

Business Codes of Conduct and Ethics

Of

Charn Issara Development Public Company Limited

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Message from Chairperson

The Board of Director of Charn Issara Development Public Limited Company resolved to prepare ethical codes of conduct and ethical codes of doing business with an objective to use those as a guideline for appropriate and good conduct in order for directors, management and the Company's staff including its affiliate company's to follow in accordance with the principle of a good corporate governance.

The Board of Directors is therefore taking seriously and desirous on its performance with attention and care which include observing self conduct to be a good role model for staff through policy initiation on management and business operation to ensure efficient operation correspond with the Company's vision and mission thereby achieving target on performance development and staff welfare.

This ethical codes of conduct and ethical codes of doing business is an amendment in line with the principle of good corporate governance and guidelines in ASIAN Corporate Governance Scorecard (ASEAN CG Scorecard) for those countries in ASEAN. The revision as such will modernize the codes of conduct to keep abreast with the changing environment in the circle of capital market and also raise standard of business codes of conduct for good corporate governance.

This improved standard of corporate governance will be a guideline for directors, management, and all staff to be responsible for the compliance of such thereby ensuring standard of operation and the good company image.



Srivara Issara

Chairperson

Charn Issara Development Public Limited Company

November 2013

Business Codes of Conduct and Ethics

Vision and mission

The Company hereby refers to Charn Issara Development Public Limited Company and its subsidiaries wish their management and all staff to comprehend and responsible for the compliance with guidelines set out in the Company's ethical codes of conduct in line with vision and mission and good corporate governance.

Visions

To be a property development company with a clear policy in presenting the best property development project to customers with attention to details from design to construction. To be honest to its value for all levels of customers equally as well as protecting the environment and sustaining the social development.

Missions

- The Company will operate with integrity, legitimacy, transparency and with principle. It will strictly adhere to related laws and business ethics.
- The Company expects honesty from all levels of staff in following the Company's policy.
- The Company adheres to build a good working environment by promoting staff participation and satisfaction with an opportunity to voice comments and recommendations beneficial to the Company.
- To be a good member of the society with attention to community and environment.

Policy on conflict of interest

- Management and staff shall refrain from any conduct which deem to be of conflict to the Company's interest including those contacts with related parties to the Company's business such as trading partners, customers, competitors or making use of an opportunity or information obtained from the directorship or staff for personal benefits. This include involvement in business which compete with the Company's business or engage in any works other than the Company's which affect the works on duty.
- Management and staff shall not disclose the Company's confidential information to others while being employed by the Company or after leaving the Company's employment without proper permission from the Company.
- Management, staff and their family members who involve or holding shares of any enterprise which may have a conflict of interest to the Company shall notify the Company of the situation in writing.

Policy on stewardship and usage of the Company's assets

- Staff has a duty and responsibility to look after the Company assets and prevent those from deterioration and loss. They shall use assets in an efficient and prudent manner for utmost benefits of the Company and shall not use the Company's assets for personal benefits or others' benefits.
- The Company's assets are assets, property, technology, academic knowledge, certificate of right, copy right, patent including those confidential information which have not been disclosed to the public such as business plan, financial projection and information on human resources.

- Information and business papers are important assets of the Company. Each department shall designate a time period for filing and keep a proper and complete filing for reference.
- All staff shall strictly refrain from releasing or making use of any confidential information.

Policy on offering or receiving gifts or entertainment

- Staff shall refrain from offering or receiving gifts or any other benefits from trading partner or from those who has interests related to the Company's business except for those traditional occasions or cultural practices in a proper value in which the recipient shall consider such situation will not affect any of his/her business decision.
- Should any staff have received gifts in traditional occasion where value of such has exceeded general norms or practices such staff shall report the situation to his/her superior.
- Staff shall refrain from offering or giving benefit or any gifts to outsider to induce such person to act or except any action illegally or in conflict of their call of duty.

Policy on trading the Company's shares and the use of internal information

- Management and staff shall refrain from making use of internal information particularly those material information which has not been disclosed to the public for personal interest or for outsider in trading the Company's shares which may affect the share price or trading of the Company's shares and its subsidiaries'.
- Management and staff shall refrain from trading the Company's shares during the period of one month prior to the disclosure of financial statement or the Company's status including any other important information and shall resume trading only after a minimum of 24 hours past such disclosure.

- Management and staff shall report the trading of the Company's shares including its own shares and those of spouse and minor children to the Securities and Exchange Commission (SEC) by complying with the following process:-
 - (1) Report the initial holding of stock (form 59-1) within 30 days from the date of closure of public offering or the appointment date of director or management.
 - (2) Report the movement of stock holding (form 59-2) as a result of buying, selling, transfer or receiving transfer within 3 working days from the date of such buying or selling, transfer or receiving transfer of such stock.
 - (3) The management shall submit to the Company one copy of stock holding report on the date of submission the same to the SEC for the Company to keep as a reference.

