



# **Business Ethics**

**of**

**Kulthorn Kirby Public Company Limited**

**Office of the President**  
**(The 2016 Version)**

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## Messages from the Chairman

Kulthorn Kirby Public Company Limited has been continually grown and expanded the business for over 30 years, due to the company's great awareness in ethical and moral issues. The Company distributed handbooks concerning business ethics for all members of the Board of Directors, managerial team and our employees. The handbook serves as a guideline for everyone to continue his/her duty with honesty, integrity, morality, and, of course, highest quality. It also reminds the Company to bring fair treatment in accordance with legal restrictions, to maximize shareholder value, and to prevent plausible conflicts of interest.

Kulthorn Kirby Public Company Limited strongly believes that the propensity to apply ethical practices to the organization will certainly enhance growth within the Company and acceleration of societal progress and country's economy.

Suraporn Simakulthorn

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(Mr Suraporn Simakulthorn )

Chairman of the Board of Directors

## Table of Contents

<b>Vision Mission Values</b>	3
<b>Business Ethics</b>	
1. Conflicts of Interest	4
2. Responsibilities to shareholder	4
3. Customer policies	5
4. Trade Creditor policies partners policies	5
5. Employee policies	6
6. Counterpart/Competitor policies	7
7. Responsibility to society as a whole	8
8. Responsibility to community	8
9. Responsibility to environment	8
10. Receiving and giving present, property or other benefits policies	9
11. Corporate Social Responsibility Report / Sustainable Development Report	10
12. Non-violation of human rights policies	10
13. Opinion or suggestion	11
14. Procedures and methods on “Notifying the information on misconduct and the protection of the informant”	11
15. Ethics of the Directors and the Executives	12
16. Ethics of the Employees	13



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**Vision :** To be the leader in the reciprocating motor compressor business in ASEAN and response to the world demand.

**Mission :**

1. To manufacture quality motor compressors with on time delivery and at a competitive price
2. To strengthen and improve partners relationship and satisfaction
3. To increase product development capability to serve and fulfill customers needs
4. To enhance the knowledge and improve the quality of life of the company' staff at all levels
5. To conduct its business in line with the social responsibility principles and environment regulations and sustainable growth.
6. To increase efficient management by quality management system implementation.

**Values “  - BEST ”**

1. Doing it right the first time
2. Learning and self development
3. Team working

## **Business Ethics**

### **1. Conflicts of Interest**

The Company has drawn out guidelines for directors and employees to prevent conflicts of interest follow.

1. Refuse to use Company's information obtained in their posts for an opportunity to derive personal benefits by creating rivalry with the Company or involving in related businesses.
2. Refuse to use Company's information to buy shares for personal benefits or to leak Company's information to outsiders for their benefits.
3. Avoid all actions that may cause conflicts of interest with the Company;
4. In case that directors or employees commit any action related to the Company, the particular director and employee will be treated like an outsider, and will play no part in decision-making process;
5. Refuse to reveal Company's classified information e.g. electronic information, financial situation, work's plans, business information and Company's future plans during and after their posts.
6. In case of dealing with conflict of interest directors or employees must consult and ask countermeasure from their supervisors.

The Audit Committee will consider the conflict of interest is happened and propose to inform the Board of Directors about conflict of interest and connected transaction. The Board of Directors should consider carefully and comply with the Securities and Exchange Act. Despite price and condition will be accounted like an outsider and disclosed the detail, size, partner of contract, and reason in Annual Report and 56-1 Form as well as notes to financial statements for consideration of connected transaction. The directors who have conflict of interest should not be in the meeting to abstain for consideration and vote.

### **2. Responsibilities to shareholder**

The Company upholds a principle to treat every shareholder without any discrimination.

1. Respect shareholder's right to information for evaluation purposes. Oblige to truthfully reveal annual income, financial status with other supporting documents with accuracy. Such practice is mandated by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
2. Operate all business affairs with moral conducts. All decisions are carefully made with fullest attention to accomplish fair deal and maximum benefit to every shareholder.

3. Determine to maintain sustainable growth and stability of the Company, thus all shareholders can enjoy long-lasting benefits due to Company's superb performance and its efficiency and effectiveness in delivering all tasks.
4. Monitor and operate to ensure that appropriate transactions from financial management to administrative strategies are properly carried out to protect and raise benefit for shareholders.

