

Part 2 Management and Corporate Governance

7. Securities and Shareholders Information

7.1 Number of Registered and Paid-Up Capital

The Company is listed in MAI Stock Exchange with trading name "COLOR", registered capital of 652,343,752, paid up capital of 588,964,618 Baht, par value of 1 Baht.

7.2 Major Shareholders

1. Major Shareholders

(A) The first 10 major shareholders of the Company according to register book as of 3rd December 2019 namely as follows:

Seq.	Name-Surname	Number of shares	Proportion
1	VIV Interchem Co., Ltd. Group	176,005,805	29.88
	VIV Interchem Co., Ltd.	123,230,167	20.92
	VIV Holding Co., Ltd.	6,849,700	1.16
	Miss Kanvadee Chivapornthip	30,840,982	5.23
	Miss Thantida Chivapornthip	1,467,514	0.25
	Mr. Pattanachart Chivapornthip	1,011,214	0.17
	Mr. Suchart Chivapornthip	882,357	0.15
	Mr. Peerapun Chivapornthip	445,257	0.08
	Mr. Prakrit Asawakarn	10,966,935	1.86
	Mr. Charnchai Asawakarn	311,679	0.05
2	Salee Industry Public Company Limited Group	61,454,233	10.43
	Salee Industry Public Company Limited	47,659,633	8.09
	Mr. Sathit Tatawatorn	11,109,300	1.89
	Mr. Siraphat Tatawatorn	1,777,500	0.30
	Miss Siriporn Sittiparpthanayod	907,800	0.15
3	Mr. Sasis Monsereenusorn	36,687,300	6.23
4	Mr. Chaiwat Anankavanit	21,398,100	3.63
5	Mr. Ratthavit Porapakkham	19,957,900	3.39
6	Tangtrongsakdi Family	38,479,100	6.53
	Mr. Phaibul Tangtrongsakdi	19,479,100	3.31
	Mrs. Kallaya Tangtrongsakdi	19,000,000	3.23
7	Mr. Susittak Atchariyasombat	19,440,000	3.30
8	Mr. Choosak Techasantisuk	18,000,000	3.06
9	Mr. Veerakit Apirakpracha	10,820,000	1.84
10	Mr. Nipphon Manomayangl MANOMAYANGKUL	9,000,000	1.53
Total		411,242,438	69.82

(B) Controlling persons on determination of policy, management or operation of the Company according to register book as of 3rd December 2019 namely as follows:

Seq.	List of Shareholders	Number of shares hold	Proportion
1.	<u>Mr. Suchart Chivapornthip Group</u>	34,647,324	5.88
	Miss Kanvadee Chivapornthip	30,840,982	5.23
	Miss Thantida Chivapornthip	1,467,514	0.25
	Mr. Pattanachart Chivapornthip	1,097,014	0.17
	Mr. Suchart Chivapornthip	882,357	0.15
	Mr. Peerapun Chivapornthip	445,257	0.08
2.	<u>Mr. Thanetphon Mongkolrat Group</u>	23,313,257	3.96
	Miss Saranthinee Mongkolrat	9,000,000	1.53
	Mr. Watcharachai Mongkolrat	9,000,000	1.53
	Mr. Thanetphon Mongkolrat	3,613,257	0.61
	Mrs. Pattarin Mongkolrat	1,700,000	0.29
3	<u>Mr. Rach Thongvanit Group</u>	15,142,057	2.57
	Miss Varinpen Thongvanit	5,739,700	0.97
	Mr. Rach Thongvanit	445,257	0.08
	Mrs. Worawan Thongvanit	2,100,000	0.36
	Miss Waroonwan Intoratat	6,857,000	1.16
4.	<u>Group of Mr. Charnchai Asawakarn</u>	11,278,614	1.91
	Mr. Prakrit Asawakarn	10,966,935	1.86
	Mr. Charnchai Asawakarn	311,679	0.05
5.	Mr. Rachan Kaunha	38,679	0.01
Total		84,381,252	14.33

2. Information of shareholders of subsidiaries and shareholding of directors who are a major shareholder

Shareholders of Subsidiaries

Subsidiaries	List of Shareholders	Number of shares hold	Proportion
1. Polymerit Asia Co., Ltd. Registered capital of 50 million Baht divided into 5,000,000 shares 10 Baht each	Salee Color PCL	4,999,998 shares	100%

2. Composite Asia Co., Ltd. Registered capital of 15 million Baht divided into 150,000 shares 100 Baht each	Salee Color PCL	149,996 shares	100%
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Shareholding of Directors who is the Major Shareholder

VIV Interchem Co., Ltd., is a distributor of chemicals such as solvents, monomer, polyurethane, chemical related to animal food, agricultural chemicals etc., and an investor in different companies. As on 31st December 2019, VIV Interchem has registered capital of 150 million Baht, whereby the group of major shareholders is VIV Holding Co., Ltd, owning 91.23% of registered capital. List of shareholders are namely as following:

Seq.	List of Shareholders	Number of shares hold	Porportion (%)
1.	VIV Holding Co., Ltd	1,368,424	91.23
2.	Miss. Pimpa Chivapornthip	44,673	2.98
3.	Mr. Pracha Chivapornthip	31,573	2.10
4.	Miss Pornthip Chivapornthip	13,182	0.88
5.	Mr. Sathit Tatawatorn	12,000	0.80
6.	Miss Kanya Rattantipruek	6,750	0.45
7.	Mr. Teeraphon Asawakarn	3,000	0.20
8.	Mr. Sitthichai Prawongrat	1,500	0.10
9.	Mr. Korranat Chivapornthip	8	0.00
10.	Miss Khemika Chivapornthip	3,778	0.25
11.	Miss Khemnatee Chivapornthip	3,778	0.25
12.	Miss Nattaporn Chivapornthip	3,778	0.25
13.	Mr. Attawoot Chivapornthip	3,778	0.25
14.	Mr. Thanin Chivapornthip	3,778	0.25
Total shares		1,500,000	100

Salee Industry Public Company Limited is a contract manufacturer of plastic parts for automotive industry, electronics and consumer products to oritotype manufacturers and subcontractors such as parts of scanners, printers, IC trays, automotive parts etc. As at 30th December 2019, the Company's registered capital is 380,121,074 Baht, paid-up capital 380,121,017 Baht, dividing into 1,520,484,068 ordinary shares, at the par value 0.25 each.

Seq.	List of Shareholders	Number of shares hold	Porportion (%)
1.	VIV Interchem Co., Ltd.	382,379,652	25.15
2.	Mr. Phaibul Tangtrongsakdi	63,000,060	4.14
3.	Mr. Sathit Tatawatorn	57,406,252	3.78
4.	Mr. Sawet Naratippakorn	54,282,600	3.57
5.	Mr. Lerphong Wongtaweewat	45,258,468	2.98
6.	Miss Kanvadee Chivapornthip	42,315,424	2.78
7.	Mrs. Prapatya Jiwapornthip	42,123,004	2.77
8.	Miss Saranthinee Mongkolrat	38,000,000	2.50
9.	Mr. Susitak Achariyasombat	36,977,200	2.43
10.	Mr. Watcharachai Mongkolrat	35,000,000	2.30
Total		1,014,899,320	66.75

3. Agreement between major shareholders

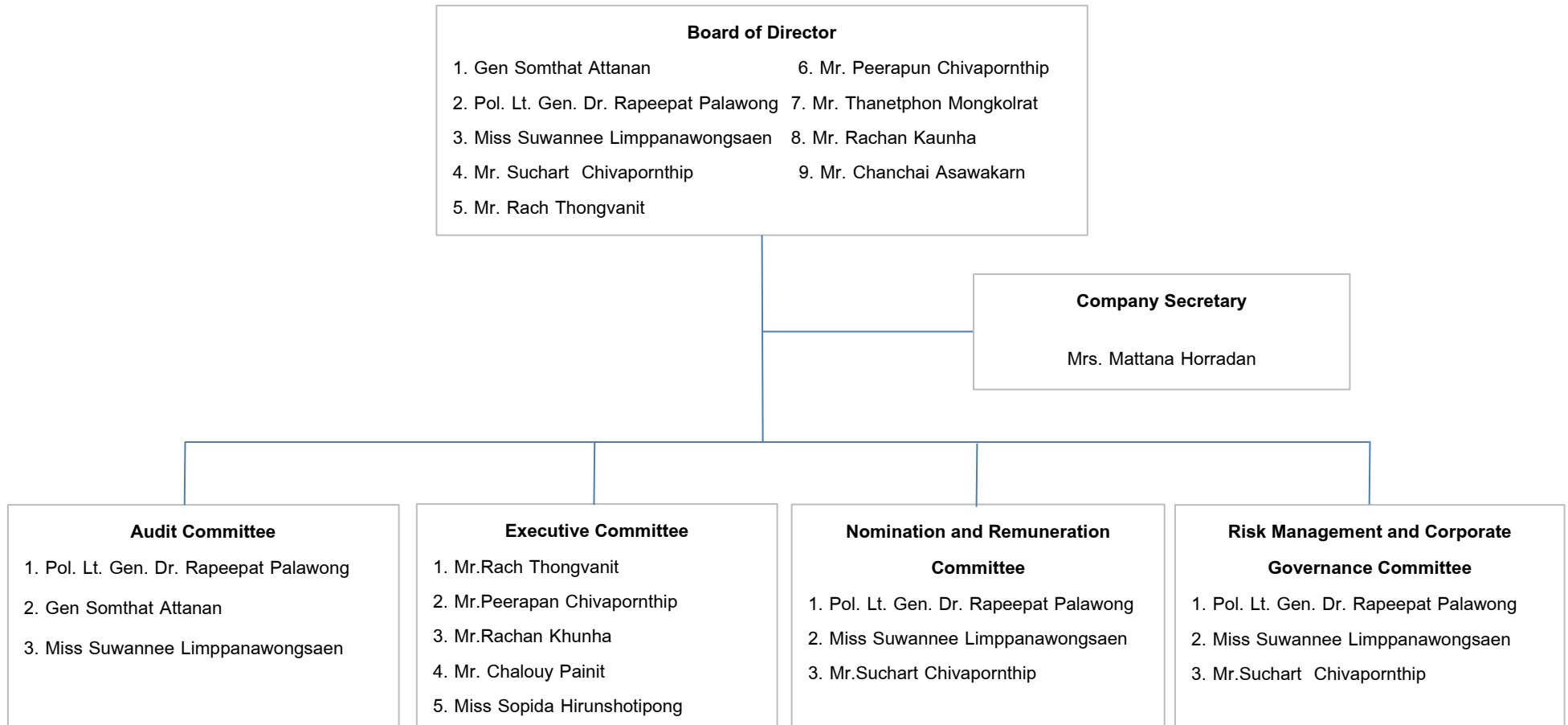
- None -

7.3 Dividend Policy

The Company pays out no less than 30% of its net income according to separate financial statement as dividends after deducting corporate income tax and all provisional reserves required. However, the payment could be less than the aforesaid rate subject to necessity to use working capital, business expansion, and other factors relating to Company's management. When the Board has decided on annual dividend payment, it seeks approval from the shareholders' meeting. An exception is for interim dividend payment, for which the Board can approve such payment and report to the next shareholders' meeting regarding subsidiaries' dividend policy, each subsidiary pays out no less than 30% of its net income according to financial statement as dividends after deducting corporate income tax and all provisional reserves required. Other factors contributed to dividend payment are cash flow, financial status, liquidity and investment plan in each period.

