

## Part 2 Corporate Governance

### 7. Assets and Shareholders Information

#### 7.1 Amount of authorized capital amount and paid-up share capital

Current authorized capital of Sabina PLC.	347.50 million Baht
Authorized capital	347.50 million Baht
Common shares	347.50 million Shares
Price per share is 1 Baht	

#### 7.2 Shareholders

First 10 major shareholders of Sabina PLC. as on the latest book closing date, 15 November 2018.

Shareholders		
	Number of Shares	Percentage (%)
1. Mr. Viroj Thanalongkorn	159,207,000	45.81
2. STATE STREET EUROPE LIMITED	15,485,800	4.46
3. Mrs. Vanee Tongluck	14,001,000	4.03
4. Mr. Anurak Tangkaravakul	12,817,500	3.69
5. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	12,000,000	3.45
6. Thai NVDR Company Limited	10,791,062	3.11
7. Mr. Atchada Thanalongkorn	10,501,000	3.02
8. Ms. Pitcha Thanalongkorn	10,501,000	3.02
9. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	8,874,800	2.55
10. Mr. Nontavat Prasertvanij	8,693,500	2.50

#### 7.3 Other securities issuance

-None-

#### 7.4 Dividend Payment Policy

The Company has dividend payment policy not to be lower than 40% of the net profit after tax and reserve deduction according to the laws. Nevertheless, the dividend payment will depend on investment plan, necessity, and appropriateness in the future.

For subsidiaries, the Board of Directors of the subsidiaries will consider dividend payment from cash flow balance when comparing with that subsidiaries' investment budget. If cash flow balance has enough and reserve according to the laws, the Board of Directors of the subsidiaries will consider dividend payment case by case.

Dividend Payment Data

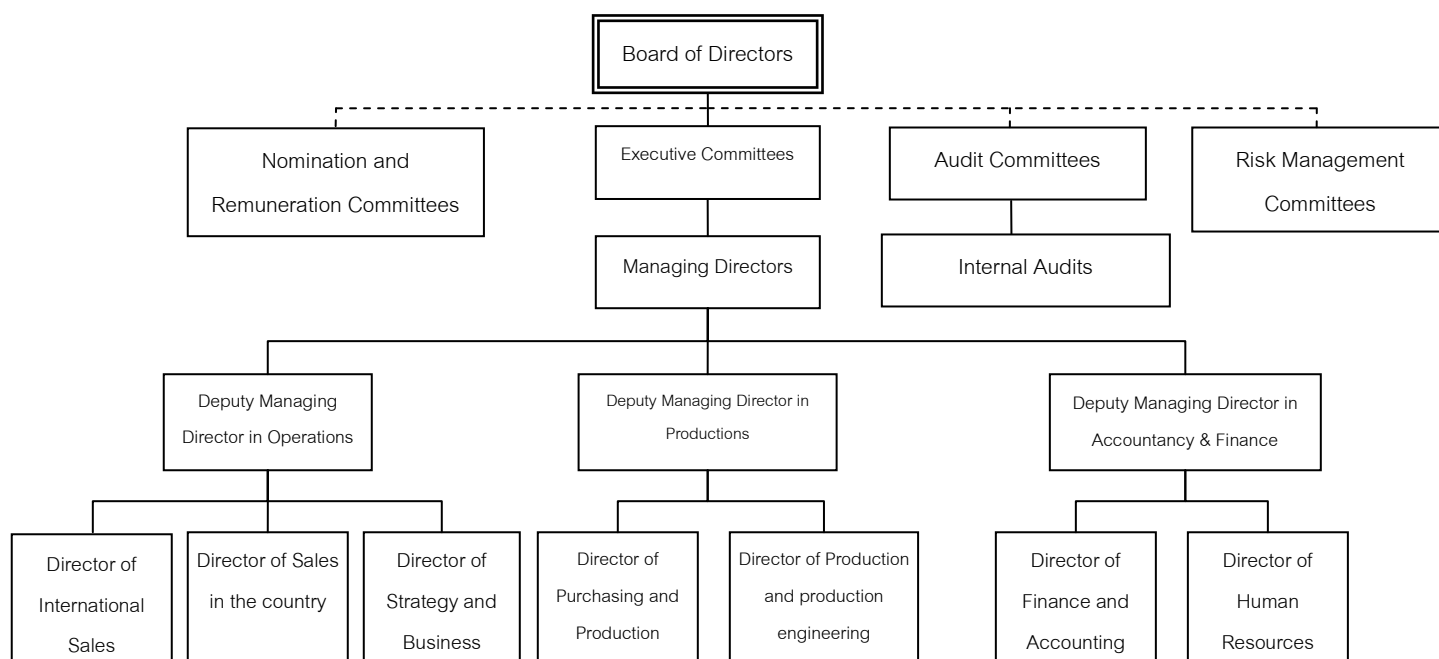
Sabina Co.Ltd.	2018**	2017	2016
Dividend per share (Baht)	1.04	0.82	0.24
Dividend remuneration rate (%) (Overall financial statement)	99.95	117.19	47.48
Dividend remuneration rate (%) (Specific financial statement)	149.29	330.79	86.88

Remark

\*\* The dividend payment of year 2018, The Board of Directors' meeting passed a resolution to pay interim dividend at 0.50 Baht per share. On February 20, 2019, the Board of Directors' meeting passed a resolution to pay dividend from retained earnings at 0.54 Baht per share. Total annual dividend payment for 2018 is equal to 1.04 Baht per share, which will be presented at the Annual General Meeting of the Shareholders 2019.

## 8. Managerial Structure

Organization Chart



### 8.1 Board of Directors

In present, the Board of Directors consists of 10 committees;

- Non-managerial committees: 6 people (Independent committees: 4 people)

- Managerial committees: 4 people

Name	Company's Committee	Audit Committee	Managing Director	The nomination and remuneration Committee	Risk Management Committee
1. Mr. Viroj Thanalongkorn	Chairman	-	-	-	-
2. Mr. Bunchai Punturaumporn*	Managing Director	-	Chairman	Committee	-
3. Mrs. Suchanya Thanalongkorn	Committee	-	-	-	-
4. Mr. Somkid Padungkiattisak *	Committee	-	Committee	-	-
5. Ms. Somsri Sripatoomrak*	Committee	-	Committee	-	Committee
6. Ms. Vachirawan Yamsri	Committee	-	Committee	-	Committee
7. Ms. Raweewan Peyayopanakul	Independent Director	Chairman	-	Committee	-
8. Mr. Somchai Vanavit	Independent Director	Committee	-	Chairman	-
9. Mr. Yuthana Adipath	Independent Director	Committee	-	Committee	-
10. Mr. Chakkrit Uttayopas	Independent Director	-	-	-	Chairman

\* Also has a position as a director of a subsidiary

Remark Information of the directors about education, training history from the Thai Institute of Directors Association (IOD) and key experiences related to the business of the Company can be seen in Attachment 1.

## Attendance of the Board of Directors and Board committees in meetings

Name	Board Meeting 2018 (Total Meetings / Attendance)			
	Directors 6 times attendance in total	Audit Committee 4 times attendance in total	Managerial Committee 12 times attendance in total	Nomination and Remuneration Committee 2 times attendance in total
Mr. Viroj Thanalongkorn	6/6	-	12/12	-
Mr. Bunchai Punturaumporn *	6/6	-	12/12	2/2
Mrs.Suchanya Thanalongkorn	5/6	-	-	-
Mr.Somkid Pardungkiattisak*	6/6	-	12/12	-
Ms. Somsri Sripatoomrak *	6/6	-	12/12	-
Ms. Vachirawan Yamsri	6/6	-	12/12	-
Ms. Rawewan Peyayopanakul	6/6	4/4	-	2/2
Mr. Somchai Vanavit	5/6	4/4	-	2/2
Mr. Yuthana Adipath	5/6	4/4	-	2/2
Mr. Chakkris Uthayophas	5/6	-	-	-

\* Also has a position as a director of a subsidiary

Remark

- Mrs.Suchanya Thanalongkorn did not attend the Board of Directors' meeting 4/2018 on 26 October 2018 due to her business trip.
- Mr. Somchai Vanavit did not attend the Board of Directors' meeting 4/2018 on 26 October 2018 due to a mission.
- Mr. Chakkris Uthayophas did not attend the Board of Directors' meeting 4/2018 on 26 October 2018 due to his business trip.
- Mr. Yuthana Adipath did not attend the Board of Directors' meeting 6/2018 on 21 December 2018 due to his business trip.

#### Authorized Directors

The authorized directors for any company decision are "Mr. Viroj Thanalongkorn, Mr. Bunchai Punturaumporn, Mr. Somkid Pardungkiattisak, and Miss Somsri Sripatoomrak, any two of them may jointly sign their names and affix the corporate seal to legally bind the Company."

#### Scope of authority of the Board of Directors

- 1.) Operate the business according to the rules of laws, objectives and the Company's regulations, as well as the Shareholders' Meeting's resolutions that comply with the laws, with honesty and attention to protect the Company's interests.
- 2.) To set guidelines and operational plans for the management, and to determine the policy of the Executive Committee and the management to be in accordance with the received policy and the regulations of the Stock Exchange of Thailand, except for the following matters, which the Board of Directors must obtain approval from the shareholders' meeting before proceeding. This refers

to the matters required by the law to be approved by the shareholders' meeting, such as capital increase, capital decrease, debenture issuance, merger or dissolution of the Company, sales or transfer of business of all companies or some important parts to other persons or the purchase or transfer of other companies' businesses to the Company or merging the business with other persons or juristic persons with the objective to share profit and loss, assigning other persons to manage the business of the Company amendment of the memorandum of association or regulations including related transactions and the purchase and sales of important assets according to the regulations of the Stock Exchange of Thailand or as prescribed by other government agencies.

- 3.) The Board of Directors may appoint a number of directors and / or executives based on appropriation to be the executive committee by having the authority to manage the Company as assigned by the Board of Directors and the Board of Directors to appoint one executive director as the chairman of the executive board.
- 4.) The Board of Directors may appoint the Managing Director or authorize any other person to operate the business of the Company under the control of the Board of Directors or may authorize such person to have the power as the Board believes appropriate, and within the time that the board deems appropriate, and the Board of Directors may cancel, revoke, change or amend such authority. In case the Board of Directors has authorized the Managing Director or any other person to act on behalf of the business in the normal course of business, such authorization must be in accordance with the resolution of the Board of Directors meeting, with the Independent Directors or the Directors who are members of the Audit Committee attending the meeting, and if the Independent Directors or Directors who are the audit committee oppose the authorization, it must clearly record the approval in the minutes of the meeting. In this regard, such authorization must visibly determine the scope of authority and responsibility of the attorney, and must not have the characteristics of giving power to the authorized person to approve the transaction that he or she or other person may have conflict with, have interest, or may have conflicts of interest in any other manner (according to the Company's regulations and as prescribed by the Office of the Securities and Exchange Commission) with the Company or its subsidiaries except for normal transaction approval with general business conditions.
- 5.) To consider and approve the use of assets or assets of the Company or affiliated companies as insurance or any guarantees that caused the obligation to the Company.
- 6.) To consider and approve investment in business expansion as well as to enter a joint venture with other operators.
- 7.) To consider approving the power of attorney within the Company.

However, for items that the Directors or the authorized person or the person, who may have conflict, have interest, or may have any conflict of interest with the Company or subsidiary to the Company's directors or authorized person with interest in any matter, have no right to vote on that matter.

## 8.2 Executives

The Company's executives comprise 4 members:

Name	Title
Mr. Bunchai Punturaumporn	Managing Director
	Deputy Managing Director for Operations (Caretaker)
	Deputy Managing Director for Production (Caretaker)
	Director of Overseas Sales (Caretaker)
Mr. Somkid Pardungkiattisak	Director of Finance and Accounting
Ms. Somsri Sripatoomrak	Director of Domestic Sales
	Director of Purchase and Production
	Preparation(Caretaker)
	Director of Human Resource (Caretaker)
Ms.Vachiravan Yamsri	Director of Production and Production Engineering

## 8.3 Company Secretary

On November 13, 2013, the Board Meeting resolved to appoint Miss Vaja Mukto as the Company Secretary to be responsible for the following matters for and on behalf of the Board of Directors or the Company.

- To provide fundamental suggestion to the directors related to law and regulations about securities and Company's regulations, and to follow up on compliance including major changes which could affect the directors.
- To arrange meetings of shareholders and board of directors in accordance with the law, and regulations of the Company.
- To prepare the minutes of the shareholders meeting and the minutes of the Board of Directors meeting, and to follow-up and ensure proper practice.
- To be responsible for disclosure and reporting information in the related regulations and requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
- To establish and to maintain the following documents:

- Registration Committee.
- Board of Directors' meeting invitation letter, Board of Directors' meeting report and Annual report of the Company.
- The Shareholders' Meeting invitation letter and the Shareholders' Meeting minute
- Annual report form (56-1) and annual report (56-2).
- To maintain reports of interest reported by directors or executives.
- To perform other activities as specified by the Capital Market Supervisory Board.
- There are also other duties of care activities of the Board of Directors and to ensure that the Board of Directors and the Company practice compliance with law and regulations.

The attributes of the person holding the position of Company's secretary is shown in Attachment 1.

#### 8.4 Remuneration for Directors and Executives

Remuneration for Directors and Executives of year 2018 has been approved by AGM according to the proposal of the board of directors, which is considered from the Nomination and Remuneration Committee, by comparing data of the same industry, business expansion, and overall operation, including power, roles, and responsibility.

##### 8.4.1 Financial Reward

In 2017, the Board of Directors and the Executives were remunerated as follows:

Name	2018	
	Description of payment	Amount (Million Baht)
Director (as Director)		
- Mr. Viroj Thanalongkorn	- Remuneration to Chairman	0.36
	- Remuneration to Director	0.12
	- Reward to Director	0.54
- Mr. Bunchai Punturaumporn	- Remuneration to Director	0.12
	- Reward to Director	0.32
- Mrs. Suchanya Thanalongkorn	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Somkid Pardungkiattisak	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Somsri Sripatoomrak	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Vachirawan Yamsri	- Remuneration to Director	0.12
	- Reward to Director	0.24

Name	2018	
	Description of payment	Amount (Million Baht)
- Ms. Rawewan Peyayopanakul	- Remuneration to Chairman of Audit Committee	0.12
	- Remuneration to Audit Committee	0.12
	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Somchai Vanavit	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Yuthana Adipath	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Chakkris Uthayophas	- Remuneration to Director	0.12
	- Reward to Director	0.24
Directors & Executive (as Executive)	- Salary, position allowance and fuel allowance, cars, and bonuses.	36.78
	- Remuneration to Director	0.30

In 2018, the Company's stipulation of the remuneration is equivalent to 2017 of which the basic remuneration of all Board of Directors is equally the same with an additional payment of extra responsibilities with the followings details.

Title	Remuneration (Baht/ Month)
Director	10,000
Chairman of Board of Directors	30,000
Chairman of Executive Committee	5,000
Chairman of Audit Committee	5,000
Executive Director	5,000
Member of Audit Committee	5,000

The Directors' bonus is not over 4 million Baht per year with the quarterly payment and the Directors have the authority to allocate and stipulate the shares among themselves.



#### 8.4.2 Other Benefits for Directors and Executives

- The Company provides 4 vehicles for the executives to use in the Company business.
- The Company provides a provident fund to employees who are members of the fund which the employees pay the accumulated and the Company pays at the following rate:
  - Department Manager and Director levels Rate 3 or 4 or 5%
  - Deputy Managing Director and Managing Director levels Rate 3 or 4 or 5 or 6% based on the income before tax of each month
  - Executives level provides life insurance and group health insurance.

### 8.5 Personnel

#### 8.5.1 Personnel

The Company has no significant labor disputes during the past period, as of December 31, 2018. The Company and its subsidiaries have a total of 4,496 employees (excluding directors and executives under 10.2.4) as follows

Employees (persons)	31 Dec 2018	31 Dec 2017	31 Dec 2016
Employees of Company and Subsidiary (persons)	4,496	3,698	4,124
Salaries and Bonus (million Baht)	759.44	601.50	635.63

#### Remunerations and Compensation of the Employees

The Company has a policy to pay compensation to employees according to labor laws as appropriation based on qualifications, knowledge, ability and experience. The minimum salary of the employee is in accordance with the minimum wage determined by the government and in accordance with the remuneration of the same industry, which is in the form of salaries, overtime, commissions / special compensation when the performance reaches the goal, bonus (according to the Company's performance). Nevertheless, the consideration of remuneration and welfare is based on the performance without considering the differences in the origin, nationality, religion, sex, marital status in any way, as well as providing various benefits which are more than the law, such as Provident Funds, Retirement Benefit, Annual Health Examination, Nursing Room, Medical Expenses, Forms for employees, Employee's loan, Annual party etc.

In addition, the Company has a policy to consider employee compensation that is consistent with the Company's performance, Economic conditions and market rates every year, including reviewing the long-term compensation structure in 2018. The Company paid compensation as wages, overtime and bonuses to employees approximately 4,496 people and benefits to employees approximately 759.44 million Baht.

### 8.5.2 Employee development policy

The Company greatly considers in developing potential, increasing knowledge skills, enhancing ability of employees to be higher, having standard of work and customer service as well as keeping up with new technology and innovations, which are constantly changing, resulting in higher job values, being able to work efficiently, which will enable the Company to achieve its goals. This includes personnel development, which is also a tool to maintain and motivate employees to stay with the organization, and to be willing to devote their efforts to the fullest.

In addition, the development of the organization is to compete to both at the regional and international levels to survive in an age of competition without borders (Globalization) by using the knowledge and skills of personnel, knowledge and good management according to the principles of morality and ethics, which are important factors that help the organization to develop effectively and efficiently. Human Resource Management, therefore, develops personnel development plans by using knowledge and working experience as basic information as well as problems occurring within the organization to analyze the cause of the problem in order to plan the target for personnel development. This is along with enhancing the ability by training to change behavior and the attitude of personnel to allow employees to accept changes and perform better.

Human Resource & Development has developed a training plan for personnel development, continuously, to be used as a development practice and comply with the same guidelines as follows.

#### 1. Personnel development policy

To develop personnel to have quality, knowledge, ability and morality by focusing on continuous development to be able to meet the needs and create effective customer satisfaction as well as those who are involved, which results in sustainable growth of the Company.

To apply the theory of "Sufficiency economy" in personnel development in the organization, in which referring to the sufficiency economy philosophy is "Reasonableness and modest fit ". Thus, we do not arrange training in a luxury hotel but in a seminar room at the office, and there is no food service or snacks but it is acceptable to bring coffee and water, which are provided in the Company to eat in the training room at any time. This will reduce the cost of food and coffee break. Furthermore, because the sufficiency economy philosophy is "knowledge", which is important, therefore, there is no cost reduction and still at the highest quality as well as the training cost, we value the quality of the speakers by focusing on qualified people, who have experience in training and can create understanding of the content according to the objectives of each course.

