



Kaset Thai International Sugar Corporation Public Company Limited

Code of Conduct and Business Ethics

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Message from the Chairman

KTIS Group's Board of Directors committed to its intention to promote and develop KTIS Group to be an organization with the excellent corporate governance and management in order to drive the business forward base on the work performance with transparency, morality and responsibility for the shareholders, customers, employees, agriculturalists and all interested parties as well as the awareness of social responsibility.

KTIS Group has therefore prepared the Code of Conduct and Business Ethics in accordance with the corporate governance which is a generally accepted principle for managing the organization. The principle is consisting of morality and ethics for all of the Board of Directors, executives and employees to comply with and practice according to the Code of Conduct and Business Ethics in order to achieve the abovementioned intention.

The Board of Directors shall keep on reviewing the Code of Conduct and Business Ethics annually to ensure the suitability and accord as to the business environment. KTIS Group considers this Code of Conduct and Business Ethics as an integral part of “**Work Rules and Regulations of KTIS Group**” in which all employees are required be in a strict compliance.

Mr. Pricha Attavipach

Chairman of the Board of Directors

KTIS Group

Section 1

General Provisions

Vision

KTIS Group is leading organization with an outstanding uniqueness, management of the business as per the corporate governance principle, fully integrated of agricultural and industrial operations, attentive to the societies, uphold the value and worthiness of sugar, products, by-products and environment-friendly clean energy for a firm and sustainable growth of business.

Mission

1. Operate the business with a well-rounded experience, adhered to the creativity and professionalism for creating the innovation and adding value to various products and services from the upstream sector to downstream sector.
2. Build up the sustainable and potential source of raw materials to support a modernized and fully integrated business network for the manufacture of high-quality products, and production of the clean and environment-friendly biomass energy.
3. Manage under the principle of morality and governance both upon the current business and the investment in new business in order to operating the business worthily and returning, in financial and non-financial form, to the societies, shareholders, customers, employees, agriculturalists and related persons.

Value and Corporate Culture

Value

Value means the Guiding Principle or behavior that the organization or members in organization aim to comply. Value shall be the factor reflecting and influencing the expected corporate culture, and it shall be a supporting or guiding factor for the decision-making of all members in the organization, and shall also be the driven factor for the organization to achieve the vision as well as the mission of the organization. The existence of a good and proper value and operational behavior shall drive the organization towards the determined goal efficiently, and shall encourage all employees to participate in building up the business of

organization to achieve the determined goal. Value is a part of the elements that establish the corporate culture.

Corporate Culture

Corporate Culture means the practice that members in organization have continuously been imitating and eventually become uniqueness of organization. It began from the connection and combination between members' perspective, value, belief, norm and action of the individuals, group, organization, policy and the objectives of organization, technology, group's condition, success of organization until it is universally accepted by the members in organization. KTIS Group has determined value as the corporate culture which have continuously been practicing, so called "7 Cultures of Awareness"

1. Diligence, Endurance, Commitment to the Success

Under the competitive circumstances and continuously rapid change in all aspects, all employees shall be responsible for performing their tasks to achieve the goal with diligence and endurance, using knowledge and ability in full potentiality, and committed to dedicatedly perform for the achievement of work.

2. Creation of Innovation

The operation of agricultural business industry involves both the major products and by-products. The focus on the creation of innovation is therefore essential to uphold the value of products and encourage the employees to be open-minded and seeking for new knowledge at all times, in order to be united in action for creating the innovation with the new idea to add value and create sustainable worthiness.

3. Familiness

All employees under KTIS Group are in the same family and supposed to support each other according to the rules, disciplines and conducts of KTIS Group as well as moving forward together with a firm and sustainable growth of KTIS Group.

4. Commitment to the Corporate Governance Principle

Aim on the employees to perform their tasks with diligence, loyalty, honest, transparency, fairness, awareness and ethics in profession, secure the confidentiality, benefits and properties of the Company's group as well as strictly behave, at all times, according to the guidance of both conducts, and the rules and regulations of KITS Group and laws.

5. Knowledge Empowerment and Self Development

KTIS Group emphasizes on empowering knowledge for the employees in all sections and levels in order to promote the self development of the employees to always be ready for dealing with the change of business operation.

6. Sugarcane Farmers Support and Care as if a Family Member

Sugarcane is an essential raw material for KTIS Group's business operation. In the course of building the firmness and sustainability of KTIS Group, all employees shall contribute in supporting and caring the sugarcane farmers as if they are one of our family members in which generosity and support are indispensable in order to be ready to move together towards to the growth according to the KTIS Group's slogan which is said "Sugarcane farmers' wealth is KTIS Group's firmness"

7. Corporate Social and Environmental Responsibility

All employees are required to be aware of responsibility to the environments and societies, and shall be united in action among the employees as well as being well-cooperative to the communities and all related person to preserve the environments to be according to the standards and regulations, shall not cause pollution in all aspects. Apart from the omission of destroying the environments, all employees are required to mutually nourishing for the better environments, and in the meantime, shall simultaneously attending care for the communities and societies. The KTIS Group's growth must be progressed together with the creation and preservation of good environments as well as creating the benefits and values to the members of societies at all times.

Definition

Code of Conduct and Business Ethics means guidance of good practice for the business operation in reliance to the standard of ethics, which is the standard rules of behavior and habit, to compile in form of documents as a reference for the organization or the beneficially interested persons in general, and establish the behavioral standard, legal framework, custom, tradition to be used as the principle of operation in organization.

KTIS Group consists of Kaset Thai Industry Gugar Co., Ltd., Thai Identity Sugar Factory Co., Ltd., Ekarat Pattana Co., Ltd., Environment Pulp and Paper Co., Ltd. and Kaset Thai Boi Power Co., Ltd. including the upcoming the Company or juristic person in the future that KTIS Group shall acquire the share in proportion of exceeding 50 percent whether directly or indirectly.

Board of Directors means Board of Directors of all companies in KTIS Group.