For the operating results for the year 2019, the Company had retained earnings of 33.29 million Baht, Less dividend payment of 23.56 million Baht, net profit of 22.17 million Baht, Less comprehensive loss during the year of 0.78 million Baht, And less legle resever 1.20 million Baht, the Board approved the dividend payment to shareholders for the profit of year 2019 and retained earnings at 0.040 Baht per share, totaling 23.56 million Baht.

Board of Directors and sub-Committees of Salee Color Public Company Limited



8. Management Structure

8.1 Board of Directors

The Board of Directors consists of five committees, namely

- The Board of Directors.
- Audit Committee.
- The Nomination and Remuneration Committee
- Executive Committee
- Risks Management and Corporate Governance Committee

8.1.1 Board of Directors

As at 31st December 2019, the Board of Directors comprised of 9 members namely as follows:

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1.General Somatat Attanan	Chairman of the Board of Directors Audit Committee / Independent Director	4	4
2.Mr. Suchart Chivapornthip	Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee / Independent Director	4	4
3.Pol.Lt.Gen. Dr. Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director	4	4
4.Miss Suwannee Limpanawongsan	Member of Audit Committee Nomination and Remuneration Committee Independent Director	4	4
5.Mr. Rach Thongvanit	Director	4	4
6.Mr. Peerapun Chivapornthip	Director	4	4
7.Mr. Thanetphon Mongkolrat	Director	4	4
8.Mr. Rachan Kaunha	Director	4	4
9.Mr. Chanchai Asawakarn	Director	4	4

Directors Authorized to Sign for the Company

The directors whose signatures are recognized as binding the Company are two out of six directors namely as follow- Mr. Suchart Chivapornthip, Mr. Peerapun Chivapornthip, Mr. Rach Thongvanit, Thanetphon Mongkolrat, Mr. Charnchai Asawakarn, Mr. Rachan Kaunha, - jointly sign and fix the Company's seal.

8.1.2 Audit Committee comprised of 3 members

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1. Pol.Lt.Gen.Dr.Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director	4	4
2. General Somatat Attanan	Chairman of the Board of Directors / Audit Committee / Independent Director	4	4
3. Miss Suwannee Limpanawongsan	Member of Audit Committee / Nomination and Remuneration Committee / Independent Director	4	4

8.1.3 Nomination and Remuneration Committee comprises of 3 members:

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1. Pol.Lt.Gen. Dr.Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director	1	1
2. Miss Suwannee Limpanawongsan	Member of Audit Committee/ Nomination and Remuneration Committee Independent Director	1	1
3. Mr. Suchart Chivapornthip	Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee	1	1

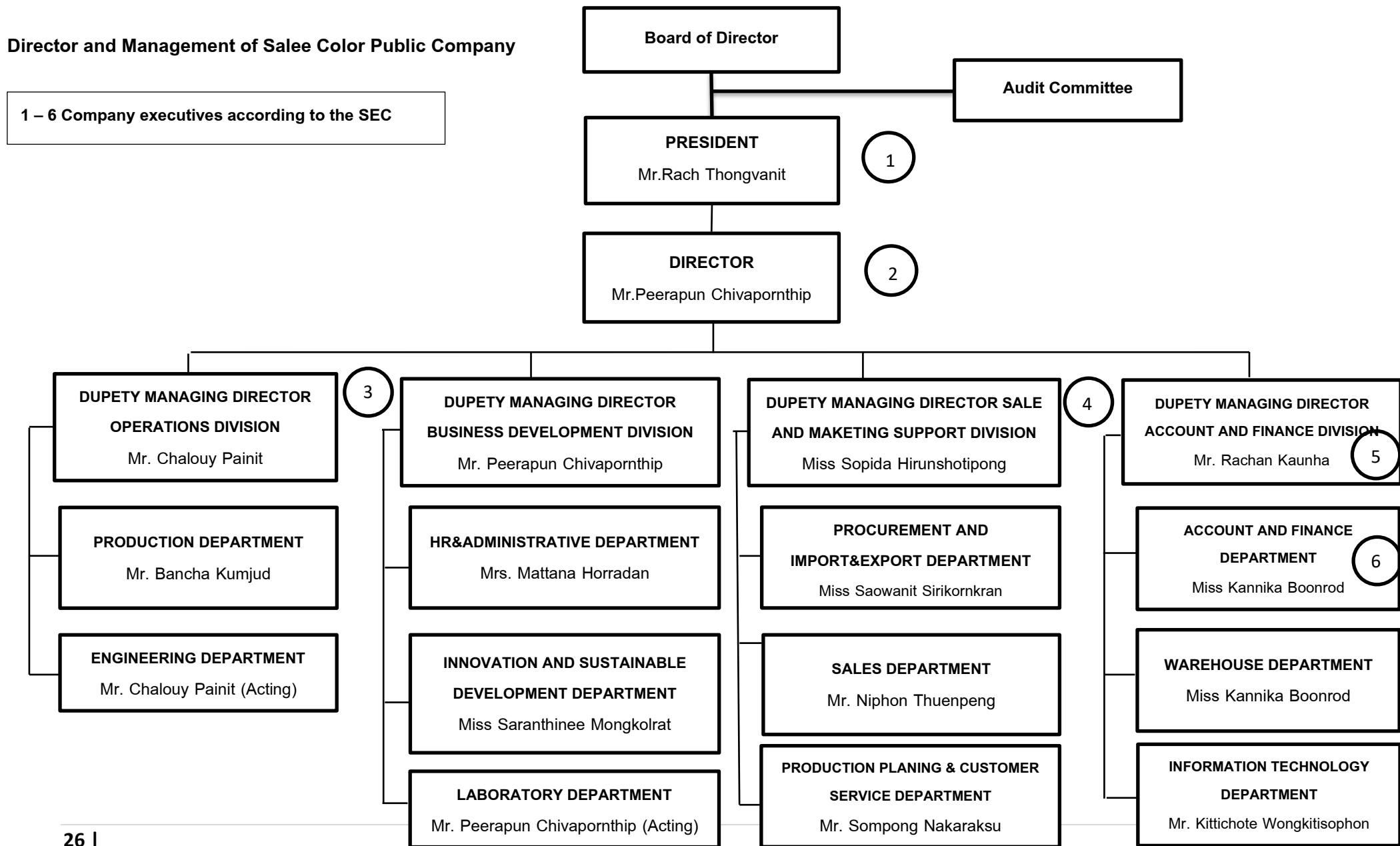
8.1.4 Executive Committee comprised of 5 members

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1. Mr. Rach Thongvanit	Chairman of Executive Committee	8	8
2. Mr. Peerapun Chivapornthip	Managing Director / Deputy Managing Director Business Development Division	8	8
3. Mr. Rachan Kaunha	Deputy Managing Director Account and Finance Division	8	8
4. Mr. Chalouy Pinit	Deputy Managing Director Operations Division	8	8
5. Miss Sopida Hirunshotipong	Deputy Managing Director Sale and Marketing Support Division	8	8

8.1.5 Risk Management and Corporate Governance Committee comprises of 3 members:

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1. Pol.Lt.Gen. Dr.Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director	1	1
2. Miss Suwannee Limpanawongsan	Member of Audit Committee/ Nomination and Remuneration Committee Independent Director	1	1
3. Mr. Suchart Chivapornthip	Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee	1	1

Director and Management of Salee Color Public Company



8.2 Corporate Management

Management team as of 31st December 2019 comprises of 13 members namely as follows:

Name	Position
1. Mr. Rach Thongvanit	Chairman of Executive Committee
2. Mr. Peerapun Chivapornthip	Managing Director / Deputy Managing Director Business Development Division
3. Mr. Rachan Kaunha	Deputy Managing Director Account and Finance Division
4. Mr. Chalouy Paitit	Deputy Managing Director Operations Division
5. Miss Sopida Hirunshotipong	Deputy Managing Director Sale and Marketing Support Division
6. Mr. Bancha Kumjud	Production Manager
7. Miss Saowanit Sirikornkarn	Purchasing and Import-Exporting Manager
8. Mrs. Mattana Horradan	Human Resources and Administration Manager
9. Mr. Somphong Nakarangsue	Production Planning and Customer service Manager
10. Miss Kannika Boonrod	Accounting-Finance Manager
11. Miss Saranthinee Mongkolrat	Innovation and Sustainable Development Manager
12. Mr. Kittichote Wongkitisophon	Information Technology Manager
13. Mr. Niphon Thuenpeng	Sale Manager

8.3 Company Secretary

The Board of Directors has appointed Mrs. Mattana Horradan as a Company secretary since 11st August 2017. Qualifications of the corporate secretary are as appeared in [Attachment 1](#).