The country will develop, the business will grow, the organization will have more or less profit depending on the employees in the organization. "People are the most valuable resource of the organization" because various technologies can be bought if there is capital but "people" that have quality, love and bonding including loyalty to the organization can't be found easily. Therefore, it is important to focus on the development of personnel capabilities to be able to devote full effort or potential to drive the organization.

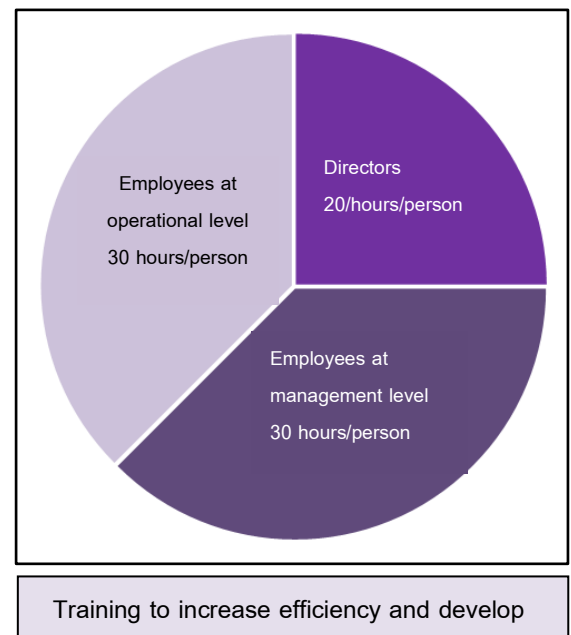
## 2. Personnel development strategy

To allow the organization to have quality employees, to contain high capability and to be a good person that can survive with any crisis, which will give the organization an advantage to compete. The Company has established a strategy or a Training Roadmap by emerging the development plan and training of employees in each position, each level and each work group for guidance in development, and to create and design training courses to match the needs and the appropriate time for such development as well as being able to clearly see the image how to develop and prepare for training and development as to grow at a higher level.

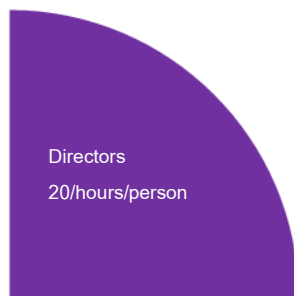
This includes the development of the potential of employees according to the principle of 5S, it must be consistent with changes in the external environment, economic, social, politics, competition, customer needs. It also must be complied with the policy, corporate goals, and the internal environment, such as corporate culture, the values of people in the organization, organizational structure, management processes, behavior, knowledge and skills of employees, etc.

### Personnel development potential

From the vision of Sabina, which believes that "employees are the most important and valuable resource", we therefore, strive to create and develop the potential of personnel in all aspects while building good relationships with sustainable organizations by creating opportunities for learning and development within the organization through a variety of training programs in line with the age of work, responsibilities as well as economic and social situations as to create learning opportunities and self-development of personnel, which will be beneficial to the employees and the organization in a sustainable manner.



### Directors



To focus on developing business management skills in order to prepare coping with Digital Transformation to support the economic and social changes that will occur by driving the digital world in the future by enrolling in a seminar, called “Digital Transformation in Action & Intelligent Workplace, CMO Forum 2018: 15 or 50 “Designing Digi-behavior across Generations”, Marketing in Digital Era 2018. Also, to study guidance as to prevent issues in the digital world by participating in training, called “Cybercrime - The Looming Threat to Global

Economy”, to be an important foundation in the structure and strategy of the administration. It also recognizes the importance of environmental problems in industrial processes, and is ready to participate in the seminar on the development of renewable energy personnel in industrial plants together with the executive level staff. It is to study the possibilities and to be a guideline for future application and to focus on the spirit of the organization that is a part of the anti-corruption organization by training to exchange views, ideas and techniques for managing anti-corruption organizations on a regular basis.

### Employees at management level

To focus on developing management skills under the roles in terms of job management and relationship management, which is an important factor in personnel development and enhance the operational efficiency of those who are under responsibility. This also affects the sustainability of the organization by participating



in the main potential development project for management, for efficient operation, sales performance improvement project, for the goal of success together with the operational level staff as to create knowledge and understanding in the context of the operation, as an executive and an executor. It also promotes the participation of seminars according to specific abilities and to promote the development of work within the field. And, also to open opportunities for learning with executives as to enhance management potential, supporting economic growth and future social change along with the success of the organization.



#### Employees at operational level

To focus on creating core competencies that everyone should have and can perform equally to be the basis for all employees to have effective management and joint operations by focusing on 3 important skills, which are management skills, presentation skills, and effective communication and coordination skills. This is an important basis for the organization's operations through the development of core competencies for management for effective and efficient performance. Sales staff performance development project for the goal of success and promoting skills development in various fields according to specific talents for production lines, sales lines and other lines. This is an ongoing policy of the organization in promoting and developing staff potential to focus on creating effective employees and creating a good quality of life for employees.

Sabina's training program is focused on increasing the efficiency of personnel development in all aspects and respond to the responsibilities of personnel thoroughly to emphasize the intention to act under the vision that "employees are the most important and valuable resource". Apart from what mentioned above, we also focus on developing good leadership concept skills and promote participation for employees at all levels through seminars and conducting various activities for maximum efficiency in working together, which will affect the growth and sustainability of the organization.

## 9. Corporate Governance

The Company has managed by believing to the principles of good corporate governance and continuously recognizing the importance and responsibility towards shareholders and stakeholders of the Company. As a result, in 2018, the Company was evaluated by the Thai Institute of Directors Association (IOD) at "Excellent" level.

The Board of Directors attaches importance to compliance with the principles of good corporate governance to increase confidence for shareholders, investors and all parties involved, which requires a review of the corporate governance policy and the implementation of the policy at least once a year. The Company has disclosed the corporate governance policy on the website for external communication and disseminate for communication to employees in the organization to acknowledge the corporate governance of the Company, and to encourage employees to participate in the implementation of such policies.

In 2017, the Securities and Exchange Commission (SET) has issued the principles of good corporate governance for listed companies in 2017 (Corporate Governance Code: CG Code 2017) which has laid out the principles for the 8 main committees as follows.

1. To recognize the roles and responsibilities of the Board of Directors as the organization leader that creates value for the business sustainably.
2. To determine the objectives and main goals of the business that are going for sustainability.
3. To strengthen the Board of Directors efficiently.
4. To recruit and develop high-level executives and personnel management.
5. To promote innovation and be responsible to the business operations.
6. To ensure that there is an appropriate risk management system and internal control.
7. To maintain financial credibility and disclosure.
8. To support participation and communication with shareholders.

In order to allow the Board of Directors to follow the principles of good corporate governance for listed companies in 2017 to apply as appropriate for the operations of the Company as much as possible, and prescribing additional guidelines that the Company should proceed to improve to suit the situation of the Company. And, the Committee shall review the appropriateness of the CG Code to be applied at least once a year.

### 9.1 Corporate Governance Policy

The Board of Directors realizes the importance of good corporate governance, which is announced by the Stock Exchange of Thailand (SET), in order to gain progress and the stability of the Company, and to increase confidence for shareholders, investors and all stakeholders as well as creating long-term value for the

Company. The Board of Directors, therefore, has established a policy on corporate governance to be a guideline for the directors, which should be used in corporate governance of the Company as follows.

1. To clearly define the scope of authority, duties and responsibilities of each committee and management according to the management structure of the Company.
2. To conduct business by disclosing accurate, transparent, complete information and reflecting the actual results of operations. There is an assessment and protection standard, and manage risks at the appropriate level.
3. To determine the balance of power in the operation process for transparency and examination.
4. To produce products with the best quality and to meet the needs and customer satisfaction as well as listening to comments and customer complaints to bring the best product development for customers.
5. To believe in the value of employees by training and development and to cultivate morality in creating a good consciousness, and to allow employees to progress with the Company.
6. To recognize and respect the rights of ownership of all shareholders with equality.
7. To act by taking responsibility towards shareholders, stakeholders and society and the environment.
8. To be anti-corruption and to prohibit bribery for the business interests of the Company, and do not violate intellectual property and respect for laws and human rights.

The Board of Directors recognizes the importance of business operations, understands the roles, duties and responsibilities of the Board of Directors with the Company and shareholders with a policy based on the Code of Best Practices, which applies for the directors of listed companies that follow the guidelines of the Stock Exchange of Thailand (SET). Also, it is for the Company to have good corporate governance and have an effective performance measurement system, which will help to promote the business to develop and grow at an appropriate level. This has guidelines for conducting corporate governance of the Company, which can be divided as follow.

#### **Section 1. Rights of shareholders**

##### **1. Rights of shareholders**

The Board of Directors recognizes the importance of respecting the rights of ownership of all shareholders by treating all shareholders equally.

Every shareholder has the rights and equality as follows.

1. The right to receive information, performance and the Company's management policy quickly and in time through the Stock Exchange of Thailand and the Company's website at [www.sabina.co.th](http://www.sabina.co.th).
2. The right to buy and transfer shares, and to obtain a share from the Company's profits.

3. The right to propose matters to be included in the agenda of the general meeting of shareholders and to nominate persons to be considered as directors, which the Company has made the criteria for proposing such matters to be published on the website of the Company at [www.sabina.co.th](http://www.sabina.co.th) and notified via the Stock Exchange of Thailand (SET).

4. The right to send questions to inquire about various issues of the agenda presented at the general meeting of shareholders in advance by sending questions to the Company secretary by email: [vaja@sabina.co.th](mailto:vaja@sabina.co.th) Fax: 02-4345911 and published such rights on the Company's website at [www.sabina.co.th](http://www.sabina.co.th).

5. The right to attend the shareholders' meeting. The Company will hold a shareholder meeting once a year by sending a notice of the meeting together with related documents for the meeting with sufficient details for the shareholders in advance to allow the shareholders to consider in advance before attending the meeting.

6. The Company has a policy to promote and facilitate shareholders to allow shareholders and institutional investors to attend the meeting by arranging a meeting location, which is easy and convenient for the shareholders to travel and has public transportation systems that are accessible and sufficient.

7. The Company discloses the shareholding structure in the Company and subsidiaries clearly and transparently, and can be examined. There is no cross shareholding in the Company group.

8. The Company has more than 40% of the minority shareholders (Free Float).

9. The Company holds more than 5% of the total shares of institutional investors.

10. The Company does not have a shareholder's agreement that has a significant impact on the Company or other shareholders.

11. The Company has also added a channel to publicize the invitation to the shareholders' meeting, supporting documents for the meeting agenda including the proxy form and other information necessary in both Thai and English in advance on the Company's website [www.sabina.co.th](http://www.sabina.co.th) before submitting the documents to shareholders as to acknowledge and to support decision making in voting. The minutes of the shareholders' meeting are published via the Company's website.

12. To represent their rights, shareholders can appoint proxies to other persons or independent directors of the Company to vote in the event that the shareholders are unable to attend the meeting by themselves.

13. The Company has facilitated all shareholders equally by explaining the details of the meeting including how to count the votes of shareholders who have to vote in each agenda according to the Company's regulations, and allow all attendees to inquire comments and suggestions for each agenda, and summarize the results of the votes from every vote count.



14. The Company arranges for the broadcasting of the minutes of the meeting via the Company's website, so that shareholders can check without waiting for the next meeting.

15. The right to be treated equally in the repurchase of shares, and allow shareholders to be able to communicate with each other.

## 2. Shareholder meeting

The Board of Directors gives importance to shareholders' meetings by holding the annual general meeting of shareholders once a year within 4 months from the end of the accounting period of the Company. It is considered as a duty of the Board of Directors that must attend every meeting if not attached to important missions. By organizing the meeting, the Company will send the meeting invitation letter, proxy form, along with information for meeting based on various agendas. Shareholders should receive complete notice at least 14 days before the meeting date for shareholders to make decisions on voting in various agendas. In case, the shareholder wishes to appoint another person to attend the meeting, he/she can choose to appoint a person, or independent directors of the Company can attend the meeting instead.

- 2.1 The Company has a policy to support or promote every group of shareholders including institutional shareholders to attend the shareholders' meeting.
- 2.2 The Company provides a website to present important information and news, such as annual and quarter financial statements report, annual information form (Form 56-1), annual report (Form 56-2), including invitation letter for the shareholders' meeting which contains information, date, time, venue, agenda of the meeting, information for each agenda decision, rules that are used in the meeting, and voting procedures which is the same information that is delivered to shareholders in the form of documents by disseminating information via the Company's website at least 30 days before the meeting as to allow shareholders to have sufficient time to study the information.
- 2.3 The Company arranges for the shareholders' meeting by facilitating the meeting location to be in the heart of the city for convenient travel and sufficient time to conduct the meeting.
- 2.4 The Company has given the opportunity and offered the rights to the shareholders to propose the agenda of the shareholders' meeting on matters that are considered important, and to propose a list of qualified candidates to be appointed as new directors in advance with clearly defined procedures via the Company's website.
- 2.5 The Company gives the right to shareholders to submit questions about the meeting agenda at least 1 month before the meeting date through the Company website.
- 2.6 The Company has encouraged shareholders to use proxy forms that shareholders can determine the voting direction, and the nomination of at least 1 independent director as an alternative to the proxy of the shareholders.

2.7 The Company gives rights to the shareholders, who attended the meeting after the meeting started to have the right to vote on the agenda being considered and have not yet voted.

2.8 The Company has appointed representatives from the audit office to inspect the counting of votes in the shareholders' meeting, and disclosed in the meeting minutes of the shareholders.

In the past year, the Company has not bought back shares and there has been no agreement between shareholders that has a significant impact on the Company or other shareholders, and has not prevented or created obstacles for shareholders to communicate between each other.

### 3. Sending invitation letters to shareholders in advance

3.1 The Company has given the authority to Thailand Securities Depository Co., Ltd. (TSD), which is the registrar of the Company share, to invite and to send the invitation letter to the shareholders 21 days prior to the meeting date. Nevertheless, such information, which is the same information that the Company sent to shareholders and used in the meeting via the Company's website. [www.sabina.co.th](http://www.sabina.co.th) at least 30 days before the meeting date, has been published to allow shareholders to have enough time to study the meeting's information in advance. This includes a daily newspaper announcement for at least 3 consecutive days and at least 20 days before the meeting date to inform shareholders of the meeting.

3.2 The invitation letter contains sufficient and complete information for the meeting with details, date, time, place, agenda, and it clearly states that the matter is for acknowledgment or consideration. There are documents supporting various agenda, objectives and reasons, along with the opinions of the Board of Directors, the Company's regulations regarding to shareholders' meetings, map showing meeting locations and details of documents that shareholders must present on the date of the shareholders' meeting with information, which is complete and sufficient for shareholders to make decisions on voting in each agenda and how to attend the meeting and to facilitate communication for foreign shareholders. The Company has also prepared documents related to the shareholders' meeting in English.

3.3 The Company has prepared the meeting agenda information in the invitation to the meeting completely in order to help shareholders make decisions, which the Company considers the rights of shareholders, promotes the exercise of rights by presenting important matters to shareholders for approval and contains important matters in full according to the law, the stock market's requirements, and the Company's regulations. Important agendas are:

- **Agenda for dividend:** The Company has provided details about the dividend policy, dividend rate proposed with related information, specify the date for determining the list of eligible persons to receive dividends and the closing date of the share transfer book, and the date of dividend payment.

- **Agenda for the appointment of directors:** The Company provides opportunities for shareholders to select directors individually with detailed information, name-surname, age, education, career history, number of companies that serve as directors by separating into a listed Company and general companies, criteria and methods of nomination, types of directors proposed meeting attendance data in the past year, number of years in office in order to give shareholders the opportunity to truly elected directors.
- **Remuneration package for the Company's directors:** Details concerning the policy and criteria in considering the directors' remuneration are provided and the remuneration budget is allocated, with the facilitation of the Nomination and Remuneration Committee to propose to the Shareholders' Meeting for an approval.
- **Agenda for the appointment of auditors And determine the amount of exam fees:** The Company has provided details about the name of the auditor, audit office's experience, competency of the auditor, independence, remuneration for the year of the audit (In case of the same auditor), and how to consider the audit fee which has been considered by the Audit Committee.

#### 4. Operation on the day of the shareholders' meeting

4.1 Before the meeting of shareholders, the chairman of the meeting will introduce the board of directors, various sub-committees, executives, auditors and legal advisors to the meeting for acknowledgment and clarifying rules that are used in the meeting including the procedure for voting and in the event that any shareholder comes after the meeting has started. The Company also gives the right to vote in the remaining agenda that has not been considered and voted, which is counted as a quorum.

4.2 The Company has applied the technology to register shareholders, to vote counting and to display results to conduct the meeting quickly and accurately, and inform the voting method and vote counting for each agenda to shareholders before starting the meeting.

4.3 The Company has determined that the Board of Directors, Sub-committees, and executives to attend the shareholders' meeting, and allow shareholders to ask questions or give opinions in the shareholders' meeting on various and related matters.

4.4 The Company uses ballots for every agenda for transparency and verification in the event of a dispute later.

4.5 The Company has provided the opportunity for shareholders to elect to vote for each director individually, and to allow shareholders to ask questions about the meeting agenda appropriately.

4.6 The Company avoids adding other agenda, which is not set in advance in the shareholders' meeting, because it is unfair to shareholders, who do not attend the meeting.

4.7 The Company has arranged for the vote counting inspectors in the shareholders' meeting, and disclosed in the meeting minutes of the shareholders.

## **5. Operation after the shareholders' meeting**

5.1 The Company has prepared the minutes of the shareholders' meeting by recording the clarification of the voting procedure and how to show the score to the meeting before the meeting started including the opportunity for shareholders to have equal rights in expressing opinions and asking questions. The Company has recorded the question or comments or suggestions of shareholders. Voting results for each agenda that there are from shareholders who agreed, disagreed and abstained including recording the names of the directors attending the meeting and not attending the meeting in the minutes of the meeting and published on the Company's website both Thai and English.

5.2 The Company disclosed the resolutions of the shareholders' meeting together with the voting results on the next business day from the date of the shareholders' meeting by reporting the news through the Stock Exchange of Thailand and publishing it on the Company's website.

5.3 The Company has complied with the guidelines for assessing the quality of the shareholders' meeting (AGM Checklist) by preparing by the Thai Investors Association.

5.4 The Company has recorded the minutes correctly and completely so that the shareholders can examine by recording details of the Board of Directors and the Executives attending the meeting, voting method, vote counting, comments, questions of shareholders, explanation of the directors including the resolution of the meeting clearly, and reported to the Stock Exchange of Thailand (SET) within 14 days from the date of the shareholders' meeting, and published such reports on the Company's website. In addition, the images and sound of the shareholders' meeting are also published on the Company's website.

## **Section 2. Equitable treatment of shareholders**

The Company gives importance to shareholders and ensures that all shareholders are treated equally and fairly as follows:

### **1. Proposal of the agenda and nominate persons to be appointed as directors**

The Company gives shareholders the opportunity to propose additional agenda in advance and nominate persons to be elected as directors in advance according to the criteria set by the Company. It has been published through the Stock Exchange of Thailand (SET) and the Company's website before the meeting date on 18 October 2018, which is from 18 October to 31 December 2018.

