Board of Directors to the specified address.
- 1.3 The Company gives shareholders the right to appoint any other person or an independent director to be a representative to attend the meeting and have the right according to the laws without any discrimination or excessive burden for shareholders to appoint a proxy. The Company will send the proxy form together with the notice of the meeting that shareholders can specify the voting direction. In this regard, the Board of Directors will nominate at least one independent director as an alternative to be appointed as the proxy of the shareholders. Important information of such independent director will also be provided to the shareholders.
- 1.4 The Board of Directors will ensure that the Company informs shareholders about the rules of the meeting, voting practices and vote counting, including voting rights according to each type of stock, along with having an auditor of the Company or a legal advisor or regulators or minority shareholders as witnesses to ensure that the shareholders' meeting and vote counting for each agenda is transparent, and in compliance with the laws and the Articles of Association of the Company.



- 1.5 The Company allocates time for the shareholders' meeting so that the shareholders have the opportunity to inquire, discuss, express opinions and provide suggestions equally and independently in matters related to the Company. The Company has a policy of not supporting the addition of other agenda items that are not specified in advance for the shareholders' meeting. All the executives of the Company shall attend the shareholders' meeting to answer questions in the meeting.
 - 1.6 The Company will use modern technology to facilitate the registration process, vote counting and result presentation for shareholders' meeting so that the meeting is efficient, convenient, fast, and accurate.
 - 1.7 The Board of Directors will support the use of ballots in every agenda for transparency and verification in case there is any dispute.
 - 1.8 In the shareholders' meeting, the Board of Directors will arrange a voting process for each item clearly. In the event that there are many issues on the agenda, such as the appointment of directors, shareholders will be allowed to exercise the right to appoint directors individually.
 - 1.9 The Company arranges to have the complete minutes of the shareholders' meeting including questions & answers during the meeting, and the meeting resolution showing votes that agree, disagree, and abstain in each agenda, the names of the directors attending the meeting and the directors who absent, which will be published on the Company's website both Thai and English.
 - 1.10 The Company shall disclose the resolutions of the shareholders' meeting and the votes for each agenda to the public through the system of the Stock Exchange of Thailand and the Company's website.
 - 1.11 The Company will submit the complete minutes of the shareholders' meeting as required by the Stock Exchange of Thailand within 14 days after the date of the shareholders' meeting.
 - 1.12 The Company will organize the shareholders' meeting on appropriate date & time, at the location that is convenient to travel, by enclosing a map showing the venue of the meeting in the meeting notice.
2. The Company will facilitate the shareholders to receive dividends, which the Company will pay dividends by means of money transfer to the bank account, in order for the shareholders to receive dividends on time and prevent problems related to a damaged cheque, lost of cheque or late delivery unless the shareholders have notified the intention to receive the dividend by accepting a cheque instead.



Section 2 Equitable Treatment of Shareholders

The Company has set up measures to ensure equality for all groups of shareholders in order to be treated and protected by fundamental rights with transparency and fairness without discrimination.

Treatment of Minority Shareholders

1. The Company provides an opportunity for one or more minority shareholders with more than 5% of the total voting shares of the Company to propose additional agenda prior to the annual general meeting of shareholders, from October 1 to December 31 of every year. If the proposed issue being considered as a meeting agenda, the Company will notify the meeting that it is the agenda proposed by the shareholders, on the contrary, the Company will clarify the reasons at the meeting in case that the issue is not be included in the agenda. The procedures of such are clearly announced through the Company's website.
2. The Company provides opportunities for all minority shareholders to nominate persons to be considered for election as directors. Information of qualifications and the consent of the nominee must be provided to the Company in advance from 1 October to 31 December of each year. The sub-committee will consider the selection of persons according to the criteria and propose to the Board of Directors for approval before presenting to the meeting.
3. The Company has established channels for shareholders for reporting complaints or proposing any opinions related to the business to independent directors via the following channels:
 - Postal addressed to Chairman of the Audit Committee, No. 2426/3 Charoenkrung Road, Bangkorlhaem Subdistrict, Bangkorlhaem District, Bangkok 10120
 - Internal phone number [02-291-2888 ext. 9851]
 - Email at ethics@shera.com
 - Complaint Box at Head Office and factories

The independent directors will consider the matter in order to proceed according to the procedures and criteria specified by the Board of Directors for further consideration.



Section 3 Role of Stakeholders

The Company is committed to being a good organization of society, respect the rights of various groups of stakeholders and listen to suggestions, opinions, promote understanding and treat each other creatively, fairly, and will not act to violate the rights of stakeholders.