The Company secretary shall perform the duties as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, which comes into force on 31st August 2008 with responsibility and due care, honesty, compliance with law, Article of Association and objective of the Company, resolution of the Board of Director, and resolution of the shareholders' meeting. The legal duties of the Company Secretary are as follows:

1. Preparing and keeping Register of the Company's directors, meeting notification letter and minutes of the Board of Directors meeting including annual reports, meeting notification letter and minutes of the shareholders meeting.
2. Keep reports of interest submitted by directors or executives according to section 89/14 and submit to the chairman of the board and chairman of Audit Committee within 7 working days from the date receiving such report by the Company.

3. Perform other duties as specified by the Capital Markets Supervisory Board such as disclose information to shareholders and relating persons by complying to followings rules and regulations:

3.1 Regulations of Stock Exchange of Thailand concerning conditions and procedures disclosure of information and activities of listed companies

3.2 Notification of the Stock Exchange of Thailand concerning the practice about information disclosure of listed companies

3.3 Regulations of the Stock Exchange of Thailand concerning preparation and submission of financial statement and report of financial status and operation result of the listed companies B.E. 2544.

3.4 The Notification of the Securities and Exchange Commission, Thailand Subject: Rules, Conditions and Procedures for Disclosure of Information to Protect the Benefits or Interests of the People B.E. 2005 (announced on 9th May 2005) onwards.

8.4 Remuneration of Directors and the Management

(1) Monetary remuneration

Attendance fee	Monthly compensation/person	Amount / person (Only the directors attending the meeting)	Amount for the Board
Board of Directors - Chairman of the Board - Director	- None	35,000 Baht / meeting 30,000 Baht / meeting	Up to 2,000,000 Baht per year
Audit Committee - Chairman of the Board - Director	- None	25,000 Baht / meeting 20,000 Baht / meeting	Up to 500,000 Baht per year
Nomination and Remuneration Committee - Chairman of the Board - Director	- None	15,000 Baht / meeting 10,000 Baht / meeting	Up to 150,000 Baht per year
Director commission	Up to 3 million Baht, under the consideration of the Board of Directors.		

Directors' remuneration consists of meeting attendance fee, paid in accordance with the number of attendances in 2019 as follows:

Name	Position	Director Remuneration (Baht)				
		Audit Committee	Nomination and Remuneration Committee	Board of Directors	Commission	Total
1. General Somatat Attanan	Chairman of the Board of Directors / Audit Committee / Director	80,000	-	140,000	150,000	370,000
2. Pol. Lt. Gen. Dr. Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Director	100,000	15,000	120,000	150,000	385,000
3. Miss Suwannee Limppanawongsaen	Audit Committee / Nomination and Remuneration Committee/Director	80,000	10,000	120,000	150,000	360,000
4. Mr. Suchart Chivapornthip	Vice Chairman of the Board / Nomination and Remuneration Committee	-	10,000	120,000	150,000	280,000

Name	Position	Director Remuneration (Baht)				
		Audit Committee	Nomination	Board of Directors	Commission	Audit Committee
5. Mr. Rach Thongvanit	Chairman of Executive Committee/ Director	-	-	120,000	150,000	270,000
6. Mr. Peerapun Chivapornthip	Director	-	-	120,000	150,000	270,000
7. Mr. Thanetphon Mongkolrat	Director	-	-	120,000	150,000	270,000
8. Mr. Rachan Kaunha	Director	-	-	120,000	150,000	270,000
9. Mr. Charnchai Asawakarn	Director	-	-	120,000	150,000	270,000
Total		260,000	35,000	1,100,000	1,350,000	2,745,000

Directors and Management Remuneration

In 2019 the Company and subsidiaries paid remuneration which salary and bonus for executives of 13 persons, totaling 23.10 million baht by consists short-term, post- employment benefit and share-based benefit payment, totaling 33.12 million Baht. (2018 = 26.34 million Baht)

Other remuneration of directors

2.1 Directors are entitled to claim for banquet fee as considered appropriate. In 2019 the Company compensated a banquet fee amount to 565,359.64 Baht.

2.2 The company cars are assigned to 7 director(s)/executive(s) as follows:

Name	Position	Car series	Rent / Month (Baht)	Year of rental	End of rental	Rental company
Mr. Rach Thongvanit	Chairman of Executive Committee	BENZ GLE	80,250.00	4 years	1 June 2020	Thai Rent A Car (1978) Co., Ltd.
Mr. Peerapun hivapornthip	Managing Director	Honda Accord Hybrid 2.0	35,845.00	4 years	1 December 2020	
Mr. Rachan Kaunha	Deputy Managing Director Account and Finance Division	Toyota Camry Hybrid 2.5 Premium	30,602.00	5 years	1 March 2022	
Mr. Chalouy Painit	Deputy Managing Director Operations Division	Toyota Altis 1.6 g	16,050.00	4 years	6 Jan 2023	Krungthai Carrent & Lease PCL
Miss Sopida Hirunshotipong	Deputy Managing Director Sale and Marketing Support Division	Toyota Altis 1.6 g	16,050.00	4 years	6 Jan 2023	
Mr. Thanetphon Mongkolrat	Directors and Advisor	Toyota Camry Hybrid 2.5 V	31,565.00	4 years	1 Aug 2020	Thai Rent A Car (1978) Co., Ltd.
Mr. Nipon Thuenpeng	Sale Manager	Toyota Altis 1.6 g	16,050.00	4 years	6 Jan 2023	Krungthai Carrent & Lease PCL

2.3 Provident Fund

The Company has set up a provident fund for management team in which respect monthly contributions will be made by employees at the rate of 3% of their monthly salaries. In 2019, the Company contributed 618,722.40 Baht to provident fund of management team from 13 people.

2.4 An Employee Stock Ownership Plan (ESOP)

The Extraordinary General Meeting of Shareholders held on 11st December 2012 approved the offering of 15,000,000 warrants to executives and employees (ESOP) to motivate and reward the directors and employees of the Company and its subsidiaries for their work performance and to retain talented and efficient personnel to work with the Company in the long run, as well as to create a share in the ownership of the Company

On 17th June 2013 the Company issued 14,895,000 warrants to the management and employees (ESOP) where the criteria and method of allotment is based on position and working duration of each person. The warrants are exercisable with 1 warrant for 1.2906 common shares. The exercise price is 1.2397 Baht per share (subject to change after right adjustment). Total 19 directors and management of the Company received the warrants to purchase, representing 40.68% compared to total warrants issued.

Directors and / or employees of the Group can exercise their right to purchase the Company's ordinary shares twice a year on the last business day of the financial institution in March and September of each year. The first exercise date is 30th September 2014 and the last exercise date is on 30th March 2018. The exercise price will be in the following amount:

In 2014: Exercise not more than 10% of allotted amount

In 2015: Exercise not more than 25% of allotted amount (include exercised right in 1st year)

In 2016: Exercise not more than 45% of allotted amount (include exercised right in 1st -2nd year)

In 2017: Exercise not more than 70% of allotted amount (include exercised right in 1st -3rd year)

In 2018: All remaining right can be exercised.

8.5 Personnel

The Company and its subsidiaries have total 308 staffs. In 2019, the Company and subsidiaries paid 109.61 million Baht remuneration to their personnel which included salaries, OT, allowances, diligent payment, bonus and other welfares. The Company has set up a provident fund for its staff in which respect monthly contributions will be made by the Company at the rate of 3%. In 2019, the Company contributed 1.75 million Baht to employee provident fund.

- Number of employees of the Company and subsidiaries

2019	Amount / person
- Offices	60
- Production Line / Warehouse	235
- Management	13
Total	308

The Company has allocated 15,000,000 units of warrants to purchase ordinary shares to directors and employees (ESOP) or COLOR-ESOP-W1 as incentives and rewards for performance of the directors and employees of the Company and its subsidiary as to support their dedication and effort in making highest benefit and to share the ownership of the Company. The criteria and method of allotment is based on position and working duration of each person. A unit of warrant has the right to purchase 1.2906 ordinary share, with price 1.2397 Baht each (subject to the change after right adjustment). Total 70 employees received warrants, representing 59.32% of total warrants issued.

- Major Labor Disputes over the past 3 years.

- - None -

9. Corporate Governance

9.1 Corporate Governance Policy

Board of Director realize the importance of Corporate Governance to develop and promote the company to be an effective organization for management have business ethics able to create good benefit for shareholders and other interested parties as well as creating sustainable value for the business and promote the corporate Governance principles for listed companies in the year ,2017 by Securities and Exchange Commission to adapt to suit the business context of the company Therefore has reviewed and determined the corporate governance policy as follows:

1. Realize the role and responsibility of the board of directors as an organization leader that creates sustainable value for the business
2. Define objectives and key goals of the business that are sustainable
3. Strengthen the board of directors
4. Recruiting and developing senior management and personnel management
5. Promote innovation and responsible business practices
6. Ensure that there is an appropriate risk management and internal control system

7. Maintain financial reliability and disclosure of information.

8. Supporting participation and communication with shareholders.

Provided that there is communication in order to have the actual implementation according to the policy Including following up, evaluating and reviewing the practices annually

To comply with the "Corporate Governance Committee ,2017", the Committee has applied the principle as a practice guideline in our business operation. In the Board of Directors' meeting No. 4/2019 dated 11st November 2019.

In 2018, the Company has established "Innovation and Sustainability" to study and follow the new rules of the Stock Exchange and Securities Regulatory Office in order to enable the company to have an effective, transparent and auditable management system that will help build confidence for shareholders and investors that have a stake and all related parties, which adds value and promotes sustainable growth of the company.

9.2 Subcommittee

The Company has 5 board of subcommittee namely Board of Director Committee, Audit Committee, Nomination and Remuneration Committee, Executive Committee and Management, and Risk Management Committee.

9.2.1 Board of Directors

As of 31st December 2019, the Board of Directors comprised of 9 members namely as follows:

Name	Position
1. General Somatat Attanan	Chairman of the Board of Directors / Audit Committee / Independent Director
2. Pol.Lt.Gen.Dr.Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director
3. Miss Suwannee Limppanawongsaen	Member of Audit Committee/ Nomination and Remuneration Committee / Independent Director
4. Mr. Suchart Chivapornthip	Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee
5. Mr. Rach Thongvanit	Chairman of Executive Committee/ Director
6. Mr. Peerapun Chivapornthip	Director
7. Mr. Rachan Kaunha	Director
8. Mr. Thanetphon Mongkolrat	Director
9. Mr. Charnchai Asawakarn	Director

Scope of Authority and Duties of Chairman of Executive

- 1) Responsible as the leader of the board in monitoring the administration of the board and subcommittee.
- 2) Being a chairman of the Board of Directors meeting and chairman of shareholders meeting of the company.
- 3) Being a cast to vote in the event that the Board of Directors' meeting has a vote and two equal votes.
- 4) Assess the performance of the top management only in the position of managing director. In order to consider adjusting the annual compensation by taking into account the responsibilities to the company.