### **3. Customer policies**

The Company strongly believes in building confidence and bringing satisfaction to all of the customers. Since their trusts are critical to our business, the Company promotes the following policies:

1. Provide high-quality products and services at reasonable price.
2. Provide accurate information without any exaggeration that may cause misunderstandings on product's quality and quantity, or special conditions for each product and service.
3. Formulate procedures that permit customers to inform about drawbacks of the products or improper services, because those complaints are valuable for the Company to come up with immediate remedy and improvement for problematic products and services.
4. Provide effective after-sale services for customer's convenience.
5. Determine to provide and produce commodities and services that are trendy to satiate customers' needs.
6. Guard all customers' information as top secret and refuse to use them for personal benefits.
7. Support all activities that will strengthen, as well as maintain, lasting and healthy relationship between Company and customer.

### **4. Trade partners and Creditors policies**

The Company must instigate fair treatment and mutual benefits to all trade partners and creditors because they are essential in contributing success to the Company. The Company has duty to:

1. Systematically provide products and services with the highest standard under these principles:
  - Must compete based on congruent information.
  - Must have clear-cut rules in evaluation and selection of trade partners.

- Must formulate fair agreements with trade partners.
  - Must provide systematic operating and monitoring processes to ensure that all conditions stated in the agreement are strictly followed.
  - All payments for all trade partners and creditors must be issued with punctuality and accuracy according to all conditions stated in the agreements
2. Strictly follow each covenanted condition.
  3. In case the Company could not follow the covenanted condition, the Company will foregone notify to creditor for solving problem.
  4. Develop and maintain good relationship between all partners with trust and confidence.
  5. Refuse to accept any personal benefit offered by all trade partners and creditors.
  6. Refuse to fabricate or falsify information that will cause misunderstandings to partners.

## **5. Employee policies**

The Company highly regards all of the employees as invaluable resources and indispensable factor that propel the Company to meet all objectives and future successes. Henceforth, the Company is responsible to provide just opportunity, reasonable remuneration, promotion, appointment, transfer and development of potential by:

1. Maintain working atmosphere that is conducive to promote better safety for their lives and properties.
2. Provide the appropriate compensation such as medical fee, life insurance, annual checkup, reserve allowance fund, accommodation, subvention in case death of employees or employees' family, bus, fitness, etc.
3. Avoid all unfair actions that may cause instability of employee's position.
4. Treat every employee with respect to his/her right, honor and privacy.
5. Propose reasonable remuneration packages according to market situations, business competitions, job descriptions, work qualities, and Company's capability to pay for that remuneration packages.
6. Promoting, transferring, awarding and punishing, of employees are conducted with sincerity, and based on each employee's knowledge, effort, and appropriateness.
7. Pay importance on developing skills and potential of employees by constantly organizing various activities, for instance, seminars, training, and handing out scholarships for employees.

8. Provide opportunities for employees to express opinions and file complaints related to their jobs. Those suggestions and complaints will be seriously taken into consideration for formulating solutions. This important policy is meant to draw benefits to all parties and spawn camaraderie in the office.

In addition, the Company emphasizes on the safety of life and health of employees as the following policies:

1. The Company will perform all necessary measures to ensure the safety of life and health of employees.
2. The Company seeks to control and prevent losses caused by fire, accidents and illness from working and maintain a safe working environment for employees as well as promoting and raising awareness of health care workers.
3. The Company is committed to developing and creating safety and health of employees in accordance with the requirements of the law.
4. The Company will support adequate and appropriate resources in accordance with the requirements of the law and commit to develop human resources with knowledge and awareness of safety and health of employees.
5. The Company is aware that a safety and health of employees is very important, it was the duties and responsibilities of executive, supervisors at all levels and employee to comply with the rules and the requirements of the law.

## **6. Counterpart /Competitor policies**

The Company conducts all business affairs under just rules and competitions by holding the following principles:

1. Refuse to search for rivals' secret information by all means, dishonestly or inappropriately.
2. Refuse to ruin counterparts/Competitors' reputations by accusing them of wrongful actions.
3. Refuse to violate intellectual property rights of business' counterparts /competitor.





## **7. Responsibility to society as a whole**

The Company recognizes that it can survive and grow in a society that is vigorous and prosperous.