1. Policy on treatment of stakeholders

- 1.1 The Company respects the rights of all groups of stakeholders by defining guidelines for compliance with the corporate ethics with transparent and fair treatment to internal and external stakeholders, including employees, executives, directors, business partners, investors, shareholders, customers, competitors, creditors, government agencies, society, community, and environment.
- 1.2 The company gives importance to various related operations both inside and outside the organization. We promote efficiency, fairness and transparency, equality in order to strengthen the organization for sustainable growth together with society, such as the operation on quality, safety and environmental operations, giving priority to human rights, society, anti-corruption, wage management, employee welfare management, employee development, not non-violating to the rights of creditors, selection of partners or contractors, etc., with clear guidelines for such matters. We also support political neutrality by encouraging employees to strictly adhere to the guidelines for each aspect to build confidence among all stakeholders in the business of the Company as well as disclosing performance report in the annual general meeting of shareholders.

2. Policy on sustainable social responsibility

- 2.1 The company has the intention to operate the business that is environmentally friendly as much as one organization should do by adhering to the responsibility to all groups of stakeholders at all levels to merge the benefits of sustainable development together by producing and delivering good quality products, using good materials that safe for living organisms as ingredients in all products and does not cause health effects to both employees or users of the product. In addition, the Company has set up a mission regarding social responsibility and encourage all employees to participate in activities related to social responsibility regularly to create awareness for everyone to have a public mind which is carried out in parallel with the practice of working in accordance with regulations and coexistence in society.
- 2.2 The company has confidence in being an innovative organization that continuously researches and develops products by the Company's team. Therefore, the organization has the opportunity to create new products and services. The company has a clear policy to protect copyright, patent, intellectual property and will not violate the intellectual property and copyright of others.



2.3 The company will prepare a sustainability report on corporate social responsibility in the annual report or as a separate version from the annual report.



Section 4: Information Disclosure and Transparency

The company gives importance to the disclosure of important information related to the company both financial information and non-financial information, to be accurate, complete, timely, transparent, reliable in accordance with relevant regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other information that may affect the company's stock price and the decision-making of the investors and stakeholders.

1. Set up a mechanism to ensure that the information disclosed to investors is correct and sufficient for investors' decisions.
2. The Company provides opportunities for all stakeholders to have equal access to the information through the Company's website both Thai and English. The information consists of visions, missions, strategies, goals, business characteristics, names and profiles of directors, independent directors, executives, business structures, organizations, shareholding structure, financial statements and reports on financial status and operating results [current and previous version], information disclosure (Form 56-1) and annual report, charter of each committee, including important policies, regulations, memorandum of association and the agreement of the shareholders group (if any), business ethics, notice and minutes of the shareholders' meeting, investor relations information or any other information that the company presented to analysts or media organizations.
3. The Company will provide a report on the responsibilities of the Board of Directors towards the financial reports presented along with the auditor's report in the annual report, management discussion and analysis or MD&A attached to the financial statements every quarter in order to allow investors to get information and understand the changes that occur with the financial position and results of operations in addition to the figures in the financial statements alone. The information also includes audit fees and non-audit fees.
4. The Company will ensure that the roles and duties of the Board of Directors and sub-committees are disclosed in the annual report, i.e., the number of meetings and the number of times each director attended the meeting, contributions from previous years and comments from the duties (if any) including training and continuous professional knowledge development of the directors.
5. The Company will disclose the remuneration policy for directors and top executives that reflect the duties and responsibilities of each person. Types of remuneration will be clarified in Form 56-1.
6. Directors and executives of the company must report to the company their own interests or related persons in relation to the of the business of the Company or



subsidiaries in accordance with the rules and procedures prescribed by the Capital Market Supervisory Board. Those persons must report any change to the company immediately or as soon as possible from the date of the change of interest and the matter will be included in the meeting agenda of the Board of Directors for acknowledgment.

7. The Company has set up the Investor Relations Unit to communicate with investors or shareholders by allowing the top management of such unit to be directly responsible for communicating information to investors, analysts, shareholders, and public through various channels, i.e., the system of the Stock Exchange of Thailand, the Company's website, telephone contact at 0 2 -2 9 1 -2 8 8 8 or E-Mail Address: investor@sherasolution.com.



Section 5: Responsibilities of the Board of Directors and Sub-Committees

▪ Board of Directors

1. Structure of the Board of Directors

The Board of Directors consists of individuals who have knowledge, ability and experience in various fields in order to define the direction of important policies of the Company, by collaborating with the management to plan business operations in each phase to achieve results along with setting financial policies, risk management policy, corporate governance, organization performance evaluation, etc., under the following structure:

- 1.1 The number of directors in the Board of Directors shall be as determined by the shareholders' meeting but not be less than 5 persons, and the number of independent directors must not be less than 3 persons or 1/3 of the total number of directors (whichever is higher).
- 1.2 The appointment of directors must be considered and screened according to the Company's Articles of Association and the requirements of relevant laws.
- 1.3 Board of Directors shall elect one director to act as the Chairman of the Board of Directors.
- 1.4 Not less than half of all directors must have a residence in the Kingdom of Thailand.

