

Corporate Governance Policy and Code of Conduct

The Thailand Securities Depository Co., Ltd. (TSD)

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Message from the Chairman

The Board of Directors of Thailand Securities Depository Co., Ltd. (TSD) adheres firmly to good corporate governance in all aspects of operation to ensure the business operation have efficiency, transparency and fairness in management, with responsibility for society and environment. We are committed to developing TSD to grow continuously. In addition, we create the value for the organization, stakeholders and society as a whole, while promoting the growth and change of the Thai capital market via sustainable development.

The board has approved this “Corporate Governance and Code of Conduct” to ensure of its efficiency in communication to all employees. The Board expects that employees who work for TSD at all level understand and strictly adhere to the policies in this manual to keep trust and boost confidence among stakeholders, which will enhance the credibility of TSD in transparency in work performance, as well as increase competitive capabilities of Thai capital market.

Kesara Manchusree
Chairman

Introduction

The Thailand Securities Depository Co., Ltd. (TSD), is a subsidiary of The Stock Exchange of Thailand, which the company shares are held by SET 99.99 percent of the total number of shares with voting right of such company. TSD has established this Corporate Governance and Code of Conduct by using the principles of good corporate governance of the Organization for Economic and Co-operation (OECD) as guidelines integrated with the principles of good corporate governance for listed companies. In addition, the TSD also comply with the international standards in the operation of securities depository center and securities registrar such as Principles for financial market infrastructures (PFMIs) to ensure appropriateness in accordance with the objectives and mission of the organization, while meeting the expectation of all stakeholders in business sector, investors, capital market and society as a whole. All these are to create the value for the organization in a sustainable manner.

Monitoring and Reviewing

1. The Board of Directors expects employees at all level of TSD to place importance on and strictly adhere to this Corporate Governance and Code of Conduct Manual in order to set an acceptable standard for others to follow.
2. The directors and executives should take the lead as role models for employees to comply with this Corporate Governance and Code of Conduct Manual. Supervisors at all levels have responsibilities to educate employees to make sure their teams understand and strictly adhere to the Code of Conduct. An ignorance of this guideline, which stated in this manual, could not be an excuse.
3. When in doubt, the employees should consult with his / her immediate superior or Compliance Department, or another department with a different name but similar function.
4. The Code of Conduct is considered part of the discipline that all TSD employees must practice and strictly follow. Any employee violating or not adhering to such Code of Conduct will be subject to disciplinary actions according to the human resource management rules & regulations. All employees are obliged to follow and encourage others to follow the Code of Conduct.

The following actions are regarded as violation of the Code of Conduct:

- (1) Not in compliance with the Code of Conduct
- (2) Advising, encouraging or supporting others against compliance with the Code of Conduct
- (3) Neglecting when exposed to a violation of or non-compliance with the Code of Conduct in case of knowing about it or should know such matters related to the work under his/her responsibilities
- (4) Not cooperating or obstructing the investigation and fact-finding into the claim of a violation, or non-compliance with the Code of Conduct
- (5) Treating others unfairly due to the report on being non-compliance with the Code of Conduct

In any case, a breach of this manual can also mean breaking the law and the employee will be subject to criminal penalties or civil sanctions.

5. The Board of Directors is responsible for the review and assessment of the Code of Conduct to make sure it is adequate and appropriate. Any significant adjustment has to be submitted to the board for approval.

Definition

Company	means the Thailand Securities Depository Co., Ltd.
SET	means the Stock Exchange of Thailand
The board	The Board of Directors of Thailand Securities Depository Co., Ltd.
Subcommittee and advisors	means the subcommittee, advisors including person who appointed by the board.
Stakeholders	means the Securities and Exchange Commission, member companies, listed companies, non-member securities companies, investment management companies, investors, employees, trading partners, customers, creditors, competitors, public sectors, as well as any other organizations or institutions within the society
Customers	means customers of TSD
Employees	means the chairman and all employees who work for TSD
Business partners	means any party or individual who provide goods and services for TSD
Advantages	means any money or gifts which includes but not limited to discounts, entertainment privilege, services, support in any kind e.g. travel and accommodation expenses, meal allowance, including any benefits which is not provides to the public or gives in traditional occasions
Traditionalism	means festive days or occasions including social events that gifts are traditionally exchanged
Intellectual property	includes copyright, patents, petty patents, trademarks, service marks and trade secrets