Executives mean Chief Executive Officer – KTIS Group, Deputy Chief Executive Officer – KTIS Group, Chief Executive Officer of each Department, Chief Executive Officer of Financial Management – KTIS Group, Senior Principal, Chief Operational Officer, and Principal, including the Managing Directors of all companies in KTIS Group.

Employees mean directors, Chief Executive Officer – KTIS Group, Deputy Chief Executive Officer – KTIS Group, Chief Executive Officer of each Department, Chief Financial Officer – KTIS Group, Senior Principal, Principal and Chief Operating Officer, including the Managing Directors of all companies in KTIS Group, full-time monthly employees, full-time daily employees and employees under separate employment agreement.

Business partners mean the supplier of products and services for KTIS Group including the sugarcane farmer agriculturalists.

Customers mean the users of products and services of KTIS Group.

Related persons mean any individuals or juristic persons that KTIS Group has established contact in the course of business relation whether the government, governmental units, state enterprise, private sector, non-profit organization, etc.

Interested persons mean the persons involve with KTIS Group in any aspects such as employees, shareholders, related persons, business partners, customers, communities, societies, environments, creditors, etc.

Things and any other benefits mean the monies, properties or any other benefits giving in the manner of amicable courtesy and ex gratia as the awards, gifts, contributions or rewards, granting the privilege which is not the rights available for the person in general regarding the discount of products, or privilege for services or entertainment as well as the subsidy of expenses for travelling or touring, accommodation, food or any other things in similar nature, and whether in form of cards or tickets or any other things in similar nature, and the advanced payment or reimbursement.

Traditions mean the festivals or important days which may require the grant of gift to each other as well as the opportunity to express congratulations, appreciations, hospitalities, condolences or providing support as to a good manner as normally practiced among the societies.

Section 2

Business Ethics

Meaning

Business Ethics is the combination between economy and ethics with the purpose to support the policy and implementation of the business sector in order for the success of business operation with responsibility, fairness, sustainability, long-term result. In the meantime, it creates balance between the interested persons in such particular business, namely, shareholders, employees, customers, business partners, communities, governments as well as the environments neutrally.

Policy of the Business Ethics

KTIS Group adheres to the business operation with the principle of loyalty, honesty, transparency, promoting morality and ethics in order to assure the shareholders, employees, business partners, agriculturalists, creditors, communities, governments and all interested persons that KTIS Group shall comply with the laws, standards and good practices in the business operation with the disclosure of financial information accurately, fully and punctually. The insider information which is not yet disclosed shall not be utilized for personal benefit or related persons' benefit as well as shall not act in the manner that might cause damage or conflict of interest.

KTIS Group continuously supports and promotes the activities that are beneficial for the societies, cultures and traditions as well as supporting the development of innovation, addition of value to the agricultural products, and promoting the employment, use of raw materials and the material domestically available in the country as the major source for business operation.

Observance of the Conduct and Business Ethics

Individual under the Obligation of Compliance for the Conduct and Business Ethics

Employees are obligated to comply with the conduct and business ethics with the understanding, acceptance and faith, exercising due care and avoiding misbehavior against the conduct and business ethics. Employees shall behave as a good model and shall strictly comply with the Code of Conduct and Business Ethics.

Violation or non-compliance of the conduct and business ethics including the rules and regulations of the Company shall be considered for the disciplinary penalty as determined in “**Work Rules and Regulations of KTIS Group**”

Suggestion for the Conduct and Business Ethics

1. Understand the substance and content of this conduct and business ethics.
2. Learn the substance and content relating to one self’s duty and responsibility.
3. Review the knowledge and understanding on the substance and content of this conduct and business ethics in constant basis.
4. Educate the other persons, with the knowledge and understanding, who are required to perform their duty with the Company’s group or may affect the KTIS Group.
5. In case of any suspicion or query regarding how to comply with the conduct, the advice should be sought from the supervisor and/or human resources department and/or the person designated by KTIS Group to be responsible for monitoring the compliance of conduct.
6. Notify the supervisor or responsible person upon the violation and non-compliance of conduct is detected.
7. Cooperate with the units or persons appointed by the Company’s group for the fact-finding processes.
8. Supervisors from all levels must be the leader for the compliance of conduct as well as promoting the working environment for the employees and related persons to understand that the compliance of conduct is a correct action and shall strictly be complied. No excuse can be raised on the ground that the guidance of practice determined in this conduct is not aware of.

Action under the Scope of Misconduct against Conduct and Business Ethics

All employees are required to comply, and support the other persons to comply with the conduct. The following actions shall be considered the misconduct:

1. Fail to comply with the conduct.
2. Suggest, encourage or support the other persons not to comply with the conduct.

3. Neglect or ignore despite the violation and non-compliance of conduct is detected, in case that he is aware of or should be aware of the same, due to the involvement through his responsibility.
4. Do not cooperate or obstruct the investigation through the fact-finding process in order to verify the violation or non-compliance of conduct.
5. Unfair treatment against other persons on the ground that such persons reported the non-compliance of this conduct, the wrongdoer must be under a disciplinary trial according to the regulations stipulated by KTIS Group. In addition, the penalty under the laws may be applied should such action constituted an illegal action.

Responsible Person for Monitoring and Promoting the Compliance of Conduct

1. Directors are responsible to prepare the Code of Conduct and keep revising the same to be the suitable as well as properly perform the evaluation of the compliance of conduct.
2. Executives in all levels are subject to the duty as follows:-
 - 2.1) promote the compliance of conduct and behave as a good model.
 - 2.2) convey the policy and the way of practice as well as being broadly open-minded for the comment relating to the compliance of conduct.
 - 2.3) train the employees to concern on the responsibility and establish the management system which is corresponding to the legal provisions, the Company's regulations including the compliance of the conduct and business ethics.
 - 2.4) supervise the performance of units to be in compliance with the relevant rules and regulations.
3. Human Resources Department or the unit that supervises the human resources are responsible for notifying the employees to be aware of the duty to comply with the conduct.
4. Internal Audit Section is responsible for verifying the preliminary information in case there is a reliably potential cause of violation against the rules, regulations and conduct in order to report to the Audit Committee.
5. All employees are responsible to comply with, monitor and promote all employees to comply with, the conduct and business ethics. In addition, proposing the difficulty and obstacle of the compliance of

conduct and business ethics to the chief executives or the Internal Audit Section in order to propose the comment and suggestion to the Board of Directors accordingly.

