

## Business Ethics

The Company has recognized that in conducting the business with ethics and managing the organization with corporate governance, the organization must have directors, executives and employees at all levels who have a sense of responsibility for their works, including to their supervisors, colleagues, customers, partners, competitors and other relevant parties with such consciousness. The organization must create a corporate culture to deeply root in the hearts of all employees. The business ethics is considered as the best tool to start building a corporate culture with corporate governance. The business ethics shall be provided by the Board of Directors and announced to employees at all levels in the organization to follow as a personal manual, and the Company must have a performance monitoring and measurement system on a regular basis. The Company shall review and update the Code of Conduct to be consistent with the organization's business at all times, which will be proposed to the Board of Directors' meetings for consideration on a regular basis.

### Business Ethics: Responsibilities to Stakeholders

The Company established the details of responsibilities to stakeholders as follows:

#### Shareholders:

The Company established the policies and guidelines as follows:

- 1) Recognize and pay attention to the fundamental rights of shareholders, such as the right to purchase or transfer shares, the right to receive profit sharing of the business, the right to fully, sufficiently and timely receive and access the Company's information, the right to attend meetings to exercise voting rights at the shareholders' meetings to appoint or remove directors, appoint Auditor and matters that may affect the Company, such as the increase or decrease of capital, dividend allocation, amendment of the Company's Articles of Association, objectives or memorandum of association, etc.
- 2) Promote and facilitate the rights of shareholders, analysts and interested institutional investor, including:
  - Deliver the invitation letter to the shareholders' meeting at least 14 days in advance of the meeting date by specifying the date, time, venue and meeting agenda, rules and regulations used in the meeting, voting procedure and full information that must be used to make a decision. The invitation letter to the shareholders' meeting will be published on the Company's website at least 21-30 days in advance to allow shareholders to have sufficient time to study the meeting information in advance.
  - Report important information that has or might affect the rights of shareholders, both the information reported in the accounting period and the information reported according to

events, as mentioned by laws and related notifications without any action that limit the rights of shareholders to access the Company's information.

- Provide minor shareholders with opportunities to propose matters to be included in the agenda and/or nominate a person to be elected as a Director at the Annual General Meeting of Shareholders.
  - Provide shareholders with opportunities to submit questions related to the meeting in advance before the shareholders' meeting.
  - Provide shareholders who are unable to attend the meeting in person with opportunities to appoint a proxy to attend and vote on their behalf.
- 3) Establish guidelines for the Annual General Meeting of Shareholders in order to comply with the Corporate Governance principles and allow shareholders to ask questions on various issues as detailed in each agenda.
  - 4) After completing the shareholders' meeting, the Company will publish the voting results of each agenda in the ordinary and extraordinary shareholders' meetings on the next business day; and prepare the minutes of meeting by showing complete and accurate information via the Company's website within 14 days from the date of the meeting so that the shareholders can verify.
  - 5) The Company has applied the technology in the shareholders' meeting for shareholder registration with barcode, vote counting in each agenda and the announcement of voting results so that the meeting can be held with speed, correctness and accuracy.
  - 6) The Company has organized and participated in many activities such as Company Visit, Analyst Meeting and Opportunity Day events that the listed companies will meet investors, in order to increase communication channels for shareholders, analysts and investors to follow and obtain the Company's information.
  - 7) The Company has appropriately and regularly paid dividends to its shareholders, and the dividend payment rate is in accordance with the dividend payment policy set forth by the Company.

**Customers:**

The Company established the policies and guidelines as follows:

- 1) Conduct business in production, selling safe products concerning the health of users and providing after-sales services that create maximum satisfaction for customers.
- 2) Commit to develop products that add values to the use of consumers.
- 3) Conduct business by adhering to honesty, integrity, responsibility and fairness and avoid to act anything that violates the rights of customers, keep customers' trade secrets without wrongfully