Scope of Authority and Duties of the Board of Directors

- 1) Supervise and determine major policy of the Company concerning business operation, finance, funding, capital management and risk management.
- 2) Consider any investment by means of approving budget for any investment project and supervise to ensure the project will be proceeded in line with work plan set forth.
- 3) Supervise business operation to meet or get beyond the target set forth and determine solutions in case of any issues in order to achieve the target or get beyond the target.
- 4) Provide to have general reports and financial report to submit to shareholders, stakeholders or general investors accurately, in timely manner and in accordance with the law.
- 5) Acknowledge the important audit report prepared by the audit committee of internal control and audit unit, including auditors and advisors of the Company. Determine guidelines for improvement in case of material defects is found.
- 6) Review the adequacy and appropriateness of corporate internal control and risk management.
- 7) Formulate high level executives of the Company to maintain continued succession plan.
- 8) Appoint members of the Audit Committee, provide opinion on authority, duties of the audit committee. Appoint one or more director to act on behalf of the board. However, the authorized person shall not have the power to approve any transaction that he/she or a person that may have conflict of interest ("Person that may have conflict of interest" shall be defined as described in Notification of the Securities and Exchange Commission), stake holding or any other form of conflict of interest with the Company or a subsidiary.
- 9) Voting at the board of directors' meeting Must have not less than 2 in 3 of the total number of directors

The following matters can be carried out when receive approval from the shareholders' meeting only. A director is not entitled to vote for any transactions in which he/she may have conflict, interest or conflict of interest with the Company or a subsidiary.

- The matter required by law to receive resolution of the shareholders' meeting.
- A transaction which a director has interest and to the extend of the law or required by the Stock Exchange to be approved by the shareholders' meeting.
- The following matters shall receive not less than three-fourth of total votes of the shareholders attending and have voting right.
 - Disposal or transfer of material part or whole business to another person.
 - Acquire or receive transfer of other public or private company.
 - Preparing, amending or terminating agreement of leasing material part or whole of the business.
 - Assignment other person to manage Company's business or merging with other person with objective to share profit.
 - Issue new shares to repay Company's debtors according to 'Debt to Capital Project'
 - Decrease of company's capital by reducing number of shares or share value.
 - Capital increase, decrease, issuance of debentures, merger or dissolution.
 - Any other matters as required by law.

9.2.2 Audit Committee

The audit committee as of 31st December 2019 consisted of 3 members namely as below:

Name	Position
1. Pol. Lt. Gen.Dr. Rapheepat Palawong	Chairman of the Audit Committee Chairman of Nomination and Remuneration Committee / Independent Director
2. General Somatat Attanan	Chairman of the Board of Directors / Audit Committee / Independent Director
3. Miss Suwannee Limppanawongsaen*	Audit Committee Member of Nomination and Remuneration Committee / Independent Director

* **Miss Suwannee Limppanawongsaen** has competent knowledge and experience to audit the reliability of the financial statement. She is graduated from accounting faculty, Thammasart University and her work experience involved directly in accounting field.

Scope of Duties and Authority of the Audit Committee

Scope duties of "The Audit Committee" are as follows:

- 1) Review the accuracy and disclosure of financial reports by liaising with external auditor and company management team. Prepare quarterly and annual financial report.
- 2) Review to ensure the Company's internal control and audit are adequacy and efficient by coordinating with external auditor and internal auditor (if any).
- 3) Review business operation of the Company to ensure the compliance with law relating to securities and stock exchange, regulation of the Stock Exchange or law relating to Company's business operation.
- 4) Select and nominate Company's auditor, consider the auditor's remuneration based on reliability, adequacy of resources and quantity of auditor work, including experience of the assigned person. Attend the meeting with Company's auditor without the management at least once a year.
- 5) Consider in disclosure of corporate information in case of related transaction or a transaction that may have conflict of interest to ensure the accuracy and completeness.
- 6) Perform any other tasks as assigned by the Board, upon opinion of the Audit Committee for example, review financial management policy, risk management policy, review the compliance to business ethics among the management. Coordinate with the management in reviewing material reports which required by law to be published to public domain which are management discussion and analysis etc.
- 7) Prepare audit committee's activity report by disclosing in the annual report which shall be signed off by chairman of the audit committee. The said report shall consist of:
 - Opinions on preparation procedures and disclosures, and the accuracy which considered reliable information in financial report of the Company.
 - Opinions on the adequacy of Company's internal control system.
 - The reason to believe that the Company's auditor is qualified to be appointed for another term.
 - Opinion on compliance with Securities and Stock Exchange law or any law provision relating to Company's business operation.
 - Opinion on transaction that may contain conflict of interest.
 - Number of the Audit Committee's meeting and the attendance of each member.
 - Opinion or overall observations of which the audit committee gain from performing their duties according to the charter.
 - Any other, as considered by the audit committee, that should be acknowledged by shareholders and general investors under the scope of duties and responsibilities

assigned by the board of directors to ensure the efficient performance of the committee.

The audit committee may seek for independent opinion from advisor of other profession when deemed necessary at own cost of the Company.

Qualifications of the Audit Committee and Independent Director

- 1) Hold not more than 1 % of the voting shares from the Company, its parent company, subsidiaries, joint-ventures, juristic persons with possible conflicts of interests including the shares hold by related parties of the independent director.
- 2) Does not or has not been a committee related to operation management, staff member, employee, consultant with fixed salary or controlling person of the Company, its parent company, subsidiaries, joint-ventures, a subsidiary of the same level or a juristic person that may have conflict of interest unless being retired from the position at least 2 years prior to the appointment.
- 3) Does not relate either by birth or marriage, e.g., father, mother, spouse, brother or sister, child, and child's spouse, of the Management, major shareholder, influential person, management candidate, or influential person of the Company or its subsidiaries.
- 4) Does not or has not related in business operations with the Company, its parent company, subsidiaries, joint-ventures, or juristic person with possible conflict of interest affecting independent judgment, as well as not being a major shareholder, non-independent director, or management executive of the business related with the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, for the past 2 years prior to the appointment.
- 5) Does not or has not been the auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, as well as not being a major shareholder, non-independent director, management executive, or shareholder of auditing office where the auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, belongs to, for the past 2 years prior to the appointment.
- 6) Does not or has not provided professional services including legal advice or financial advice with annual fee of over Baht 2 million from the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest. However, in the case when such professional is a juristic person, it would include being a major shareholder, non-independent director, management executive or management share of such professional, for the past 2 years prior to the appointment.
- 7) Evaluate the auditor and consider the annual audit fee to present to the board of directors meeting.

- 8) Review financial statements monitoring of risk management operations and follow up the internal audit as well as making related transactions to be in accordance with the policy.
- 9) Is not a director appointed on behalf of the major shareholder or a shareholder related to the major shareholder of the company
- 10) Does not possess any other features that would affect independent opinion regarding Company's operations.

9.2.3 Executive Committee and Management

As of 31st December 2019, the Executive Committee and Management comprised of 5 members namely as follows:

Name		Position
1. Mr. Rach	Thongvanit	Chairman of Executive Committee
2. Mr. Peerapun	Chivapornthip	Director
3. Mr. Rachan	Kaunha	Deputy Managing Director Account and Finance Division
4. Mr. Chalouy	Painit	Deputy Managing Director Operations Division
5. Miss Sopida	Hirunshotipong	Deputy Managing Director Sale and Marketing Support Division

Scope of Authority and Duties of the Executive Committee

- 1) The executive committee is authorized to make decisions on important operations of the Company by determining scope, categories or size of the business, objectives, direction and policy within the assigned extend, as well as oversee the overall operations, productivity, customer relations and be responsible to the Board.
- 2) Consider the business expansion, disposal and acquisition of fixed asset and propose to the board.
- 3) Authorized to carry out action and represent the Company to the third party in related activity which is beneficial to the Company.
- 4) Consider the funding and propose to the board.
- 5) Approve the appointment of consultant necessary to Company's business operation.
- 6) Carry out tasks related to general business management.
- 7) Approve action plan for each department and grant approval on requests which is out of authority of particular department.

Regarding the delegation of duties and responsibility of the executive committee, the authorized person shall not have the power to approve any transaction that he/she or a person that may have conflict of interest ("Person that may have conflict of interest" shall be defined as described in Notification of the

Securities and Exchange Commission), stake holding or any other form of conflict of interest with the Company or a subsidiary the approval for the said transaction shall be proposed to the board of directors' meeting and/or shareholders' meeting for consideration and approval pursuant to Company's articles of association or as stipulated by law, except the approval on normal business course of the Company which is in line with policy and criteria approved by the board.

Determination of Authority of Credit Limit

Executive committee has authority to approve the credit limit as specified by the board of directors as follows:

- 1) Executive committee has the authority to approve the purchase-sale of goods and assets in the amount of not more than 50 million Baht. For credit value exceeds 50 million Baht, the audit committee shall propose to the board of directors' meeting for approval.
- 2) Managing director has authority to approve the purchase-sale of goods and asset within value 10 million Baht. For credit value exceeds 10 million Baht, the audit committee shall propose to the board of directors' meeting for approval.

Management Team

As at 31 December 2019, the management team comprised of 8 members namely as follows:

Name	Position
1. Mr. Bancha Kumjud	Production Manager
2. Miss Saowanit Sirikornkarn	Purchasing Manager
3. Mrs. Mattana Horadan	Human Resources and Administration Manager
4. Mr. Somphong Nakarangsu	Production Planning Manager
5. Miss Kannika Boonrod	Accounting and Financial Manager
6. Miss Saranthinee Mongkolrat	Innovation and Sustainable Development Manager
7. Mr. Kittichote Wongkitisophon	Information and Technology Manager
8. Mr. Nippon Thuenpeng	Sale Manager

Scope of Duties and Authority of Executive Committee and Management

- 1) Control and oversee business operation and/or general management of the Company.
- 2) Carry out or perform work in accordance with policy, work plan and budget approved by the board and or executive committee of the Company.