### **2. Proxy to attend the shareholders' meeting**

In the event that shareholders are not able to attend the meeting by themselves, the Company allows shareholders to appoint proxies to other persons, or the independent director of the Company can attend the meeting instead to protect their rights. The Company has informed details about the documents

supporting the proxy, and clearly instructed the methods and procedures of the proxy, which the Company has sent along with the proxy form B. This is a way that shareholders can determine the voting direction. In case that shareholders are foreigners; the Company has delivered the English version of the invitation letter and the proxy form C to facilitate foreign shareholders as well as to view from the Company's website.

**3. Determine the right to vote in the shareholders' meeting**

The Company gives shareholders the right to vote according to the number of shares held, with one share equal to one vote, and no shares that have special rights to restrict the rights of other shareholders.

**4. Each agenda's voting is done transparency**

Voting cards are used in every agenda, and will collect ballots only if shareholders do not agree or abstain from voting except for the election of directors, which will collect ballots from all shareholders attending the meeting by using the barcode system for counting votes in each agenda.

**5. Prevention of the use of internal information of the Company and conflicts of interest**

The Company has a policy and method to protect the Directors, Executives and Employees in seeking benefits from the use of internal information of the Company that has not been disclosed to the public for personal gain, including trading of the Company's securities as follows.

1. The Company has provided a firewall system to prevent those who come with harm to reach or destroy important information of the Company. In addition, there is an anti-virus system to prevent the virus from being released or destroying data.

2. The Company has established a security system to access employee information. Security in each software program is set the level of employees to access information.

3. The Company has determined the storage and prevention of the use of internal information of the Company in the labor contract, work regulations, Corporate Governance Policy, and working practices in not seeking benefits for themselves and related persons from any information or news of the Company that is still confidential and not yet disclosed to the public.

4. The Company will inform the management to receive the internal information and avoid or refrain from buying or selling the Company's securities during the 7 days before the financial statements are made public. If there is a trading during this period, the Company has punishment and will inform the punishment which starts from verbal warnings, written warning, temporary suspension and leaving work respectively, and the Company has corrective measurement by allowing such offender to return items. The profits from the trading of those shares will be donated to charity organizations.

5. The third parties, which participate in the examination, preparation or transactions related to information that may affect the price movement of the Company's securities, must have a confidentiality agreement with the Company until the information is disclosed to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

6. The Company has a non-complex shareholding structure, almost all related transactions are normal business transactions.

7. The Company complies with the law and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) regarding rules and procedures for connected transactions, rules for the acquisition, disposition of assets, etc.

### Section 3. Role of stakeholders

#### 1. Rights of various groups of stakeholders

The Board of Directors selects the rights of various groups of stakeholders whether they are internal and external stakeholders, and has formulated a policy as a guideline in the Company's code of ethics for transparency and fairness, and ensured that the relevant legal rights of all stakeholders will be treated fairly. Therefore, it has set a policy to be a guideline for treating stakeholders in each group as well as considering the community, society and environment for sustainable development, anti-corruption, non-infringement of intellectual property or copyright and respect for human rights.

##### Shareholders

The Company is determined to develop the business of the Company to progress with knowledge, ability, honesty in order for the Company to be stable and able to generate sustainable and appropriate returns for shareholders while protecting the interests and take care of the Company's assets. This includes the performance report for all shareholders to acknowledge regularly, completely and accurately, and eliminate conflicts of interest carefully logically, and have a regular dividend payment policy.

##### Customers

The Company intends and strives to create satisfaction and confidence in the quality of products for customers by innovation, and continually adds value to products and services to meet the needs of customers of all ages as well as paying attention and performing fairly to customers' complaints through the Company's sales staff, which is based on the counter of products sold at leading stores, department stores nationwide.

##### Personnel

Employees are valuable resources and are the key to bringing the organization to success. The Company, therefore, treats employees by focusing on training and developing the knowledge and competency of the employees thoroughly while creating stability in the profession and providing opportunities for progress according to each person's potential. This includes allowing employees to participate in determining the direction of operations and developing the Company, providing fair returns, which suit for knowledge, ability, responsibility, and the performance of each employee as well as maintaining the working environment with regards to safety for health, life and property of employees. The Company provides care for employees in safety and provides various benefits such as:

- First aid room
- Annual check-up

- Welfare products shop to help the employees' living
- Forms for employees
- Provident Fund or future savings
- Loan project when employees need emergency usage with a low interest rate
- Organizing training and seminars both inside and outside to develop employees
- Sending staff to study visits both domestically and internationally

#### **Partners or Creditors**

The Company gives importance to business partners or creditors who are important to the production cost of the Company. The Company has set the criteria for selecting and evaluating vendors as well in order to ensure that the seller has ability to respond to the quality requirements of the Company and the customer, different product materials and including the assessment of the seller as follows.

The criteria for selection of raw materials and general product materials are as follows.

1. Delivery time 2. Price of the product 3. Minimum order quantity 4. System for checking each product according to the specified standard. 5. Payment terms 6. Production period 7. Production capacity 8. Delivery frequency

The criteria for selection for raw material, which is used in production, and the employment of equipment, which is used in production\are as follows.

1. Product quality 2. Time to solve problems 3. The amount sent regards to the purchase order 4. Deliver the goods at the specified time. 5. Payment terms 6. Document delivery system (only for overseas sellers), which the Company has provided a form to select the seller and arrange for a seller assessment at least 2 times a year.

The Company will maintain and comply with various trade agreement terms with partners and strictly creditors, and not calling or accepting property or any other benefit that is dishonest in the trade. The Company will create a good relationship and understanding including exchanging knowledge and jointly developing products and services to add value to products and services. If in the case of non-compliance with the agreed conditions, the Company will inform the creditors in advance in order to find ways to consider further solutions.

#### **Society and Environment**

The Company operates its business with regards to the impact on natural resources and the environment, consciousness cultivation, responsibility to the community and society in the Company continuously. This includes supporting activities that are beneficial to the community and major society. The Company does not take any action or to support illegal actions or to cause harm to the country and / or to society and national security by setting policies and activities that relate to social responsibility (in accordance with 10. Social Responsibility Topic (CSR).

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### Competitors

The Company will comply with the rules of fair competition, and do not seek confidential information of competitors by improper means or contrary to any law.

### **2. Non-infringement of intellectual property or copyright**

The Company has a policy and guideline regarding non-infringement of intellectual property or copyright by requiring all directors, executives and employees of the Company and subsidiaries to comply with the business code of conduct regarding intellectual property or copyright by protecting the intellectual property of the Company from being violated and avoiding the violation of other people's intellectual property.

The Company has never been reported any complaints about intellectual property or copyright violations.

### **3. Anti-corruption and bribery for business benefits**

The Board of Directors has a policy for anti-corruption and the Company has signed a declaration of intention in the Private Sector Collective Action Coalition against Corruption Project. The Company also determines all directors, executives and employees of the Company and its subsidiaries to comply with the Anti-corruption policy by setting policies that focus on cultivating awareness among employees and executives at all levels to recognize the disadvantages of corruption and creating good values. This is to develop the organization to be accurate, transparent, and efficiently monitored without causing any risk of damage to the business. This includes clearly defining policies relating to corruption, therefore, in order to prevent such problems and strictly comply with relevant laws. the Company has determined the executive directors and employees of the Company, and every subsidiary to comply with the anti-corruption policy as follows.

- To focus on cultivating awareness among employees and executives at all levels realizing the disadvantage of corruption. This includes creating good values in order to develop the organization to be accurate, transparent, and efficiently monitored.
- To requires the directors and all employees must comply with the anti-corruption policy without being involved in corruption whether directly or indirectly for the benefits of both the Company and the family, friends and acquaintances.
- To create an internal control system prevents corruption, which result in transparency and good corporate governance, to be physically created and examined.
- The Company has measures to protect the complainant in reporting complaints and complaints by keeping the information received from the complainant in secret and considering the safety of the complainant important, which will be protected from unfair practices.
- Corruption is a violation of the business ethics of the Company, which will be subject to disciplinary action according to the regulations set by the Company if the action is illegal.



- The Company recognizes the importance of communication and public relations to create knowledge and to understand the directors, employees and related parties in matters that must be complied with anti-corruption policy.

In this regard, the policy determination, practice, including the creation of internal control systems to prevent corruption will result in transparency and good corporate governance. This can be examined by the said policy as a measure against corruption that may occur. This includes finding suitable solutions and sets up channel for clues or complaints to the Company's audit department and the independent directors of the Company, which the Company has published such policies on the Company website [www.sabina.co.th](http://www.sabina.co.th) (as per Article 10. Corporate Social Responsibility (CSR) topic).

#### 4. Communication channels

The Company has channels for stakeholders, which can send suggestions, comments or questions including complaints to the Company via the Company's secretary. E-mail address: [vaja@sabina.co.th](mailto:vaja@sabina.co.th) or investor relations department E-mail address: [ir@sabina.co.th](mailto:ir@sabina.co.th) Telephone: 02-4229400 Postal address: Sabina Public Company Limited 12 Arun-amarin Rd., Arun-amarin, Bangkoknoi, Bangkok 10700.

In the case of an important issues or subjects that may cause damage to the Company, the secretary will present the matter to the board of directors of the Company.

#### 5. Measures for reporting clues, complaints and protection of complainants

The Company has provided measures to report clues, complaints, wrongdoing, ethics, or behavior that may cause corruption or misconduct from the personnel in the Company both from employees, related persons, and stakeholders. Complaints and suggestions can be reported via the internal audit department, which serves as a complaint agency and the following suggestions.

##### Process when receiving complaints

The Company provides opportunities for employees and stakeholders to have channels to report clues and complaints as guidelines to develop and sustain the organization as follows.

- Complaint recipients gather facts that related to violations or not complying following the Company's anti-corruption policy.
- Complaint recipients report the facts to the independent directors to investigate the facts to consider the complaint by identifying matters related to anti-corruption policies, dividing into political support, financial support and donations for charity, and receiving gifts, property or other benefits.
- Action measures by the recipients of the complaint presented to the Anti-Corruption Committee to investigate the facts and to set measures to act to suspend violations or non-compliance with anti-corruption policies.

- The recipient of the complaint is responsible for reporting the investigation result to the complainant. If the complainant discloses himself in the case that is important. The recipient of the complaint reports the investigation result to the Chairman, and / or the Board of Directors to acknowledge.
- If the accused acting in real corruption is considered a violation of anti-corruption policy, he/she must be considered disciplinary punishment according to the Company's regulations. In case of violating the law, he/she must continue to receive legal penalties.

#### Channels for complaints and complaints

Internal Audit Department via email : [GRP\\_AUDIT\\_HO@sabina.co.th](mailto:GRP_AUDIT_HO@sabina.co.th)

- Internal Audit Department via phone: 02-422-9400 Ext. 9309, 9404
- Internal Audit Department via post: Internal Audit Department

Sabina Public Company Limited  
12 Arun-amarin Rd., Arun-amarin, Bangkoknoi,  
Bangkok 10700, Thailand

#### Complaint protection measures

- complainants can choose not to reveal themselves, if found to be unsafe for themselves and the concerned person. Nonetheless, if the complainants disclose themselves, the Company will report progress and clarify facts to the complainant.
- The recipient of the complaint collects the information received from the complainants in a confidential manner, and consider the safety of the complainant is important by defining protection measures for the complainant and / or those who provide information and / or cooperation in checking information, which will be protected from unfair practices, for example, change of job position, job description, work place, suspend work, intimidation, disturbance of work, dismissal due to the cause of complaint notification. The general operation of complaints will be kept confidential, only for the Chief Executive Officer and / or the Internal Audit Department. The complaints of wrongdoing of high-level executives will be collected by the secretary of the audit committee to report directly to the Audit Committee.

In addition, the Company also provides channels for reporting clues or complaints to stakeholders who have complained in the case of illegal actions and ethics of high-level executives, violation of business ethics including behavior that implies fraud, unequal practice through the following channels.

Postal : Chairman of the Executive Committee or Chairman of the Audit Committee

Sabina Public Company Limited

12 Arun-amarin Rd., Arun-amarin, Bangkoknoi,

Bangkok 10700, Thailand

The general complaint data will be kept confidential only for the Chief Executive Officer and / or the Internal Audit Department. The Company will not disclose information to the whistleblower, and being fairness as for the complaint of wrongdoing of high-level executives, they will be collected by the secretary of the audit committee to report directly to the audit committee and the Company will proceed with the next steps.

The Company had never had a record of violations of labor laws, employment, consumers, trade competition and the environment yet.

#### **Section 4. Information disclosure and transparency**

##### **1. Disclosure of Company information**

The Company has disclosed important information related to the Company both financial and non-financial, which may affect the interests or decisions of shareholders in the investment by providing sufficient information disclosure, complete and in time for the annual report, Management Discussion and Analysis Various, and press releases via the website of the stock exchange, and the Company's website [www.sabina.co.th](http://www.sabina.co.th) in both Thai and English.

##### **2. Financial report preparation**

To show responsibility for the preparation of financial reports, which refers to being complete, accurate, transparent and adequate, the Board of Directors, who is responsible for the consolidated financial statements of the Company and financial information appearing in the annual report to be prepared in accordance with accounting standards, uses appropriate accounting policies and consistently performing including the disclosure of important information in the notes to the financial statements. The Board of Directors has appointed an Audit Committee consisting of independent directors to take charge of the quality of financial reports and internal control systems.

3. The Company has disclosed the corporate governance policy, ethics of management, and of the Board of Directors of the Company Executives and employees in writing and published through the Company's website.

4. The Company has disclosed social and environmental care policy to promote and support the implementation of policies consistently and consistently (according to the Social Responsibility Report, Article 10).

5. The Company has disclosed the related transactions, which the Company has complied with the rules of the Securities and Exchange Commission of Thailand (SET) by disclosing details of the transaction by

specifying the name of the person who has related transactions, relationship, nature of the transaction, conditions / policies, price and value between each other (Details according to the topic of inter-item item 12).

6. The Company has set a policy for the directors of the Company to report the purchase-sale of shares / hold the Company's securities to the Board of Directors in every meeting.

7. The Company has a policy for the Board of Directors to report the interest of the directors, and the executives must report to the Company every time when having their own interests and related persons within three months from the date of appointment or the date of change.

#### 8. Remuneration for directors and executives

Determination of remuneration of the Board of Directors is clear, transparent from comparison with the Company in the same industry in order to be able to attract and retain knowledgeable directors. The remuneration of directors is proposed for approval from the shareholders' meeting every year.

The executive compensation is according to the principles and policies set by the Executive Committee, which is linked to the Company's performance and the performance of each executive (The amount of remuneration of directors and executives disclosed in the management structure topic of remuneration for directors and executives).

#### 9. Relationship with investors

The Board of Directors gives importance to the disclosure of both financial and non-financial information that is complete, adequate, transparent, timely and thorough. The Company has information disclosure, and news to shareholders, investors and related persons through the Company's website [www.sabina.co.th](http://www.sabina.co.th), so that the shareholders can access information easily and quickly, such as business operation information, financial statements, shareholding structure, organizational structure, annual report, invitation letter to the shareholders' meeting, news from the media and other necessary information.

In addition, the Company has established the Investor Relations Unit to provide information services and news of various activities of the Company with investors, shareholders, analysts and the public as well as answering questions from investors and related parties who can contact the Investor Relations Unit by email [ir@sabina.co.th](mailto:ir@sabina.co.th) or Tel. 0-2422-9400.

For the past year, the Company has presented its performance, financial information and general information to analysts, investors and shareholders continuously by disclosing information through public media and the Company participated in various activities to be a channel for information disclosure making it possible to meet and listen to the opinions of analysts, investors and shareholders directly to create good relationships and to provide information for investors' decisions through the following activities.

- Roadshow	:	4	Times
- Opportunity Day	:	4	Times
- Company Visit	:	12	Times

- Analyst Meeting : 1 Times
- Newsletter performance Company's : 6 Times

And other activities, such as meeting with investors.

In the past, the Company has never had a history of being ordered to modify financial statements by Securities and Exchange Commission (SEC), including the disclosure of annual and quarterly financial statements to shareholders and investors within the time limit.

## **Section 5. Responsibilities of the Board**

The Board of Directors plays an important role in corporate governance for the best interest of the Company. The Board of Directors is responsible for the performance of duties to shareholders and is independent from the management.

### **5.1 Structure of the Board of Directors**

The Board of Directors consists of 10 persons consisting of 6 non-executive directors (4 independent directors) with 1 independent female director and 4 executive directors

The Board of Directors has determined the structure of the Board of Directors to be composed of directors with diverse qualifications, which is a person with knowledge and ability, has useful experience with the Company and able to perform duties efficiently with morality and ethics that are accepted and trusted. The Company has a separation of duties and responsibility for the performance of the Board of Directors clearly.

The Board of Directors has been elected from the shareholders' meeting and has a certain term of office, which is in accordance with the Company's Articles of Association, that at every annual general meeting, the directors who hold the longest positions are the ones who retire and when the term has expired, the ones may be re-elected to be a director. There are no directors who hold directorship in more than 5 listed companies.

The Company has never had a director or a senior executive of the Company, who used to be an employee or partner of an external auditing Company that the Company has been using for the past 2 years.

In the Board of Directors, there is no executive director to serve as directors in more than 2 other listed companies.

In the Board of Directors, there is more than 1 non-executive director who has experience working in the Company's business.

- In the past, there was no record of misuse from the Board of Directors.
- In the past, the Company has no record of violating the regulations of SEC and SET.

#### **5.1.1 Other positions of directors and senior management**

To allow the directors to devote time and effort to perform their duties, the Board of Directors has set a policy to limit the number of companies that each director will hold positions as follows.

1. The Board of Directors has a policy to hold the position of director at other listed companies of the Managing Director (CEO) for not more than 2 companies.

2. The Board of Directors has a policy to allow directors to hold directorship in other listed companies for no more than 5 companies but not defined as directors in companies that are not registered

3. In the event that one of the directors of the Company needs to hold the position of director of more than 5 listed companies, it is important to notify the shareholders and related parties for the reasons and the effects regards to the duties, which stated in the annual report (Form 56-1) and annual report (Form 56-2).

And in the past, the Board of Directors of the Company have not had any directors who serve as directors in more than 5 other listed companies yet.

#### **5.1.2 Balance of the Board**

Board structure as of 31 December 2018 consists of 10 directors, with 4 executive directors and independent directors who meet the definition "Independent Director" of the Securities and Exchange Commission (SEC) And the Stock Exchange of Thailand (SET) for 4 persons and served as the Audit Committee of the Company for 3 persons

At every annual general meeting, the directors shall retire from position at the ration of 1:3 or close to 1:3 according to the Company's regulations, and once the term has expired, he or she may be re-elected to the position.

#### **5.1.3 Consolidation or separation of the position**

The Company has segregated authority and authority by approving and the operation of the Company clearly according to the types of transaction by dividing into categories according to the line of work, including production units, accounting and finance departments, Human Resource unit, Sales agencies in the country and abroad, and others, which have been included in the authority approval and operation regulations No. 1/2006 dated 1 September 2006.