Section 3

Conduct of Business Operation

Meaning

Code of Conduct means the behavioral processing, determination of the standard rules and regulations of behavior and the preferable behavior for the business operator in order to maintain and promote the honor and reputation by applying the standard of ethics in determining such rules and regulations, and preparing the code as a documentary reference for the organization or beneficially interested persons and establishing the behavioral standard, legal framework, and tradition to be used as the guidance of operation in organization.

The Board of Directors of KTIS Group has prepared the Code of Conduct and Business Ethics determining the policy of business ethics of KTIS Group requiring all members of the Board of Directors, executives and employees in all departments and levels to comply and to observe during the course of business operation and work performance. The work performance shall conduct in the same direction under the policy of ethics, morality, loyalty, respect of rights and equitable treatment of the interested person in order to establish a foundation and maintain the image of KTIS Group to be an organization with sustainable growth. KTIS Group has determined the Conduct of Business Operation as follows:

3.1 Conduct for the Compliance of Relevant Laws and Regulations

KTIS Group concerns on the importance of strict compliance on relevant laws and regulations. All employees are required to comply with the laws and regulations of governmental units and shall avoid any participation in the activity which is illegal or contrary to the public order or good moral. The use of employees and properties of KTIS Group for the illegal purpose is strictly prohibited.

Good practice

- 3.1.1 Employees shall correctly and fully comply with the laws and regulations of the relevant units. Such laws include the provisions of the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.
- 3.1.2 Violation of laws, resolution of shareholders' meeting, resolution of the Board of Directors' meeting, rules, regulations, order of KTIS Group, on the ground that such violation is acted

to increase the profit of the Company or any whatsoever reasons shall not be the reasonable cause.

3.1.3 Employees shall perform their duty with loyalty and honesty, and the legitimate benefit of KTIS Group must be taken into account, although the existing gap of laws, rules, regulations and order of the Company is found.

3.1.4 Employees are required to thoroughly understand the laws and regulations of the Company which is relevant to their duty and responsibility, and shall strictly comply with the same accordingly. In case of any doubt, advice of the legal department is required to be sought and they are not allowed to comply base on their own understandings without proper advice.

3.2 Conduct for the Performance of Duty

The Board of Directors, executives and employees of KTIS Group are the important persons and are obligated to the responsibility and the treatment of interested person from all sections. Therefore, the Conduct for the Performance of Duty should be set as follows:

Good practice

- 3.2.1 Position oneself to the loyalty, honesty and fairness as well as adhering to the conduct of business operation.
- 3.2.2 Perform the duty responsibly, prudently and dedicate physically and mentally for the course of work. Being loyal, honest, fair, adhering to morality and consider the benefit of organization as the top priority.
- 3.2.3 Perform the duty with diligence and commitment as well as always seek the way to develop and improve for the efficient work.
- 3.2.4 Maintain oneself honor to be generally accepted in the society.
- 3.2.5 Adhere to the discipline and comply with the rules, regulations, culture and tradition of KTIS Group regardless of whether it is stated in writings or not.
- 3.2.6 Avoid any actions which may affect the reputation and image of organization or may later be the problem for the organization.

- 3.2.7 Do not spend the working hours of organization for other work or for personal benefit which, as a result, shall obstruct the task to be fully performed during the working hours of organization.
- 3.2.8 Personnel of KTIS Group is prohibited to cause the disturbance, nuisance, discourage against inspiration and to loosen solidarity, adversely behave against or disturb the performance including sexual harassment and sexual abuse, flirting, abusive action, indecent act, and possessing of pornographic, in form of verbal and physical manner, whether to the personnel of KTIS Group or third person who is the business contact.
- 3.2.9 Personnel of KTIS Group are prohibited to use the name of organization and name of his position for requesting money for personal benefit in whatsoever purpose.
- 3.2.10 Employee of KTIS Group is required to perform duty according to the legitimate order of supervisor as well as cooperating and supporting the activities to uphold the solidarity and good model.
- 3.2.11 Seek for the knowledge and commit to a constant self development.
- 3.2.12 Cautiously exploit the properties and resources of organization with the consideration upon the utmost benefit of organization.

3.3 Conduct for the Conflict of Interest

The Board of Directors, executives and employees of KTIS Group shall perform duty with the benefit of KTIS Group being taken into account without personal demand and influence from any person. The Board of Directors, executives and employees must always be aware of whether they are in capacity of interested person or in a conflict of interest or not. Should they are in such circumstance, such Board of Directors, executives and employees should discontinue from performing their duty and be substituted by other person in order to eliminate the potentially alleged accusation on the ground of conflict of interest or abuse of power aiming for personal benefit and causing damage to the organization. The Board of Directors, executives and employees of KTIS Group shall strictly comply with the conduct for the conflict of interest.

Good practice

- 3.3.1 The Board of Directors, executives and employees are prohibited to influence or exercise authority in conducting the transaction between the organization and person who is related with them unless the interest is disclosed as well as the procurement process is complied, and a specific permission or an approval in principle is granted.