- 3) Has authority to approve and assign the approval duty on disbursement for procurement of assets and services for the interest of the Company. Such approval is for transactions made under normal business course with credit not exceeding the value as specified by the board.
- 4) Has authority to issue order, rules, notifications, memorandum to achieve work policy and bring about corporate interest as well as to maintain strict discipline within the Company.
- 5) Authorized to carry out action and represent the Company to the third party in related activity which is beneficial to the Company.

9.2.4 Nomination and Remuneration Committee

Nomination and Remuneration Committee as of 31st December 2019 comprised of 3 members:

Name	Position
1. Pol. Lt. Gen. Rapheepat Palawong	Chairman of the Board
2. Miss Suwannee Limppanawongsaen	Director
3. Mr. Suchart Chivapornthip	Director

Scope of Authority and Duties of the Nomination and Remuneration Committee

- 1) To set forth policies as follows:
 - 1.1 Policy, criteria and procedures of nomination of director or top executive of the Company, from vice managing director.
 - 1.2 Policy on payment of remuneration and other benefits to directors or top executive of the Company, ranking from managing director, shall be explicit, transparent in order to propose to the board for approval.
- 2) Select and propose qualified person to undertake positions below and propose to the board.
 - 2.1 Director (Addition / Substitution / Retirement).
 - 2.2 Top executive, ranking from managing director.
- 3) Oversee to ensure the directors or top executives, ranking from managing director receive appropriate remuneration suitable to their duties and responsibilities.
- 4) Determine guideline for performance assessment of top executives (managing director only) in order to refer to the consideration of annual remuneration adjustment, based on duties and responsibilities to the Company.

9.2.5 Risk Management and Corporate Governance Committee

As of 31st December 2019, the Risk Management and Corporate Governance Committee comprised of 3 members namely as follows:

Name	Position
1. Pol. Lt. Gen. Rapheepat Palawong	Chairman of the Board
2. Miss Suwannee Limppanawongsaen	Director
3. Mr. Suchart Chivapornthip	Director

Scope of Authority and Duties of the Risk Management Committee directors

- 1) Propose the risk management policy and risk management oversight of the company. Monitor and assess the company's risks to be effective and at an acceptable level.
- 2) Establishing strategies in accordance with risk management policies by being able to assess, monitor and supervise the company's risks to be at an appropriate level.
- 3) Control, monitor and assess risk management result, oversee to ensure the compliance to risk management policy and director set forth by the Company.
- 4) Review the adequacy of risk policy and management system which shall include the efficiency of the system as well as compliance to the policy set forth.
- 5) Propose risk management and control, monitor and assess such risks to maintain at optimized level.

9.3 Nomination and Appointment of the Board of Director and Top Executives

For the person who will undertake position in the board and top executives, the nomination and remuneration committee shall consider is comprised of 2 member independent director from nomination and remuneration committee is comprised of 3 member responsible for recruiting qualified persons to be appointed as directors of the Company to replace the directors whose term has expired or in other cases and propose to the board of directors to consider the person who will be nominated to be elected by the shareholders' meeting with guidelines for nomination of directors taking into account.

- Able to devote time and create benefits.
- Honest and qualified as a director in accordance with the rules of the SEC.
- Experience managing other organizations.
- Concept and the constant change of the modern world.
- Have experience, knowledge, expertise, specific skills that can enhance knowledge and the experience of the committee in the absence.
- Not operating or as a director or being an executive in a competitive business organization.

- Dare to speak and dare to express opinions reasonably.
- Have ideology, can work as a team and have a culture with directors.

9.3.1 Audit Committee / Independent Director

The audit committee/ independent director is appointed in the shareholders' meeting. The committee board is comprised of 3 members, each holding a term of 3 years. At least one member of audit committee shall have competent knowledge and experience in accounting and finance to be able to review the reliability of the Company's financial statement.

9.3.2 Directors and Top Executives

The board of directors is to nominate executive committee which is comprised of at least independent director 2 members, by nominate executive committee which is comprised of at least 3 members selecting from member of the board of director or a competent person who must not be a member of audit committee. The duties of executive committee are to manage business operation as assigned by the board. And propose to shareholders meeting select the directors in accordance with the following:

- 1) In voting for the election of directors, it is considered that each shareholder has a vote equal to one share per one vote.
- 2) In voting for the election of directors to vote for each director individually In which all shareholders have the right to vote, select each candidate individually.
- 3) The persons receiving the most votes in descending order the candidates shall be ranked in order equal to the number of directors to be elected at that time. In the event that persons receiving votes in respective orders receive equal votes and the number of directors to be exceeded the chairman of the meeting has an additional vote as the deciding vote.

In the event that the position of the committee becomes vacant Due to reasons other than the completion of the term from the position of director The Committee shall consider appointing persons having qualifications and not having any prohibited characteristics as according to the law to replace them in the next committee meeting. Unless the term of office of a retired director is less than 2 months, the person in replacement can hold the position only for the remaining term of the director he replaces. the resolution to appoint a person to replace the aforementioned director must receive a vote of not less than 3 in 4 of the remaining directors.

For the recruitment of a managing director or more The Executive Board will be the primary consideration. In screening the recruiting of qualified and qualified persons Have knowledge, skills, and experience that are beneficial to the company's operations And understand the company's business very well And able to manage work to achieve objectives The target set by the Board of Directors and present

to the Nomination and Remuneration Committee to consider the selection And proposing to the Board of Directors for further consideration and approval.

9.4 Corporate Governance of Subsidiaries

Since Salee Colour holds 100% of shares in its 2 subsidiaries, therefore, it has the right to apply the same management principles to these subsidiaries. By resolution of the board of directors' meeting, the executive committee and management are appointed as a director and director authorized to sign in accepting and implementing the same management policy, and to supervise requirement of related transaction, disposal or acquisition or leasing of assets or any transaction of these subsidiaries correctly. These subsidiaries also accept the same policy on information disclosure and related transaction, including the information storage and bookkeeping for accountability and possibility to prepare financial statement in timely manner.

In addition, in the case of a subsidiary the company requires the person appointed by that company. Must supervise the subsidiary company There are regulations regarding connected transactions. Acquisition or distribution or rent out assets or complete any other important transactions of the subsidiary company correctly and use rules related to disclosure And the above transaction is the same as the company's rules Including supervising the data storage And the accounting records of the subsidiaries so that the company can inspect and collect to prepare the consolidated financial statements in time as well.

9.5 Internal Information Management

Salee Colour maintains internal information under Good Corporate Governance, having policy that Directors and Executives are committed to report the changes of their asset holding to the Office of the Securities and Exchange Commission pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 within 3 days from date of such changes, and give notice to the Company secretary for recording and summarizing number of securities under ownership of directors and executives individually. The circular letter is sent to the management to inform that those who receive internal material information which affect the changes of securities price shall refrain from securities trading during 1month period prior to the financial statement or internal information will be published to the public. The management is also prohibited to disclose such information to any other person.

The company has a rule prohibiting the disclosure of financial statement information. Or other information that may affect the price of the company's securities that is known to outsiders or those who are not involved the company secretary will provide notification via the mobile phone system to the directors. And executives are prohibited from trading in the securities for one month before the financial statements or other information that affects the price of the company's securities will be publicized. And must not trade the company's securities until after the 24 hr. Since all information has been disclosed to the public.

The discipline penalty is set forth for those who seek benefit from using or disclosing internal information and causing damage to the Company. The penalty is conducted in different approach as the case may be such as verbal warning, written warning, probation, dismissal, discharge or terminates the employment etc.

Information disclosure the board of directors has policy to disclose significant corporate information, financial and non-financial information accurately, adequately, in timely manner and with easy access. In addition to the publication channels as specified by the Stock Exchange of Thailand and Office of Stock Exchange and Securities Commission, the Company has determination to disclose key information that may have impact on making decision among shareholders or any information that may affect securities price of the Company. This key information is disclosed through various channels of the Stock Exchange and Company website, as well as public domains with easy access to information.

9.6 Auditor's Fee

The Company and subsidiaries appointed EY Office Co., Ltd., as an auditor, with the remuneration for year 2019 as follows:

- Audit Fee

Salee Color PLC.	1,250,000.00 Baht
Polymerit Asia Co., Ltd.	380,000.00 Baht
Composite Asia Co., Ltd.	340,000.00 Baht
Total	<u>1,970,000.00 Baht</u>

- Other service fee (BOI)

BOI Polymerit Asia Co., Ltd.	100,000.00 Baht
BOI Composite Asia Co., Ltd.	100,000.00 Baht
Total	<u>200,000.00 Baht</u>
Total All	<u>2,170,000.00 Baht</u>

9.7 Compliance to Good Corporate Governance in Other Matters

Good Corporate Governance of Salee Colour is as follows:

1. Rights of Shareholders

The Company has in place the policy to promote and support the awareness of shareholders' right and the exercise of their rights as followings:

The adequate information, date, time, location and meeting agenda including all matters related to decision-making in the meeting are timely provided to shareholders in advance. The notice of the meeting which clearly specifies information on agenda items are sent to shareholders at least 7 days or 14 days prior to the meeting date, as the case may be. Furthermore, the notice of the meeting is also published in newspaper at least 3 days prior to the meeting date, as well as the company also publishes information

through the Stock Exchange of Thailand. and on the corporate website at least 30 days before the meeting in order to allow shareholders adequate time to study the information prior to the meeting date.