- using for the benefit of oneself or those involved. If the Company detects such an offense, any employee or worker of the Company who acts such offense will be prosecuted under the law.
- 4) Not directly and indirectly call, receive or agree to accept any property or any other benefits that are dishonest.
  - 5) Adhere to the principles of compliance with trade agreements. In the event that it cannot be performed, there will be a process for reporting information to customers in advance and jointly find ways to improve, solve to prevent damages.
  - 6) Provide customers with communication channels to complain the Company and complaints from customers will be paid attention and potential problems will be solved for customers with fairness, via communication channels including telephone at 0-2152-7301-4, Fax 0-2152-7305, or [www.eastcoast.co.th](http://www.eastcoast.co.th) which in previous year, the Company could successfully respond to handle complaints completed and it is in the process of finding ways to create customer satisfaction at a higher level.
  - 7) Build good relationships and understanding, knowledge exchange, joint development and continuously adding values to products. For this point, the Company's marketing team will visit and meet the customers both in domestic and overseas according to the planned annual schedule to listen to customer satisfaction, problems and obstacles in working together, find ways to improve and develop for better products. In addition, every year, the Company will arrange activities for customers of wholesale and retail stores (Dealer) to visit the Company and see the new product models and organize sales promotion, with the objectives to meet and exchange product development guidelines and listen to suggestions and discuss ways to solve trading problems
  - 8) The Company will conduct public relations, advertising and sales promotion of the Company's products with responsibilities, without causing misunderstanding or taking advantages from the customers' misunderstandings

#### **Business Partners and Account Payables**

The Company established the policies and guidelines as follows:

- 1) Treat partners with equality, fairness and responsibility, and mainly take into account mutual interests.
- 2) The Company has adhered the criteria in selecting business partners who have legal business operations, follow production standards, safety standards and environment conservation, supervise partners to respect human rights and treat workers with fairness and responsibilities to society and environment.
- 3) Maintain confidentiality or trade information of partners without wrongfully using for the benefit of oneself or those involved

- 4) Build good relationships and understanding, exchange knowledge, jointly develop and add value to raw materials and products that the Company has continuously ordered. On this point, the Company's procurement team will visit and attend meetings with partners in domestic and overseas according to the planned schedule to suggest problems, barriers of co-working to find ways for better improvement and development.
- 5) Purchase goods and services from partners in accordance with commercial conditions by strictly complying with the contract in order to build a relationship that will create long-term benefits for both parties.
- 6) Adhere to the principles of compliance with trade agreements. In the event that it cannot be performed, there will be a process to inform the partners in advance and together find ways to improve and solve for preventing damages.
- 7) Not call, receive or agree to accept any property or any other benefits apart from the trade agreements, those involved procurement activities will not accept any direct or indirect benefits from partners and perform themselves neutral without so close relationship that affects the decision making.

#### Trade Competitors

The Company established the policies and guidelines as follows:

- 1) Treat competitors with fairness and responsibility by complying with the trade and competition rules with fairness, operate business with transparency and avoid any dishonest methods to destroy competitors.
- 2) Not destroy the reputation of the competitors by defaming.
- 3) Not violate the intellectual property / copyright.
- 4) Not seek for the confidential information of competitors with a dishonest or inappropriate way.
- 5) In contacting the competitors, the Company's personnel must not disclose or neglect Company's secrets in the hands of competitors.

#### Creditors

The Company established the policies and guidelines as follows:

- 1) Strictly comply with the conditions of the financial institution creditors in accordance with the loan agreement.
- 2) Treat all creditors with equality, fairness and responsibility.
- 3) In case of loan, the Company will not use the money from loans to use in different objectives of the loan agreement/conditions.
- 4) The Company will comply with the conditions of the guarantees given to creditors
- 5) The Company will manage the business / funds in the business to ensure creditors are confident in the Company's financial position and performance which show the ability to pay the debt on

time and strictly maintain the financial ratios in accordance with the conditions specified in the loan agreement with creditors.

- 6) Disclose correct and timely information of performance and financial status.
- 7) In the event that there is a possibility of default or unable to comply with conditions agreed by creditors and debtors, the debtor will immediately notify the creditor in advance in order to jointly find solutions and prevent damages.
- 8) Annually hold the meeting to meet financial institution creditors and organize the Company visit to acknowledge the business policy and operation plan in the following year as well as make the creditors confident in the Company's business operations.