- 3.3.2 Related persons in capacity of the family members of employees are allowed to conduct transaction that contains general trading terms without influence of the Board of Directors, executives and employees. Such trading terms must be the terms that an ordinary person would generally do with the business partner provided that the requirement of relevant procurement processes and other manuals must be complied.
- 3.3.3 Issuance of order, for the benefit of the Board of Directors, executives and employees who are the issuer of order themselves, is prohibited.
- 3.3.4 Attendance of meeting in any agenda item that the attendee has interest, such interested attendees being the Board of Directors, executives and employees shall not attend the meeting temporarily in order for the other attendees to consider, analyze, and criticize without the influence of such interested employees.
- 3.3.5 The Board of Directors and executives are required to consider the conflict of interest regarding the connected transaction between Kaset Thai Industry Sugar Co., Ltd. with the subsidiaries and associate companies prudently with loyalty, honesty, reasonable and independent ground under a good ethic framework and consider the benefit of organization as the top priority.
- 3.3.6 The Board of Directors, executives and employees shall not borrow money or accept any other property, which is beyond reasonable manner base on the general practice and tradition, from the business partner in order to avoid the influence against performance of duty in capacity of representative of KTIS Group.
- 3.3.7 The Board of Directors, executives and employees shall not act in any manners to seek for the benefit or misappropriate the property which is or should be belonged to the Company or the Company's customers.
- 3.3.8 The Board of Directors, executives and employees should avoid the circumstance or personal activity and financial benefit that may be in a conflict against the duty that such Board of Directors, executives and employees are involved.
- 3.3.9 Should the responsibility of position and duty of the Board of Directors, executives and employees is possibly resulting in supporting, whether directly or indirectly, themselves or their family members and relatives or third person, the Board of Directors, executives and employees should not participate in any decision-making and shall notify their supervisor forthwith.

- 3.3.10 The Company shall avoid to assign any responsibility to the Board of Directors, executives and employees in case it may possibly lead to the circumstance that causing the conflict of interest of the Company or the Company's customer.
- 3.3.11 The Board of Directors, executives and employees are prohibited to participate or undertake any position in the organization that engages in the business having similar nature of the Company's business or operating the competing business against the Company and the Company's group as well as operating the business that may possibly lead to a conflict of interest against the Company.
- 3.3.12 The Board of Directors, executives and employees shall comply with the rules, methods and disclosure of information on the connected transaction according to the provisions stipulated by the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.

3.4 Conduct for the Confidentiality of KTIS Group's Confidential Information

Confidential information means the information which is not public information or the information in which, if it is disclosed to the public or in the possession of competitor, will be resulting in seriously adverse effect against the Company including the information of all kinds that the business partners and customers provided to KTIS Group. The Board of Directors, executives and employees in KTIS Group are obligated to conceal and maintain secrecy, and scope the disclosure only to the extent to necessary person. It is the duty of the responsible person or possessor of the information who must keep confidential of the information strictly.

The Company is obligated and responsible to secure the secrecy of customers and business partners regarding the information of transactions between the customers and business partners with the Company, and including the particular information obtained from the customers and/or business partners. Use of such information must be as per the business objectives of the Company and shall not convey such confidential information to be used for personal benefit of any person. The Board of Directors, executives and employees are therefore obligated to protect and maintain confidential of the information of customers and/or business partners, and shall always be cautious when it is necessary to use such information. Confidentiality obligation of employees for the customers and/or business partners shall survive although such person is no longer the employee of the Company.

Good practice

- 3.4.1 KTIS Group has set certain confidential degree of information and the protocol for confidentiality. Important documents and information which is confidential shall be monitored with specific methods

set in each degree, type or category of the information. All employees shall keep confidential of the part they are responsible to in order for preventing such part to be in the possession of other person including the employees of KITIS Group who is not involved.

- 3.4.2 Although the employee is retired, resigned or terminated of working from KTIS Group, they shall still be required to maintain and not to disclose the confidential information of KTIS Group.
- 3.4.3 KTIS Group must maintain and conceal the information of customers and the trading information as confidential. All employees shall not disclose the customer's secret to the KTIS Group's employees and third person who is not involved except in case that the legal provisions require so, or the disclosure due to the purpose of litigation proceedings, or KTIS Group's Board of Directors approved such disclosure, or the information become public domain.
- 3.4.4 Employees shall not bring the inside information they perceived during the course of performing the duty and conveying to other person or exploiting such inside information fraudulently or causing the damage to be suffered by KTIS Group.
- 3.4.5 The disclosure must be handling by the designated authorized employee only. General employees have no duty to disclose information, in case that they are requested to disclose the information which is not under their duty, they shall advise the requester to contact the responsible person for the correct and consistent information.
- 3.4.6 Employees are required to keep and make available of information both in form of documentation and electronic in case of any possible request. Some type of documents must be stored as required by laws in which the employee of KTIS Group should study on a case-by-case basis. Upon the expiration of required period, the permission from the executive is required before disposal.
- 3.4.7 KTIS Group requires the executives, employees, business partners to execute the non-disclosure agreement for the confidentiality of KTIS Group's confidential information.

3.5 Conduct for the Misuse of Information

KTIS Group launches the policy for the Board of Directors, executives and employees to have duty for controlling, monitoring and maintaining the internal information of the business relating to the Company and business operation of the Company as confidential. The Board of Directors, executives and employees shall not convey such inside information which may be obtained during the course of performing duty to seek for benefit, whether directly or indirectly, for its own account, family members, relatives or any other person

without consent of the Company. The responsibility for not misusing the information shall be binding both during the duration of employee status and upon the lapse of employee status throughout the prescribed period. The disclosure to the third person shall be under the supervision and responsibility of the supervisor and chief executives.

3.6 Conduct for the Use of Inside Information for Stock Trading

KTIS Group is well aware of the importance of inside information which is the essential factor that the investor uses for the decision-making process of investment, including the information regarding the operational result, business expansion plan or other information relating to the Company. In the event that any person retrieved such inside information and use for trading the Company's securities while such information is not yet disclosed to the Stock Exchange of Thailand and to the public as required by the relevant provisions, it shall cause unfairness to the other investors who have no opportunity to perceive such information. The Company therefore set the policy prohibiting the use of inside information which is not yet disclosed to the Stock Exchange of Thailand and to the public for trading the Company's securities.