Policy on internal control , audit and financial reports

- The Company has instituted an internal control department for the Company to follow those standards and related laws under the performance of the internal auditor and the review of an audit committee of the Board of Directors.
- The Company's management is responsible for the preparation of an accurate and complete financial report on time including those quarterly report and annual report in accordance with generally accepted accounting standard.

Policy on accountability towards shareholders

- The Company strives to develop growth on true potential or capacity for sustainable benefits of shareholders which will be deriving from efficient performance and good operating results of the Company.
- The Company respects the shareholders' equitable right of access to necessary information for the assessment of the Company's performance and for consideration in casting vote on each agenda of the shareholders' meeting. The Company shall disclose true operating results and information and regularly report its financial status to shareholders.
- The Company has arranged for the protection of minority shareholders' right by allowing those minority shareholders to propose meeting agenda 15 days prior to the shareholders' meeting and also make available a process for minority shareholders to propose candidate for director by nominating through the Board of Directors at least 4 months prior to the shareholders meeting.
- The Company shall perform its duty with integrity and best efforts and to operate with fairness to all shareholders equally.

Polity and practices towards customer

- The Company shall strictly follow the business obligation towards customer and to ensure that its products and services are trustworthy.
- The Company shall give true and accurate information on its products without exaggeration for the customer to decide on adequate information.
- The Company shall keep confidential information of its customer and shall not making use of those for its own benefits or related parties' undue benefits.

Policy and practices towards trading partner and contractual counterpart

- The Company shall arrange for a fair competition and selection of bidder on the basis of fair mutual benefits of the parties.
- The Company has a criterion in the selection and assessment of trading partner and contractual counterpart.
- The Company strictly follows agreement or agreed terms by arranging for a suitable form of contract.
- The Company has arranged for an administration and follow up system to ensure that contractual obligations are duly followed and to prevent corruption in every process of the acquisition.
- The Company has a policy to keep confidential those information of trading partner and contractual counterpart for a fair and independent business conduct. It shall not engage in any improper business amongst business partner and contractual counterpart and shall not offer bribe, token or gifts to others in exchange for business interest.

Policy and practices towards staff

- The Company fixes a fair staff remuneration commensurate with condition and nature of works, performance and the Company's capacity to afford such remuneration.
- The Company supports its staff to receive training and development in order to improve productivity and create an opportunity for staff's career path.
- The Company maintain a safe working environment for staff own safety and their belongings.

- The Company has a project and direction to tackle corruption including supporting activities which support and educate all staff to be abided by laws and related regulations by personnel and administration department.
- Staff shall perform their duties with integrity in consideration of legitimate benefits of the Company despite some legal loopholes or loopholes in regulations, codes of conduct and the Company's announcement.

Policy on staff codes of conduct and practice towards other staff

- Staff shall carry out their duty with attentiveness, integrity, diligence and avoid any ethical misconduct.
- Staff shall respect rights of other staff including those of the management.
- Staff shall be in compliance with regulations and perform in accordance with the Company's rules and good tradition with our without written guidance.
- Staff shall forge and maintain unity among the workforce and shall refrain from any conducts which lead to defamation of the Company's reputation and its image.

Policy and practices towards trading partners

- The Company has a policy to conduct a fair business under the frameworks of fair competition. It shall refrain from slandering or destroying its competitors.
- The Company shall not seek confidential information from its competitors by unjust or improper conduct.

Policy on social and public responsibility

- The Company has a policy to conduct business with a responsibility to protect environment. It shall comply with statutory laws and regulations including those rules and regulations of local administration authorities including an engagement in good public relation with the community where the Company or its project locates.
- The Company administrates its business with a target to prevent an environmental impact and consistently improves its operation to suite the environment as a continued effort.
- The Company has disclosed all activities related to social responsibility for the social acknowledgement of the Company's responsibility. It has also encouraged staff to get involved in those activities for sustainable development of the Company.
- The Company has arranged to report the sustainable social responsibility in the Company's Annual Report.

Ethical Observation

Staff

Staff shall abide by the codes of ethic with understanding, obedience and cares. They shall avoid ethical misconduct. In the event that any staff has question such staff may ask his/her superior or Human Resources and Administration Department.

Company's Secretary

The Company's secretary has a duty to prepare ethical codes handbook and make regular improvements thereon at least every 2 years including receiving complaint and to conduct an ethical assessment.

All levels of management

All levels of management has a duty to foster an ethical conduct and to be a good role model conveying policy, compliance practice including listening openly to comments related to ethical conduct compliances.