2. Qualifications of Directors

- 2.1 Directors must possess qualifications and not have prohibited characteristics under the Public Limited Companies Act BE 2535 (including additional amendments), the Securities and Exchange Act BE 2535 (including additional amendments) or according to the regulations of Securities and Exchange Commission and other related laws, including having no characteristics that show the lack of trust or credibility to manage the business as prescribed by the Securities and Exchange Commission.
- 2.2 Directors must have knowledge, experience, and abilities that are useful and consistent with the Company's business strategy and have honesty, business ethics, being able to devote time to perform duties for the Company, sufficiently qualified and attentive to performing his duties regularly with full capacity.
- 2.3 The Company's directors may or may not be shareholders of the Company, but must not be a business operator with the same conditions or in competition with the business of the Company or being a partner or a director in other juristic persons operating business with the same conditions as the Company or that is competing with the business of the Company whether they do it for their own benefit or others unless he/she has informed the shareholders' meeting prior to the appointment.



- 2.4 Directors who are independent directors and/or members of the Audit Committee must possess qualifications related to independence as determined by the Company and have qualifications as specified in the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Requests Permission and Permission to Offer Newly Issued Shares Dated 30 September 2016 (including amendments).
- 2.5 The Chairman of the Board of Directors must not be the same person as the Chief Executive Officer.

3. Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors has the role, duty and responsibility as the organization leader that creates value for the business sustainability, competitive, versatile, good long-term performance by managing the business of the Company with ethics and responsibility to all stakeholders for the purpose of the Company's goals which can disclose information to shareholders in a transparent, accurate, complete, verifiable and timely manner, honestly, carefully, and in accordance with the Company's regulations, resolution of the Board of Directors Meeting, shareholders' meeting, and related laws according to the following obligations:

- 3.1 Performing the duties of managing and operating the business of the Company to comply with laws, objectives, regulations of the company, resolution of the Board of Directors' Meeting and the shareholders' meeting with responsibility, care, and honesty.
- 3.2 Study the principles of good corporate governance for listed companies (CG Code) to understand and apply practices to create value for business sustainability. Providing a review of compliance with each practice to ensure that the process has been applied or have a development plan suitable for the business of the Company.
- 3.3 Consider, determine details and approve vision, business direction, mission, policy, strategy, business plan, and annual budget for the management of the company, as well as supervising the administration and performance of the Executive Committee, Chief Executive Officer, Management or any person assigned to perform such duties so as to follow the vision, business direction, mission, policy, strategy, business plan, and the annual budget determined by the Board of Directors.
- 3.4 To review business strategies and plans, annual budget, follow up the progress of the operation and compare the operating results with the budget plan, including considering the development of business competitiveness for the whole company and subsidiaries.
- 3.5 Appoint and determine the scope of authority and delegation of authority or responsibility to sub-committees including top management to perform duties



under the control of the Board of Directors according to the specified period, in order to assist and support the performance of the Board of Directors including the cancellation, revocation or modification of the authorized person as deemed appropriate and communicate to create a better understanding of those involved in each mission and scope of work, determining remuneration for sub-committees according to the budget proposed by the management (Not more than the total amount approved by the shareholders) fairly and transparently.

- 3.6 Proceed the Company and subsidiaries to use appropriate and effective accounting systems provide an internal control system, an adequate and effective internal audit system including the establishment of an internal audit unit to monitor various matters to ensure the effectiveness of the operation regularly by reporting the performance directly to the Audit Committee. Provide a process for evaluating the suitability of the internal control system of the Company and subsidiaries.
- 3.7 Prepare accurate financial statements of the company and subsidiaries as at the end of the fiscal year of the Company to show the financial status and operating results in the past accounting period with true, complete, accurate information in accordance with generally accepted accounting standards, and being audited and signed by the auditor to certify such financial statements before presenting to the shareholders' meeting at the annual general meeting for approval.
- 3.8 To consider and approve the appointment of persons with qualifications and not being prohibited by the Public Limited Companies Act BE 2535 (including additional amendments), the Securities and Exchange Act BE 2535 (including additional amendments)) including announcements, regulations and / or related regulations to enter the position of director in the event that the position of the director is vacant due to other reasons other than retirement, and to consider and propose the appointment of directors to replace those retiring by rotation.
- 3.9 To consider and approve spending for investment, operations, borrowing or requesting any loans from financial institutions as well as being a guarantor for normal business operations of the Company, subsidiaries and affiliated companies without limit under the Company's Article of Association, regulations, and relevant regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board.
- 3.10 To consider and approve the connected transactions between the Company, subsidiaries and connected persons as specified in the Securities and Exchange Act BE 2535 (including additional amendments) including relevant regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board, consider approving the criteria for entering into transactions between the company and subsidiaries with directors, executives or related persons with general trading



conditions in order to set the framework for the management to have authority to conduct such transactions under the framework and scope of relevant laws and regulations.