- All employees shall strictly comply with the Securities and Exchange Act B.E. 2535 (A.D. 1992), regulations and provisions of the Office of Securities and Exchange Commission, the Securities and Exchange Commission, the Capital Market Supervision Board and the Stock Exchange of Thailand including regulations and provisions of relevant units.
- Conveyance of the inside information which containing of substantial part and potentially affect the price of the Company's securities, and is not yet disclosed to the public, to seek for benefit whether for its own account or other person, shall be deemed the violation of laws and the work rules and regulation of the Company.
- Employees including their family members shall not trade the Company's securities during the period of possessing the inside information which is not yet generally disclosed to the public.
- Employees shall not disclose the inside information, which containing of substantial part and potentially affect the price of the Company's securities, to the other person who is not involved.

3.7 Conduct for the Preservation of KTIS Group's Properties

KTIS Group's Properties mean movable properties, immovable properties, technology, academic knowledge, information, rights, patent, petty patent, copyrights, trademarks, trade secret or method to operation business which is confidential as well as any resources of KTIS Group or where the KTIS Group is entitled to, including the work derived from the course of performing duty except in the event that KTIS Group has expressly permitted that such work shall be belonged to the creator, inventor, researcher or other person.

Good practice

- 3.7.1 Employees have duty and responsibility to use the Company's properties economically for the utmost benefit of KTIS Group. In addition, employees shall preserve the properties from the damage or loss and shall not bring any KTIS Group's properties to be used for personal benefit or other person's benefit or disclosed without permission.
- 3.7.2 Business information and documents are the important KTIS Group's properties. Each unit shall determine the storage period of documents, confidential degree of documents as well as storing such documents correctly and fully to be available for inspection and preventing from unauthorized access and shall not disclose to any person unless written permission from the authorized person is obtained.
- 3.7.3 Employees shall prepare all of the documents relating to the business, account and finance to be filed with the governmental units and other persons prudently and honestly, and shall record the same according to the accounting methods of KTIS Group which is in accordance with the determined standard.
- 3.7.4 Employees shall not copy, modify or proceed in any manners against KTIS Group's intellectual property for personal benefit or other person's benefit without permission from KTIS Group.
- 3.7.5 Employees shall respect and not infringe the intellectual property of other persons. In the event that any infringement or potential infringement is detected, the employees shall notify the relevant authorized person.
- 3.7.6 Employees are required to cooperate and support the declaration of rights and application for protection of intellectual property's rights owned by KTIS Group.
- 3.7.7 Verify the information which is subject to the rights of third person obtained or to be used within KTIS Group in order to minimize the opportunity of infringement against the intellectual property of other person.

3.7.8 Employees are required to report the supervisor upon the detection of any action that may be the infringement, may be led to the infringement or may cause the dispute relating to the intellectual property of the Company.

3.7.9 KTIS Group positions itself into neutral policy for political matters, the employees shall not use the resources of KTIS Group to support the political activity of political party.

3.8 Conduct for the Acceptance of Gift, Gratuity and Business Hospitality

Acceptance of gift, gratuity and business hospitality including the grant in occasion of tradition and morality are the normal practice that the Board of Directors, executives and employees of KTIS Group should behave to express gratitude or care. However, the grant and acceptance of the gift, property or any other benefit which is not appropriate may affect the decision-making in performing duty and may later be an uncomfortable position. KTIS Group strictly does not support any bribery.

Good practice

3.8.1 In case the employee is the grantee and uncertain in accepting the gift, property or any other benefit, the employee shall return the same to the grantor. In case it cannot be returned, employee shall deliver to the managing director section for handling the return accordingly.

3.8.2 Acceptance of gift, property or any other benefit should be the acceptance on the ground of morality, costing reasonable value, not being an illegal acceptance or any underlying intention, and shall not violate the regulations of KTIS Group and relevant laws.

3.8.3 Employees and their family are prohibited to request or accept the gift, property or any other benefit from the contractors, business partners, customers or person related to the business of KTIS Group by whatsoever reason that may affect the decision-making in the course of performing duty due to bias or conflict of interest.

3.8.4 Employees of KTIS Group shall not bribe or provide any benefit in similar nature to the employees of KTIS Group or third persons, especially the governmental authorities. The grant of gift, property or any other benefit to the governmental authorities must ensure that it is not contrary with the laws and good tradition.

3.9 Conduct for the Exercise of Social and Political Rights

KTIS Group is a neutral organization in politic, it does not prefer any particular political party, political group or politician. KTIS Group supports any action that allows personnel of KTIS Group to exercise their social and political rights as available under the laws in order for KTIS Group to operate business without the pressure from political sector.

Good practice

3.9.1 KTIS Group set its policy to be politically neutral and shall not use KTIS Group's resources to support political activity of any political party, political group or politician, whether directly or indirectly, and shall not allow the political sector to use KTIS Group's resources and premises for the political activity.

3.9.2 KTIS Group supports the employees to express, support and exercise their political rights after working hours with their own resources. KTIS Group's employees are prohibited to exercise power, resources, capital and name of KTIS Group to request for money or support the political activity.

3.10 Conduct for the Treatment of Interested Person

3.10.1 Conduct for the Treatment of Shareholders and Investors

The Board of Directors, executives and employees commit to be responsible for and to create the utmost satisfaction to the shareholders and investors with the consideration on the sustainable growth of the Company and provide the appropriate return constantly including the transparent operation with trustworthy accounting system as well as the equitable disclosure of the information.

Good practice

3.10.1 a) Sustainable Growth of the Company

1. Perform the duty with full capacity, loyalty, honesty and fairness for all shareholders aiming for the overall utmost benefit.
2. Any decision shall be made cautiously and prudently.
3. Do not act in any manner that may cause the conflict of interest with the Company.
4. Establish the structure of properly standardized and controlled operation system with full competence, due care, sufficient information and reliable evidence as well as complying with the relevant laws.