With different roles and obligations between the Chairman of the Board of Directors with the Managing Director, to clearly separate roles and duties which creates a balance in operating power. In addition, all directors are free to express their opinions regarding the Company's operations to supervise the operations of the management to be effective, transparent and able to be examined. However, the Chairman of the Board of Directors is not an independent director, but he performs his duties with independence, allowing the Board of Directors to freely perform their duties and express their opinions about the Company's operations and suggestions that are useful to the Company.

#### **Authority of the Chairman and Managing Director**

The Board of Directors has defined the duties and responsibilities of the Chairman of the Board of Directors, and the Managing Director is authorized to perform various tasks on behalf of the Company which can be summarized as follows.

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**Authority and Responsibilities of the Chairman**

The Chairman of the Board of Directors has a duty to set policies and business plans, oversee the management of the management waiting for advice and help, but must not participate and do not interfere in the normal daily administration. In addition, the Chairman of the Board of Directors must have leadership to take care of the directors to not be under the influence of the management by acting as chairman of the meeting, both in the board meeting and fair meeting of shareholders, supporting and encouraging participants to exercise voting rights, and strictly complying with the principles of good corporate governance by having the composition, size and structure of the Board of Directors to create a balance between executive directors and independent directors. It arranges the participation of executive directors, Non-executive directors and independent directors in the activities and decision-making processes of the Board of Directors.

Providing assessment and work development of the Board of Directors regularly and aiming for collaboration among the directors and the performance of the directors.

**Authority and responsibility of the Managing Director**

The Managing Director is responsible for routine management in order to comply with the objectives, regulations, policies, regulations, orders and resolutions of the Board of Directors and / or resolutions of the Board of Directors and / or resolutions of the shareholders' meeting.

1. To provide a business policy, business plans and budgets for submission to the Board of Directors for approval and to be responsible for reporting the progress of the approved business plan as well as the budget approved by the Board of Directors according to the time period specified.

2. To manage the business operations of the Company to comply with the business policy of the Company, business plans and budgets to achieve financial objectives approved by the Board of Directors.

3. To set operational goals for resource allocation to comply with the management policy to ensure that the overall business growth of the Company is in line with the Company's objectives and business plans.

4. To determine, inspect and strengthen the standards of the organization to be strong, which is necessary for competition and creating value for the organization with continuous work with personnel and products.

5. To analyze the current situation and situations that may arise of global industrial conditions to anticipate future changes in the industry and change the Company's strategy.

6. To consider and approve the packing, appointment, transfer, dismissal, consideration of goodness, preference, discipline measures as well as determining remuneration and employee welfare and

to establish standards for employee performance evaluation and review such standards on a regular basis. Such measures must not conflict with the authority of the Executive Committee.

7. To issue regulations on the operation of the Company which does not conflict with policies, regulations, regulations, orders and resolutions of the shareholders' meeting Board of Directors Meeting and the Executive Committee.

8. To approve the normal financial transactions of the Company

9. To have the power to delegate power and / or assigning other persons the power to perform specific duties as a delegation of authority and / or assign others must be under the scope of power and / or under internal regulations or orders received from the Board of Directors and / or the Company. The delegation of authority, duties and responsibilities of the managing director may not be possible in the case of approval of items that may have a conflict of interest (According to the definition of the Securities and Exchange Commission or the announcement of the Capital Market Supervisory Board), which may have an interest or receive benefits in all forms or may have a conflict of interest with the Company or subsidiary unless such item in accordance with the policies and criteria approved by the shareholders 'meeting or the Board of Directors' meeting.

## **5.2 Sub-committee**

The Board of Directors has established 4 sub-committees to monitor and supervise the operations closely and regularly report to the Board of Directors. The Board of Directors has defined the duties and responsibilities of each sub-committee as follows.

1. The Executive Committee is responsible for managing the business of the Company, providing suggestions and solving important problems and monitoring the performance of the Company, and subsidiaries to be effective in order to meet the goals, which are set.

2. The Audit Committee is obligated to inspect the credibility of the Company's financial reports and the internal control system, as well as consider the disclosure of inter-related transactions and make sure they are accurate, and provide constructive suggestions to the management on the topic of good governance.

3. The Nomination and Remuneration Committee is responsible for considering the criteria and the nomination process and determining the appropriate remuneration in accordance with the qualifications of other sub-committees and directors.

4. The Risk Management Committee has a duty to set rules and evaluation process including advising the overall risk of the Company.

## **5.3 Roles, duties and responsibilities of the Board of Directors**

The Board of Directors is responsible for performing duties in considering and giving opinions on important matters relating to the operations of the Company, following up and supervising the management,



operating according to the policies and plans with efficiency and effectiveness, internal control and risk management including mechanisms for receiving complaints and proceeding in case of clues, ensuring long-term business continuity including employee development plans and the continuity of the management.

#### **5.3.1 Leadership and vision**

The Board of Directors is committed to running the business of the Company to progress and have stable growth to create the best return for shareholders; the Board of Directors will perform their duties with knowledge, ability, responsibility and careful management of the Company with full capacity by adhering to laws, rules and best practices about business operations, and to be in accordance with the objectives and goals set for the maximum benefit of the Company, shareholders and all stakeholders.

The Board of Directors assigned the Executive Committee to present the vision and mission, strategy, policy and budget to allow the Board of Directors to approve and to be as guideline for the Board of Directors to supervise, monitor and evaluate the performance in order to meet the goals and ways to increase value and wealth for the Company and shareholders. While also considering the interests of all stakeholders, and in the past year, the Board of Directors has approved and review the vision and the mission, and goals of the Company and give approval and follow up to the management to follow the plan in accordance with the direction laid down regularly.

The Board of Directors has considered the roles and responsibilities of the Board of Directors and the management of the Company by clearly dividing the structure and performance of duties. In this regard, the Company has prepared a letter of authorization to specify the clear scope of the management and has clearly defined the level of authority in each operation.

As to ensure the performance of the Board of Directors Achieve the objectives and scope of authority, duties and responsibilities assigned. The Company provides an orientation for new directors, which the Company has prepared and submitted useful information documents for the performance of new directors such as capital structure, shareholder structure, list and brief history of the board and senior management, business management with the past performance, and has encouraged training to provide knowledge on corporate governance of the Company including making a summary of business overview and past performance. As well as the Company's policies and regulations for new directors to study and understand with a manual for good practices for directors of listed companies as guidelines for working while holding positions as directors.

#### **5.3.2. Business ethics**

The Company is committed to conducting business by adhering to the principles of honesty, transparency, fairness and in accordance with the law. In order to increase confidence among shareholders, customers, business partners, competitors, employees and the society as a whole, the Company will control and monitor the use of personal interests and related parties by using internal information that has not been disclosed or that is confidential to be used or disclosed to a third party or any action that causes a conflict of interest.

In addition, the Company has also prepared a business ethics manual, and written practices and communicate to all directors, executives and employees to acknowledge and strictly adheres to and strictly complies with the regular follow-up of the manual.

The Company has published the Code of Business Ethics on the Company's website under the heading "Code of Business Conduct".

### **5.3.3 Conflict of interest**

The Board of Directors complies with the rules of the Securities and Exchange Commission (SEC) and of the Stock Exchange of Thailand (SET). The Board of Directors have clear guidelines for caring and eliminating conflicts of interest carefully with reasonableness.

In case there is a conflict of interest, the Company will disclose the information to the meeting by specifying the value of the transaction, the contract party, the reason of the necessity of such transaction with transparent information that can be checked. If any transaction must be approved by the Board of Directors and the shareholders' meeting, such transactions will be considered and screened by the Audit Committee first, and will give an opinion on the said transaction.

In addition, the Board of Directors also stipulates rules and regulations for directors, executives and related persons to report their own interests or related persons, which is a vested interest in the management of the business of the Company or subsidiary in order for the Company to have information for the implementation of the regulations regarding connected transactions through the meeting agenda of the Board of Directors every quarter

The Company has disclosed related party transactions with persons who may have conflicts in 2018. In addition, the Board of Directors has commented that all related transactions are reasonable and beneficial to the business operations of the Company in accordance Office requirements SEC (as detailed in the topic related transactions).

### **5.3.4 Prevention of internal data usage**

The Board of Directors prohibits the executives and staff members who are aware of the internal information to use such information that has not been disclosed to the public, especially if such information might affect the change of the Company's securities value, from buying or selling the Company's securities during the 7-day period before the financial statements are disclosed to the public. Failure to comply and using an undisclosed internal information to seek one's own benefits is held as disciplinary misconduct according to the Company's regulations. One should refrain from buying or selling the securities, or wait until investors are aware of the information at least 24 hours after the information disclosure. If the information is complicated, the waiting period shall be 48 hours after the information has been disclosed. Furthermore, if directors and executives buy or sell the Company's securities, one must notify the Securities and Exchange Commission, the Stock Exchange of Thailand and the Company every time.

In this regard, the Company has regulated that directors and top-level executives must notify the Board of Directors regarding their securities trading at least 1 day prior to making the transactions.

The Company has regulated that directors must disclose their securities trading or ownership of the Company's securities to the Board of Directors' meeting every time.

The Board of Directors has also reported the holding of securities of the directors, Executive directors and executives including the legitimate family of all directors have a duty to report securities holdings and changes in securities holdings to the Securities and Exchange Commission of Thailand (SEC).

#### **5.3.5 Control system and internal audit**

The Board of Directors gives importance to the internal control system, therefore, the Board of Directors has set up an internal control system that covers both financial management and operations to be effective and efficient. In accordance with relevant laws, regulations, and regulations, it can independently audit and fully balanced. In addition, the focus is on continuous development.

The Board of Directors has established an internal audit unit, which is responsible for monitoring the internal control system and risk management. By requiring the Internal Audit Department report, the audit reports the result directly to the Audit Committee on a quarterly basis for the Audit Committee to review that the Company has sufficient internal control systems.

#### **5.4 The Board's Meetings**

The Board of Directors has set a minimum meeting of not less than 6 times a year and may have additional special meeting as necessary. The meeting schedule has been set in advance annually and the meeting agenda has been clearly defined and submitted to the Board of Directors before the meeting date in advance sufficiently to allow the Board of Directors not less than 7 working days and to allow the Board to have time considering sufficient information.

In the meetings, the Chairman of the Board of Directors allowing all directors to freely express their opinions and in the meeting, it is to invite the relevant executives to attend the meeting to identify information or provide additional information as a person directly related to the problem in order to make decisions of the Board of Directors. In addition, there is a written record of the meeting, and storing certified minutes from the Board of Directors systematically which can be checked and referenced at any time. Moreover, in voting for each agenda of the Board of Directors' meeting, there must be no less than two-thirds of all directors.

#### **5.5 Assessment of the annual performance of the Board**

The Board of Directors has provided an annual performance evaluation of The Board of Directors, which is divided into as the board, individual and sub-committees. In this regard, the Company has assigned the Nomination and Remuneration Committee to be the representative in determining the criteria, and evaluating the Board of Directors and individual committees with the same assessment criteria. It is consistent with the self-assessment form of the Securities Commission including having been reviewed for consistency

Self-evaluation form for both the Board of Directors and individual directors, with assessment topics are divided into 4 main topics as follows:

1. Qualifications of directors
2. Meeting attendance
3. Roles, duties and responsibilities of the Board of Directors
4. Other matters, such as the duties of the Board Relationship with management

Self-development of the board and executive development

Individual self-evaluation form of the sub-committee of the individual Company is divided into 3 main topics as follows:

1. Structure and qualifications of sub-committees
2. Meetings of sub-committees
3. Roles, duties and responsibilities of sub-committees

The Company has a process for evaluating the Board of Directors, which the Company Secretary will send the assessment form to the directors to evaluate and return to the Company. The Company will not disclose the name of the appraisal director so that the directors are independent in the assessment results, and the Company has presented the evaluation results to the Board of Directors and individual committees to participate in the evaluation and evaluation of the performance of the directors.

**Evaluation method** Each committee will use the performance evaluation form to evaluate oneself, the entire Board of Directors and the sub-committee by using the method of identifying the opinions of each director by checking the rating box from 1-4.

Each committee will use the evaluation form for the entire Board of Directors and individual and sub-committee by using the method of identifying the opinions of each director by checking the rating box from 1-4.

Which has the following meanings: 1 = strongly disagree 2 = disagree 3 = agree 4 = strongly agree

The evaluation results of the Board of Directors, both individual and sub-committees for the year 2018 is very good

The evaluation of the top management (CEO) is the duty of the Chairman and the Board to consider and evaluate the performance of each side of the Managing Director.

## 5.6 Development of the Board's continuous knowledge

The Board of Directors encourages and facilitates training and education for all Board members, management and employees to continuously improve operations.

The Company has encouraged directors to attend courses related to the performance of duties as directors such as courses organized by the Thai Institute of Directors Association (IOD) and other related institutions. In the year 2018, the directors attended the following courses.

Name	Title	Development
Mr.Somkid Pardungkiatisak	Director	- Preparation of financial statements, abnormal point capture techniques -Dashboard & Excel -Boardroom success through financing and investment (BFI 5/2018) -Certified investment and securities analyst program (CISA Level1 Batch# 13)
Ms. Vachirawan Yamsri	Director, Risk Management Committee	- Effective training in the assessment of manpower to increase the productivity of the organization
Mr. Bunchai Punturaumporn	Managing Director, Nomination and Remuneration Committee	-Board Matters and Trends (BMT 6/2018)

5.6.2 For new directors, the Company has an orientation for new directors, where the managing director of the relevant management will present information about the shareholding structure Organizational Structure, nature of the business, Company operating policy, Company regulations, financial information, information of affiliated companies, board meetings and other related information.

5.6.3 The Board of Directors has established a succession plan for the main positions by defining as part of the strategic plan for the succession of work and as a guideline for the development of executives as planned. This includes performing duties on behalf of the Managing Director or the executive cannot perform his/her duties.

The Nomination and Remuneration Committee prepares the succession plan for the Chairman of the Executive Committee / the Managing Director and the management of the Company by considering the importance of the business operation efficiently and continuously by having a plan to select personnel that will be responsible for important management positions at all levels to be appropriate and transparent, therefore, the criteria for selecting the successors for the job are as follow.

1. Chairman of the Executive Committee / Managing Director

When the position is vacant or those who are unable to perform their duties, the Company will provide a system for management in a similar order acting in a vacant position until a qualified person is selected according to the criteria set by the Company.

2. Executive level from the deputy director level to the director

When the position is vacant or the person in the position cannot perform the duty, the Company has planned the succession of executive level with the following process. There will be analyzing the situation of the business and personnel to be linked with the policy and strategic of the Company to develop or recruit for those who are resigned by defining knowledge and ability and being a person with a

vision, knowledge and ability suitable for the culture of the organization. It is to select and evaluate the work, and assess the potential of employees to consider suitability.

### 5.7 Details of changes in the holding of the Company's shares by the directors

As of 31 December 2018

Rank	Name-Surname	Position	Amount of shares on December 31, 2017	Shares changing	Amount of shares on December 31, 2018	Shareholding ratio(%)
1	Mr. Viroj Thanalongkorn	Chairman	259,207,000	(100,000,000)	159,207,000	45.81
	Spouses and minor children		-	-	-	-
2	Mr. Bunchai Punturaumporn	Managing Director, Nomination and Remuneration Committee	10,000	-	10,000	0.003
	Spouses and minor children		-	-	-	-
3	Mrs. Suchanya Thanalongkorn	Managing Director	-	-	-	-
	Spouses and minor children		-	-	-	-
4	Mr. Somkid Padungkiattisak	Managing Director	10,000	-	10,000	0.003
	Spouses and minor children		-	-	-	-
5	Ms. Somsri Sripatoomrak	Managing Director, Risk Management Committee	10,000	-	10,000	0.003
	Spouses and minor children		-	-	-	-
6	Ms. Vachirawan Yamsri	Managing Director, Risk Management Committee	35,000	-	35,000	0.01
	Spouses and minor children		-	-	-	-
7	Ms. Raweewan Peyayopanakul	Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
8	Mr. Somchai Vanavit	Independent Director, Audit Committee, Chairman of Nomination and Remuneration Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
9	Mr. Yuthana Adipath	Independent Director, Audit Committee, Nomination and Remuneration Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
10	Mr. Chakkrit Uttayopas	Independent Director, Chairman of Risk Management Committee	-	-	-	-
	Spouses and minor children		-	-	-	-

## 9.2 Sub-committee

The Board of Directors has set up various committees that have the appropriate expertise in each area to be responsible for the work and help increase the work efficiency of the Board, which consists of the Audit Committee, Executive Committee, Nomination Committee, and Remuneration Committee and the Risk Management Committee by the composition and duties of various committees. The details are as follows.

### 9.2.1 Audit Committee

The Audit Committee consists of 3 independent directors, whose have full qualifications according to the SEC's regulations, with a 2-year term.

There are 3 members of the Audit Committee.

Name	Title
Ms. Rawewan Peyayopanakul	Chairman of Audit Committee
Mr. Yuthana Adipath	Member of Audit Committee
Mr. Somchai Vanavit	Member of Audit Committee

\* Remark : The 3 Audit Committee members are knowledgeable and have experience in reviewing the financial statements of the Company by Miss Rawewan Peyayopanakul, Chairman of the Audit Committee. She graduated Master of Business Administration, Major in Accounting, Michigan State University, USA (Details of education history and work experience of the Audit Committee are in Attachment 1, details about directors, executives, controlling persons and Company secretary)

### Scope of duties and responsibilities of the Audit Committee

1. To review and to ensure that the Company has accurate financial reporting and sufficient information is disclosed by coordinating with independent auditors and responsible executives, and preparing quarterly and annual financial reports. The Audit Committee may suggest the independent auditor to review or examine any transactions that are deemed necessary and important during the audit of the Company's accounts.
2. To review the Company's internal control system and the internal audit system to be appropriate and effective, and to consider the independence of the internal audit unit as well as approving the appointment, transfer and dismissal of the head of the internal audit department or any other agency responsible for internal audit.
3. To review the Company's operations to be in compliance with the law on securities and exchange, regulations of the Securities and Exchange Commission (SEC), The Stock Exchange of Thailand (SET) and laws related to the business of the Company
4. To review the operation according to the plan, policy, goals and objectives of the organization as well as relevant regulations and laws.
5. To consider selection, to propose to appoint an independent person to act as the Company's auditor including considering proposing termination and the remuneration of such person with regard to reliability, resource adequacy and the amount of audit work of that audit office. This includes the

- experience of the personnel assigned to perform the audit of the Company to the Board of Directors including attending the meeting with the auditor without the management attending the meeting at least once a year.
6. To consider connected transactions or transactions that may have conflicts of interest to comply with the laws and regulations of the Stock Exchange of Thailand (SET) in order to ensure that such transactions are reasonable and are most beneficial to the Company.
  7. To consider the disclosure of Company information in the event of a related transaction or items that may have conflicts of interest to be accurate and complete.
  8. To prepare the report of the Audit Committee, which is disclosed in the annual report of the Company, and which the report must be signed by the Chairman of the Audit Committee and must contain at least the following information.
    - A. Opinions on the accuracy, completeness and reliability of the Company's financial reports.
    - B. Opinions on the adequacy of the internal control system of the Company.
    - C. Opinions on compliance with the law on securities and Stock exchange market requirements or laws related to the business of the Company.
    - D. Opinion on the suitability of the auditor.
    - E. Opinions about transactions that may have conflicts of interest
    - F. Number of Audit Committee meetings and the attendance of each member of the Audit Committee
    - G. The overall opinion or observation that the Audit Committee received from performing its duties in accordance with the charter.
    - H. Other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
  9. The Audit Committee must be fully cooperative about receiving information that needs resources and operations from the management. The Audit Committee may invite the management or related parties are required to participate in providing relevant information.
  10. The Audit Committee has the authority to hire specific experts or hiring an independent professional advisor when deemed necessary with the cost of the Company
  11. To give approval of the charter, inspection scope, audit plan, budget and manpower of the Internal Audit Department
  12. To review the Company's anti-corruption process in accordance with the guidelines of various regulatory agencies effectively starting from promoting and raising awareness, risk assessment, the creation of a preventive work system, an investigation until reaching a self-evaluation form about anti-corruption measures as audited and assessed by the Internal Audit Office, to ensure that the



Company has various systems in anti-corruption as reported in the self-assessment form of the Thai Institute of Directors Association (IOD).