### Employees

The Company established the policies and guidelines as follows:

- 1) Give importance to employees at all levels by treating employees with equality and fairness.
- 2) Provide appropriate remuneration for each employee's competency along with the focus on continuous development of potential and knowledge, to create opportunities for career growth based on the individual's potential. The practical guideline is that Human Resources Department or that employee considers any training course or the review of any knowledge that is appropriate and interesting, that employee can propose to Human Resources Department and Human Resources Department will consider the suitability of the course by considering knowledge, skills that are consistent with the duties obtained after completing the training.
- 3) Prepare the Succession Management with the target to maintain good personnel and develop those personnel to have abilities in adapting themselves to changes and further succession
- 4) Pay attention to the maintenance of the working environment with regard to working safety, hygiene and quality of life of employees as important factors under the objective to reduce the number of accidents, especially during the period when employees are performing their duties in production process. The Company has guidelines for safety which is all employees must wear gloves, mask, ear plugs and sneakers at all times when performing duties, by considering from the work process that each employee is responsible for that particular job, such as if working in a noisy area, employees must wear the ear plugs, etc., The Company will disclose the statistic of accidents including the safety policy while working to be known in the Company's Annual Report (56-1 One Report)
- 5) Respect human rights, dignity and basic rights in working, as well as not disclose or pass on information or confidentiality of employees to outsiders or those who are not involved.
- 6) Treat employees under the framework of laws, rules, regulations, and standards related to the operation.

- 7) Promote the employment with equality, without discrimination against gender, skin color, race, religion, age, disability or any other status that is not directly related to the operations.
- 8) Encourage employees to engage in determining the Company's operational directions and developments.
- 9) Provide employees with appropriate welfare and benefits, such as medical treatment, annual health check, health and life insurance, and provident funds, etc. In terms of health check for employees, the Company will schedule from work starting time and during regular work each year. In case of foreign workers, the Company has asked the Social Security Office, Rayong Province, to provide foreign workers with information and knowledge of social security.
- 10) Provide employees with opportunities to have communication channels for suggestions and complaints about work, their proposals will be considered and determined of solutions for the benefits of all parties and building a good working relationship.
- 11) Promote the participation of employees at all levels in the implementation of social responsibility activities.

**Community, Society and Environment**

The Company established the policies and guidelines as follows:

- 1) Give importance and responsibility to nearby communities and society and support public benefit activities for the communities as well as improve the environment of the communities and society for a better life. In addition, the Company also regularly returns the community and society with donation.
- 2) Not operate any business that affects society and causes damages; and not violate the rights of other people and residents of the communities and society.
- 3) Establish the measures to prevent and resolve the impacts that will occur to communities and society due to the Company's operation.
- 4) Promote the conservation of local culture and traditions.
- 5) Cooperate with various agencies to develop nearby communities and society to have a livelihood or have a better quality of life.
- 6) Conduct business in accordance with laws, regulations and environmental policies, taking into account the impact on natural resources and the environment.
- 7) Sustainably Promote the environmental management systems from the economical use of resources, measures to treat and restore, substitute, surveillance and prevention of impacts on natural resources and the environment.
- 8) Cultivate awareness and promote knowledge and training for employees at all levels regarding the environmental protection.

- 9) Promote the use of technology, machinery and raw materials used in environmentally friendly production processes.
- 10) For the guidelines for environmental friendliness, the Company manages the waste materials generated by rubber woods, MDF and particle boards used in the production process, to reduce the impact from the Company's production process.

#### Business Ethics: Fair Trade

Since the Company was established in 1999, our important policy is the business operations with fairness, focusing on the operations that pay attention to all stakeholders, performing the business in accordance laws, regulations, rules and instructions determined by related regulatory authorities. Besides, we have also cultivated this principle to employees at all levels to perform their duties with fairness and responsibility to colleagues, customers, consumers, competitors, partners, communities and society, and kept confidential information and properly used internal information, respected the human rights, including avoided any act likely to lead to a conflict of interest, intellectual property violation, and corruption. Our practical guidelines are as follows:

##### 1. Fair Competition

The Company has established a systematic operating procedure, such as the distribution system through various channels, which more than 50% is the export of products to sell abroad, the Company's main customers are customers in Japan, followed by domestic customers in Hypermarket, which each customer has an order system, product quality inspection and delivery according to the system and given principles. The Company is confident in the process of offering products to customers that are fair and not monopolistic to sell products to any single customer.