- 3.11 Appoint a suitable person as the company secretary to be responsible for overseeing the preparation of the Board of Directors meeting, the activities of the Board of Directors, as well as coordinate for the implementation of the resolutions of the Board of Directors, reporting to shareholders, the Stock Exchange of Thailand and to other related agencies. Encouraging the Company Secretary to attend training and knowledge development course that will be beneficial to the performance of duties. The Company Secretary has no right to vote.
- 3.12 Provide appropriate communication channels for each group of shareholders, supervise the disclosure of information to ensure that it is accurate, clear, transparent, reliable under the highest standard.
- 3.13 Establish risk management policies, supervise and manage risk with efficiency, covering the entire organization, which is reviewed, evaluated by the Audit Committee on a quarterly basis, and evaluate the risk management system continuously every year.
- 3.14 Establish anti-corruption policies and good corporate governance policies in accordance with the Securities and Exchange Act and laws related to the Company's business. As well as supervising the development of the organization to meet the international level, which is a good practice in sustainable business operations.
- 3.15 Encourage employees at all levels to have consciousness in ethics and morality as specified in the written ethics and supervise to communicate with employees at all levels thoroughly to understand the ethical standards of the Company and to recognize the importance of internal control and risk management systems in order to reduce the risk of fraud and abuse of power, and to prevent illegal actions related to the Company's business.
- 3.16 Establish a social responsibility policy which is considered as one of the Company's core values, hence, the existence of the organization must be accepted by all stakeholders. Therefore, the Board of Directors is responsible for overseeing and managing the activities to help support society and take care of the environment seriously and encourage employees at all levels to have this consciousness for the overall benefit of society.
- 3.17 Supervise the interests of every group of shareholders fairly and equally. Promote the right to protect the interests of shareholders as well as the opportunity to access information in time. Set up guidelines for actions when there is a conflict of interest between the stakeholders of the Company. Therefore, stakeholders who have special interests must not participate in decision making or do not participate



in the determination of operational procedures and must disclose information on transactions that may have conflicts of interest.

- 3.18 Respect the rights and treat shareholders and stakeholders equally, fairly and transparently by supervising the rights of all directors and/or shareholders to propose the meeting agenda in advance in accordance with the regulations regarding the meetingu by proposing the meeting agenda to the Company Secretary to collect and report to the Board of Directors for consideration. The rejected agenda will be clarified at the annual general meeting of shareholders. Set up procedures and channels for receiving and managing complaints.
- 3.19 Support the creation of innovations that create value or reduce costs for businesses coupled with creating value or benefits for partners, customers, and society based on social and environmental responsibility.
- 3.20 Being responsible for the development of knowledge and capabilities related to their duties to supervise the organization effectively and continuously. Considering and directing the top management development plan and the succession plan for the important positions of the organization and the evaluation of the performance of top management.
- 3.21 Assess the performance of the Board of Directors, individual director, and Chief Executive Officer including monitoring the evaluation results of other sub-committees (at the director level).
- 3.22 Perform the duties of the Board of Directors by proceeding in accordance with the authorization table set forth in accordance with the Company's regulations.
- 3.23 Attend the meeting of the Board of Directors and the shareholders' meeting, unless there is a reasonable excuse which should be notified to the Chairman in advance before the meeting.
- 3.24 Consider and approve the interim dividend payment.
- 3.25 To consider, determine and amend the name of the authorized directors.
- 3.26 The duties of the Board of Directors may be necessary to use external independent consultants or experts in each professional field as deemed appropriate for greater efficiency and effectiveness. The expense occurred is considered as the company's expenses.
- 3.27 Arrange for a meeting of the Board of Directors at least 4 times a year and also an annual general meeting of shareholders within 4 months from the end of the accounting period. The company may hold an extraordinary meeting of shareholders to consider urgent important matters, including matters that required by law or required an approval from the shareholders before proceeding, such as raising capital, reducing capital, issuing debentures, selling or transferring the whole



business of the company or partially to another person, or acquiring the business, amendment of the Company's Articles of Association or Memorandum.

- 3.28 Establish a mechanism to supervise subsidiaries and associates in order to maintain the benefits of the company's investments. The Board of Directors should have the duty to consider the appropriateness of the person to be submitted as a director in the subsidiary company to control the management in accordance with the company's policy by appointing a person to be a director or the management of the subsidiary or the associates in proportion to the shareholding. The scope of authority, duties and responsibilities of directors and executives who have been appointed shall be clearly specified, which includes the determination of a framework for the use of clear discretion to vote in the Board of Directors' meeting of the subsidiaries and associates in important matters to control the management in accordance with the Company's policy and related laws, including the disclosure of financial position information, performance, acquisition or disposal of significant assets.
- 3.29 Supervise and oversee the management and operations of the Company and its subsidiaries to be in accordance with the policies of the Company, securities laws as well as announcements, regulations and relevant rules of the Capital Market Supervisory Board, Securities and Exchange Commission and the Stock Exchange of Thailand, such as connected transactions and the acquisition or disposal of important assets. Provide adequate and appropriate internal control and internal audit systems.