5. Establish the risk management plan and conduct the review constantly.

3.10.1 b) Disclosure of Information

1. Employees shall strictly comply with the provisions of the Stock Exchange of Thailand, the Office of Securities and Exchange Commission, the Capital Market Supervisory Board and relevant laws including the equitable disclosure of information to the shareholders and/or public.
2. Do not disclose the information which is not yet disclosed to the public and do not trade the Company's securities or the securities of a company that such trader is involved, upon the acknowledgement of information which is not yet disclosed to the public. The use of inside information which is not yet generally disclosed to the public or shareholders for personal benefit on stock trading shall be deemed the violation of KTIS Group's conduct.
3. Disclosure of information which affects the business and price of stock shall be approved by the Chief Executive Officer – KTIS Group. Chief Executive Officer – KTIS Group shall proceed or appoint any person to be responsible for such disclosure of information. Employees shall correctly and fully comply with the laws and regulations of KTIS Group.
4. Investor Relations department is responsible for providing information to the public and investors. The unit who owns such information is responsible for supporting the information to Investor Relations Department.

3.10.2 Conduct for the Treatment of Customers

KTIS Group commits to create satisfaction and confidence for customers by delivering the quality products and services at the appropriate price and be responsible for customers as well as upholding a good and sustainable relation.

Good practice

1. Commit to creating satisfaction and confidence to customers by delivering the quality products and services at the appropriate price, continuously and determinedly elevating the standard of operations and services towards the upper level.
2. Disclose the up-to-date news and information regarding the products and services fully, correctly and non-distortedly on the fact as well as maintaining good and sustainable relationship.

3. Establish the system for the customers to be able to complain about the products and services as well as operate at the best performance for the customers to receive the immediate response.
4. Comply with conditions committed with customers strictly. Should it is unable to comply with the agreement or conditions, the customers must be notified in advance in order to mutually find solutions.
5. Maintain customers' confidential information determinedly and constantly. Do not use such information for personal benefit or related persons' benefit.
6. Do not disclose customers' information, perceived during the course of business operation, which in ordinary manner is the concealed information except the disclosure is due to the duty or laws.
7. Do not treat customers discriminately. As the Board of Directors, executives and employees of KTIS Group are important persons and obligated to be responsible for treating the interested person in all sectors, therefore, the conduct for the treatment of interested person customer is required.

3.10.3 Conduct for the Treatment of Business Partners, Agriculturalists and Creditors

KTIS Group focuses on the purchase and procurement which is an important process in order to acquire the products with quality and appropriate price. It is therefore necessary to have the procedure and operation which is transparent, verifiable and adhered to the utmost benefit. In addition, the Company's group also focuses on the business partners, agriculturalists and creditors who are the important persons supporting and assisting the Company's business operation. Therefore, KTIS Group determines the particular equitable treatment for the business partners from the procuring process towards the continuous after-sale relation with fairness and respect to each other, including the honesty to the creditors of the business.

Good practice

1. Employee is required to purchase and procure the raw materials, products and services, with the consideration on demand, worthiness, price and quality. The process of purchase and procurement must be handling transparently, providing the information for customers equally, correctly, being non-biased and non-discriminate to any business partners, and creating fair competition. Purchase and procurement shall be based on academic principle which must be correct and prudent as well as the acceptance process for products and services according to the proper standard should be determined.
2. During the course of contacting the business partners, the contact person must keep the documentary evidence of negotiation, draft of agreements, execution of agreement and compliance of agreement as the evidence, and make available throughout the prescribed period.

3. The negotiation and bargain must be transparent and the inspection must be able to be performed by the executives or inspection units. Employees who are responsible for the purchase and procurement shall not request for benefit through the purchase and procurement, whether directly or indirectly, and neutrally position oneself by keeping distant relation without undue intimacy, and do not involve in the purchase and procurement with the business partners who they have personal relation. The conduct of the interest and conflict of interest must be complied.
4. Observance and compliance with the conditions and trading terms that are mutually agreed, namely, punctuality of payment to business partners, compliance of agreed conditions, preservation of guarantee property as well as the advance notification to the creditors, in case the binding terms in the agreement cannot be performed, the solution shall mutually be sought.

3.10.4 Conduct for the Treatment of Business Competitors

KTIS Group aims to operate business relating to the sugarcane and sugar industry by adding value into the products and by-products, and environment-friendly clean energy for the firm and sustainable growth of business among the competition in the industry fairly and ethically.

Good practice

1. Behave under the framework of the rules for a fair competition.
2. Do not seek for confidential information of business competitors, with the dishonest or improper means, for the benefit of KTIS Group's business operation.
3. Do not accuse adversely or discredit against the reputation of business competitors.

3.10.5 Conduct for the Treatment of Employees

KTIS Group considers the employees as an important factor leading the organization to the achievement and therefore commits to develop and uphold a good working culture and atmosphere, promote for teamwork in order to build up confidence for all employees to be free from any discrimination and discriminately division among employees' group, behave politely to each other and respect human dignity as well as properly pay the remuneration in exchange of work, provide good welfare for employees, support and promote the provision of modern innovation and technology to be used with the work.

Good practice

1. KTIS Group treats all employees equally, and neither discriminates nor split up due to origin of birth, race, gender, age, skin color, religion and education.
2. The Board of Directors and executives support and promote the personnel to fully display their ability by paying proper remuneration and incentive to motivate the work performance in form of reasonable salary, bonus and welfare according to the regulations of KTIS Group as well as giving opportunity for the personnel to the additional education, and the constant training and development.
3. KTIS Group shall always support the preservation of working environment to be safe for lives and properties of the employees.
4. Appointment and rotation of position including the reward and punishment against the employees shall be handled equally, honestly and base upon the knowledge, ability and suitability as well as the action or treatment of such employees.
5. Be opened for opinion and suggestion of the employees from all levels equally and fairly.
6. Establish the channel for employees to report the matter that is potentially a violation of regulations and laws together with the protective measurement for the reporter.

3.10.6 Conduct for the Treatment of Societies, Communities and Environments

KTIS Group focuses on the importance of societies, communities and environments as we are well aware that we are a part of the societies and communities. Therefore, KTIS Group concerns and realizes the safety of societies, communities, environments as well as the quality of life of employees and communities that may be affected by the operation of KTIS Group.