13. To perform any other duties as assigned by the Board of Directors within the scope of duties as the Audit Committee.

#### 9.2.2. Executive Committee

The Executive Committee is responsible for managing the business of the Company, proposing solutions to important problems and monitoring the performance of the Company, and subsidiaries to be effective to meet the goals set.

#### Composition and appointment of the Executive Committee

The Board of Directors appointed the executive director by electing from a number of directors of the Company.

The Board of Directors of the Company consists of 4 persons, consisting of

Name	Title
Mr. Bunchai Punturaumporn	Chairman of Executive Committee
Mr. Somkid Pardungkiattisak	Executive Director
Ms. Somsri Sripatoomrak	Executive Director
Ms. Vachirawan Yamsri	Executive Director

#### Scope of duties and responsibilities of Management Board

- 1) Determine the company's policies, directions, strategies, and principles that resonate with the business objectives set forth by the Board of Directors and is authorized to execute the policies given by the Board of Directors in compliance with the laws, regulations, and the company's article of associations.
- 2) Establish organization structure and organization administrative authority encompassing selection, hiring, transfer, training, and termination of contract for employees and staff, except the positions of Chief Executive Officer and Managing Directors
- 3) Review annual budget allocation proposed by Managing Director before submitting to the Board of Directors for approval
- 4) Examine and monitor to ensure effective execution of the policies and business conduct guidelines determined
- 5) Has authority to scrutinize and review investment in core and non-core businesses before proposing to the Board of Director for approval
- 6) Has authority to consider and approve borrowings or borrowings from financial institutions and repayment or payment transactions in the normal course of business

- 7) Has authority to allocate reward, prize, or compensation which has been approved by the Board of Directors
- 8) Execute other task as assigned by the Board of Directors from time to time

Management Board may grant its approval authority to the company's management on any or some financial transactions deemed appropriate by Management Board.

Nevertheless, approval of any transaction abovementioned must not result in Management Board being able to approve related party transactions (RPT) that any member of Management Board or other persons with possible conflicts (according to the company's Article of Association and as determined by Securities Exchange Commission) engage with the company or its subsidiaries, except the normal business transactions that comply with the criteria set forth by the Board of Director. In case of related party transactions involving member of Management Board or persons with possible conflicts with the company or its subsidiaries, such directors are prohibited from voting in the agenda of those transactions.

### 9.2.3 Nomination and Remuneration Committee

Board of Directors appoints four members of Nomination and Remuneration Committee, three members from a group of independent directors and one member from Management Board. One of the three independent directors becomes Chairman of the committee.

Name	Title
Mr. Somchai Wanawit	Chairman of Remuneration Committee
Mr. Yuthana Adiphat	Remuneration Committee
Ms. Raweewan Pinyopanakul	Remuneration Committee
Mr. Bunchai Punturaumporn	Remuneration Committee

### Scope of duties and responsibilities of Nomination and Remuneration Committee

#### Responsibility in nomination of directors

Establish rules and approaches in the selection of the company's directors, considering multiple aspects of candidate qualifications, including personal status, knowledge and abilities, experiences, and specializations, to identify the candidates who fits the nomination rules and guidelines and propose to the Board of Directors and/or the Meeting of Shareholders.

#### Responsibility in Determination of Remuneration

Determine remuneration, financial reward, meeting allowance, bonuses, and other compensation of Management Board and other subcommittees and propose to the Board of Directors and Meeting of Shareholders for approval.

In the course of performing duties according to the rules set forth by Nomination and Remuneration Committee, the committee is obliged to regularly report to the Board of Directors at least twice a year.

#### 9.2.4 Risk Management Committee

Meeting of the Board of Directors No. 6/2018 dated December 21<sup>st</sup>, 2018 has resolution to appoint Risk Management Committee, which are comprised of three members with one independent director as Chairman of the committee.

Name	Title
Mr.Chakkrit Uttayopas	Chairman of Risk Management Committee
Ms.Somsri Sripatoomrak	Risk Management Committee
Ms.Vachirawan Yamsri	Risk Management Committee

#### Scope of duties and responsibilities of Risk Management Committee

- 1.Establish policies, rules, and processes in the assessment and management of risks that affect the company
- 2.Assess, analyze, prioritize risk factors, and determine proper guidelines and strategies to manage risks
- 3.Monitor and assess the result of risk management and report to Audit Committee
- 4.Make decision and give recommendation on critical issues in the risk management process

#### 9.3 Nomination and Appointment of Directors and High-level Executives

Nomination of the company's directors and high-level executives are performed by Nomination Committee who will propose selected candidates to the Board of Directors and/or Meeting of Shareholder for approval on the appointment.

Appointment of the company's directors must comply with the company's article of associations and related laws and regulations. Meeting of shareholders consider to appoint directors of the company using majority rule with the following criteria

1. Each shareholder has voting rights equal to the number of shares held
2. Each shareholder can use his/her voting rights according to 1. to choose one candidate or more than one candidate but he/she cannot assign his/her rights to any candidate unequally
3. Candidates are ranked based on his respective votes and the candidates with top votes, the number of whom equals to the vacant director positions, are appointed as directors. In case that two or more candidates are given equal votes, resulting in the total number of eligible candidates exceeding the vacant director positions, Chairman of the meeting will exercise his authority to give the final vote.
4. In case that the director position become vacant due to the causes other than normal expiration, Board of Directors must obtain at least three-out-of-four resolution to select a qualified candidate who does not possess prohibited characteristics to assume the vacant director position in the next meeting, except when the remaining term of the replaced director

is less than two months. The term of the replacing director is equal to the remaining term of the replaced director.

5. The Meeting of Shareholder may vote to cause a director to leave the position before his term using at least three-out-of-four voting rights presence in the meeting, which constitute to more than half of the total voting rights of shareholders

#### Director qualifications

Persons eligible for director positions are knowledgeable and prepared to perform the duties and must possess the following qualifications at the least;

1. Must possess desired qualifications and must not possess prohibited characteristics as stipulated by Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well as must not possess characteristics that may lead to untrustworthiness in his/her management conduct from shareholders as determined by the SEC
2. Must possess knowledge, skills, or experiences in related business or in the field of finance and accounting, business administration, or other fields deemed appropriate by the Board of Directors. At least one non-executive director must have experience working in the business related to the business of the company.
3. Be able to devote sufficient time to cautiously and vigorously perform director duties especially when making the critical decisions for the company's benefits and be able to fully attend the meeting of the Board of Directors and the shareholder meetings, except in the time of emergency
4. Possess morals, ethics, and other characteristics possibly determined by laws or by the Board of Directors

Nomination Committee will consider candidates for independent directors based on the qualifications set by the SEC. The company defines qualifications for "**independent directors**" as follows:

1. Holds not more than 1% of shares with voting rights in the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts. This includes shares held by related persons of such independent directors.
2. Is not currently or has not been an executive director, employee, staff, consultant with monthly compensation, or a controlling person of the company, its parent company, subsidiaries, associated companies in the same level, or legal entities with possible conflicts, except refraining from such position for no less than two years before director appointment date
3. Is not connected by blood or by legal-biding registration in the form of paternity, maternity, spouse, siblings, or descendants with executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the company or its subsidiaries
4. Does not currently have or has not had business relationship with the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts which may

prevent his/her exercising of independent judgment, and is not currently or has not been a major shareholder, non-independent director, or executive of the entities having business relationship with the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts, except refraining from such position for no less than two years before director appointment date

5. Is not currently or has not been an auditor of the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts, nor is a major shareholder, non-independent director, executive, or partner of the audit firm in which the auditor of the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts is employed, except refraining from such position for no less than two years before director appointment date
6. Is not currently or has not been a professional service provider, including legal advisor or financial advisor, receiving monthly compensation in the total amount of more than two million baht per year from the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts, and in case that the mentioned professional service provider is a legal entity (not a person), the candidate for independent director must not be a major shareholder, non-independent director, executive, or partner of such professional service provider, except refraining from such position for no less than two years before director appointment date
7. Is not appointed a representative of the director of the company, its major shareholder, or a shareholder which is a related entity of the company's major shareholder
8. Does not possess other characteristics that prevent exercising of independent judgment on the business conduct of the company

#### 9.4 Supervision of subsidiaries and associated companies

Board of Directors gives consent to the visions, strategies, business plans, and policies of its subsidiaries. The company holds 99.90% of the shares in its subsidiaries and practice the same supervision policy as the one practiced for the company itself, having the company's management as authorized directors and executives of subsidiaries to ensure that the visions, strategies, policies, business plans and budget consented by the Board of Directors are prudently. The company holds regular meeting with executive of its subsidiaries to make sure that its financial policy and business direction are in line with the company's objective. To ensure that the company effectively monitor and supervise the business conduct of its subsidiaries based on internal control principles, the company has set the following criteria:

- The company put in place a policy to ensure that its subsidiaries have a proper and sufficient internal control system, assigning the company's internal audit unit to regularly monitor and supervise the subsidiaries' internal control process
- The company determines directions of the subsidiaries' operation and sufficiently disclose critical information between the company and its subsidiaries or between the subsidiaries and external parties, such as related party transactions, acquisition and disposal of assets, or other significant transactions, based on regulations on disclosure
- Agreement between the company and other shareholders regarding management of the subsidiaries : None

#### 9.5 Policy and approach to supervise the use of inside information

As shown in Subject 9.1 Corporate Governance Policy

#### 9.6 Audit fee

To conform to the Public Company Act, regulations set forth by the SEC, and the company's regulations determining that Meeting of Shareholders consider and approve the appointment of auditor and annual auditor fee and Notification of Capital Market Supervisory Board Tor Jor 11/ 2009 Notification of Capital Market Supervisory Board no. Tor. Jor. 11/2009 regarding Rules, Conditions and Procedures for Disclosure of Financial Performance and Business Operation of the Company that issue the securities Section 7(7) stipulating that a listed company issuing securities must arrange to rotate its auditor who has reviewed and expressed his/her opinion for 5 consecutive accounting years. The company can appoint the new auditor working for the same office as the previous auditor.

The Meeting of Shareholders 2018 appointed Mrs. Nattsaruk Sarojnanchin or Mr. Chaityuth Angsuwittaya Certified Public Accountant No. 4563 and 3885, respectively, of AMT Associate Office to be an auditor of the company and its subsidiaries with total audit fee of 960,000 THB. Auditor from AMT Associate Office has satisfactorily completed his/her job with high professional standard, good auditing experiences, proper auditing fee, and independence without business relationship or interest in the company, its subsidiaries, executives, major shareholders, or related persons of such persons.

Remuneration	2018	2017
Sabina Public Company	960,000	960,000
Subsidiary's Company	690,000	690,000
Other expenses (Travel, stamp , fax etc.)	will pay for actual expenses	will pay for actual expenses

In 2018, there was no other compensation paid to the auditor of the company and its subsidiaries, audit office in which the auditor worked, and related persons or business connected with the auditor and its office.

### 9.7 Practice of corporate governance in other areas

Board of Directors adapted and translated CG Code into practices based on its business context. Principles of CG Code that the company has not been able to put to practices include the followings:

Principles that have not yet practiced	Reasons
1. Board of Directors limits the term for independent directors at 9 years.	Board of Directors has not yet limited the term of independent directors because independent directors still perform their duties with independence and free of influence from the company's executive and major shareholders, and with no personal interests that may conflict with the company's benefit.
2. Board of Directors does not have an independent director with more than 9 years of experience as a director	Board of Directors has three independent directors who serve more than 9 years of directorship. Such independent directors are fully qualified, according to the definition of independent director, are knowledgeable and experienced in the needed fields and have suitably performed the roles of independent directors.
3. Chairman of the Board is an independent director	Board of Directors appointed non-executive director to be Chairman of the Board, considering the fact that he is knowledgeable and experienced in the business of the company. Although Chairman of the Board is not an independent director, he performs his duties independently and allows each director to freely express opinion and give suggestions which are beneficial to the organization.
4. The company should consider appointing CG Committee	Although the company has not appointed CG Committee at the moment, the Board of Directors regularly performs corporate governance duties according to the scope of duties determined in Director Charter.

## 10. Corporate Social Responsibility (CSR)

Sabina Public Company Limited is determined to conduct its business with integrity and transparency, consistent with the company's Code of Conduct, for all stakeholders, including shareholders, employees, trade partners and/or creditors as well as society and environment using the following guidelines:

### 1. Business conduct according to Anti-Corruption Policy

The company put in place a policy to conduct its business in a rightful and transparent way by prioritizing the interest of the organization. It does not support activities that involve violations of intellectual property rights and does not take side in any political situations. The company's policy focuses on getting the whole organization to recognize negative impact of corruptions and to create value that prevent risks from happening and demands that directors, executive, and staff adhere to the policy vigorously.

Besides, the company communicates both inside and outside the organization to discourage requesting, accepting, or agreeing to receive unearned possessions or other benefits from business-related entities or engaging in activities of similar nature, and imposes disciplinary penalties to those who violates the policy or offenders. The company also sends its staff to participate in anti-corruption training sessions held by multiple institutes in order to understand, revise, and improve disclosure on the company's anti-corruption.

At present, the company has accomplished the 4th level of anti-corruption scheme as described below:

Level 1 Committed: Have anti-corruption policy or anti-corruption pledge to strive for the common anti-corruption goal

Level 2 Decalred: Manifested anti-corruption detemination to the outside world and anti-corruption allies

Level 3 Established: Put in place preventive measures, i.e. the organization must determine measures to prevent corruption events by setting norms and declaring broadly

Level 4 Certified: After completing Level 1-4, the organization must apply to Collective Action Coalition Against Corruption (CAC) and pass CAC's inspection for 71 requirements, which are meant to be continually executed, and get certified as anti-corruption organization. Sabina Public Company Limited received its certification on July 10<sup>th</sup>, 2015, and is subject to reinspection every three years. The company submitted self-assessment result to apply for certification extension in Q1/18 and received the extension on May 17<sup>th</sup>, 2018. Certification expires on May 17<sup>th</sup>, 2021.







The company translates anti-corruption policy into anti-corruption measures by allowing each department to formulate its own practices using guidelines from the center, which serves as a common ground for the whole organization, and adding department-specific details to the guidelines to appropriately control each department's own operations.

### Corruption Risk Assessment

Anti-corruption Committee identifies points of corruption risk from nature of work and set preventive measures to ensure that the process and procedures, as well as rules and regulations, are strictly followed in order to eliminate loopholes that may give rise to corruption activities (details are shown in the company's website in Anti-corruption Section)

The company conducts its business with transparency, refraining from seeking unearned benefits that lead to corruption. The company determines a policy regarding receiving and giving of gifts, possessions, and other benefits, as well as verifiable procedures and controls to ensure that receiving and giving of gifts, possessions, and other benefits are properly done according to the company's policy and not leading to corruption activities.

### Practice guidelines

- Board of Directors, executives, and staff strictly adhere to anti-corruption policy regarding receiving and giving of gifts, possessions, and other benefits
- The company determines the policy regarding receiving and giving of gifts, possessions, and other benefits to help reduce awkward professional operation and conflict of interest
- The company does not prohibit accepting or giving gifts that have the company's symbol on in order to preserve the business relationship or to follow tradition
- Gifts, possessions or other benefits must not be cash or cash equivalent and must not be illegal objects

- Directors, executives, and staff must remain neutral when making decision on purchasing or hiring and strictly follow standards, regulations, and rules of the company
- Selection, price negotiation, purchasing and procurement of goods, material, sales space or other benefits must not involve requesting or giving of gifts, possessions or other benefits, bribe, or unearned privilege or contract which may lead to staff's disobedience to standards, regulations, and rules of the company

To promote transparency and equitability among stakeholders, prevent unfair trading influence, and disincentivize future unearned rights and benefits, Anti-corruption Committee collectively established the policy requesting cooperative effort not to give or accept any gift in any occasion through sending letters to trading partners and communicating to the Board of Directors, executives, and staff to educate them of guidelines in accepting and giving gifts, possessions, or other benefits.



บริษัท ซาบิน่า จำกัด (มหาชน)  
Sabina Public Company Limited

1 พฤศจิกายน 2561

เรื่อง ขอความร่วมมืองดการให้และรับของขวัญทุกประเภทในทุกโอกาส  
เรียน ท่านประธานกรรมการ กรรมการผู้จัดการ และท่านเจ้าของกิจการ ห้างร้าน ทุกท่าน

ตามที่ บริษัท ซาบิน่า จำกัด (มหาชน) และ บริษัท ซาบิน่า ฟาร์อีสท์ จำกัด ได้ให้ความสำคัญกับการดำเนินธุรกิจภายใต้หลักการกำกับดูแลกิจการที่ดี มีจรรยาบรรณและความโปร่งใสเป็นธรรม ในการดำเนินธุรกิจ มีการปฏิบัติต่อผู้เกี่ยวข้องและผู้มีส่วนได้เสียอย่างเท่าเทียมกัน รวมถึงได้รับการรับรองสถานะเป็นแนวร่วมปฏิบัติของภาคเอกชนไทยในการต่อต้านการทุจริต (Collective Action Coalition Against Corruption : CAC) โดยมีการประกาศใช้นโยบายต่อต้านคอร์รัปชันทุกรูปแบบทั้งทางตรงและทางอ้อม ตั้งแต่ปี 2558 นั้น

เพื่อให้เกิดความโปร่งใสเท่าเทียมและเป็นธรรมต่อผู้มีส่วนได้เสียทุกกลุ่ม และป้องกันการเอื้อประโยชน์ทางธุรกิจ และแรงจูงใจต่อการได้รับสิทธิและผลประโยชน์ในอนาคด บริษัทฯ ขอความร่วมมือจากท่านงดการให้และไมรับของขวัญทุกประเภทและทุกโอกาส แก่กรรมการ ผู้บริหาร และพนักงาน โดยมีรายละเอียดดังนี้

1. ไม่ให้และไม่รับทรัพย์สิน สิ่งของ ส่วนแบ่งหรือสินบนต่างๆ และผลประโยชน์อื่นใด
2. ไม่ให้และไม่รับกระเช้าทุกประเภท ทองคำ เงินสด เช็คของขวัญ บัตรของขวัญ ของขวัญ/ของกำนัล แคมเปญท่องเที่ยว ตัวเครื่องบิน บัตรรับประทานอาหาร เนกอวี่ ฯลฯ.