Part 1 Corporate Governance Policy

The Thailand Securities Depository Co., Ltd. (TSD), is a subsidiary of The Stock Exchange of Thailand, which the company shares are held by SET 99.99 percent of the total number of shares with voting right of such company. The operation of TSD is under the Securities and Exchange Act B.E. 2535 in the operation of securities depository center and securities registrar. The operation of TSD is supervised by the Securities and Exchange Commission. As the listed company, TSD shall comply with the Civil and Commercial Code, so the right of shareholders and general shareholders' meetings will be according to the laws. The Board structure, the appointment or the removal of directors, the shareholder meetings, and the voting rights shall follow company's regulation, approved by general shareholders' meeting.

The number and remuneration of the board of directors of TSD shall be fixed by a general meeting. The board consist of the person who have an excellent knowledge of, and experience in, the operations of the Securities Exchange, securities or futures and options businesses, and other related businesses including risk management, which will benefit the operation of the company. Moreover, the number of independent director of the board is stated in the Notification of Capital Market Supervisory Board related to Operation of Securities Clearing House, Central Securities Depository, Derivatives Exchange and Derivatives Clearing House. All directors shall not possess any of the prohibited characteristics in accordance with the law.

The board of directors are in charge of the management of the company's business. The board make the strategic and operational decisions of the company and are responsible for ensuring that the company meets its statutory obligations and the shareholder meeting resolution. In the effort to conduct the TSD business with good corporate governance in the same direction of SET group, The Stock Exchange of Thailand Board of Governors delegated with the authority to the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Social Responsibility Committee to have the duty to work for SET and its subsidiary companies.

TSD's principle of good corporate governance adheres to the SET Group corporate governance policy. In addition, the TSD also comply with the international standards in the operation of securities depository center and securities registrar such as Principles for financial market infrastructures (PFMIs). The Corporate Governance components of the TSD are as follows:

1. Consideration of the Role of Stakeholders

The board will perform their duties to ensure that the operation of the TSD is transparent, and fair to all groups of stakeholders. The details of the practice guideline for the treatment of all groups of stakeholders are outlined in the Code of Conduct.

2. Disclosure of Information and Transparency

The board has a role to regulate company to ensure that any company's disclosure of information to the public and stakeholders be done correctly, accurately, promptly and transparently through a readily accessible, impartial and reliable channels. The information to be disclosed consists of the operation of the company, both financial and non-financial information, via SET's annual report and SET's website, both in Thai and English languages. In addition, the company will have clear and comprehensive rules and procedures and provide sufficient information to enable participants to have an accurate understanding of the procedure and operation of the company.

3. The Role and Responsibility of the Board of Directors

The board have powers and duty to manage the company's business and are responsible for ensuring that the company meets its obligations in accordance with the company's objective, rules and regulations as well as shareholders' resolution. The board must act with duty of care and loyalty in what they consider the best interests of the company and make sure that the operation of the company complies with all relevant laws, rules and regulations and shareholders' resolution.

The details of the scope of duties and responsibilities of the board are stated in the Board Charter which is written about the structure of the Board, the selection and term of office, the duty and responsibility, the board meetings, the evaluation of the Board, the Board's remuneration and the enhancement of directors etc.

Part 2 Code of Conduct

Chapter 1: For conducting business

The SET group aims to conduct our business to support economic growth, while being responsible for society and environment with honesty, transparency, fairness and political neutrality. We strictly comply with all the laws, rules and regulations, relating to the SET group's operations.