In addition, the management shall train staff to possess responsibility and arrange to have an administration system in compliance with statutory laws and the Company's rules and regulations.

Human Resources and Administration Department

Human Resources and Administration Department has a duty to inform all staff to note their duties to comply with ethical codes of conduct.

Internal Audit Department

Internal Audit Department has a duty to audit initial information in case where it is believed that there was a breach of rules, regulations and ethical codes of conduct in order to report to the Company's secretary.

Penalty

The breach of business ethical guideline in this handbook shall lead to wrongdoing of a person who engage in such act according to statutory laws and related rules and regulations and in some case may result in the Company's responsibility in accordance with the mentioned laws, rules and regulations. In the event of such results of the breach the person who breached may receive not only legal punishment but also regulatory punishment in accordance with the Company's rules and regulations to the extent of firing or ending employment.

Supervisor will review the wrongdoing and impose penalty on the staff who is in breach of the ethical guideline. The breaching staff shall receive penalty in accordance with the degree of wrongdoing on a case by case basis which may include one or multiple penalties as follows:-

1. Verbal warning
2. Written warning
3. Suspend employment without pay
4. Cease employment with severance pay, terminate employment or dismiss

Ethic of the Board of Directors

The Board of Directors of Charn Issara Development Public Limited Company and its subsidiaries shall follow the standard of codes of conduct stipulated in the business ethic in doing business on the principle in corresponding to visions and missions and good corporate governance.

Ethics of the Board of Directors are as follows:-

- Integrity: to perform its duty with integrity for utmost benefits of the Company
- Morale: shall refrain from making use of legal loopholes or those in rules and regulations for the unjust benefit of the Company or personal's
- Initiation and decisiveness
- Responsibility: shall not make use of any information obtained in the capacity of Director in unjust business and not related to the operation which may lead to a defamation of the Company.
- Independent: make decision and conduct their duty independently

- Excellence Direct the Company to the excellent on the right policy which is also appropriate and meet standard.
- Justice shall not selective on difference of race, religion, gender or physical disability
- Treating shareholders equally

Performance and responsibility of the Board of Directors

Duty towards the Company

- Devote enough time to the Company in performing their duty as the Company's directors and follow the good corporate governance and business ethics of the Company.
- Use independent judgment in directing the Company's business.
- Monitor the management to follow policy and designated plan effectively and efficiently.
- Monitor the Company's operation, legal compliance, rules and regulations compliance and contractual obligations related to the Company. They shall ensure that the management will report any material issue of the Company for an effective operation.
- Designate risk management policy to cover the entire organization.
- Monitor the ongoing business operation for continuity in the long run including staff development plan and continuity of management.
- Deploy independent judgment in monitoring the Company's business.
- Arrange to have a written policy on monitoring the Company's business and approve such policy. The Board shall review such policy and its compliance on a regular basis with a minimum interval of once a year.
- Shall perform its duty with responsibility to shareholders on both ethical aspect and legal aspect including awareness of other stakeholder's rights.

- Possess a mechanism to monitor subsidiary companies in order to protect the Company's interest on those investments. The Board of Directors shall consider suitable persons for directorship in those subsidiary companies in order to monitor the operation to be in line with the Company's policy and that all transactions are conducted in compliance with statutory laws and rules and regulation of security laws and Stock Exchange in accordance with the announcement of the Stock Exchange of Thailand.

Duty towards shareholders

- Monitor to ensure the Company has the right financial status, appropriate management and continued improvement to protect and enhance the shareholders' benefits.
- Monitor an accurate disclosure to investors with completed materials information, equally, on time with standard and transparency.
- Monitor the equal treatment of all shareholders.
- Shall not report false information and shall ensure a correct and completed disclosure of the Company's operation and its financial status in compliance with disclosure regulations.

Duty towards Creditor

- Monitor the Company to follow obligations in the loan agreement and shall not conceal a true status of the Company's financial status.
- In the event that they feel it deems possible for a circumstance which may affect the creditor directors shall then seek advice from outside expert.

Duty towards other stakeholders

- Monitor the Company to follow the related laws and regulations including paying attention to any affect on staff, other stakeholders, community, society and environment.

- Arrange to have a clear operational procedure for those who provide clue or those related parties through website or direct report to the Company via channel of the Independent Director or Audit Committee for an investigation of information in accordance with the provided procedure then report to the Board of Directors.
- Consider carefully the issue related to conflict of interest with a clear procedure for the benefit of the Company and its overall shareholders as a priority. Those related parties shall not take part in the decision making and monitoring.