- 1.1 The proxy form is sent together with notice of the meeting as to support the exercise of right of shareholders in case one cannot attend the meeting in person.
- 1.2 Allow shareholders to share their opinions and ask questions prior to the meeting date and allow shareholders to give their opinions and questions in the meeting.
- 1.3 At least half members of total directors are required to attend the shareholders' meeting in order to provide answers in the meeting, and at least one member of audit committee is required to attend the meeting as well.
- 1.4 The chairman of the meeting shall clarify criteria of voting, right to vote, in which person of interest shall abstain from voting on the particular agenda, including the rights of shareholders to oppose the resolution of each agenda.
- 1.5 Prepare minutes of the meeting with adequate, accurate and explicit information, by clarifying the issue asked by shareholders together with explanation of directors on each question.
- 1.6 Disclose the minutes of the meeting through electronic channel of the Stock Exchange of Thailand and the corporate website in order to allow shareholders to review without waiting for report in hard copy which shall be submitted for certification in the next meeting.

2. Equal Treatment to Shareholders

The Company has valued the equality among groups of shareholders, including executive and non-executive shareholders, as well as minor and foreign shareholders, as follows:

- 2.1 Disclose information about the shareholders' meeting to all shareholders equally and shall not add any agenda without advance notice if not necessary.
- 2.2 Allow shareholders who cannot attend the meeting to assign proxy holder with the information related to voting decision.
- 2.3 All shareholders are allowed to share their opinions and ask questions prior to the meeting date and during the meeting.
- 2.4 All shareholder shall exercise their right to appoint director individually.
- 2.5 A shareholder who is a director or executive shall disclose information about their interest and related persons, and shall abstain from voting in the matter in which one has interest in.
- 2.6 The board and management shall acknowledge their duty to inform the change of their securities holding to the Office of Securities and Exchange Commission pursuant to Section 59 of the Securities and Stock Exchange B.E. 2535.

2.7 The Board, senior executives and employees with access to corporate internal information are prohibited to disclose such information to external person or irrelevant person and shall refrain from trading securities of the Company within 1 month prior to the public disclosure of quarterly and annual financial statement.

3. Role of Stakeholders

The Company issues policy to promote the cooperation between the Company and groups of stakeholders which are shareholders or financial supporters, customers, vendors, employees of all levels and communities surrounding etc. as to enhance business operation and to strengthen sustainable growth. The Company always realizes the rights of stakeholders as stipulated by law, and has implemented policy to ensure all groups of stakeholders are treated equally, as follows:

Stakeholders	Treatment
Shareholders	The Company has strong determination to be a good model of business operation, as well as to create best satisfaction among shareholders, and to disclose information with transparency and reliability.
Employees	All employees are treated equally, provided with provident fund, training course, proper compensation rate and have quality working environment.
Vendors	The Company values the fair treatment to vendors which are in line with trading conditions as previously agrees, and also has in place, policy to create and maintain relation with vendors continuously.
Customers	Salee Color takes responsible to its customers by maintaining quality and standards of products and services, and response to meet customer's requirement as complete and comprehensive as to create satisfaction in a long term.
Competitors	The Company conducts business to the extend of fair competition and aims to grow the market for mutual benefit in the industry.
Creditors	The Company complies to the agreement conditions and provide any information as required by creditors.
Community / society	Salee Color is committed to the responsibility in preventing impact from our business operation on environment, communities and societies. The Company continuously complies to the relevant law and rules and also implemented policy to create/develop positive relationship with communities.
Government	Placing the importance on transparent business operation, Salee Color expresses its intention on anti-corruption to government officers to facilitate its business convenience or benefit. In stead, the Company focuses on paying tax in accordance with requirement and timeline as stipulated by law.

4. Disclosure and Transparency

The board of directors has policy to disclose significant corporate information, financial and non-financial information accurately, adequately, in timely manner and with easy access. in addition to the publication channels as specified by the Stock Exchange of Thailand and Office of Stock Exchange and Securities

Commission, the Company has determination to disclose key information that may have impact on making decision among shareholders or any information that may affect securities price of the Company. This key information is disclosed through various channels of the stock exchange and company website, as well as public domains with easy access to information.

Responsibilities of the Board

1. Structure of the Board

The board of directors has total 9 members, including 6 non-independent directors whereby the 3 members are from executive committee and another 3 are shareholder representatives. Remaining are independent directors from audit committee, having duty to balance the voting power and to review performance of the management to ensure the Company's benefit is highly achieved. The board of directors comprises directors who have knowledge, expertise and experience in various fields that fits well with the Company's nature of business.

The Company recognizes that the chairman of the board and managing director shall be different person, in order to prevent the unlimited power. The board will determine duties and nominate chairman of the board and managing director.

The Company secretary has duties to provide legal consultant and regulations of which should be acknowledged by the board members, oversee activities of the Board and coordinate to ensure the compliance to resolution of the board.

2. Subcommittee

The board of directors appoints 4 subcommittee to assist in corporate governance namely below:

- 2.1 Audit committee consists of 3 non-executive independent directors, having term of office up to 3 years as specified by the board of directors.
- 2.2 Executive committee consists of 4 members from the board and management
- 2.3 Nomination and remuneration committee consists of 3 members from the board and audit committee.
- 2.4 Risk management and Corporate governance committee consists of 5 members from the board and management.

3. Roles, Duties and Responsibilities of the Board

The board of directors comprises of members who are knowledgeable and expert in business operation, qualified persons from various fields. With their independency in auditing corporate operation, the board of directors are responsible for determination of vision, mission, strategy, financial target, risk, work plan and budget, as well as for oversee, control and manage to ensure the management carry out work in line with policies and planned schedule efficiently and effectively.

The board of director has prepared the code of conduct and disseminated among the board members, management and all employees for compliance. Details are summarized as follow:

3.1 Code of Conduct for Business Ethics

- Business practice
- Corruption policy

3.2 Code of Conduct for Boad of Director

- Legal compliance and related regulations
- Conflicts of interest
- Access to information data.
- Prevent the Corporate assets

3.3 Code of Conduct for Stackholders

- Corporate Social Responsibility and Environment Practices
- Policy to treat shareholders
- Policy to treat Employee
- Policy to treat Customer
- Policy to treat Suppliler
- Policy to treat Competitors

3.4 Ensure compliance with the Code of Business Ethics

3.5 Accepting business ethics complaints

3.6 Business ethics violation

3.7 Communication and disclosure

To make a decision in a matter with conflict of interest, the board of directors stipulates that a director or executive who is a shareholder shall abstain from voting in such matter in order to enhance the freedom of making decision. The information then shall be disclosed to the public immediately for transparency of our Company.

Furthermore, the Company hired outsource personnel as an internal audit unit to review and maintain corporate internal control and to review significant transactions on regular basis to ensure that the corporate system is optimized, promoting the credibility of financial statement. Moreover, the performance of internal audit unit will be reviewed by the audit committee covering operation result, compliance control, risk management and paying attention to irregular transactions.

4. Board Meetings

The board of directors' meeting is hold on regular basis, at least every three months. Meeting agenda and supplementary document shall be sent to all board members at least 7 days in advance in order to allow directors to study and analyze information in proper time frame. Including communication to prevent the trading of the company's securities during 1 month before the financial statements or other information that affects the price of the company's securities to the public. And must not trade the company's securities until after the 24hr. period has elapsed since the information has been disclosed to the public the company secretary overseeing the board activities, record minutes of the meeting, keep the records in proper place which can be checked afterward.

Attendance of the Board of Directors' meeting for the year 2019 is summarized as follows:

Name	Number of attendance / Number of meetings in 2019			
	Audit Committee	Nomination Committee	Board of Directors	Attendance of the shareholders' meeting
1. General Somatat Attanan	4/4	-	4/4	1/1
2. Pol. Lt. Gen. Dr. Rapheepat Palawong	4/4	1/1	4/4	0/1
3. Miss Suwannee Limppanawongsaen	4/4	1/1	4/4	1/1
4. Mr. Suchart Chivapornthip	-	1/1	4/4	1/1
5. Mr. Chanchai Assawakarn	-	-	4/4	1/1
6. Mr. Thanetphon Mongkolrat	-	-	4/4	1/1
7. Mr. Peerapun Chivapornthip	-	-	4/4	1/1
8. Mr. Rachan Kaunha	-	-	4/4	1/1
9. Mr. Rach Thongvanit	-	-	4/4	1/1

5. Board Self-Assessment

The Company determines to have Board self-assessment regularly, at least every 1 time per year in order to consider on any improvement, where criteria of assessment are prepared for comparison the assessment document is divided into 3 sets as follows:

No.1 Board self-assessment (Group)

No.2 Board self-assessment (Individual)

No.3 Sub-committee self-assessment (Group)

In the year 2019, the evaluation result of the committee Sub-committee and executive committee are as follows:

Detail	point
Board self-assessment (Group)	95%
Board self-assessment (Individual)	95%
Sub-committee self-assessment (Group)	96%
executive assessment	93%

6. Directors and Management Remuneration

Directors' remuneration is "meeting allowance", which must be on average rate compared to the same industry and by taking into account the adequacy of duties and responsibilities of directors.

On the other hand, Management will receive annual salaries and bonuses based on the corporate operation result. The annual remuneration of the board of directors and management must not be unnecessary high compared to the average return of listed companies. Realizing the maximum benefit of the shareholders, the directors' remuneration must be approved by the annual general meeting of shareholders every year.