The Board of Directors can authorize and/or assign other persons to perform specific tasks that the authorization or delegation shall be under the scope of power of attorney in accordance with the rules, regulations or orders prescribed by the Board of Directors and/or the Company. The Board of Directors will not have a power to authorize any person to approve the transaction that he or such person may have conflict (According to the definition of the Notification of the Securities and Exchange Commission and / or the Capital Market Supervisory Board announcement and / or the Stock Exchange of Thailand and / or other relevant authorities) or may receive benefits in any manner or may have any conflict of interest with the Company or the subsidiary of the Company, except for approval of items that are in accordance with the policy and the criteria approved by the shareholders' meeting or the Board of Directors, and approving transactions that are in accordance with normal business and normal trading conditions which is in accordance with the Notification of the Securities and Exchange Commission and /



or the notifications of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or related agencies.

3.30 Review the Charter of the Board of Directors at least once a year.

4. Role of the Chairman of the Board of Directors

The Board of Directors will select one director to be the Chairman of the Board of Directors. Therefore, the Chairman of the Board of Directors is not the same person as the Chief Executive Officer, which is in accordance with the principles of segregation of roles between the Board of Directors and the management according to the principles of good corporate governance. The Chairman of the Board of Directors has the following roles and responsibilities:

- 4.1 Supervise, monitor and ensure that the performance of duties of the Board of Directors and sub-committees appointed by the Board of Directors are effective and achieve the objectives and main goals of the organization.
- 4.2 Supervise and encourage all directors to participate in promoting an ethical corporate culture with good corporate governance.
- 4.3 Consider the agenda of the Board of Directors' meeting by supervising the directors to receive information with complete and accurate reports before the meeting to allow the directors to have sufficient time to study and consider the information in making effective decisions.
- 4.4 Being a leader in acting as the chairman of the meeting both at the Board of Directors' meeting and at the shareholders' meeting with fair conduct and support and encourage participants to express their opinions or exercise voting rights independently without the influence of other directors, the management or other shareholders together with providing the opportunity to answer questions completely by strictly adhering to good corporate governance principles.
- 4.5 Conduct a meeting of the Board of Directors or shareholders' meeting according to the agenda, the Company's regulations and laws.
- 4.6 Manage time appropriately to encourage the directors to thoroughly discuss by summarizing the resolution of the meeting and prescribing measures to proceed clearly and fairly.
- 4.7 Strengthen good relations between directors in the Board of Directors and between the Board of Directors and the management as well as provide full support to the operations of the management in accordance with the Company's policy and laws



and supervise the disclosure of information and management in a transparent manner when there is a conflict of interest.

5. Recruitment and Appointment of Directors

5.1 Criteria for selection of directors

The Board of Directors will take into account the qualifications of the directors that are appropriate to support the operations according to business strategy and sustainable development of the Company with criteria for consideration as follows:

- 5.1.1 Diversity qualifications: Directors should have basic education, age, gender, experience, knowledge, expertise in order to increase the efficiency of decision making and overall operation of the Board of Directors by using the Board Skill Matrix as a tool to consider the nomination of directors.
- 5.1.2 Business expertise: Directors must have knowledge and understanding that can support general business operations such as finance, legal, marketing, accounting, planning, human resource management, technology, etc.
- 5.1.3 Specific features: In addition to knowledge and ability, directors should have other qualifications such as leadership, ethics & morality, decision making, etc.
- 5.1.4 Must be a person who has no history of being convicted of a legal or regulatory violation.

5.2 Process for the appointment of directors

- 5.2.1 Allow shareholders to nominate qualified persons to the Company according to the channels set from 1 October to 31 December of each year.
- 5.2.2 Allow the directors to nominate one person with appropriate qualifications.
- 5.2.3 The Company Secretary collects all proposed names and presents to the Board of Directors for consideration and/or sub-committees that are responsible for nominating directors to consider and screen along with considering the list of individuals from the director's database in the database of the Thai Institute of Directors Association (IOD Chartered Director).
- 5.2.4 In the case that there are sub-committees that are responsible for recruiting directors, the Board of Directors will carefully consider the person nominated by the sub-committee as necessary and may invite persons who have been nominated to



discuss or express their vision as they deem appropriate before proposing to the shareholders' meeting for further consideration (As the case may be).

- 5.2.5 Directors who have a conflict of interest will refrain from attending the meeting and voting.