Prudence on the call of duty

- Attend all meetings of the Board of Directors. In the event of other engagement prevent them from attending any meeting they shall inform the Company prior to that meeting.
- Monitor to ensure that adequate and completed information is received for prior consideration to allow enough time to analyze those information thoroughly thereby enable effective contribution.
- Monitor the effective and independent operation of the certified public accountant with co-operation from the management and internal auditor department.
- Monitor the Company to comply with statutory laws, rules, notice and related by laws in accordance with business standard and ethic.

Conflict of interest

- Shall not abuse authority of Director for own benefits or related party, either directly or indirectly.
- Shall notify the Company promptly when following situations arise:-

1. Accept an invitation to become Director or advisor of other company
 2. Director or his family member has involved or become shareholder in any business which may have conflict of interest with the Company
 3. Has interest either directly or in-directly in any contract made with the Company. Nature of the contract, name of contractual counterpart and interest in the contract must be specified.
 4. Become shareholder of stock or debenture of the Company and its subsidiaries, by specifying number of shares including movement.
- Refrain from conflict of interest, should conflict of interest arise Director shall consider whether to abstain from giving comment or voting on such agenda or not or simply do not attend such meeting if such conflict deem important.
 - Director who are executive shall exercise utmost caution to conflict of interest while performing his duty as a management and that of a Director who is entrusted by shareholders.
 - Director should not involve in trading the Company's share for short term investment.

The use of the Company's information

- Shall not use information obtained in the capacity of Director for unjust purpose
- Shall not release any confidential information or any information which affect the business to outsider
- Director shall not buy or sell while in possession of undisclosed information in which case the disclosure will affect the share price.

Self-appraisal for the Board of Directors

- The Board of Directors and its subcommittee shall conduct self-appraisal at least once a year to allow a joint consideration of performance and problems in order to make an improvement with reference to the definable criteria.
- The Company shall arrange to have an outside consultant to help designate direction and propose areas of appraisal for the Board of Directors every 3 years interval.

Petition

In the event that staff witnesses any conduct which is deemed inappropriate, breaching or disobeying the codes of conduct, he or she may enquire or report to the responsible person such as supervisor, Internal Auditor, Board of Directors, Audit Committee through the Corporate Secretary.

For those petitions received from persons outside the organization who witness any conduct or incidents which may be deemed misconduct according to the Company's codes of conduct, they may be reported directly at:-

By mail The Corporate Secretary and/or the Audit Committee

Charn Issara Development Public Company Limited

2922/200 New Petchburi Road, Kwang Bangkapi, Klong Huay Kwang, Bangkok 10320

Working hours Monday-Friday time 08.30 – 17.00 hrs.

By e-mail contact@charnissara.co.th

The operating procedures when a petition is received are as follow:-

1. Fact finding

The person received the petition must gather related information to the breach or misconduct by oneself or delegate to the personnel department.

2. Analyze and screening information

The person received the petition shall analyze and screen the information by oneself to scrutinize the process and appropriate action suitable to each case. He or she can do so by oneself or delegate to the personnel department or the investigation committee. The investigation committee must be appointed by the Board of Directors on a case by case basis.

3. Action plan

The person received the petition shall propose an action plan to stop such breach or misconduct in accordance with the Company's codes of conduct and heel the damage done to the affected party in consideration of the total damage done.

4. Report

The person received petition has a duty to report the resolution to the related party. In the case of significant issue such report shall be directed to the Managing Director and/or the Audit Committee and/or the Company's Board of Directors as the case may be.

The protection of the person who file petition or those who co-operate in the investigation process

The person who file petition or those who co-operate in the investigation process shall be protected as follows:-

1. The person who file petition or give co-operation in the investigation process may choose to remain undisclosed when such disclosure may be a threat to safety or leading to damage. However, in the case that the person choose to be disclosed such disclosure will enable the Company to report progress or fact found which lead to a quick and convenient resolution to heel the damage.
2. The Company shall not disclose the name, family name, address, photo or any other information which may lead to identify the person who file the petition then proceed to investigate if the case is valid.
3. The person who receive petition shall keep all information confidential and disclose as necessary with due consideration of the safety and damage of the person who file petition including those who co-operate in the investigation process, source of information or related person.
4. In the event that the person who file the petition or those who co-operate in the investigation are in the situation when safety are at threat or damage may be sustained then the person affected as such may request the Company to exercise appropriate protection measures. The Company may choose to exercise protection measures without request when the case deems prone to damage or safety issue.
5. Those affected party shall receive rehabilitation in a just and appropriate process.

Finally, may all please note that a compliance to by laws and codes of conduct must be adhered to continuously. The highest standard of integrity and utmost caution in doing business shall be adopted.

Charn Issara Development Public Company Limited

Approved by the Board of Directors' Meeting No. 8/2013

Date: November 12, 2013



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(Mrs.Srivara Issara)

Chairperson

Charn Issara Development Public Company Limited