The Thailand Securities Depository Co., Ltd. (TSD) provides two types of securities post trade services. First, securities depository services acts as a central securities depository for stocks and bonds, using a secure and efficient scripless system, provide services for securities deposit, withdrawal, transfer, pledge, and revocation. Second, securities registration services acts as a registrar for common and preferred stocks, offers service which mainly covers the functions of preparing and maintaining the Register Book that contains correct and complete information. Our service is executed through the cutting edge and efficient computer system that has been developed to have a direct linkage to that of the Securities Depository Center.

Therefore, the TSD aims to make the business operation more efficient and secure in order to meet the customers' need with transparency and fairness. The TSD shall strictly adhere to all relevant laws, rules and regulations regarding the operation of securities depository center and securities registrar. This code of conduct, can refer to SET Group's code of conduct, was set out as shown below:

1. Best practice on stakeholders

TSD is committed to conducting business with all stakeholders based on fairness in accordance with relevant laws and standard. TSD will not violate the rights of the stakeholders, and we recognize the ownership and rights in intellectual property of others. TSD also provides the channels for stakeholders to express their constructive opinions or suggestions for improvement. In addition, TSD discloses any information to stakeholders transparently, sufficiently and appropriately.

(1) Best practice on customers: Develop quality products and services for customers continuously and make sure they understand our products and services based on responsibility and transparency. Comply with contracts, agreements and conditions in accordance with related laws and standards. Treat customers' confidential information strictly. Never use such information for the benefit of oneself or others. In addition, follow-ups and assessment of customer satisfaction should be carried out for improvement and development of products and services.

(2) Best practice on business partners: Set up transparent procurement process, in such a way as to promote fair competition among partners. Treat partners equally, based on the expected value and benefits which is fair to both parties. Promote partners to enhance potential and capability

of their products and services. Encourage partners on the importance, consideration and respect of human rights, social and environmental aspects. In addition, follow-ups and assessment of partners should be carried out regularly to develop business transactions in a sustainable manner.

(3) Best practice on creditors: Strictly follow the policy of dealing with creditors with discipline and transparency. If not able to comply with the agreement or contract, it is necessary (for the responsible person) to notify the creditor in advance in order to find solutions and prevent damage. Financial management must be carried out in such a way as to assure the creditor of the organization's sound financial status and the ability to repay.

(4) Best practice on employees: Take care and treat employees fairly. Respect people's human rights. Offer remuneration competitive to market rates. Provide good working environment, health welfare and safety at work, as well as appropriate employee welfare (benefits & facilities etc.) according to the laws. Enhance employees' knowledge, skills and capabilities continuously and variously. Provide knowledge on savings, investment and personal finance management for employees to be well-prepared for retirement, in addition to setting up the employee provident fund. Moreover, Succession Plan has to be prepared and managed in accordance with the corporate strategy and direction.

(5) Best practice on competitors: Adhere to competition rules fairly and treat competitors in compliance with the laws and ethics. Do not seek competitors' confidential information in an unethical and improper manner. Employees must also protect competitors' confidential information not officially released to the public.

(6) Best practice on society and environment: Be a model citizen by participating social, community and environment development. Support various forms of activities with responsibility on the society, community and environment. Share the organization's knowledge to the public and interested persons. Place high importance on internal environmental management, in compliance with laws, rules, regulations and standards relating to environment.

(7) Non-Violation of Human Rights: Specify a policy of equal employment opportunity, security and career advancement, including other principles related to employees, as well as ensuring that the employees possess necessary knowledge and expertise to perform their work. Moreover, the employees should understand the best practice, relevant standards and the practice guidelines along with the opportunity to develop the skills, knowledge and capability in line with the trend of future business operation. Additionally, the executives and employees must comply with the principles of human rights, which are considered part of the operation, and must not support any business that violates human rights principles.

(8) Non-Infringement of Intellectual Property: Acknowledge and realize the ownership and legal rights in any intellectual property belonging to other persons. Therefore, in the operation of any business by the SET group, involving other people's intellectual property whether the reproduction, adaptation or dissemination, prior consent needs to be obtained from the owner or person with the rights in that intellectual property, except in the case where such action is neither contrary to the normal pursuit of benefits from another person's intellectual property nor unreasonably impairs another person's legal rights in such intellectual property. Examples of these are: the use of another person's intellectual property for the purpose of research studies without profit-making intention, critique or comment on the intellectual property, a report presentation with reference to the owner of the copyright in that intellectual property, etc.