6. Preparation for New Directors

The company has set the guidelines for preparation so that new directors can perform their duties as quickly as possible, while the Company Secretary will be the coordinator as follows:

- 6.1 Deliver important and necessary information to the new director so that he/she can perform their duties effectively, such as annual reports, regulations, directors' manual of listed companies, good corporate governance principles for listed companies, etc.
- 6.2 Provide the director's manual of the Company's prepared by the Company Secretary which contains information related to the directors and information related to the company such as good corporate governance policy, anti-corruption policy, risk management policy, the welfare of the directors, etc.
- 6.3 Arrange for a meeting with the Chairman of the Board of Directors or the management team to acknowledge and inquire in-depth information about the business of the Company.
- 6.4 Arrange for a visit to the company, factory or operation office of the Company In order for the directors to understand the business of the Company more clearly.
- 6.5 Provide appropriate training plans for directors to support their performance and duties with the highest efficiency including developing and enhancing the knowledge, ability and continuous skill development.

7. Positions in External Juristic Persons of Directors and Executives

- 7.1 Directors are not allowed to be directors of private companies or other companies that operate businesses that have the same conditions and are in competition with the business of the Company, whether to do for one's own benefit or for others (unless he/she has informed the shareholders' meeting prior to the appointment). Directors have a duty to report changes in their positions in various juristic persons to the Board of Directors at least once a year.
- 7.2 Executives can hold the position or take the time of the company to work for external entities (Without having a negative effect on the performance of the company) in the following cases:



- 7.2.1 Being a director/advisor in government organizations that provide assistance to which will benefit the company and towards the whole of the country and not established for the benefit of political parties.
- 7.2.2 Being a director/advisor in an organization, institution, association, club foundation that is set up for public interest such as the Federation of Thai Industries, Thai Chamber of Commerce, Thai Listed Companies Association, Universities, etc.

By holding such positions according to 7.2 of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) must be approved by the Board of Directors. As for other executives (including employees), it is the discretion of the direct supervisor in accordance with the 7.2.1 and 7.2.2 framework.

- **Sub-committee**

The Board of Directors appoints 2 sub-committees, namely the Executive Committee and the Audit Committee to help consider and scrutinize various tasks as required by law or relevant regulatory agencies especially those related to strategies, work plans, work processes, policies or regulations, financial reporting system, internal audit and control systems, etc. The Board of Directors may consider appointing other sub-committees to help support the performance of the Board of Directors as necessary. There will be clearly defined roles, duties, and responsibilities of sub-committees in the charter of each sub-committee.



Section 6 Guidelines for Compliance with Good Corporate Governance Principles

The Company is committed to conducting business according to the right way, transparency, and fairness since the establishment of the company in 1974 until now. The company gives importance to social responsibility and good practices for all stakeholders at all levels equally. To ensure that the company has carefully considered and conducted in accordance with the practice of good corporate governance and development to the organization of sustainability, policies, requirements and procedures formulation that is appropriate to enhance anti-corruption in all business activities is essential.

1. Good Practices in Accounting and Financial transactions

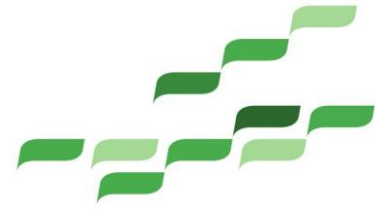
Recording accounting and financial transactions accurately, completely, and in accordance with international standards, related regulations, and legal requirements are something that all employees must perform with strictness, honesty, reliability, therefore, all must work with integrity and ethics.

- 1.1 All directors, executives, and employees are responsible for accounting and financial accuracy. Therefore, recording any accounting transactions must be actual base only. Business transactions must be recorded accurately, completely and can be verified in all cases.
- 1.2 Every group of employees at every level has one important duty that is the preparation of documents and providing financial information correctly and completely in accordance with the schedule from the business operations to comply with the regulation,s Company's announcement, including related laws to make the accounting and financial records accurate and complete.

2. Good Practices in Internal Control and Audit

Supervision for a check and balance system which is consistent with the Company's objectives and goals effectively and efficiently. It is the duty that each unit must provide a standard working system in conjunction with the internal control system. As well as creating understanding among employees in order to focus on the work according to the appropriate method and relevant regulations and laws for tracking continuous monitoring and evaluation of work conditions and for being able to control various risks to be at the level that can be managed timely and appropriately.

- 2.1 Executives at all levels have a responsibility and must manage, supervise and inspect the work system to be effective and accurate according to the operational regulations by directing both the preparation of the operational manual and internal control systems, conducting a risk assessment and control operations.

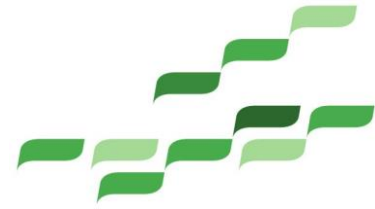


- 2.2 Encourage employees at all levels to participate in the implementation of the risk assessment process along with assessing risk control by supporting each department to assess the risks in the job that they are responsible for, to reduce the impact or reduce the occurrence of opportunities and to control any risks involved, but also have flexibility in performing work.
- 2.3 The Company has established an internal audit unit that operates directly and reports directly to the Audit Committee which monitors the operation with independence, accuracy, fairness, and expertise according to the professional standards of internal auditing.
- 2.4 Supervise and set up an efficient and safe information technology management system for administration and create the credibility of data from operations and financial reports.
- 2.5 Supervise the building of relationships and good understanding with the communication system. To communicate both inside and outside the organization including communication about complaints systems, consulting system, a fact-checking system for employees and various stakeholders as a communication channel for questions or complaints. As well as prescribing guidelines to protect those involved in complaints to build confidence in being a good corporate governance organization.