Good practice

1. KTIS Group launches the policy for business operation with the consideration on the environment conditions as a top priority, and strictly complies with the applicable laws and regulations relevant to the environments.
2. Commits to responsibly contribute for the societies in respect of the quality, safety, sanitation and environments determinedly and continuously as well as develop the quality of life for the members of communities according to the sustainable development principle.
3. Launches a concrete policy for the social responsibility and adhere the same within the organization.

4. Embed consciousness determinedly and continuously regarding the responsibility to societies and environments among the employees from all levels.
5. Cooperate in any activities with the communities surrounding the area of where the Company operates its business as it is reasonable for each occasion.
6. Launches a preventive measurement for accident, controlling the operation as well as controlling the emission from waste to be in line with the standard benchmark.
7. Rapidly and efficiently respond to the circumstances impacting the environments, communities, lives and properties due to the operation of KTIS Group by fully cooperate with the governmental authorities, relevant units and communities.
8. Commits to find ways for reducing the impact against the environments by tracing and controlling the emission and discharge of pollution as well as the management of dangerous and non-dangerous waste for preserving the natural environment condition.
9. Exploit the resources and energy to the utmost efficiency as well as prevent the water and air pollution, waste and other pollution emitted from activities of the Company's group to the minimum impact against the environments and communities.

Section 4

Governance, Report of Misconduct and Penalty

Meaning

Good governance is the guidance for managing the organization to control the operation in various fields that would determine the duty and responsibility of persons as well as the responsibility to perform the work according to such duty, including the method to supervise and control the operation in order for the transparency and utmost efficiency of operation.

Report of misconduct is the duty of all employees in the organization whether expressly aware or barely with a clue or assumption of the potential misconduct or the behavior which is not in accordance with the Code of Conduct and Business Ethics.

Penalty is the action of the Company according to the Work Rules and Regulations of KTIS Group determined to suppress the action or behavior which is not in accordance with the Code of Conduct and Business Ethics.

Governance

Determined to be the duty and responsibility of the Board of Directors, executives and employees to strictly acknowledge, understand and comply with the conduct and business ethics, and systematically establish the controlling and internal audit system with the disciplinary penalty against the wrongdoer who violates the conduct and business ethics.

Internal Control and Audit

KTIS Group focuses on a process of Good Corporate Governance which means the establishment of professional and universal management system, the efficient internal control system and trustworthy financial report system which shall be beneficial to all interested parties and expecting that each company shall establish the internal control system which is standardized and in line with the internal control policy of KTIS Group.

Good practice

1. KTIS Group's objectives of the internal control are as follows:-

Internal Control means the process of governance for executives and employees which is set for a reasonable confidence that the operation of organization shall achieve its objectives as follows:

1.1 Operations aim the performance to be resulting in an efficiency and productivity by means of the governance by the use of resources efficiently, economically and worthily including the preservation of properties, the prevention and mitigation of errors, damage, leaks, wastes or corruptions.

1.2 Financial Reporting involves with the preparation of financial report which shall be used internally and externally to be correct, reliable, and punctual as well as being fair for all parties.

1.3 Compliance with Applicable Laws and Regulations involves with the business operation according to or in line with the laws, regulations, rules relating to the operation of KTIS Group as well as the compliance of policy and protocol stipulated by the Company.

2. For the internal control system, KTIS Group has organized the internal control system with reference of the COSO framework consisting of 5 elements as follows:

2.1 Control Environment

- The Company has expressly launched the policy, target and direction of its business operation as well as conducting the governance to be as per the determined target.
- The Company has determined the guidance relating the Code of Conduct for the Board of Directors, executives and employee of all levels to behave correctly and properly. The Company shall conduct the public relations within the organization to promote that the performance with loyalty and conduct is essential.
- The Company has organized the structure of organization by dividing the supervision lines as well as expressly separating the duty and responsibility in order to governing the organization thoroughly and efficiently.
- The Company has set the Job Description and Instruction Manual expressly to be used as the tools for performing work and preventing the redundancy or omission of any item of work.

- The Company has appointed the Audit Committee who is obligated and responsible to supervise the organization and perform the duty assigned by the Board of Directors.
- The Company has appointed the Internal Audit Section as it views that the internal audit is an important function to achieve the efficient internal control and the unit which is subject to the audit and inspection shall realize and enhance more caution on the course of work performance.

2.2 Risk Management

- The Company has assessed the potential risk derived from the internal and external factors in order to build up reasonable confidence that the damage or error shall not occur and shall be in the acceptable degree. The risk assessment shall be performed continuously and constantly.

2.3 Control Activities

- The Company has set the budgetary policy and procedure for work performance as well as the control of work to achieve the objectives of organization provided that the correct response and compliance of executives and employees from all levels is required, and there must not be any action which is substantially in contrary to the rules and regulations or order.
- The Company has organized a clear delegation of duty in the purpose of monitoring against each other which may cause any corruption.

2.4 Information and Communications

- The Company has arranged the preparation of information and news which is necessary and up-to-date for the performance of personnel in the sections of executives and employees of all levels, especially the accounting and financial information which must be correct and accurate.
- The Company has arranged the internal communication between the executives and operators, or between the units themselves in order for the understanding and active performance through the channel of electronic internet.
- The Company has determined that the Investor Relations and Corporate Communication shall provide, the organizational information, financial information and the information relating to the impact against the price of the Company's securities, to the investors.

2.5 Monitoring

- Internal Audit Section and Risk Management Department are the inspector of work performance, evaluation, internal control and shall submit the audit report to the executives section and the Audit Committee of the Company. Should any procedure or control is being a weak point, executives section shall consider determining the controlling measurement to solve such problem systematically and continuously. The Board of Directors is of the opinion that the internal control system of the Company as well as the traceability and control of the subsidiaries' performance is sufficiently appropriate and prudent to prevent the property of the Company and subsidiaries from the utilization by directors and executives which is in contrary to the provisions of the Stock Exchange of Thailand or laws which may cause the conflict of interest.
- Unit, which is subject to the audit and inspection, receives advice to solve the work performance or increase the controlling measurement to be more prudent. Internal Audit Section shall be the follower and evaluator as well as reporting the result to the executives section and the Audit Committee of the Company to be notified constantly. The Audit Committee is of the opinion that the internal control system of the Company is sufficiently appropriate, prudent, and efficient.
- Auditor views that the internal control system of the Company is sufficiently appropriate and prudent, and found no error substantially impact against the Company.