For the procurement system and procedure to purchase raw materials and products used in the production process, the purchasing function shall always compare prices, quality, trade conditions in accordance with principles, so that the partners can have the opportunity to present the products to the Company for consideration and comparison. The Company always benefits from adhering to the system that screens, consider and compare the quality and prices from partners.

##### 2. Conflict of Interest Prevention Policy

The Company establishes a policy on prohibition of Directors, executives and employees to take the opportunity from their status in the Company for exploitation, and formulates to be the following policies and guidelines:

1. Prudently, honestly, fairly and reasonably take action with conflict of interest or connected transactions under transparent process in approval on entry into any transaction by taking the Company's interest into account. The Company's Directors have no right to vote for approval on the matter of which they have both direct and indirect interest or conflict of interest, and shall

properly and completely disclose information in accordance with the rule of the Office of the Securities and Exchange Commission (the SEC Office) and the Stock Exchange of Thailand.

2. In the event of necessity to perform any transaction for the Company's benefit, the said transaction shall be performed as if the transaction performed with the third party that commercial agreement is made in the similar manner as the reasonable man should perform with the general contractual party, with commercial bargaining power which is free from influence of the director and executive status, or the related party, and must not be involved in considering the approval. In addition, the criteria of information disclosure as prescribed by the related agencies as practice shall be complied.
3. Any acts which are in conflict with business interest of the Company are prohibited. The said acts include cause of the Company's loss of interest or lesser benefit than it should be, or sharing of the Company's benefit.
4. Any acts which are competitive with the Company's business or operates the business in the similar nature of business as the Company, are prohibited.
5. The Company's Directors, executives, staffs, and employees, and their spouse and child(ren) of the said persons, are prohibited from exploitation of the personal business with the Company, for instance, any act for sale of goods and services to the Company. If the said act is performed, clarification document shall be prepared and information shall be disclosed for the Company's acknowledgement in every case.
6. The Company's directors and executives shall report the stake holding of their own and of the person that may have conflict of interest in accordance with prescribed criteria.
7. The Board of Directors shall monitor and supervise the Company and its subsidiaries to comply with the Securities and Exchange Act, regulations, notifications, orders or rules of the Stock Exchange of Thailand, the SEC Office, and the Capital Market Supervisory Board. In addition, the Company shall disclose the information which is entered into connected transaction under the rules prescribed by the Stock Exchange of Thailand, and of related agencies.
8. Employees should avoid any act that is against the Company's benefits, whether arising from contacting with the Company's trade related parties including business partners, customers, competitors, or from the use of opportunities or information obtained from being a director or employee for personal gain and in doing business that competes with the Company's business or doing work other than the Company's work, which affect the work of their duties.
9. Employees should refrain from holding shares in business competitors of the Company if it causes their act or omission from the act that should be performed in accordance with their duties or has an impact on the work of their duties. In the event that any employee has acquired



such shares before being an employee of the Company or before the company enters the business, or acquired by inheritance, that employee must report to the supervisor in the hierarchy for acknowledgement.

### 3. Respect on Human Rights

The Human Rights means the basic rights that all humans are supported or protected from being discriminated, just because of the differences in terms of physical, mental, race, nationality, religion, sex, language, age, skin color, education, social status or any others as prescribed by each country's law. The Company becomes aware of human rights principles, therefore, set up the following guidelines:

1. Respect the human rights without the classification of hometown, race, sex, age, skin color, religion, status, family, education or any other status that is not relevant and affecting the operations by honoring each other and treating each other with equality.
2. All employees shall be protected in terms of personal safety, and provided with clean, safe and hygienic workplace.
3. Employees are granted of the political liberty and rights but they shall not use their employee position or the Company's properties, equipment or tools for political purpose, the Company has the policy of political neutrality, and shall neither sponsor, nor act to support specific political parties.
4. The Company shall solve any potential conflict based on rule of law.
5. The Company has a policy to not use child labor and all employees shall be at least 18 years of age.
6. The payment of labor wages and compensation is based on fairness. Every year, the Company shall organize an annual meeting in which the employees shall hear the annual policy, including ideas, working principles, living principles from the Company's executives, and many activities will be conducted to strengthen and promote the love and harmony in the workplace.
7. The respect on human rights is always monitored and any act that is in the scope of human rights violation related to the Company's operations will not be disregarded or ignored. When any employee noticed such act, he/she has to report to his/her superior or the person in charge to acknowledge and also gives his/her cooperation to investigate facts. If having any questions or inquiries, employees should consult with their superior or the person in charge through designated channels.
8. Any person violating the human rights is considered to violate the Company's Code of Ethics and must be considered of disciplinary punishment according to the Company's regulations. In addition, that person may be punished by law if such action is illegal.