Therefore to bring about societal progress, the Company has policies to:

1. Participate in societal improvements with financial support to all activities that aim to maintain beneficial cultures, customs, and rituals. Moreover, the Company will involve in religious activities regularly.
2. Support educational activities, vocational development, and athletic ability, as well as sanction for outreach people.
3. Support and aid society and community, and also always aid sufferers.
4. Practicing in comply with all related laws and regulation.

## **8. Responsibility to community**

The Company has defined the scopes and practices on strengthening the closed relationship with surrounding and nearby communities as follows:

1. To cultivate consciousness to the Company's employees on responsibility to the society, community and environment via media and internal activities continually.
2. Strengthen good relationship with the organizations, both from public and private sectors, as well as the community leaders in various levels so that the works for community development can be harmoniously coordinated on sustainable and concrete basis.
3. To provide the buildings, materials including funds to oversee the livelihood condition and safety of the communities.
4. To raise funds and supply the necessities to help the disaster victims.

## **9. Responsibility to environment**

The Company recognizes the duties and responsibilities to environment, the Company has policies to:

1. Operate the business by taking into consideration of conservation and security standard, and also be civility to follow the law and related regulations.
2. Utilize natural resources in form of raw materials, investments, human resources, and energies in prudent manners.

3. Support care taking environment activities and conservation campaign continually supports environment conservation to social and other organization as well as public environment news for making image and good understanding of the Company's environment management.
4. Foster the guideline of responsibility to environment for understanding the importance of environment by training the employee continuously for efficient environment system.

## **10. Receiving and giving present, property or other benefits policies**

Receiving or giving any benefits as tradition and morality to express gratitude or maintaining business relation as usual should be done with appropriateness. The Company will not encourage or expect the receiving person to ignore his/her duty and/or return favor from giving inappropriate present, property or other benefits with the following practices:

1. Receiving and giving property or other benefits that could improperly influence decision making;
  - The employee of company shall not receive or give money, property, merchandise or any benefits involving anyone whose intention is to persuade the employee to commit or omit anything contrary to duty.
  - Receiving present or property shall be compliance with morals, and shall not be illegal as well as such gift or property shall not be illegal.
  - Paying for business expenses such as meals and other forms of hospitality that are directly connected to performance of business commitments is acceptable, but such expenses must be reasonable.
  - Giving present, property or other benefits to government officer in Thailand and other countries must be sure that it shall not against the law and local tradition.
2. Receiving or giving present and the memento:
  - Before receiving or giving present or memento, should make sure that such an action does not violate the law and the Company's regulations. Gifts exchanged in the normal course of business should be inexpensive and appropriate to the occasion.
  - Avoid receiving or giving present or memento that could unfairly influence a decision in the performance of one's duties. If it is necessary to receive a gift of unusually high value from someone doing business with the Company, report the matter to the superior.
  - Keep records of expenses as evidence of the value of present or memento given, so that can be examined later.

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- If the employee has been assigned or permitted by the superior to assist an outside agency, the employee may receive money, item, or present according to the guidelines or standards that agency has set.
3. Transactions with the government sector:
- Conduct properly and honestly when in contact with government officials or agencies.
  - Always Comply with the laws, and customs of each place may have diverse conditions, procedures, or methods of proceeding.
  - Comply with the laws of each country or locality in matters pertaining to hiring government employees as consultants or employees of the Company. Such hiring must be transparent and appropriate.

## **11. Corporate Social Responsibility Report / Sustainable Development Report**

The Company specified that there should be the corporate social responsibility report in place. At first, this report may be a part of the annual report and after that if the Company has more readiness, then such CSR report may be considered to be separated from the annual report.

## **12. Non violation of the human right policies**

The Company emphasizes on human right as common practice, all employee shall not act or support violation the human right as follows:

### 1. Personal right and freedom:

- The Company has policies that employee's personal information is the secret and shall not be sent or disseminated to unauthorized parties.
- Disclosure or transfer of personal information only upon the owner's consent.
- The human has right and freedom so long as not violate the right and freedom of others.

### 2. Equal treatment:

- The Company treats all employees equitable, no person shall be discriminated against regardless of race, nationality, language, religion, sex, age and education.
- The employee shows respect to and acceptance of others, and acts appropriate with job as the Company's regulation and tradition without disgrace.