หากได้รับการร้องเรียนจาก กรรมการ ผู้บริหาร พนักงาน และผู้มีส่วนได้เสียทุกกลุ่ม บริษัทฯ จะทำการสืบสวนข้อเท็จจริง หากพบว่าข้อมูลหรือหลักฐาน มีเหตุพออันควรเชื่อได้ว่าผู้ถูกกล่าวหาได้กระทำการละเมิด นโยบายต่อต้านคอร์รัปชันจริง กรณีผู้มีส่วนได้เสียทุกกลุ่ม บริษัทฯ จะพิจารณาในการดำเนินธุรกิจร่วมกัน กรณีกรรมการ ผู้บริหาร และพนักงาน จะพิจารณาความประพฤติของบริษัทฯ ต่อไป

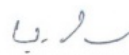
ในโอกาสนี้ บริษัทฯ ขอเชิญชวนทุกท่านเข้าร่วมโครงการแนวร่วมปฏิบัติของภาคเอกชนไทยในการต่อต้านการทุจริต ผ่านทางเว็บไซต์ของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (www.thai-iod.com) เพื่อร่วมกันเป็นส่วนหนึ่งในการสร้างมาตรฐานการประกอบธุรกิจอย่างมีคุณธรรม และจริยธรรมตามหลักธรรมาภิบาลที่ดี

บริษัทฯ ขอขอบพระคุณทุกท่านเป็นอย่างสูงและหวังเป็นอย่างยิ่งว่าจะได้รับความร่วมมือจากทุกท่าน

ขอแสดงความนับถือ



(นายสมศักดิ์ ศุภกิจวิฑูรย์กุล)  
ประธานคณะกรรมการต่อต้านการทุจริตคอร์รัปชัน



(นายบุญชัย ปิณฑารักษ์)  
กรรมการผู้จัดการ

Thus, the company's management, Office of Internal Audit , and Anti-corruption Committee are responsible for holding regular testing and evaluation of corruption risks, being cautious of the risky points and strictly conforming to the regulations. The result of evaluation must be reported to Audit Committee and Board of Directors, respectively. In addition, they must create anti-corruption awareness in the organization to promote organization-wide cooperation and development.

#### **Dissemination of Anti-corruption measures**

To promote understanding of the policy on anti-corruption measures to Board of Directors, executives, staff of the company, and other related persons, the information is disseminated through the following channels:

- Announced in the company's electronic media
- Post the company's announcement in the plain sight
- Through employee orientation
- Disseminate anti-corruption measures annually to executives and all employees in the company and its subsidiaries, both in offices and production factories, to make sure that everyone knows and understands anti-corruption measures and strictly comply with such measures. Dissemination plan 2018 covered the following areas
  - Pinklao Office: training held on Jan 12th, 2018
  - Yasothon factory: training held on Dec 29th, 2018
  - Chainat factory: training held on Dec 29th, 2018
  - Phutthamonthon Sai 5 factory: training held on Dec 22nd, 2018
  - Tha-pra factory: training held on Dec 29th, 2018
  - Buriram factory: training held on Dec 25th, 2018

#### **Evaluation guideline for anti-corruption preventive measures**

The company determines evaluation guideline of its internal control and follows up on implementation of anti-corruption preventive measures, employing Internal Audit Unit to review internal control system and to give regular recommendations through the audit plan, which is approved by Audit Committee. In case that investigation of complaints finds reliable evidence that any item or incidence may significantly affect the company's financial status or performance, Internal Audit Unit will report to Audit Committee and Board of Directors, respectively, and proceed to have the issues resolved within the timeline deemed appropriate by Audit Committee.

## **2. Labor Rights and Environment**

### **Respect for human rights and fair labor treatment**

The company put in place a policy to care for its personnel in compliance with the laws and relevant regulations, especially Labor Laws, upholding the principle of human dignity and equality and treating employees

fairly without prejudice against difference in ethnics, religions, genders, marital status, dialects, or positions, and refraining from using or supporting forced labor, child labor, or human trafficking.

Furthermore, the company values safety of lives and properties of the employees and the company, focusing on providing safe and hygienic work environment for its workers. To enhance work safety awareness, the company arranged the following trainings for its workers:

1. To create work safety awareness and avoid accidents, all new employees must attend a training session about work safety before they start working for the company
2. Make sure that working tools are safe and appropriate to use and constantly checked
3. Arrange to have personal hazard protections installed for each type of work and teach the users a proper way to use the equipment to prevent work accidents
4. Have basic fire drills that cover at least 40% of the employees to make sure that the employees can immediately use fire extinguish tools in the event of fire, as well as hold simulated fire escape rehearsal in which all employees simultaneously participate in the fire prevention and suppression plan. The rehearsal plan is repeated annually by a legally registered unit. Fire escape rehearsal for the entire organization is implemented once a year. The total time spent from the building to the assembly point is less than 5 minutes based on the rehearsed steps determined in fire escape plan.

การอบรมดับเพลิงขั้นต้น (ภาคทฤษฎี) 17/10/2561



การอบรมดับเพลิงขั้นต้น (ภาคปฏิบัติ) 17/10/2561



5. Arrange to have measurement of light, noise, dust, and temperature in annual working environment inspection to collect the information for surveillance purpose, determine preventive guidelines, and resolve employees' health problems arising from light, noise, high temperature, and air dust so as to make sure that the employees work in a safe, disease-free environment.



6. Have Safety Unit that directly reports to the highest executive and safety personnel as determined by law, including safety officer, safety supervisor, and safety committee. The personnel is appointed, trained about their duties and roles, and properly registered according to relevant laws and regulations.
7. Occupational Safety and Health Committee, whose members are selected by voting employees, convenes at least once a month to discuss the topics related to employee safety.
8. Arrange to have employee annual health check, which include general health check program and occupation-specific health check program in order to be alert for and prevent work-related illnesses. Health check is done by occupational health physician on 1<sup>st</sup> Floor
9. Promote the use of 5S, which is an essential tool in keeping the working area clean, tidy, and safe

As a result of the management and supervision of the Safety, Occupational Health and Environment operations, the Company won several awards.

Summary of result and awards that Occupational Safety, Health and Environment Unit received in 2018 are:

ปี พ.ศ. 2560	งานรับ			งานเดือน			16,200,848	
	รับทำงาน	ชั่วโมงการทำงาน-ชั่วโมงพัก	รับทำงาน-ชั่วโมงพัก	รับทำงาน	ชั่วโมงการทำงาน-ชั่วโมงพัก	รับทำงาน-ชั่วโมงพัก	สรุปชั่วโมงการทำงาน ณ สิ้นเดือน	
มกราคม	11,748	17,249	111,233	3,842	3,126	33,882	145,095	
กุมภาพันธ์	18,376	14,860	161,868	4,244	5,103	39,055	200,823	18,906,476
พฤษภาคม	11,748	17,249	111,233	3,842	3,126	33,882	145,095	
มิถุนายน	20,932	21,066	188,522	4,202	2,892	36,508	225,030	
กรกฎาคม	20,474	25,514	189,306	4,234	3,048	36,920	226,226	
สิงหาคม	24,818	30,104	227,048	4,456	8,121	43,769	270,817	
กันยายน	23,486	39,744	227,632	4,362	8,225	43,121	270,753	
ตุลาคม	24,387	30,104	225,200	4,271	6,117	40,285	265,485	
พฤศจิกายน	23,845	29,544	220,304	4,441	5,003	40,531	260,835	
ธันวาคม	22,271	26,733	204,901	4,331	4,463	39,111	244,012	
	1,946,328	288,747	2,345,075	405,288	55,164	460,452	2,705,527	
							ชั่วโมงการทำงานสะสม 18,906,476	
สถิติสะสมชั่วโมงทำงาน ที่ไม่เกิดอุบัติเหตุ อัฟเดท ณ วันที่ 2 มกราคม 2562								
18,906,476								

Zero Accident Campaign 2016-2017-2018

National Gold Level for the third consecutive year with total working hours of 18,906,476 hours.



Received Zero Accident Campaign 2018 (National Gold Level) for the third consecutive year from Thailand Institute of Occupational Safety and Health, Ministry of Labour





National Gold Award for Safe and Disease-free Establishment 2018 from the Ministry of Public Health



Award for Safe and Disease-free Establishment 2018 at Provincial Level from Provincial Health Office



Award for Accident Reduction Promotion and 100% Helmet Wearing 2018 from Thai Health Promotion Foundation  
and Road Safety Promotion Organization



National Award for Environmental Governance 2018 from Ministry of Industry



Award for Establishment with Road Accident Reduction Promotion 2018 from Yasothon Province Governor

Ensure that the employees are treated fairly and have good quality of life by:

1. Ensure that compensation is paid according to the labor law and minimum welfare is provided and arrange other welfares in excess of minimum welfare, such as provident funds, retirement benefits, annual health check, medical fees, employee loans, annual celebration, and sports day.
2. Put in place a proper complaint filing for employees treated unfairly by writing in the company's operating regulations and installing "red box" for filing complaints.
3. Encourage employees to do phinanthropic activites for the society through their participation in the 4D Project
4. Hold ceremonial activities in importance occasions, such as New Year's Monk Food Offerring, annual merit making ceremony, Sonkran Day's respect watering for the senior
5. Promote the election of welfare committee and support the committee to hold the meeting or participate in the discussion aiming at setting activities that improve the living standard of the employees



WRAP "Worldwide Responsible Apparel Production"

## 6. Worldwide Responsible Apparel Production or WRAP has twelve principles

### 1. Compliance with Laws and Workplace Regulations

**Principle** The company will adhere to the laws and regulations of the location on which the factory is situated

**Practice guideline** The company set up operation regulation that is consistent with Labour Protection Act, prioritizing the principle of human rights and workplace safety, in order to promote employee assurance for equitable, transparent, and fair treatment

### 2. Prohibition of Forced Labor

**Principle** The company will not employ forced labor, involuntary workers, obliged labor, debt bondage worker, or other types of workers with similar nature

**Practice guideline** The company will select candidates from the pool of voluntary applicants without forcing, intimidating, obligating, or involving in human trafficking activities. The company signs employment contract as employment evidence between the company and the employees according to the laws and does not specify unfair charge or penalty. Both parties enter into and are abided by the employment contract on their free wills. In case of employment through agencies, there must not be passport seizure and the contract must be written in the employee's native language. Application fee must not be borne by the employee.

### 3. Prohibition of Child Labor

**Principle** The company will not hire employees who are less than 14 years old or any other minimum age as defined in the labor law, whichever is higher. Besides, the hiring must not interfere with compulsory education.

**Practice guideline** The company refrains from hiring child labor who are younger than minimum age defined in the labor law or lower than 14 years old, albeit permitted by the local labor law. The company strictly complies with regulations regarding compulsory education. In case that the company hires child labor (employees with age ranging from minimum age to 18 years old), the company must comply with the rules related to the characteristics of job, quantity of job, and multiple legal constraints to ensure that child employees are not engaged in risky or hazardous jobs (such as job related to the use of chemicals or the job related to the use of heavy machinery).

### 4. Prohibition of Harassment or Abuse

**Principle** The company must arrange a suitable work environment and must not tolerate harassment or physical abuse

**Practice guideline** The company must honor and respect employee rights. It must not allow unfair penalty, intimidation, physical or sexual harassment, verbal abuse, belittling behaviors, or bullying to happen with its employees. The company must provide written training document related to the subject to all levels of workers, ranging from executives, supervisors, and workers, to prevent such violation incidences from happening in the company.



#### 5. Compensation and Benefits

**Principle** the company will determine rules about wage, compensation, and welfare to its employees according to Thai law

**Practice guideline** The company will pay employees' compensation using the proper rate according to minimum wage determined and enforced by the government, including overtime payment, holiday payment, and employee welfare according to social security law.

#### 6. Days and Hours of Work

**Principle** The company will define days and hours of work according to the relevant laws and arrange to have at least one day as a weekly holiday (in seven working days), except in case of urgency

**Practice guideline** The company would like to set normal hours of work and overtime hours of work according to the company's standards and local traditions in each region to encourage honest reporting of hour worked. Employees must voluntarily accept to work overtime and the overtime working hours must be safe for the health of the workers and for the workplace itself. In addition, employees who work overtime must be paid. The overtime data is kept in Wrap Principle 5 to use for report to the inspector about the working hours.

#### 7. Prohibition of Discrimination

**Principle** The company makes decision on employment, wage payment, promotion, and termination based on knowledge and skills of respective candidates without discrimination against physical attributes or beliefs.

**Practice guideline** The company is committed to have regulations regarding employment based on knowledge and skills of respective candidates without discrimination against physical attributes or beliefs. The company makes decision on employment, wage payment, promotion, assignment, and termination without discrimination against nationality, origin, gender preference, religion, disability, pregnancy, political opinion, social status.

#### 8. Health and Safety

**Principle** The company will arrange to have safe and hygienic working environment in compliance with Thai law

**Practice guideline** The company will arrange to provide for its employees safe and hygienic working environment, adequate clean drinking water (free of charge), sufficient first-aid units, fire exits and other safety equipment, enough lightings in the working area, as well as to provide sufficient trainings on work safety.

#### 9. Freedom of Association and Collective Bargaining

**Principle** The company respects and gives its employees freedom to unite and negotiate on the subject and in the way permitted by law.

**Practice guideline** The company gives its employees freedom to join or not to join any groups or associates without discriminating against the employees whether they join or not join such groups or associates as long as both employees and employer comply with relevant laws.

## 10. Environment

**Principle** The company will comply with environment regulations and relevant environment management measures

**Practice guideline** The company will comply with Promotion and Conservation of National Environmental Quality Act to improve the quality of life and to ensure safety of the employees on wastewater treatment system, manufacturing waste management system, including solid, fluid and gas waste, to ensure that the company has complied with the laws.

## 11. Custom Compliance

**Principle** The company will adhere to relevant customs laws. Especially, it will set up and maintain the action plan related to illegal goods smuggling.

**Practice guideline** The company must make marking or attach clear labels as determined by laws and record comprehensive raw materials data

## 12. Security

**Principle** The company will set up safety procedures to prevent undeclared goods or illegal goods that are intermingled in the exported goods (such as drugs, hazardous object, explosive objects, contraband goods)

**Practice guideline** The company will arrange to have adequate internal control in the establishment to prevent illegal goods according to standards.

**Ensuring that the employees receive training, develop skills to be used at work, and have opportunities to express their potentials**

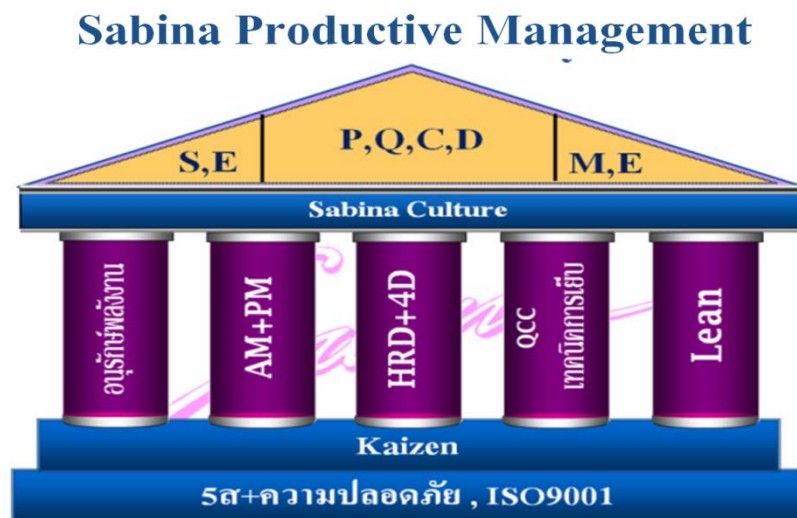
- 1) Human resource unit holds training sessions about leaders who have good attitudes and sympathy with subordinates and colleagues
- 2) Ensure that the employees receive trainings in personnel development and potential improvement program utilizing common place for tutors based on the curriculum of Office of the Non-Formal and Informal Education (NFE). Graduating participants will receive program certificates which are certified by Ministry of Education. This program is designed to encourage employees with leadership skill to be president or leader of the process improvement teams and express their potentials, which may help form their future career path.
- 3) The company is determined to promote safe, high-standard, high-productivity units based on personal disciplines. Increased productivity and efficiency lead to customers' trust, optimal use of resource, and decreased pollution and loss in the production process. This determination is made possible by the company's implementation of 5S, which led to the receiving of Thailand 5S Award given by Technology Promotion Association (Thailand-Japan), a solid evidence of 5S implementation. The company also encourage every employee to participate in process improvement effort through internal Kaizen award within the group, resulting in the company's receiving Thailand Kaizen Award and Thailand Lean Award by Technology Promotion Association (Thailand-Japan).

- 4) The company participated in “TO BE NUMBERONE”, a campaign to promote prevention of drug abuse in labor-intensive establishment initiated by Princess Ubolratana Rajakanya Sirivadhana Barnavadi.
- 5) The company participated in Disease-free, safe, and happy Project, under the policy disease-free, safe, and happy workers, and accomplished in prevention and control of occupational and environmental diseases.

### 3. 5S for productivity and 5S for community and society

The 5P Mission in Productivity, People's occupational safety, and saving the Planet is translated into 5S to increase competitiveness, to encourage workplace's safety and hygiene, and to minimize negative externality towards environment and surrounding communities.

With its labour intensive nature of business, sustainable and effective productivity enhancement relies on participation of every employee. The company, therefore, creates participating management system and chooses the tool that fits the nature of business, resulted in Sabina Productive Management, which employs easy-to-understand 5S concept as a basis of productivity enhancement.



5S is comprised of

**Sort** which means to explore items and systems to segregate necessary from unnecessary things in order to get rid of the excess and refill the lack

**Set In order** which means to make a location map and place things by their locations in order to reduce time and energy from searching the lost items and increase work efficiency

**Shine** which means to determine responsible persons and details of the cleaning method and have cleaning plan in place in order to spot the irregulars

**Standardize** which means to have a written standard that can be understood and communicated throughout the organization and evaluated to reduce performance variance

**Sustain** which means to create discipline by repeating the same behaviors over and over leading to good habits.

This means that supervisors must lead their team by being examples.