### 4. Non-Infringement of Intellectual Property or Copyright of Other Persons

The Board of Directors clearly establishes a policy on no performing any acts of infringement of intellectual property and determines the following practical guidelines:

1. The Company establishes the policy for the use of information technology system of the Company and its subsidiaries under the audit on the use of software program systems in the employee's working in order to prevent the use of software that infringes copyright or is not related to working, etc.
2. As the Company must design and develop products every year to be offered to customers, the Company provides the Research and Development Department with the principle that unlicensed intellectual property of other person shall not be infringed, imitated or used.
3. The work or information as the right of the third party that is acquired or will be used inside the Company shall be verified to ensure the non-infringement of other persons' intellectual properties.
4. Self-conduct shall be in accordance with laws relating to intellectual property and copyright, such as trademark-related law, patent-related law, copyright-related law, or other related laws, and promote training for knowledge provision to the employees in intellectual property-related law. The application of works or information belonged to third parties which have been provided or will be used inside the Company is required to verify to ensure the non-violation of others' intellectual properties. In addition, any types of intellectual properties of the Company are not allowed to be used for personal gain or for other persons without permission.

The Company gives the opportunity to notify complaint in the event of detection on infringement of intellectual property by:

- Sending letter to:  
**Assoc. Prof. Dr. Montree Socratyanurak**  
The Chairman of Audit Committee/Independent Director; or  
**Mr. Arak Suksawad**  
Managing Director; or  
**Company Secretary Office**  
East Coast Furnitech Public Company Limited  
25/28 Village No. 12 Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province 12150
- Sending email to: Company Secretary Office: [cg@eastcoast.co.th](mailto:cg@eastcoast.co.th) or Human Resource Department: [hrrayong@eastcoast.co.th](mailto:hrrayong@eastcoast.co.th)
- Company's website: [www.eastcoast.co.th](http://www.eastcoast.co.th) Menu:"Complaint Channel"

5. Anti-Corruption

The Company has a policy on anti-corruption and prepared the written practical guideline to not call, accept, pay and make business with any persons and entity relating to corruption, which was approved by the Board of Directors. The Company has participated in the Thai Private Sector Collective Action Against Corruption (CAC) Program and declared its intention to be a member of Collective Action Coalition of Thai private sector, and is under the filing process to enter into the certification process. The Company's anti-corruption policy is published through its website at [www.eastcoast.co.th](http://www.eastcoast.co.th). In addition, the measures are also determined to apply to anyone who violates such policy, such as the Company shall take disciplinary action against any director, executive and employee who violate the policy including direct supervisor who ignores the offense or acknowledges that an offense has been committed but does not take corrective action, such disciplinary penalties shall be maximized to the termination of employment and / or being removed from the position; however, the lack of acknowledgement of relevant policies and/or laws cannot be used as an excuse for non-compliance with the policy. In the event that the fact is appeared that any business agent, distributor of products/services or contractor of the Company fails to comply with the policy guideline, the Company may terminate the transactions with such person as deemed appropriate.

#### **Monitor to Ensure the Compliance**

The Company requires the monitoring to ensure the compliance with the Business Ethics as follows:

1. Determine the documented Business Ethics to be one of important documents that directors, executives and all employees must sign before starting their work as the Company's personnel.
2. Require all directors, executives and employees to acknowledge, understand and strictly comply with the Business Ethics as a part of their duties and responsibilities.
3. Set guidelines for commendation and punishment, including rewarding for those who do good, the disciplinary punishment shall be placed to those who violate the Code, in order to be seriously practiced.
4. Provide a way to ask questions and report suspected violations of the Code, or the complaints may be obtained through several channels, including hierarchical supervisors, member of the Audit Committee, e-mail or the Company's intranet.
5. Set up reporting and monitoring to ensure the compliance.
6. Determine to review the Business Ethics every 2 years in order to make it appropriate to the business situation or environment that maybe changed.