3. Good Practices in Information Technology and Communication

The current information technology and communication system have become a fundamental factor for business operations, which requires the development of a system to be up-to-date. Therefore, the responsibility for the use of information technology and communication systems under regulations announced by the Company's is important in order to meet the legal requirements. The company has determined the following practices:

- 3.1 Chairman of the Executive Committee has a duty to consider and approve the Company's regulation and announcement, supervise and manage the safety of information systems for employees at all levels to strictly comply with the law on computer usage or information technology system. The practices set forth hereby must be strictly followed.
 - 3.1.1 Must comply with copyright laws act regarding the use of computers. Regulations and announcements of the Company about the use of information systems and must not infringe the copyright of software or intellectual property of others.



- 3.1.2 It is prohibited to use the programs that belong to the Company for personal purpose or take it to others who are not employees of the Company to use for any purpose.
 - 3.1.3 It is prohibited to use the Company's email system to send or forward information or messages that have effects on the national security, religion, monarchy, or to send private messages, propaganda, chain letters, intimidation messages, defamatory messages, slander, or information containing computer viruses, to both internal and external persons.
 - 3.1.4 It is prohibited to use email systems or information technology systems or any communication systems of the company to disseminate news or information of the company which is not related to one's own work for both internal and external persons, except for those who are responsible for public relations that have been authorized only.
 - 3.1.5 It is prohibited to download all types of files without permission from the Company and to use the internal network for various entertainment as it would reduce the efficiency of the Company's data transmission.
 - 3.1.6 It is prohibited to use the Company's computer network for illegal or immoral actions, for commercial purposes, or to disclose confidential information or express personal opinions that are not related to one's own work.
 - 3.1.7 It is prohibited to use personal computer or communication devices within the company or to connect them to the Company's network unless there is a critical reason, which must be allowed in writing from the Company before proceeding.
 - 3.1.8 The use of the Company's computer that the person is responsible for must be set by entering the password which must be kept secret and changed periodically.
 - 3.1.9 It is prohibited to install any other program without the written permission of the Company.
 - 3.1.10 Must maintain the computer and/or equipment to be in a suitable condition.
- 3.2 The top supervisor of the information technology unit is responsible for providing a monitoring process, randomly search and control the use of information systems regularly. In case the violation occurs, disciplinary action and/or legal action will be in charge.

4. Good Practices in Procurements of Equipment and Supplies

Procurement of equipment and supplies must be processed according to the procedures specified in the procurement policy of the Company to ensure fairness to all stakeholders both



in terms of price suitability, quality & service, the company, therefore, determines the procurement measures and procedures as follows:

- 4.1 Procurement must meet the requirements of quantity, quality, price, service, and in accordance with the Company's policy regarding quality, occupational health & safety, and environment.
- 4.2 In selecting partners, the Company will proceed according to the procurement regulations of the Company for fair treatment by giving opportunities for trading partners to have a channel to present products, conducting selection and evaluation process in each area, such as the ability to produce or provide services, quality of products, delivery, etc. The company has the criteria for selecting key partners that are professionalism, good record, no corruption record, reliable financial status, good after-sale service, having the potential to grow with the Company in the long term.
- 4.3 Procurement must be fair and transparent, taking into account the mutual benefits and damages that may occur in all aspects.
- 4.4 Procurement system must provide accurate and complete information to each partner involved including providing fair and equal treatment.
- 4.5 Establish a system for keeping information that has been received from the bidder in a confidential manner without revealing to others.
- 4.6 Keeping relationships with partners with equality, listening to any comments, suggestions, complaints in order to solve the problem, and not claim or require any valuables or benefits from partners either directly or indirectly.

5. Good Practices in Safety, Occupational Health & Safety, and Environment

The Company pays attention to policy on quality, occupational health & safety, and environment by implementing various measures until being certified in each field to assure that our products are environmentally friendly and provide professional services with sustainable development as per the following practices:

- 5.1 Executives, employees at all levels, business partners who work in the Company's area, contractors or other persons entering the Company area must comply with existing regulations in accordance with the standards of safety, occupational health & safety, and environment.
- 5.2 The management has set up a control plan and prevention of emergencies in order to handle the emergency or the crisis efficiently by rehearsing the readiness to handle events that may occur and cause business interruption.