- The Company has opportunity for the employee to show their capability by set appropriate remuneration and has opportunity for more education both in higher education, and short term/long-term training.
- Deliberation related to hiring and judgment of performance should be accurate and fair.
- When performing the work, avoid expressing opinions that have to do with differences of physical and mind, race, nationality, language, religion, sex, age, education, or any other attribute likely to cause conflict.
- Contribute to making the work environment free of oppression and injustice.
- The employee shows respect and tolerance for each other's opinions.

### **13. Opinion or suggestion**

The Board of Directors emphasize on stakeholders' participation in reinforcement of the Company's operation and permanency by disclosure related important information to stakeholders sufficiently and transparent. The Company provides channels to stakeholders for giving opinion and suggestion that are usefulness and added value for the Company. Stakeholders could send the letter as address shown on the Company's website ([www.kulthorn.com](http://www.kulthorn.com)) in a part of "Contact Us"

### **14. Procedures and methods on "Notifying the information on misconduct and the protection of the informant"**

The Company adheres to good corporate governance principles and encourages its employees to examine and oversee any action which is against the corporate governance principles, ethics, rules and regulations of the Company, laws or any action which might cause damages to the Company. The employee can find the method on informing the clue and the protection of the informant from the company's regulation hand book and through public relations media of the Company, by Intranet System. If such action is found, the employee can notify the clue on misconduct behavior to the Company by sending document and/or evidence to the President and/or Vice President. Human Resources Division. Such document and/or evidence may be sent by the employees themselves or via the postal service, however name and surname of the sender must also be notified for convenience on enquiry and/or contact for more information.

Shall then investigate and analyze such matter and if it is found that it has factual basis, it shall be sent to the meeting which the President in Chairman of the meeting for further consideration together with all concerned executives.

The Company shall protect the employee who notifies such information (the informant or whistle blower) by not disclosing the name of the informant to any person. Only the President and/or Vice President. Human Resources Division shall know such information. (If the name has not been identified, this matter shall not be considered).

## **15. Ethics of the Directors and the Executives**

The Company wishes its directors and executives to express their intentions on performing the Company's business operations with transparently and morally as well as perform their duties pursuant to the ethical standards on integrity, with carefulness and cautiously for benefits of the shareholders and the stakeholders. Hence, the ethics which shall be used as operating guidelines for the directors and the executives have been specified as follows:

1. To perform the Company's business operations with integrity, fairness, transparent and morality.
2. To perform their duties with fullest capacity to maximize benefits of the Company.
3. To perform duties by compliance with laws, rules and regulations concerning business operations.
4. To have the independence in making decision and their actions must be based on the righteousness basis.
5. To perform duties by avoiding the conflicts of their own interests with the Company's benefits so that the management tasks can be effectively achieved.
6. Must not have any benefits or interests in any business made with the Company or in any business which is regarded as the competition with the Company, irrespective of directly or indirectly.
7. To keep the confidential information of the Company and the stakeholders from leaking to non-relevant people that might cause damages to the Company or the stakeholders.
8. Refuse to use Company's information to buy shares for personal benefits or to leak Company's information to outsiders for their benefits.

## 16. Ethics of the Employees

The Company trained and informed the prudent operating guidelines standards with regards to good manner and ethics of the employees via the orientation of the new employees. Such ethics have been written in the working regulations of the Company for the employee's adherence as follows:

1. The employees must devote themselves and perform their duties and the assigned works with their utmost competency.
2. The employees must respect and comply with the rules and regulations specified by the Company.
3. The employees must respect and comply with the legally orders and recommendations of their superior as well as the persons designated by the Company.
4. The employees must protect the Company's benefits.
5. The employees must work on time and on regular basis.
6. The employees must perform the work with integrity.
7. The employees must have good discipline as well as good morality.
8. To keep the confidential information of the Company and the stakeholders from leaking to non-relevant people that might cause damages to the Company or the stakeholders.
9. Refuse to use Company's information to buy shares for personal benefits or to leak Company's information to outsiders for their benefits.

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This Business Ethics had been approved by the Board of Directors meeting no. 1/2014 on date 19 February 2014 and effective from 19 February 2014.

This Business Ethics had been revised and the approved of on date 20 December 2016 and effective from 20 December 2016.

Suraporn Simakulthorn  
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(Mr Suraporn Simakulthorn)  
Chairman of the Board of Directors