2. Anti-fraud and Anti-Corruption

Focus on operating business with honesty, transparency, and strictly in compliance with the laws, rules, regulations and policy on TSD's anti-fraud and anti-corruption. Never ask for, or receive from, or grant any benefit to any person related to the company, or stakeholders such as government officials, business partners, customers, among others, which may be at risk of fraud, corruption, or damage to the image and reputation of the company. In addition, TSD also support the entities, organizations or activities relating to anti-fraud and anti-corruption.

3. Prevention on Money Laundering

Adhere to the Anti-Money Laundering (AML) laws and regulations. Employees must not receive, transfer or transform any of the assets which may involve in wrongdoings. Employees must not support any activity that may involve money laundering. All these are in the effort to combat the use of our products and services for money laundering purposes.

4. Prevention on Conflict of Interest

Place importance on the prevention of any activity that may cause conflict of interest or related party transaction, by any stakeholder either directly or indirectly. In any circumstance where some or all persons' own interests may affect an employee to make an appropriate decision, that employee must not participate in that decision-making process to ensure the transparency and TSD's benefits. TSD has specified this in the code of conduct for directors, subcommittee, advisors and employees.

5. The Acquisition or Disposal of Securities

The acquisition or disposal of securities by the governors and employees of the company must be done with honesty and integrity, strictly in compliance with the criteria set by the SET Board of Governors. All these are to maintain public confidence on TSD as the center of securities depository center and securities registrar.

6. Insider Dealing and Confidentiality

Give priority to compliance with rules and regulations regarding inside information. Information received as part of our works must never be misused for personal or third party benefits consistently with information that was confidential information of company. Employees must keep the organization's information strictly confidential without releasing it to irrelevant persons and follow Information Classification and Handling Policy which based on its level of sensitivity, value and access of data in order to be aware of the impact to the organization and all stakeholders. The TSD shall keep confidential, and shall not disclose to any other person, the data of the members and clients which is received from its operations, which should not be disclosed under normal circumstances without the prior written consent of the client to whom such confidential information belongs, except for data that has been disclosed to the public, or for disclosure to government or other organizations for the purpose of supervision, or such disclosure is required by the law.

7. Information and Communications Technology

Set up the security management of the information technology (IT) system. The principles defined in this policy will be applied to all of the information systems including but not limited to all computers, software and data in accordance with the requirements of international standard. All users have to be aware of their technology usage to ensure of its efficiency and comply with all applicable laws, rules and regulations including TSD policies and guidelines for TSD's utmost benefit and protect TSD and stakeholders from any liability or damage. The TSD shall maintain information technology systems adequate to deal with the complexity, variety and type of services and activities performed so as to ensure high standards of security and the integrity and confidentiality of the information maintained by providing the robust methods to plan for the entire lifecycle of the use of technologies in accordance with the technological standards and the current risk.

8. Whistleblowing or Complaints

TSD places importance on whistleblowing or complaints by providing opportunities for all groups of stakeholders, both internal and external, to contact or complain relating to controversial issues; doubts on unlawful or unethical conduct; violation of rights; financial report; internal audit

system, etc. TSD adhere to the same policy, procedures, as well as the protection of whistleblowers as SET was set out.

Reporting Channel

(1) Employee may report any concern or complaint regarding legitimate malpractice or employee misconduct to the designated people as follows:

- The Chairman of Audit Committee
- Head of Compliance
- Directly responsible functions
- Respective supervisors at all level

(2) Reporting Channel

- Postal mail : The Chairman of Audit Committee
Internal Audit Department
The Stock Exchange of Thailand
93 Ratchadaphisek Road, Dindaeng
Bangkok 10400
- E-mail : ChairmanofTheAuditCommittee@set.or.th

The reporting channel is published in annual report and SET website.