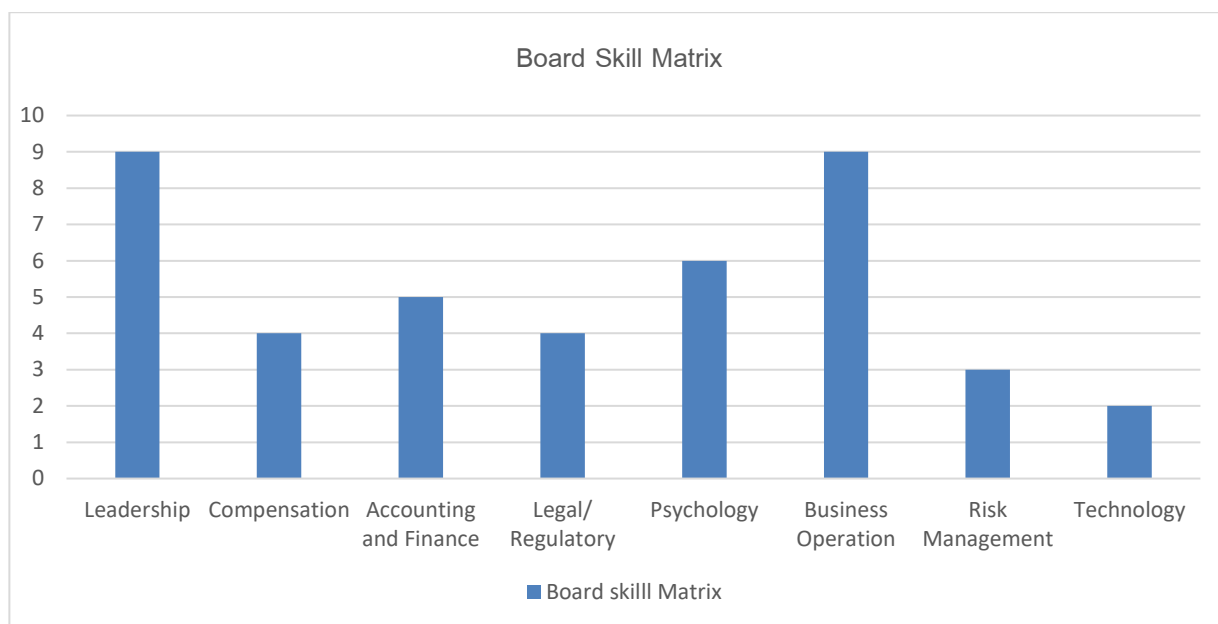
7. Development

The Company has in place, the policy to provide training for personnel in corporate governance to assure the work performance will be continuously improved, document and work plan are set in accurate system in order that the succession person can carry on work without construction in case of change of a director.

Training of Directors and Executives

No.	Name	Curriculum
1.	Mr. Chanchai Assawakarn	• Curriculum: NDC. No. 61 The National Defence College.
2.	Mr. Peerapun Chivapornthip	• Curriculum: ISP No. 117 The Institute of Security Psychology • Curriculum: Advance retail management 2019
3.	Miss Suwannee Limpanawongsan	• Curriculum: Strategic Financial Leadership Program 2018
4.	Mr. Rachan Kaunha	• Curriculum: Transfer Pricing 2019

Board Diversity



10. Corporate Social Responsibility

10.1 Overview

We are determined to run a successful business in accordance with corporate governance and long-term corporate social and environmental responsibility and take into utmost consideration the benefits for all groups of stakeholders. Our corporate social and environmental responsibility measures address the following eight principles:

1. Business Operation with Virtues

In business operations, we are determined to abide by the competition virtues of honesty and fairness; the laws and the company's ethics. We comply with competition rules and equality and benefits are fairly shared between both parties.

2. Anti-corruption Policy

Our business operations strictly comply with transparency and righteousness, and at the same time we have anti-corruption policies. We also run activities that encourage our executives and employees to respect relevant laws and regulations. Any mission accomplished with any forms of corrupt manner is unacceptable. The company's board of directors has drawn up "Anti-Corruption Guidelines."

3. Respect for Human rights

With our utmost respect for human rights, we treat employees, business partners, dealers, and other people with equality and fairness, while preventing them from committing any human rights violation. We oppose any form of discrimination, for example we have a foreign labor program in line with Thailand's labor laws. In addition, we employ an appropriate number of disabled employees, which is higher than

the compulsory number. These employees are treated with fairness in accordance with The Empowerment of Persons with Disabilities Act B.E. 2550.

4. Fair treatment for Employees

As the most valued asset of the organization, all staff members are treated fairly and ethically. Remuneration and work hours are in compliance with the laws, and occupational health and safety are among our priorities. We have established the Occupational Safety, Health and Environmental Committee to make sure that the ISO14001 and OHSAS18001 Environmental Management Standards are met. (The company has been awarded with the ISO14001 and OHSAS18001 certifications by SGS (Thailand) Limited.) In addition, the company has appointed a welfare committee. Acts as a medium to convey the welfare needs of employees to the company. In order to create a suitable welfare that meets the needs of employees that will help reduce conflicts and create good relationships between the company and employees

5. Consumer Responsibility

Our business operations are properly integrated in order to deliver valuable products and services to customers. By 'value focus' we mean products and services that give customers the benefits they need.

6. Environmental Care

The company educates all levels of staff about the society and environment, so that together we can improve and take care of society and the environment throughout our organization. Our operations are properly integrated in order that the existing resources can be deployed to produce maximum effectiveness and efficiencies.

7. Participation in Community and Social Development

This applies, not only to business expansion, but we also emphasize the improvement of employees' well-being and the well-being of the community along with social and environmental quality, such as our fair remuneration package and ethical management, the savings cooperative, and the promotion of occupational health and safety in the workplace. We also run several activities thanks to the cooperation with nearby communities, including Children's Day parties at local schools, mangrove forest planting, and the big cleaning day project with community. We also provide regular support and participation in local activities.

8. Innovation and Promotion of CSR innovation

We aim to become an organization of innovation. In order to create a sustainable competitive advantage. In the year 2018, the company was awarded the "Outstanding Industry of the Year 2018

Industry Category Potential" from the Ministry of Industry. The company has a long-term goal to create product innovation and new services to happen.

10.2 Preparation of reports

We do not manage only our business but also the environment in line with the ISO14001 environmental standard. We have been awarded with the ISO14001:2018 certification by SGS (Thailand) Limited, which outlines the effective environmental management guidelines and ensures the following subjects:

- Control over the cause of environmental impacts occurring during operations.
- Operations in compliance with Environment-related Laws and Regulations.
- Continuous boost of effectiveness in environmental management.

We also run environment-related activities, in which we encourage staff members to participate. These activities include:

10.3 Business Operations that affect Corporate Social Responsibility

- -None-

10.4 Activities for Social and Environmental Benefits

In addition to our normal business operations, every year we execute plans and allocates a budget to support socially responsible activities, including energy saving as well as educational and religious support. Using the information, we gain from our employees whose hometowns are in rural areas, we also provide support for local schools in need, for example we donate school essentials, in order to encourage youngsters and promote their education. As for production, the company has been working to improve efficiencies, reduce energy consumption, and systematically manage unsatisfying products in order that the existing resources are consumed effectively.

Anti-corruption Guidelines

The company has a policy to conduct anti-corruption. By establishing written guidelines in "Policy on Anti-Corruption" which has already been approved by the board of directors.

Anti-Corruption Policy

The board of directors, management team, and staff are prohibited from undertaking any action that involve corruption whether making direct or indirect benefits for whoever covering family, friends, and other acquaintances. Corruption also means any types of bribery; an offering, giving, promising or agreeing to give money, assets, or other inappropriate benefits to the government or private sectors involved with business operations or other contacts. Everyone is required to comply with the anti-corruption policy strictly.

Roles and Responsibilities

1. The board of directors is responsible for considering and approving the policy and supporting the Company's anti-corruption act in order to affirm that everyone in the Company intensively understands and are concerned about the problems arising from corruption. Furthermore, in a case where the audit committees report corrupt acts that affect the Company, the board of directors are responsible for giving advice and recommendations for punishment and working together to find solutions for the president.
2. Roles and Responsibilities of the Audit Committees
 - 2.1. To consider the anti-corruption policy raised by the managing director and make revisions to ensure that the policy fits into the Company's business environment and culture before presenting the final policy set to the board of directors for their final approval.
 - 2.2. To assess any changes in the anti-corruption policy offered by the managing director and the Company secretary and do the presentation to the board of directors for their final approval.
 - 2.3. To review reports on internal control systems and make risk evaluations relating to corruption according to the internal audit department's proposal. This is to ensure that these systems will minimise risks leading to corruption that will affect the Company's financial status and performance and fit into the Company's business operation patterns.
 - 2.4. To hear and record any clues relating to corruption that internal personnel are involved with and to verify the facts being heard and to inform the board of directors for their assessment on what penalty to give or to provide other applicable solutions.
3. Roles and responsibilities of internal audit unit
 - 3.1. To act as the internal auditing plan defines and present the board of directors a report on internal system verification and control and risk assessments related to corrupt acts caused by the internal system verification process
 - 3.2. To act per the audit committees' designation regarding corruption verification relating to the organization besides the internal auditing plans previously defined.
4. Roles and responsibilities of the managing director
 - 4.1. To stipulate the anti-corruption policy and present it to the audit committees
 - 4.2. To communicate the policies to personnel and related parties in the organization
 - 4.3. To review the anti-corruption policy to make sure it fits into new business practices or the principle of law and presents it to the audit committees

4.4. To assist the audit committee in searching for more facts regarding complaints or other assignments from the audit committee relating to corruption investigations. In this regard, the president is allowed to assign work to the management team that has potential to search for related facts or clues.

Policy on Anti-Corruption in Attachment 5 of the Annual Registration Statement 2019 (56-1)

Note: The company has prepared the SD Report for the year 2019, published on www.saleecolour.com

11. Internal Control and Risk Management

11.1 Summary of the board of directors' opinions on the company's internal control and management.

The board of directors' first meeting of 2019 On 25 February 2019 and was also joined by three members of the audit committee. Together, they completed the sufficiency evaluation form based on the internal control information of Salee Colour Public Company Limited they gained from the management team. The evaluation outcome showed the company's improvement in five aspects of internal controls as following:

1. Business Operating
2. Risk Management
3. Control and Operating
4. Technology and Information
5. Monitoring

The committee agreed that the internal control system of the company is sufficient and appropriate. We have employed A.S.K.N. International Audit Services Company Limited, which have always provided us with useful advices, and we have continuously improved our internal control and management accordingly. In addition, we have established our own internal audit department to work with the outsourced internal auditors and improved the internal control system in accordance with the independent internal auditors' suggestions. The improvement is then presented to the audit committee.

In order to effectively implement the system and to improve the internal control system of the company to be in accordance with the recommendations of independent internal auditors and presented to the audit committee meeting Including having an internal control system for monitoring, supervising the operations of subsidiaries to protect the Company's assets and subsidiaries from the misuse of directors or executives without authority including transactions with persons who may have conflicts and connected persons sufficiently for internal control on other topics. The board of directors agreed that the Company has sufficient internal control as well.

11.2 The Audit Committee's opinions which are different from opinion of the Board or the Auditor's suggestion on any matters related to internal control.