3. Responsibility for the internal control

3.1 Board of Directors launches the policy and supervises the internal control system to be efficient and proper as well as requires the constant monitoring and evaluation.

3.2 Audit Committee performs duty and responsibility on behalf of the Board of Directors in relation to the governance on the verification against the internal control system and report of operational result to the Board of Directors and shareholders.

3.3 Risk Management Committee performs duty and responsibility on behalf of the Board of Directors in relation to the governance on the launch of policy and guidance of risk management, review as well as the traceability and evaluation of the efficiency of risk management and report to the Board of Directors and shareholders.

3.4 Executives performs duty and responsibility in administering and inspecting the working system within their own sections to be efficient and according to the regulations of work performance by

verifying the work performance according to the applicable internal control system as well as improving the internal control system to be prudent, and embed their subordinate with the discipline and good conscious regarding the internal control.

3.5 Employees of all levels shall constantly and continuously pay attention to the compliance of rules, provisions, regulations, orders, measurements and system for the internal control platforms established by the Company.

3.6 Internal Audit Section is directly responsible for assessing the sufficiency and efficiency of the internal control as well as inspecting the compliance of system in order for leading to the improvement of measurement and control to be suitable for the circumstances, environments and the changing risk factors to increasing the efficiency and productivity of the Company's operation.

Risk Management

Risk management is the management of factors and control of activities as well as the processes and performances by reducing the cause in each occasion that would damage the organization in order for the degree and size of potential damage in the future to be within the degree that is acceptable, assessable, controllable and verifiable systematically for the organization, base on the consideration of organization's achievement of target as the top priority.

KTIS Group focuses on the importance of risk management by appointing the Risk Management Committee to determine the policy for risk management, review, traceability and evaluation of the risk management system in order to reduce the cause in each occasion that would cause the damage (both in form of financial or non-financial such as reputation and adverse lawsuit due to non-compliance of laws, regulations, provisions, efficiency, productivity or worthiness and value) in order for the degree of risk and size of potential damage in the future to be effecting the organization to be within the degree that is acceptable, assessable, controllable and verifiable systematically, base on the consideration of organization's achievement of target according to the strategy or business plan as the top priority.

Good practice

1. Encourage the participation of members in organization in order for the employees and personnel in the organization to mutually perceive that they are a part of the organization, and any misconduct would cause the risk to the organization in various aspects.

2. Search and identification of risk shall require cooperative study because the employee who performs in such field of work shall know best on the activity which is risky to the organization. Therefore, all employees are required to report the risky matters to the supervisor of their units.
3. For the risk assessment, KTIS Group and all employees shall assess and arrange the order of risk according to the standard that the Risk Management Committee requires, which will be according to the risk management policy including the nature, scope, business operation and the ability to take risk of KTIS Group.
4. For the response against the risk, the Risk Management Committee shall determine the rules for reacting against the risk with the consideration upon both cost and benefit to be received.
5. For the traceability and administration of risk as well as the evaluation, the Risk Management Committee shall determine the rules and methods as well as the tracing and administering process of risk, review and performing the work jointly with the Audit Committee in order to ensure the KTIS Group that the risk management plan is implemented and capable of preventing and managing the risk.

Traceability and Verification of the Compliance on the Principle of Conduct

Internal Audit Section of the Company is responsible in tracing and administering the compliance of this principle of conduct and reporting the tracing result to the Audit Committee as well as recording all of the information relating to the violation or potential violation against this principle of conduct. All employees are required to cooperate in providing the correct and accurate information to the Internal Audit Section. KTIS Group expects all employees to be contributable and responsible in monitoring and administering the compliance of this principle of conduct as any action which is in contrary to the principle of conduct shall be considered as a disciplinary misconduct as stipulated in the work rules and regulations, and may possibly be considered as illegal action, as well as disgrace and discredit the value of organization which would be affecting the organization in all aspects, both short-term and long-term. Employees are therefore responsible for reporting the Internal Audit Section or supervisor or chief executives to be notified forthwith upon the detection of the performance which is considered the violation or suspicion of violation against the principle of conducts.

Evaluation and Review of the Code of Conduct and Business Ethics

Internal Audit Section is required to evaluate the enforcement of the Code of Conduct and Business Ethics of KTIS Group annually in order to notify the result of compliance on the principle of conduct and business ethics, the existence of obstacles and limitation affecting the operation of KTIS Group. The result

shall be notified to the Audit Committee and the Internal Audit Section shall perform the review for revising the Code of Conduct and Business Ethics of KTIS Group annually to be in accordance with the change of both internal and external factors that may potentially affect the business operation of KTIS Group as well as to create the utmost benefit to KTIS Group by proposing to the Audit Committee and the Board of Directors for approval accordingly.

Report of Misconduct

Should there is any suspicion or complaint of the misconduct, the petition can independently be filed in various channels such as telephone, facsimile, e-mail, letters to the related person as follows:-

1. Supervisor of each ranking
2. Internal Audit Department
3. Human Resources Department
4. Managing Directors Section
5. Managing Directors
6. Audit Committee

Upon receipt of complaint, the executives shall consider and investigate the fact in order to reach for a conclusion in solving problem as soon as possible, and establish the measurement to protect the petitioner from any effect due to the complaint.

Penalty

KTIS Group shall seriously consider the penalty imposing against the employees, who violate this principle of conducts, by authorizing the power to the supervisor of each section to consider the offence and impose the penalty against the employee of the Company who acts the misconduct or is in contrary to the principle of conduct. The wrongdoer shall suffer the penalty according to the nature and degree of violation on a case-by-case basis. Such penalty is stipulated in the work rules and regulations.

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