Part 2 Code of Conduct

Chapter 2: For directors, subcommittee and advisors

The TSD Board of Directors expects that directors, subcommittee and advisors perform their duties in utmost good faith in compliance with the Code of Conduct framework, with honesty, integrity, carefulness and thoroughness to greatly benefit the company and all related parties. The Code of Conduct for directors, subcommittee and advisors covers the followings:

1. Comply with the laws and regulations with honesty and integrity, including the best practice.
2. Perform duties at one's best, in full efforts for the organization's utmost benefits, including attending all meetings, except when necessary.
3. Carry out duties independently and in an impartial manner. Governors, committee members, experts and advisors have to sign a Letter of Intent on Impartiality every time they are appointed to the position and at the start of each year, to confirm to conduct duties in line with good governance. During the meeting, if a governor, committee member, expert or advisor has conflict of interest in the issue being discussed, that person needs to leave the room and abstain from any participation in the decision-making process of such matter.
4. Perform duties by avoiding interests that conflict with the company's interest in order maintain transparent and efficient management. The interests mentioned cover:
 - (1) Not using information from the operation to wrongfully seek benefits for personal or for others' gains
 - (2) Not exploiting the organization's confidential information and not disclosing it even after discontinuing or terminating the service
 - (3) Not seeking personal gains from the status of being a director
 - (4) Not creating obligations which can become a conflict to one's duty later on
 - (5) Not gaining benefits or stakes from the deal or contract on behalf of the company
 - (6) Not accepting gifts or other benefits that are considered a conflict of interest in the company for personal or family gains
5. Properly safeguard the organization's confidential information, preventing it from leaking to outsiders, which may cause damage to the organization or stakeholders, except as explicitly allowed under applicable law.
6. Comply with the Notification of the Board of Governors of The Stock Exchange of Thailand concerning the best practice and restriction on acquisition or disposition of listed securities by governors, including the conflict of interest report.
7. Comply with the SET groups' Anti-Fraud and Anti- Corruption measures.

Part 2 Code of Conduct

Chapter 3: For employees

The board expect all staffs who work for TSD adhere to high ethical standards while performing their duties. The Code of Conduct is considered part of the discipline that all TSD employees must strictly follow to enable the company performance to achieve of its mission goal, as well as reflect the values and culture of the company.

1 Best practice for each individual

- 1.1 Behave with honesty, integrity and fairness in all aspects.
- 1.2 Perform duties with responsibility, prudence, dedication and commitment, physically and mentally, for the benefit of the organization to meet its objectives and targets.
- 1.3 Carry out the duty diligently and always find ways to develop and enhance efficiency.
- 1.4 Maintain self-respect and dignity to gain acceptance in society.
- 1.5 Stay disciplined and comply with the organization's rules and regulations, values and traditions that may or may not necessarily having to be in writing.
- 1.6 Prevent any act that may impact the organization's reputation and image or may cause problems afterwards.
- 1.7 Stay focused on the work, not wasting time on other matters or for personal benefits that may result in conflict of interest, even during non-working hours.

2 Best practice for customers, related parties and society

- 2.1 Deliver services to customers wholeheartedly, proficiently and promptly.
- 2.2 Willing to listen to opinions or suggestions from other people and ready to clarify the correct information to the best of your knowledge.
- 2.3 Value others, always respect them and treat them equally.
- 2.4 Participate in creating and enhancing the community without damaging one's work or the organization's image.

3 Best practice among employees

- 3.1 Promote teamworking spirit by helping each other for the overall benefit of the organization.
- 3.2 Mutually create and enhance the atmosphere of unity and solidarity among employees.
- 3.3 Earn respect and admiration from subordinates, being a good role model along the corporate values.
- 3.4 Honor your boss, be nice to your peers and respect others.
- 3.5 Must not take other persons' work as yours.