- -None -

11.3 Chief of Internal Audit Unit and Chief of Corporate Compliance

At the 4/2010 meeting of Audit Committee, which took place 24 November 2010, the company appointed A.S.K.N. International Audit Services as its internal auditors, effective from 1 July 2010 onwards. The company appointed Mr. Nattapon Sriboonruangrit to be the key person in charge of the internal audit operation.

The Company's audit committee took into consideration the qualifications of A.S.K.N. International Audit Services and Mr. Nattapon Sriboonruangrit. Thanks to their independent operation and six years' experience in internal audit for companies running business similar to that of the company, we agreed that they have sufficient necessary qualifications for the responsibility. At the same time, we also appointed Mrs. Jirawan Kamchad as our own internal auditor who would work with the outsourced auditors.

Any consideration, approval, appointment, dismissal or transfer of internal auditors for the company must be approved by the company's Audit Committee. The qualification of the internal auditor is shown in Attachment 3.

12. Related Transactions

Summary of transactions between the company & subsidiaries and the individuals with whom there were potential conflicts of interest in 2018 and 2019. Details are provided below.

VIV Interchem Company Limited

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and necessity
VIV Interchem Company Limited	VIV Interchem Company Limited has a 20.92% stake in the company. Mr. Suchart Chivapornthip and Mr. Chanchai Asawakarn are common directors.	1. Product Sales 2. Product purchases 3. Trade receivables 4. Trade payables 5. Consultation fee	25.15 0.08 2.52 - -	7.45 0.49 0.31 0.31 -	<ul style="list-style-type: none"> The company sold products and raw materials (as in Transaction 1 and 3) to VIV. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties. Average cost-plus margin at 5-10% <p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none"> These transactions generated benefits for the company's operations. Trade activities were reasonable under normal trading conditions

Divers Chemical Co., Ltd.

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and Necessity
Diverse Chemical Co., Ltd. ("DIV")	Common directors are namely: Mr. Rach Thongvanit and his family which are daughter and son-in-law, holding 2.43% of shares in SALEE COLOR.	1. Product sales 2. Product purchases 3. Trade receivables 4. Trade payables	5.95 62.40 1.34 21.29	5.49 31.70 0.41 4.01	<p>The company sold masterbatches (as in Transaction 1 and 3) to DIV, which is a supplier of chemicals. Under normal circumstances, DIV buys products from our company to distribute. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties. The cost-plus margin pricing model, as specified by our company, was applied to the products that could not be compared with those sold to other non-related external parties.</p> <p>The company purchased raw materials (as in Transaction 2 and 4) from DIV, to support the normal production process. DIV, which is a supplier of chemicals, is Thailand's only distributor of these chemicals. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties.</p> <p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none"> • These transactions generated benefits for the company's operations. • Trade activities were reasonable under normal trading conditions

Salee Industry Public Company Limited

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and necessity
Salee Industry Public Company Limited ("SALEE")	Salee Industry Public Company Limited has 8.09% stake in the company. Mr. Suchart Chivapornthip and Mr. Chanchai Asawakarn are directors.	1. Product sales 2. Product purchases 3. Trade receivables 4. Trade payables	0.03 - 0.03 -	6.27 0.01 - -	<ul style="list-style-type: none"> The company sold raw materials (as in Transaction 1 and 3) to SALEE. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties. The company purchased raw materials (as in Transaction 2) from SALEE. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties. <p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none"> These transactions generated benefits for the company's operations. Trade activities were reasonable under normal trading conditions

Salee Printing Public Company Limited

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and necessity
Salee Printing Public Company Limited ("SLP")	Salee Industry Public Company Limited has 65% stake in the company. And Mr. Suchart Chivapornthip are directors.	1. Product sales 2. Product purchases 3. Trade receivables 4. Trade payables	0.19 0.66 - 0.13	- 0.21 - -	• The company purchased raw materials (as in Transaction 2) from "SLP" Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties.

Petchsiam (Thailand) Co., Ltd

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and necessity
Petchsiam (Thailand) Co.,Ltd	Salee Industry Public Company Limited has 75.5% stake in the company.	1. Product sales 2. Product purchases 3. Trade receivables 4. Trade payables	2.77 - 0.20 -	2.71 - 0.64 -	<ul style="list-style-type: none"> The company sold raw materials (as in Transaction 1 and 3) to Petchsiam. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties.

Inter-transaction Approval and Process

Inter-transactions were considered and approved by the company's board of directors. In the past, we, as a limited company, were yet to impose rules and regulations on inter-transactions, and the process took into consideration the highest benefits for the company and transactions were compared with transactions with external parties. At present, the company has inter-transaction procedure and policies, under which executives and stakeholders were not allowed in the consideration/ approval process. The audit committee must also consider and deliver their comments on those transactions.

Policy or Trend of Future Related Transactions

1. Related - transactions with the individuals where there are potential conflicts of interest

PolyMerit Asia Company Limited: Our company will maintain inter-transactions with this subsidiary, including the sublease of lands and buildings as well as other services, such as infrastructure, product quality control, lending program for subsidiary, product & raw material sales and purchases, and OEM. Our company, as the major shareholder of PolyMerit Asia Company Limited, is also a guarantor of PolyMerit Asia Company Limited when taking loans from financial institution.

VIV Interchem Company Limited: VIV Interchem Company Limited is an importer and distributor of chemicals. Therefore, there are potential inter-transactions, such as product & raw material sales and purchases. These inter-transactions support or are part of our company's normal business operation.

Salee Industry Public Company Limited: Salee Industry Company Limited is a manufacturer of plastic parts and packages used in electronic devices, electrical appliances and for industrial purposes. Therefore, there are inter-transactions, such as product & raw material sales and purchases, and OEM. These inter-transactions support or are part of our company's normal business operation.

Diverse Chemicals Limited: Diverse Chemicals Limited is an importer and distributor of chemicals. Therefore, there are potential inter-transactions, such as product & raw material sales and purchases. These inter-transactions support or are part of our company's normal business operation. In the future, consultancy fees will be eliminated.

Salee Printing Public Company Limited: Salee Printing Public Company Limited is a manufacturer of widely recognized for its innovations and highquality self-adhesive products. such as product purchases. These inter-transactions support or are part of our company's normal business operation. In the future, consultancy fees will be eliminated.

Petchsiam (Thailand) Co., Ltd: Petchsiam (Thailand) Co., Ltd is a plastic factory making household products. such as product purchases. These inter-transactions support or are part of our company's normal business operation. In the future, consultancy fees will be eliminated.

2. Future related-transaction policy

When the company involves in any inter-transaction process with a third party where there are potential conflicts of interest, the company requires that the Audit Committee provide comments on the transaction's necessity and suitability. If the Audit Committee has no expertise in the area of a particular potential inter-transaction, the company assigns independent specialists or its own auditors to provide comments on the inter-transaction. These comments will be taken into consideration by the board of directors or stakeholders, as the case may be.

The company's inter-transaction policy can be divided into the following categories.

➤ Transactions as part of normal business operation and transactions to support normal business operation, such as product sales & purchases and OEM: The Company assigns the audit committee to be in charge of the consideration process and provide comments on the reasons and necessity of the transaction, under which benefit transfers are not allowed. Trade and pricing conditions must be fair compared with those of transactions between the company and common people, transactions between individuals where there are potential conflicts of interest with the individuals, and transactions similar to those carried out by other entrepreneurs in the industry. The Company assigns the audit committee to be in charge of the consideration process and provide comments on the reasons and necessity of the transaction on a quarterly basis. The process must be in accordance with securities-related and the Stock Exchange of Thailand-related laws and regulations, the Stock Exchange of Thailand's obligations, announcements, orders and regulations, as well as regulations in regard to the disclosure of related transactions.

➤ Other transactions apart from the above transactions as part of normal business operation and transactions to support normal business operation, such as transactions in regard to assets, other forms of services, or giving & receiving financial support. The Company assigns the audit committee to be in charge of the consideration process and provide comments on the reasons and necessity of the transaction. The process must be in accordance with securities-related and the Stock Exchange of Thailand-related laws and regulations, the Stock Exchange of Thailand's obligations, announcements, orders and regulations, as well as regulations in regard to the disclosure of related transactions and the acquisition or disposition of core assets of the company or its subsidiaries. Loans to individuals are prohibited where there are potential conflicts of interest and where the individuals will capitalize on the loans to run their own business or manage operations instead of the company.

The committee's practices are in accordance with securities-related and the Stock Exchange of Thailand-related laws and regulations, the Stock Exchange of Thailand's obligations, announcements, orders and regulations, as well as regulations in regard to related transactions and the acquisition or disposition of core assets of the company or its subsidiaries, so that the approved transaction will not trigger conflicts of interest but generate the most benefits for all shareholders. Inter-transactions are disclosed in the annual data report (Form 56-1), the Company's annual report, and notes attached to financial statements that have been audited by the Company's auditors.

In 2011, the Company imposed additional regulations in regard to the Company or its subsidiaries' products that are sold to individuals with conflicts of interest and that contain specific features and cannot be compared with products sold by the Company or its subsidiaries to common people, because the distribution of these products may cause benefit leaks out of the Company or its subsidiaries and account and financial distortion, which may pose damages to the Company and its shareholders.

To ensure the clarity and transparency of the Company and its subsidiaries' operations, we have determined the core-plus pricing policy for products sold to the individuals with conflicts of interest when the products cannot be compared with those sold to common people. Details are provided below.

Product Type	Cost Plus Pricing (Cost Plus)
• Product purchased and sold with no production involved.	>1%
• Specific products produced in large numbers (more than 500kg.)	>10%
• Specific products produced in large numbers (less than 500kg.)	>30%

The cost-plus pricing strategy is based on the standard costs as specified by the Company's finance and accounting department. If the above cost-plus price is considered incoherent with the actual cost and the sale/purchase value exceeds THB 20,000 per quarter, the reasons of the transaction in question must be reported in detail to the audit committee, which will consider the necessity and suitability.

In addition, in the audit committee meeting No. 4/2018 on 12 November 2018, it was resolved to amend the definition of product categories in the category of "In the case of goods being purchased and sold without going through the production process" is "in the case of products that are not processed" because the company sells products that pass through the grinding process. But still not processed to increase clarity and ease of understanding.