Steps in applying 5S in practices are:

1. Nominate 5S Committee to drive the execution of 5S
2. Hold training sessions regarding knowledge of 5S to general staff, and separate sessions for supervisors and 5S Committee
3. Evaluate 5S in each area by the area owner and 5S Evaluation Committee
4. Executives visit 5S areas and encourage each unit to apply 5S in their respective areas, expanding 5S in areas to 5S in process
5. Elevate area-specific 5S application to small-group 5S application to develop human resource potential by allowing group leaders some decision authority (Empowerment)



The company nominated its branch factories to compete for Thailand 5S Award, given by Technology Promotion Association (Thailand-Japan) in order to urge serious and continuous implement of 5S. Receiving such award is a primary achievement, yet the company receive much more important accomplishment, which are

### Productivity Mission Accomplishment

1. By utilizing the principle “Sort”, the company set up min-max levels in procurement and maintenance of all types of stocks, such as office supplies, factory supplies, and production material, leading to reduction in loss from obsolete or expired stocks, which affect the overall level of the company’s inventory level.
2. Utilizing the principle “Set in order” results in well-ordered storage of objects and materials, leading to reduction in loss from damaged stocks from inappropriate storage and loss from purchase of stocks that cannot be found, both of which affects the cost of production.
3. Utilizing the principle “Shine and Sustain” results in clean workplace, less stained workpieces, more pleasant product appearance and higher product quality, which reduce the use of cleaning equipment, and, thus, cost of production.
4. Utilizing the principle “Shine and Sustain”, employees clean their sewing machine daily, which also serves as daily machine checking. This results in higher productivity of the sewing machine, reduces machine downtime, and decreases the number of damaged workpieces due to malfunctioned sewing machine.
5. Utilizing the principle “Standardize and Sustain” leads to not only standardized work area but also higher employees’ understanding of work instruction, which improve quality of production.

### People Mission Accomplishment

Promotion of 5S as foundation of improvement yields desirable working environment that is safe and hygienic as in the following:

**Sort** results in smaller storage space and bigger, safe working space

**Set in order** results in the use of visual display and visual control in risky locations, leading to lower work accidents

**Shine** results in lower dust, better air condition, and better health of employees

**Standardize and Sustain** result in standard of improved working space and long-term healthy habits of the employees

Furthermore, 5S implementation promotes compliance with the laws, rules, and regulations regarding environment and safety, resulting in the branch factories receiving awards and recognitions in the past 4 years.

Another critical indicator is annual work environment inspection, which the company passes or surpasses the standard every year. The company received National Zero Accident Campaign 2016-2017-2018 National Gold Level for the third consecutive year with total working hours of 18,906,476 hours.

### Planet Mission Accomplishment

To discourage activities that negatively impact the environment and society, the company proceeds to do the following:

1) Waste reduction

Promote waste separation through the implementation of 5S, starting with differentiating various wastebins



2) Garbage and industrial waste disposal

The company cautiously manages production waste and waste water by securely keeping it in the respective containers separated by types of wastes. Most of the waste, such as sewing machine oil, engine oil, aluminum scrap, and steel scrap, is caused by machine maintenance. The company also records the quantity and types of waste before delivering it to be disposed by waste disposal agent registered with Department of Industrial Works.

The company selects a waste and residues management contractor through Branch Factory Committee and Human Resource Unit to ensure that such contractor receives a proper license for waste transportation which means that such contractor's waste management process is not harming the environment and communities.

3) Activities to reduce and prevent pollution in the workplace and pollution in environment and communities

Energy consumption: The company invests in multiple projects to reduce energy consumption, i.e. changing 36-W fluorescent bulbs to 18-W LED bulbs in all four factories and changing old electrical equipment into new energy-saving electrical equipment (such as changing air compressor pumps into inverter pumps)

Air quality: The company controls the rate of pollution release within the limit specified by law, employing preventive inspection and preventive maintenance (PM) plan for equipment and machine related to air



pollution control. Also, the company changes its air filter system to dry scrubber system and measures quality of air at releasing chimney and at working space, resulting in quality of air released by the factory exceeding the standard measurement.

Noise: The company regularly checks and maintains its machine and equipment to ensure that they are always in good condition, provide personal protective equipment (PPE) suitable for each person's job, and measure noise level in working space every year to correct noise level as determined by law.

Light: The company arranges to inspect light intensity and analyze working condition by nature of work to correct light intensity as determined by law.

4) Giving knowledge and training sessions to employees regarding environment. Because most of the environment problems arise from misunderstanding or ignorance, the company proceeds to raise awareness of its employees directly or indirectly and supports them to have proper trainings about environment management. Programs in which employees already participated include:

#### 4.1 Environment and Safety Laws



#### 4.2 Environment manager

#### 4.3 Good practices in environment to prevent contamination in soil and underground water in textile industry



5) Zero Waste Project to reduce loss and create maximum value add from production waste and garbage. This led to campaign to create innovative invention from production waste in many units of the company, resulting in the volume of waste reducing from 815,640 Kg in 2012 to only 516,300 Kg in 2018.



ผลการทำ ZERO WASTE ปี 2561 (ตัน)

โรงงาน	ขยะในปี 2561 (ตัน)	ผลจาก ZERO WASTE ปี 2561 (ตัน)			
		ทิ้ง		รีไซเคิล	
		ตัน	%	ตัน	%
ท่าพระ	53.82	22.05	42.02	31.77	57.98
สาย 5	269.10	59.71		209.39	
ชัยนาท	49.86	13.59		36.27	
ยโสธร	107.64	98.58		9.06	
บุรีรัมย์	35.88	23.04		12.84	
รวม	516.30	216.97		299.33	

Resulting in the amount of garbage up to 815,640 kilograms in 2012, leaving only 516,300 kilograms in 2018

Factory	2012	2013	2014	2015	2016	2017	2018	% waste	% recyclable waste
Thapra	85,590	76,080	66,570	60,429	59,850	57,915	53,820	40.97	59.03
Sai 5	478,500	435,000	348,000	203,000	243,600	249,480	269,100	22.19	77.81
Chainat	86,130	74,820	65,250	58,825	54,566	53,602	49,860	27.26	72.74
Yasathorn	116,700	91,105	81,200	76,558	66,000	91,476	107,640	91.58	8.42
Burirum	48,720	36,540	27,840	25,520	26,100	26,730	35,880	64.21	35.79
Total	815,640	713,545	588,860	424,332	450,116	479,203	516,300	42.02	57.98



Applying 5S as a foundation of improvement, the company gained productivity achievement, clean and safe working space for employees, and good environment. Thus, the committee viewed that 5S is a tool for improvement and organizing things in order, leading to good habits or disciplines, which will help the community preserve their surroundings simply. The committee therefore determines and pushes 5S into the employees' household and community.

### 5S to employees' household

It starts with the company's inviting employees to apply 5S regularly in their daily life, such as sorting items and clean the house. Later in 2012, the company held 5S to Household Project and encouraged employees to join until now.

Excess items resulted from sorting in the household will be voluntarily donated to "Imm-boon room" and sold to employees who need the items. Money from sales of items will be given to "Mother Jintana Thanalongkorn Foundation" as contribution to the scholarship pool for employees' children and general people.



โรงงาน	ปี 2555			ปี 2556			ปี 2557			ปี 2558			ปี 2559			ปี 2560			ปี 2561		
	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%
ท่าพระ	495	23	4.65	423	40	9.46	371	43	11.59	361	65	18.01	361	66	18.28	353	24	6.80	376	32	8.51
สาย 5	700	37	5.29	621	189	30.43	578	348	60.21	591	380	64.30	651	58	8.91	672	120	17.86	741	21	2.83
ชัยนาท	560	52	9.29	510	281	55.10	502	459	91.43	473	445	94.08	497	385	77.46	464	320	68.97	559	348	62.25
ยโสธร	1,150	175	15.22	892	480	53.81	815	502	61.60	877	800	91.22	1,011	524	51.83	1,012	483	47.73	1,139	79	6.94
บุรีรัมย์	181	-	-	176	5	2.84	162	20	12.35	141	25	17.73	101	3	2.97	138	10	7.25	303	12	3.96
รวม	3,086	287	9.30	2,622	995	37.95	2,428	1,372	56.51	2,443	1,715	70.20	2,621	1,036	39.53	2,639	957	36.26	3,118	492	15.78

### 5S to community

Since Yasothon Factory and Chainat Factory are large factories in the community and a temple is considered the center of the community. In 2013, the company initiated "5S to Temple Project" and implemented to the temples situated near the factory, i.e. Phon-ngoy Temple in Yasothon Province, as well as Wang Kra Chai Temple, Don Ta-krai Temple, Pikul Ngarm Temple, and Hua Taphan Temple in Chainat Province. The project started from cleaning area around the temple, sorting excess items, setting amenities in order and donated sorting wastebins to encourage garbage separation later.

Since the middle of 2014 until today, Tha-phra Factory has expanded 5S to Pradu Chimplee Temple, Tha-phra District, starting from cleaning areas around the temple and sorting items. The company expands coverage of 5S continually to the temples in the area surrounding the factory. Staff of Phutthamonthon Sai 5 Factory also participated in the cleaning of Tha-pud Temple.



### 5S to society

The company's achievement of 5S projects as evidenced by Thailand 5S Award 2013 – 2014 – 2015 and its policy to encourage dissemination of 5S knowledge as a way to return profits to the society resulted in various organizations and companies requesting to visit and study the company's 5S operation in many factories.





#### 4. Energy conservation

The company encourages the efficient use of resources and has set out a policy and guidelines in practice by focuses on producing goods with awareness on resource use, especially energy conservation, and attempts to instill the conscience of and urge employees in all levels to use energy optimally in the right way by minimizing production loss in order to gain quality production suitable for the energy used.

In addition, it focuses on participating energy management called “Sabina Productive Management”, in which everyone takes a part in. Starting in 2010, the scheme has 5 pillars, the first one being energy conservation pillar. President of the pillar, head of the pillar, and member of the pillar who are selected or volunteer from the employees of all units. Besides promotion of awareness throughout the organization, knowledge is also shared among factories, resulting in stable electricity bill albeit with fluctuating FT. The factories at Phutthamonthon Sai 5 and Yasothon, which are classified as controlled factories according to Royal Decree prescribing control factories 1997, must comply with Ministerial Regulation Prescribing Energy Management Standards, Criteria, Regulation and Procedures in Controlled Factories and Controlled Buildings 2009.

Annual energy conservation plan must be consistent with factory action plans and be able to create concrete saving to ensure sustainable action. All measures are still carried out continually, such as energy conservation measure to change old air conditioners to the one with VRF inverter systems in warehouse at Phutthamonthon Sai 5 factory, measure to change malfunctioned old air conditioners to new one with 5-Level of energy saving and measure to change 100 36-W fluorescent light bulbs to 18-W light bulbs every month until light bulbs in all factory are completely changed to LED.



#### 5. Community Development and Sharing

One of the company's resolutions is to conduct its business in parallel with returning profits to the society through various and continuous Corporate Social Responsibility (CSR) activities and to engage all parties in the activities to give to the society in the form of financial or non-financial supports whenever needed.



### “Sewing Cup Sewing Heart Project”

Social responsibility and helping the less fortunate people is one of the shared values that the company has always prioritized. As Sabina has long been the leader in manufacturing and distributing female undergarment, it has extensive knowledge about the body of Thai women and their physical changes throughout their life, especially the breasts, the organs with extra sensitivity. The company wishes to take part in helping women who suffer from breast cancer around the country to recover physically and emotionally after their surgery and to be able to have confidence and good quality of life.

The company, therefore, initiated Sewing Cup Sewing Heart Project in 2007 to promote correct understanding about breast cancer and the way to live a normal life in the healing stage (after treatment) by holding activities in which volunteers join to sew artificial breasts and deliver to destitute breast cancer patients to help regain their physical balance and to show support to the patients.

Cancer patients or relatives of cancer patients wishing to request artificial breast can make contact through these three channels:

1. Website <http://www.sabina.co.th/sewingcupsewingheart/>
2. Sabina CallCenter Tel 02-422-9430 or line@ : @sabinathailand
3. Sabina sale counters around the country

In 2018, the company arranged “Sewing Cup Sewing Heart Project” continually both inside and outside its establishment. The project was participated by various volunteers, including volunteer groups, students, general people, and organizations such as PTT Public Company Limited of PTT Group and its affiliates, Huachiew Chalermprakiet University, Kasikorn Bank PLC (Head Quarter), Aeon Group (Thailand) Co., Ltd., Wig for Cancer Patient Project, PTT Global Chemical Public Company Limited, and Police Housewives Association.

#### Photos of artificial breast sewing outside the company



PTT Public Company Limited of PTT Group  
and its affiliates



Huachiew Chalermprakiet University



Kasikorn Bank PLC (Head Quarter)



Aeon Group (Thailand) Co., Ltd.



Wig for Cancer Patients Project

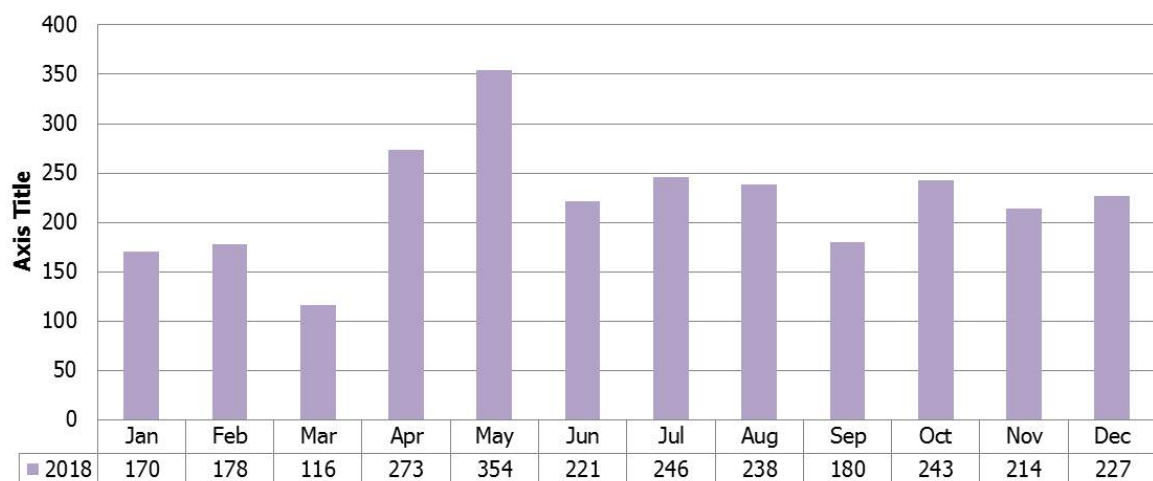


PTT Global Chemical Public Company Limited



Police Housewives Association

### ยอดบริจาคผ่านมเทียมปี 2018



The company is still determined to continue its “Sewing Cup Sewing Heart’ Project to fulfill the confidence of cancer patients after their treatment and emphasise the concept of being “an understanding friend for women” as always.

#### **Mother Jinatana Thanalongkorn Foundation**

The company wants to give educational opportunity to less fortunate students, college students, and university students with good academic performance, as well as the disabled and the physically challenged, in order to improve the quality of life of the youth and to support good persons to have education so that they can use knowledge to develop the society and the country in the future.

Starting from supporting employees’ children by granting “Adulaya-Jintana Thanalongkorn Scholarship”, which is a scholarship especially for the company’s employees and the employees’ children. Later, the company spotted the relationship between the organization and the community, it, therefore, established “Mother Jinatana Thanalongkorn Foundation” on July 27th, 2009 with the following objectives:

- Promote and support academic activities
- Give the funds to the less fortunate students and/or college students with good academic performance
- Non-profit seeking
- Collaborate with other philanthropic organizations for public interest
- Not engaged in any political activities, whatsoever

Mother Jinatana Thanalongkorn Foundation has started giving scholarship to students, college students, and university students since 2010. In 2016, Announcement of Ministry of Finance changed the status of the foundation to be a charity organization no. 928, allowing donors to use the receipt from their donations for tax deduction. The foundation generally holds fund-raising activities to contribute to the scholarship pool and other expense from the following activities:

- Donations from Sabina Public Company Limited
- Donations from employees, external donors visiting the factory, and suppliers
- Imm-boon room (all branches)
- Donations in Foundation Anniversary Day and Mother’s Day
- Donation from donation box in SHOP SABINA around the country
- Fund-raising activities in factory and office, such as Praying respect to the monk, Father’s Day, Games
- Auction of the donated items (from 5S activity) in Imm-boon Room

The foundation granted a total of 1,394 scholarships, accumulating to 14,879,000 baht of scholarship given to students since the inception of the foundation. As for continuous scholarship, the foundation gives scholarship to students with cumulative G.P.A of at least 3.50 point. Students in secondary school get 2,000 Baht/scholarship and vocation certificate and university students get 5,000 baht/scholarship. In 2018, the

foundation granted 56,000 baht worth of scholarship to 13 continuous scholars to stimulate their determination in studying.

Total People Scholarship 2010 - 2018						
Year	Annual Scholarship	Continuous Scholarship	Disability Scholarship	Total	Good Scholarship(Baht)	Total(Baht)
2010	75	0	0	75		347,000
2011	63	8	48	119		746,000
2012	108	20	63	191		1,706,000
2013	105	31	65	201		1,911,000
2014	89	45	39	173		1,615,000
2015	195	42	54	291	46,000	2,685,000
2016	88	38	24	150	70,000	1,748,000
2017	130	38	26	194	77,000	2,089,000
2018	144	35	34	213	56,000	2,032,000
<b>Total</b>	<b>997</b>	<b>257</b>	<b>353</b>	<b>1,607</b>	<b>249,000</b>	<b>14,879,000</b>



Head Quarter, Arun Amarin



Yasothon Factory



Chainat Factory



Buriram Factory



## Factory in School

The company proceeded to develop societies and communities surrounding the factories continually, utilizing its expertise in machine sewing and sewing machine repair techniques to train students. In 2018, the company trained a total of 215 students from 2 schools, i.e. Wat Wang Kho Hai School and Thaklong School



52 students of Wat Wang Kho Hai School enrolled in the program, 5 students can bring sewing skill to work to help their parents



58 students of Thaklong School enrolled in the program, 15 students can bring sewing skill to work to help their parents

Number of results passed/tested	2011-2015		2016		2017		2018	
	Number of Classes	Number of Occupations	Number of Classes	Number of Occupations	Number of Classes	Number of Occupations	Number of Classes	Number of Occupations
Grade 6	89	5	80	15	120	35	55	5
Grade 9	219	57	150	45	30	15	58	15
General People	20	18	50	35	-	-	-	-
Total	328	80	280	95	150	50	113	20



### School in Factory

The company places high value on education as it helps develop potential of the employees. The employees are able to use knowledge at work, develop vision and systematic thinking process, and gain leadership skill. The company, therefore, signed MOU with Noen-Kham Vocational College and arranged in-factory schooling in 2018. Participants were those who graduated secondary school level 3 (Mor. 3) and wanted to further their study in Home Economics Department (Fashion and Fabric), Vocational Certificate Level. There were 12 participants in Class No. 1/2018.