- 5.3 The management has provided an assessment system to monitor, control and prevent losses in various forms due to fire, flood, storm, accident, injury or illness from work, loss or damage to property from system abuse, or error operations including maintaining the working environment.
- 5.4 Executives shall promote and cultivate awareness and create public relations communication to create knowledge and understanding, and disseminate information to employees and stakeholders who enter the Company's area in order to strictly follow the policies, rules, regulations, procedures and various precautions set forth.
- 5.5 Executives shall arrange the system for employees to have the opportunity to participate in social responsibility related to quality, occupational safety & health, and environment seriously and consistently to encourage everyone to realize the importance of the environment and the use of natural resources for maximum benefit.

6. Good Practices in Granting Shareholders the Right to Propose Agenda of the Shareholders' Meeting, the Appointment of New Directors and Proposing Questions in Advance

The Company provides an opportunity for one or more shareholders with a combined share of not less than 5 percent of the total voting rights of the Company to have the right to propose matters to consider as meeting agenda in advance, to nominate candidates for new directors and to propose questions according to the principles set by the Board of Directors. The opening period starts from 1 October to 31 December of every year. Shareholders must submit in writing by mail or fax or via electronic mail to the Company Secretary.

- Send by mail to the Company Secretary
Shera Public Company Limited
No. 2426/3 Charoenkrung Road
Bangkorlhaem District, Bangkok 10120
- Email at cs@shera.com
- Fax: 02- 291-4130

7. Good Practices in Intellectual Property and Copyright

The Company respects and adheres to intellectual property laws and has a policy of not supporting any action that is a violation of intellectual property as well as the implementation of information technology in order to comply with copyright laws and laws relating to computer use including providing the standard work system with the following guidelines:



- 7.1 Every employee has a duty to protect and maintain the confidentiality of all types of intellectual property of the Company and must not use the intellectual property of the Company for personal benefit or for others without permission.
- 7.2 All employees must adhere to be in compliance with intellectual property laws and contractual obligations regarding business confidentiality.
- 7.3 Programs that are designated for use in the Company must be a legitimate program, which the Software License Agreement must belong to Shera Public Company Limited only (except for freeware "or shareware" programs).
- 7.4 The Information Technology Department will install standard programs to use in the Company which is a legitimate standard program only.
- 7.5 Installation, update, change, cancel any program on the Company's computer can be done by the Information Technology Department or must be allowed to operate in writing from the Information Technology Department. In case that any program other than the standard program is required, the Information Technology Department must be notified.
- 7.6 If it is found that an unauthorized program is installed, employees who install programs, including employees who own the computer are responsible and accountable for such actions under the Company's discipline.
- 7.7 It is prohibited to install software programs that belong to the Company to personal computers.
- 7.8 It is prohibited to install software programs that belong to the Company to external computers who are not employees of the Company.
- 7.9 It is prohibited to duplicate, publish, or modify the Company's software programs without permission.
- 7.10 All programs that are developed according to the purpose of the work by the employees of the Company or by outside expert are the property of the Company. Therefore, it is prohibited for all employee to use them for any other commercial purpose.
- 7.11 Virus removal programs will be updated with the standard system, all users must scan, search and eliminate viruses before using data from external sources.
- 7.12 Employees must be responsible for the use of the Company's programs in order to avoid damage to the program and business operations.



Appendix

Definition

"Independent opinion" means freely expressing opinions or reports without concern of any benefits related to property or position, without the influence of any person or group of people, without any circumstances to coerce the ability to express opinions.

"Internal control" means the process, organization plan, work systems and methods that exist within the organization designed by the Board of Directors and the management with the main objective to ensure reasonable confidence about the followings:

1. Reliability and completeness of data.
2. Compliance with policies, plans, procedures, laws, and regulations.
3. Protection of the assets of the Company
4. Effective resources saving.

"The basic rights of shareholders" include buying-selling or transferring shares, profit sharing, sufficient information of the business, shareholders' meeting participation, the right to vote in the shareholders' meeting, appointing or removing directors, appointing auditors, considering matters affecting the Company such as dividend allocation, formulation or amendment of articles of association and memorandum of association, capital reduction or capital increase, and special transaction approval.

"Leadership and Independence of the Board of Directors"

1. The Board of Directors has a role in the formulation of policy and vision, and to supervise the management to follow the policy and be independent in making decisions for the benefit of the Company and all stakeholders.
2. The Board of Directors under the leadership of the Chairman of the Board of Directors is able to control the operations of the management efficiently and effectively. The Company has clearly separated roles and duties between the Chairman of the Board of Directors and the Chief Executive Officer.
3. The Board of Directors must consist of independent directors from outside who are knowledgeable. The independent directors must have sufficient access to financial and other business information in order to be able to express opinions independently and maintain the benefits of those involved by attending meetings regularly.
4. Independent directors must possess independent qualifications according to the announcement of the Capital Market Supervisory Board including having other



qualifications as specified by the Company in order to be able to oversee the interests of all shareholders equally and to prevent conflicts of interest between the Company and executives or major shareholders or other companies that have the same management / major shareholders. In addition, they must be able to independently express opinions in the meeting.