4 Applying Best Practice to the Organization

4.1 Compliance with laws, internal rules and regulations, orders and the board's resolutions.

- (1) Strictly comply with laws relating to the organization's operation, including rules and regulations, orders and the board's resolutions.
- (2) Never participate in or conceal any illegal activities.

4.2 The idea expression to the public or the media

- (1) Avoid or refrain from giving opinions to the public or media on matters that may impact the organization's prestige and operation, on matters not under your responsibility.
- (2) Before releasing any news or information to the media and the public, the person(s) in charge of press releases must carefully consider it so as not to cause damage or tarnish the image of the organization.

4.3 The record, report, upkeep, usage and disclosure of corporate information

- (1) Record and report the information correctly according to the set system and standard; never counterfeit or forge letters, reports or any document whatsoever.
- (2) Do not use data, information, documents, software programs, books, articles, video tapes, audio tapes and work of any person, in such a way as to violate copyright laws no matter whether such data or work has shown copyrights protection or not.
- (3) Keep data and information relevant to one's jobs in a safe condition and always available for use to benefit the organization. Once the period for keeping the documents expires, employees in charge have to destroy the documents properly as categorized in accordance with the policy.
- (4) Keep confidential the information on the organization's operation, internal operating plans including resolutions and opinions of the board, Committees, working teams and management team. Disclosure of such information to any person must be approved by the unit that owns the data and information.
- (5) Never disclose the company's information about business operation obtained from one's assigned duties and other information that may negatively affect the organization's reputation and operation, including the information on unconfirmed policy or operation guidelines.
- (6) Never disclose or transfer any technology categorized as confidential to other persons via any channel such as Internet, e-mail or facsimile, etc.

4.4 The use of the organization's property

- (1) The work or outputs created while working for the organization are considered the organization's property, except for the particular case that the organization has stated clearly and approved that the work belongs to the creator, inventor, researcher or others.

- (2) How to safeguard the organization's properties:
 - (a) Economize the use of the organization's property for maximum benefit.
 - (b) Take good care of the organization's property, maintaining values and safeguarding from losses.
 - (c) Never use the organization's property for the benefit of oneself or others'.
- (3) The use of computers and information technology:
 - (a) Strictly comply with the IT Security Policy and Social Media Policy.
 - (b) Never use computers and information technology for the benefit of oneself or others.
 - (c) Use other communication tools provided by the organization such as telephone, fax and cell phone with consciousness and responsibility by taking into consideration the interests of the organization.

5 The buying or selling of stocks by employees

- (1) Never use inside information for personal or other persons' benefit wrongfully.
- (2) The buying and selling of securities by the employee, spouse and minor child must comply with the Notification of the Board of Governors of The Stock Exchange of Thailand: Acquisition or Disposition of listed securities by employees.

6 Conflict of interest

- (1) Uphold the organization's interests under legal justice and ethics without giving support or privileges to any person which can in turn benefit oneself either directly or indirectly.
- (2) Never engage in any situation likely to cause conflict of interest.
- (3) Comply with the Order of the President of The Stock Exchange of Thailand, referring to General principles and practices for managing and resolving potential conflicts of interests.

7 Receiving and giving of gifts or any other benefits

- (1) Never request gifts or any other benefits from a person or juristic person doing business with the SET group, neither for oneself nor others.
- (2) Never receive or give gifts or any other privileges from or to a person or juristic person doing business with the SET group. The exception is on special occasion or festive season with gift-giving tradition: the gift must not be over THB 3,000 for each person / each occasion. If the gift or any valuable item is over THB 3,000, it can be taken only to keep good relations and must be reported to the supervisor, then provided to the building management unit or related unit for office use, within 7 days. However, the gift receiving must not be translated into influence on any unfair decision making on the duty whatsoever.
- (3) Business entertainment is acceptable, but the expenses must be reasonable.

8 Political right

- (1) Exercise your rights as a good citizen according to the constitutional and related laws.
- (2) Never participate in any activity that may cause misunderstanding that the organization is involved or supports any political party or movement group.
- (3) Never use corporate assets to support any particular political party or movement group.

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