Staff of Sabina Public Company Limited, Chainat Factory, enrolled in Noen-Kham Vocational College  
Semester 1/2018 on May 21st, 2018

### School in prison

Sabina Public Company Limited Chainat factory participated in Civil State Project to create professions for prisoners by teaching female prisoners to work for the company. At present, the company has delivered sewing workpiece and basic machine sewing repair jobs to the prisoners, who are now able to sew shoulder straps and make clothe labels. The prisoners get paid by workpieces. This helps them earn some income while serving their terms and they are able to apply for the company's job when they get out of the prison.

Furthermore, this project also supports the The Kamlangjai Project under the Royal Initiative of HRH Princess Bajrakitiyabha, which was established in 2009 to give assistance and support to those who made mistakes and got involved in the justice system and others with fewer opportunities in life.



## TO BE NUMBER ONE CLUB SABINA Public Company Limited

TO BE NUMBER ONE CLUB: Sabina Public Company Limited was established under the royal support of His Majesty the Late King Bhumibol Adulyadej and TO BE NUMBER ONE campaign under Princess Ubolratana Rajakanya Sirivadhana Barnavadi, who are especially concerned about the group of people and youth at risk of drug abuse. Sabina Public Company Limited accepted members and set up TO BE NUMBER ONE CLUB: Sabina Public Company Limited, which has been operated until today, following three strategies.

Strategy 1 Raising awareness and creating values that support drug prevention and drug problem solving.

Strategy 2 Strengthening psychological immunity among the youth

Strategy 3 Creation and development of network to prevent and solve drug problem

The objective is to prevent the risk group from using drugs by helping the working groups and general people get access to the information quickly, have psychological immunity and life skills, have surveillance system, care, and prevention from returning to drugs, as well as by adjusting the society's mindset that drug users or drug addict are patients who need to be treated and given opportunity to receive voluntary treatment and rehabilitation.

Sabina Public Company Limited responds to the government policy to fight drugs holistically and set up TO BE NUMBER ONE CLUB: Sabina Public Company Limited to hold activities to prevent and solve drug problems holistically through collective efforts from all relevant units with clear methodologies, ranging from strategy "Power of the land against drugs" to strategy "Operation Thai Nation against drugs for His Majesty the King".

Outstanding activities under the three strategies include:

Strategy 1 "Raising awareness and creating values that support drug prevention and drug problem solving". The activities under this strategy include joining Regional and National TO BE NUMBER ONE Contest, being a lecturer to exchange knowledge in TO BE NUMBER ONE project with other members, joining the walk against drug with the provincial office in Labor Day, and educating detainees about adversity of drug abuse at Nakhon Sawan Youth Detention Center. This is to create the dynamic to the outside world not to get involved with drugs, to be able to prevent drug abuse in young and general people, and to cultivate conscience of staying away from drugs by doing useful activities, such as painting the temple's walls and playing sports.



**Forrest growing at Sri Daoreunng Temple**



**Forrest growing at Khoa-roa-tian, Chainat**

Strategy 2 Strengthening psychological immunity among the youth. The activities under this strategy include holding exhibition about prevention and solving of drug problems with government units and making merits in the religious occasions, such as giving candles to the monks in Buddhist Lent Day, and saying prayer for happiness.



Strategy 3 Creation and development of network to prevent and solve drug problem. Such networks include 19 government unit networks, Chainat Provincial Public Health Office, Chainat Provincial Labor Office, Lopburi Provincial Labor Office, Lopburi Provincial Public Health Office, Chainat Youth Detention Center, Nakorn Sawan Youth Detention Center, and 33 academic networks. Most academic institutions are situated in the province and the nearby provinces, making it easier to get connected and follow up the performance.



### TO BE SABINA 5S AGAINST DRUGS

The company integrates 5S into “TO BE SABINA 5S AGAINST DRUGS” to allow all members to participate in the activities, encouraging members to have unity and teamwork, and to recognize the importance of drug prevention and drug problem solving in the organization and the outside such as schools and communities.

#### Body of knowledge “TO BE SABINA 5S AGAINST DRUGS”





The objective is to become a learning center for members of the club and members of the network to put TO BE and 5S concepts to good practical use and to expand this body of knowledge to other organizations and networks around the country via site visits, leading to less risk in drug use and more drug avoidance, higher self-development and sense of community, and 4D culture in the organization

#### TO BE NUMBER ONE Awards

- Yasothon Factory

TO BE NUMBER ONE Award for large outstanding establishment (national level) 2009 and in 2016 received standard maintenance and example in “Diamond level” for the 2nd year



- Chainat factory

In 2014, TO BE NUMBER ONE Award for large outstanding establishment (national level) – 1st place

In 2015, TO BE NUMBER ONE Award for large establishment (national level) – standard maintenance and example in “Silver level” for the 1st year

In 2016, TO BE NUMBER ONE Award for large establishment (national level) – standard maintenance and example in “Silver level” for the 2nd year

In 2017, TO BE NUMBER ONE Award for large establishment (national level) – standard maintenance and example in “Silver level” for the 3rd year

In 2018, TO BE NUMBER ONE Award for large establishment – standard maintenance and example in “Silver level”



### Sharing to society

In 2018, the company donated monies and goods to multiple organizations in both private and public sectors, such as donation of female undergarment to Thai Red Cross Foundation, donation of female undergarment to Yawarak Foundation, cleaning Sri Daoreung Temple in Chainat Province, creating jobs to female prisoners in Chainat Prison, donation of female undergarment to Sammakki Wittaya School in Singhburi Province, and donation of female undergarment to Female Prisons in Chainat Province, etc.



Giving away snacks in Children's Day in  
Baan-Kor-Neur-Kor-Tai-Don-Klang



Giving items to Yasothon Special  
Education Center on National Labor Day

### Participation in Loeng-Nok-Tha School Network and Yasothon Technical College Network



### Building factories in the community

The company has a policy to expand its production bases to rural areas by building a factory in community so as to encourage local labor to work in their hometown and reduce social problems arising from labor migration into Bangkok for job. The project started from Chainat Factory in 1996 and Yasothon Factory in 2002.

Later in 2010, the company expanded its production capacity through the fifth factory, using the same concept. It heard about leased factory under the management of Community Based Integrated Rural Development (CBIRD-NR) established by Mr. Mechai Viravaidya on April 11<sup>th</sup>, 1984 under cooperation between Thai Government and Canadian Government. Receiving supporting funds from **Canadian International Development Agency (CIDA)**, CBIRD's main objectives include:

1. Job creation and income enhancement
2. Health, hygiene, and environment improvement
3. Development of community knowledge and management
4. Enhancement of co-op management
5. Rural industrial work improvement and support

These objectives are consistent with the company's society and community development policy. Therefore, the company decided to lease two factories in Nang-rong Rural Development Center. The lease fee is a part of the center's revenue generation scheme to support its rural development work and is used in the following operations:

1. Village Development Bank Nang-rong District, established to promote saving and serves as funding source for community development



2. Established Meechai Children Development Center, a “demonstrating prototype” childcare and education center for children of construction workers supported by Ford Foundation. There are eleven centers spreading in Bangkok, accepting more than 2,000 construction workers' children between 3-5 years old. The centers aim to provide good care for the children to make them physically and emotionally healthy, teach them development skills appropriate to their ages, help them develop disciplines, cleanliness, and care for the environment. The centers have accepted children under care and given education for them since 1982.





3. Village Development Project to provide villagers “jobs”, “production skills”, and “opportunity to stay with their families” without the need to migrate to other provinces. The initiative helps strengthen “family institute”, the smallest unit that plays the most important part in the development of the people nationally.

Since the operation started in 1996-2009, the project has generated income from remployment in rural area for more than 4.83 million baht.



4. Water source development and natural recourse preservation was initiated in 1980, the first phase focusing on areas in the North Eastern part where people faced serious scarcity in drinking, utility, and agriculture water. Nowadays, the project has expanded to cover water source development and community sanitation work throughout the country.



At present, Sabina Nang-rong factory expands leased areas into 5 buildings and tends to expand the leased space further to support the work of Community Based Integrated Rural Development (CBIRD-NR), a social enterprise that accomplishes resolving social and environment problems sustainably.



The total area of CBIRD is around 40 Rai, in which Sabina leases 5 buildings from 11 buildings.

The School in Community Policy that has been operated since 1996 has initiated more than 2,000 employment in the local area (Chainat factory 560 persons, Yasothon factory 1,160 persons and Nangrong-Burirum factory 350 persons), giving opportunity to these people to work in their hometown and allowing them to earn stable family income while living together. Furthermore, it helps reduce overcrowding problem and social issues coming from labor's migration into the city. This reflects the company's determination and intention to be a part of community and society development.



## 11. Internal control and risk management

Internal control of the company is investigated and reviewed by Internal Audit Office and process and procedures in each department of the company and its subsidiaries are reviewed based on Audit Plan agreed by Management. The company's Audit Committee reviews internal control system and internal audit system of the company and its subsidiaries to ensure appropriateness and effectiveness.

In Meeting of the Board of Directors No. 1/2019 dated February 20<sup>th</sup>, 2019, the Board of Directors, accompanied by three audit committees, evaluated adequacy of internal control system by reviewing evidence presented by the company's executives and evaluation form for adequacy of internal control prepared by Audit Committee and Management to evaluate internal control system of the company and its subsidiaries in many aspects, including enterprise and environment aspect, risk management aspect, Management's operation control aspect, information and communication aspect, and tracking and measurement aspect. From the evaluation of internal control system of the company and its subsidiaries, the Board viewed that the company and its subsidiaries have adequate and appropriate internal control system that allows transparent and efficient management and operation of the company and its subsidiaries.

In Meeting of Audit Committee dated February 23<sup>rd</sup>, 2017, the Committee appointed Mr. Sampan Puipiom as Secretary of Audit Committee and Head of Internal Audit Unit since he is experienced in the internal audit field and has extensive understanding about the nature of work of the company.

Qualifications of Head of Internal Audit Unit appears in Attachment 2.

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## **Report of Audit Committee for the year 2018**

Audit Committee of Sabina Public Company Limited, which is comprised of three independent directors (Miss Raweewan Pinyopanakul, Mr. Yuttana Adipat, and Mr. Somchai Vanawit), performed the critical duties assigned from the Board of Directors, i.e. reviewing of financial statement and information disclosure, reviewing of corporate governance, reviewing of internal control and internal audit, reviewing of conflict of interest among related parties, reviewing of risk assessment system, and appointment of auditors for the year 2019. There were four Audit Committee Meetings in 2018 (in one agenda in the fourth meeting, audit committee held the meeting with the company's auditor without the presence of the company's Management). Audit Committee's performance of duty in 2018 can be summarized as below:

1. Reviewing of quarterly financial statement and annual financial statements for the year 2018

Audit Committee reviewed quarterly financial statements and annual financial statements for the year 2018 which were prepared based on Thai Financial Reporting Standards (TFRS) consistent with International Financial Reporting Standards (IFRS) and complying with the laws and regulations, accounting standards and financial reporting standards set forth by the Securities Exchange Commission (SEC). In addition, Audit Committee held the meeting with the auditor without the presence of the company's Management.

2. Reviewing of corporate governance

Audit Committee reviewed and supervised to ensure that the company adhere to its article of association, regulations of Securities Exchange Commission (SEC), regulations of Stock Exchange of Thailand (SET), related laws, and principles of good governance, that disclosure of information and related party transactions according to the announcement of SEC and SET are done precisely, comprehensively, and timely, and that the company focuses on transparency and fairness in its business conduct.

3. Reviewing of internal control and internal audit system

Audit Committee reviewed the company's internal control system and found that the company's internal control system is appropriate and adequately rigorous. Audit Committee agreed to the company's annual audit plan and reviewed audit plan execution to ensure that the plan was accordingly implemented, as well as to follow up on the correction of control weaknesses previously found.

4. Reviewing of conflict of interests among connected parties

Audit Committee reviewed related party transactions and transactions with possible conflict of interests, including transactions or business arrangement between the company and directors, executive, or connected parties, according to the definition by the Stock Exchange of Thailand and related regulations on a quarterly basis and found that the company strictly complies with the regulations set forth by the Stock Exchange of Thailand and the principle of corporate governance, as well as discloses such transactions to SET accurately and timely.

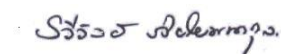
5. Reviewing of risk Assessment and management system

Audit Committee reviewed the company's risk assessment and management system by discussing with Management Board on a quarterly basis. Management Board assesses critical risk factors, probability of the occurrence, and severity of the impact to business so as to formulate the plan to prevent or management such risks if taking place.

6. Nomination of Auditor for the year 2019

Audit Committee selected and appointed AMT Associate Office to be a company's auditor, considering its satisfactory performance in the previous year. The committee reviewed qualifications of the auditor to ensure completeness and nominated to the Board of Director. The Meeting of Shareholders 2019 appointed Mrs. Nattaruk Sarojnanchin or Mr. Chaiyuth Angsuwittaya Certified Public Accountant No. 4563 and 3885, respectively, of AMT Associate Office to be a company's auditor for the year 2019.

On behalf of Audit Committee



(Miss Raweewan Pinyopanukul)

Chairman of Audit Committee

## 12. Related party transactions

### 12.1 Details of related party transactions between the company, its subsidiaries and persons with possible conflict

In 2018, Sabina Public Company Limited and Sabina Fareast Company Limited had related party transactions which may result in conflict of interest, some of which were disclosed by auditors in the Notes to Financial Statement 2018. Details of related party transactions categorized by nature of transactions are shown as follows:

Related companies	Nature of relationship	Nature of transaction	Amount (Million baht)	Opinion of Audit Committee/ Necessity and reasonableness of the transactions
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Purchase material, such as fabric, lace, and rubber	20.15	<p>Goods purchased from Sabina Fareast Company Limited is offered with pricing and payment conditions similar to the goods purchased from other suppliers.</p> <p><u>Necessity of the transaction:</u> Generally, the company and its subsidiaries do not have the policy to collectively purchase materials through a subsidiary. Nevertheless, in the cases where bulk purchase results in bargained reduced price, the company and its subsidiaries will do so collective purchasing.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal business transaction having market price as reference price. Payment condition is the same as the conditions of unrelated companies.</p>
		Purchase finished goods	-	



Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Sell finished goods	762.48	<p>The company' sales of goods and materials to Sabina Fareast Company Limited are normal business transactions with normal pricing and payment conditions.</p> <p><u>Necessity of the transaction:</u> The company manages production capacity of each production unit collectively. Thus, in the situation where the company has excess capacity while its subsidiary reaches full capacity, the company will buy material and produce the goods (undergarment) and sell finished goods to its subsidiary.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal business transaction having market price as reference price. Payment condition is the same as the conditions of unrelated companies.</p>
		Sell material	-	



Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Revenue from undergarment sewing service	102.80	<p>The company offered sewing service to Sabina Fareast Company Limited as a normal business transaction with normal pricing and payment conditions.</p> <p><u>Necessity of the transaction:</u> The company does not mainly and continually offer sewing service to subsidiary. This transaction was temporarily offered because the company wanted to best utilize its excess capacity at the time.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal hiring transaction having market price as reference price. Payment condition is the same as the conditions of unrelated companies.</p>
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Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Cost of Undergarment cutting	23.88	<p>The cost of undergarment cutting that the company compensated Sabina Fareast Company Limited for its cutting service has the same pricing and payment conditions as in the normal course of business.</p> <p><u>Necessity of the transaction:</u> The company manages production capacity of each production unit collectively. Thus, the company allocates undergarment cutting jobs to each and every production unit.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal hiring transaction having market price as reference price. Payment condition is the same as the conditions of unrelated companies.</p>
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Rental fee	0.23	<p>On Feb 15<sup>th</sup>, 2013, the company rented out the space in its Yasothorn factory to Sabina Fareast Company Limited, using rental fee in the nearby area as reference rate.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal rental transaction having market rate as reference.</p>



Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Rental fee for office space and warehouse	1.71	On Jun 1 <sup>st</sup> , 2013, the company rented out its office space and warehouse space to Sabina Fareast Company Limited, using rental fee in the nearby area as reference rate.  <u>Opinion of Audit Committee:</u> The transaction is considered a normal rental transaction having market rate as reference.
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Account receivables	390.47	Payment condition is similar to normal, non-related account receivables of Sabina Public Company Limited
		Account payables	3.59	Payment condition is similar to normal, non-related account payables of Sabina Public Company Limited  <u>Opinion of Audit Committee:</u> The transaction is considered a normal business transaction with market reference. Payment condition is the same as the conditions set for unrelated companies.





Related companies	Nature of relationship	Nature of transaction	Amount (Million baht)	Opinion of Audit Committee/ Necessity and reasonableness of the transactions
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Interest income	3.20	Interest income arose from the company's lending to Sabina Fareast Company Limited with interest rate of 3.20-5 % per annum, which is higher than fixed deposit rate offered by commercial banks.
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Borrowing	15	The company had excess liquidity so it lent to Sabina Fareast Company Limited to repay the loans with other financial institutions.

## 12.2 Measures or approval processes for related party transactions (RPTs)

Board of Directors gave unanimous resolution that any transactions between the company and persons with possible conflicts must be brought to consideration and subject to approval by the Meeting of Board of Directors. The Meeting must be joined by Audit Committee to ensure that the transactions are treated fairly and reasonably with appropriate pricing policy that prioritizes the company's benefits. Directors with possible conflict of interest are prohibited from voting in such transactions.

## 12.3 Policy on or tendency of future related party transactions

Meeting of Board of Directors of Sabina Public Company Limited No. 11/2008 dated June 10<sup>th</sup>, 2008 resolved to determine the approval criteria for future related party transactions (RPTs) by categorizing into two RPT types, i.e. normal and frequent trading transactions and infrequent transactions, and to form the policy for future financial support. Details of the RPT approval are as follows:

### 1. Normal and frequent trading transactions

Normal trading transactions, such as purchase of material, are the transactions expected to frequently take place in the future as they are involved in normal business operations. The company determined criteria and guidelines in handling these transactions by ensuring that the terms and conditions for RPTs are compatible with non-RPT transactions, applying market (fair) prices and reasonable and verifiable conditions. In practice, Audit Committee is responsible for approving the RPT criteria and guidelines as well as for checking and reviewing RPTs periodically.

### 2. Special and infrequent transactions

Audit Committee is responsible for judging on reasonableness of the transactions and appropriateness of the pricing for special and infrequent transactions, such as sale and purchase of shares. If Audit Committee is not experienced in evaluating such transactions, the company will arrange to appoint independent expert or the company's auditor to investigate such transactions. Opinions of the expert or the auditor will be used to support approval decision to be made by the Board of Directors or the Meeting of Shareholders, as the case may be according to relevant regulations.

### 3. Policy on Financial Support

Policy on financial support in the future includes the granting of personal guarantee by major shareholder and/or the company's directors against bank loans of the company or its subsidiaries without guarantee fee and financial support from the company to its subsidiaries.

Future related party transactions must comply with the rules, regulations, and announcement made by Securities Exchange Commission and Stock Exchange of Thailand. Internal Audit Unit will randomly check related party transactions and present to Audit Committee in its regular meeting. Besides, the company will disclose related party transactions in audited Notes to Financial Statement in Form 56-1 and Form 56-2, consistent with generally accepted accounting standard.