

AIRA Factoring PLC.

Corporate Governance

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Preface

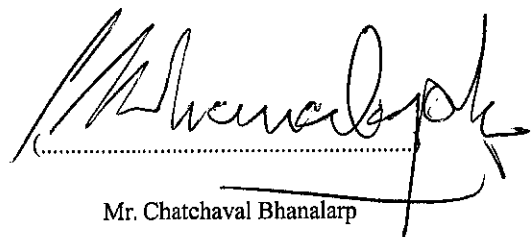
The Board of Directors has realized the importance of the Good Corporate Governance will build up high confidence toward our shareholder as well as every stakeholder such as client, customer, creditor, business competitor, investor and employee that the Good Corporate Governance is the importance mechanism to create the high quality management within organization that may help the Company manage to success in business operation constantly. The Board of Directors, therefore, determines the policies regarding the Good Corporate Governance in accordance with the rule and regulation prescribed by the Stock Exchange of Thailand.

The objective of Good Corporate Governance policy is to support the business process and business structure to have a strong relationship between the Board of Directors, the Management and the shareholder. These help creating the Company potential so as to achieve business's objective. These also build up the internal control system, the risk management and good governance to have fairness, transparency and accountability in the working process and be able to communicate to every level to understand correctly and be applicable in their responsibilities. The Company's Corporate Governance policies are presented in 5 categories namely,

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibility of the Board

The Board of Directors hopes that the Corporate Governance policy would be the best guideline to encourage and support the Company to have Good Corporate Governance.

This Corporate Governance policy will become effective on January 2, 2012



Mr. Chatchaval Bhanalarp

Chairman

Corporate Governance

1. Rights of Shareholders

Principles: The shareholders are the owner of the Company so that the Company should encourage shareholders to exercise their rights by appointing the Board of Directors to act as their representatives and to make decision on any significant corporate changes.

Practices: The Board of Directors has realized the rights by laws of the shareholders by setting up the policy and practices to protect the rights of the shareholder as follow:

1. Rights and benefits of the shareholders

- The Company has attempted in the business operation for constant growth with higher return in financial result within the rule of legal and code of conduct.

2. Right of attending the shareholder meeting.

- The Company shall arrange the Annual General Meeting of Shareholders within four months after the end of the fiscal year and the Company shall inform to shareholders about the Company's share register book which will be closed for the right to attend the Annual General Meeting of Shareholders and the schedule of such meeting.

3. Right of perceiving adequate information, operating result and benefit

- The Company by the Company's secretary shall propose a notice of the meeting specifying the place, the date and time, the agenda and the matters to be proposed at the meeting and send out all documents to the shareholders at least seven days before the date of the meeting. Besides, the Company shall disclose all information in the Company's official website before sending out the documents in order that the shareholders shall have enough time to understand each matter in detail and to be beneficial to the shareholder before voting each agenda.
- The Company has accommodated to shareholders for the right to vote and make decisions on any significant corporate changes.
- The Company opens the opportunities to the shareholders to inquire any suspect questions during the period of the meeting.
- The Company by the meeting secretary shall record all questions and essential recommendations proposed by the shareholder during meeting in the meeting report in order that the shareholders also review whole documents later.

2. Equitable Treatment of Shareholders

Principles: Every shareholder including those with management positions, non-executive shareholders and foreign shareholders should be treated equivalently.

Practices: The Board of Director has established the practices for equitable treatment of shareholder.

1. To determine the minority shareholders to propose the agenda prior to the meeting date along with specifying regulations clearly to consider adding in such agenda proposing by the minority shareholders.
2. To establish the procedures for the nomination of Directors by minority shareholders during a period of 3 months prior to the meeting date. Support information, Directors' qualifications and their consent should be provided by minority shareholders who nominate the candidates.
3. After having a resolution from the Board of Director Meeting, the Company shall announce to the Stock Exchange of Thailand (SET) about the Company's share register book and arrange the shareholder's meeting date in order not to have any significant changes in the shareholder name list.
4. In case the shareholders are inconvenient to attend meeting by themselves, the Company has prepared the proxy form so that they can give the proxy to others to vote on each agenda.
5. To establish the policy and procedure by written in the Code of Conduct as the guideline for the Directors, the Management, employees and every related person to be able to adopt the policy to consider their behavior that may cause the conflict of interest.
6. To set the procedure to prevent the use of inside information of the Director and Managements to trade the Company's share at least one month before the financial statement will be published.
7. To indicate to the Directors and Management about their responsibilities to submit a report on their share's ownership to Securities Exchange Commission of Thailand (SEC).
8. To request the Directors and Management to disclose their information that may have the conflict of interest in any transaction with the related parties and/or the company whether relate with the Company or not. Besides, all of this information should be clarified in the annual financial report.

3. Role of Stakeholders

Principles: Every stakeholder should be treated fairly in accordance with the legal rights as specified in relevant laws. The Board of Director should promote and support a clear policy on fair treatment for every stakeholder.

Practices: The Board of Director has determined the practices on stakeholder as follow:

- 1 The group of client and customer - the Company expects that they should deserve the high quality and fairness service so that the practices have been set as follow:
 - (1) To communicate with clients to acknowledge correctly about the business service.
 - (2) To prepare a fair agreement contract with the clients.
 - (3) To keep the confidential documents of both clients and customers and do not disclose such information to other person except the receiving allowance or proceedings by laws.
 - (4) To give a careful and appropriate advice toward the clients and the customers in order that they deserve the highest benefits and satisfaction.
- 2 The creditor and competitor - As the business alliances, in order to sustain growth in doing business together, the Board of Director has determined the practices as follow:
 - (1) To treat with both creditor and competitor fairly following the condition and agreement in contract or rights by laws.
 - (2) To refrain from taking any action that may cause a conflict of interest and the Code of Conduct to the creditor and competitor.
- 3 The Director, Management and employees - Human resource plays the significant role to the Company to conduct the whole business and succeed in business objectives so that the Company will give high importance to this group and set the practices as follow:
 - (1) To appoint and retain the Director, Management team and employee who carry out high performance in each position.
 - (2) To create the good management process so as to build up strong relationship between the Management and employees in every level
 - (3) To support the employees to utilize their knowledge to perform their responsibilities with full efficiency and effectiveness and encourage them to deserve the training program thoroughly to sustain their career.
 - (4) To grant fringe benefits to the employees according to the Company's rule.
4. The Board of Directors should determine policy that the shareholders and every stakeholder are able to report or petition for any concern to the Board. One channel is to assign the Audit Committee to receive any concern via the internal control department in order to arrange an investigation and report to the Board of Director.

4. Disclosure and Transparency

Principles: To ensure that all significant information relevant to the Company including both financial and non-financial information will be disclosed correctly, accurately, transparently, equivalently and reliably through easy-to-access channels.

Practices: The Board of Director gives an importance to communicating and disclosing the information to every shareholder with equality, correctness, punctuality and accountability. The practices shall be informed as follow:

1. To appoint the person to take responsibility as “the investor relation” in order to communicate and disclose news and others information on the Company’s Official website to public fairly and equally
2. To disclose the information as prescribed in the rule and regulation of the Stock Exchange of Thailand via the form 56-1 and the Company’s official website as well.
3. To disclose the Good Corporate Governances policy and the Code of Conduct via the Company’s official website
4. To provide the summary of the corporate governance policy through the annual report.
5. To prepare the report about responsibilities of the Board of Directors, the Audit Committee and the Management together with the annual financial report
6. To disclose the duties and authorities of the Board of Director, the Executive Committee and the Audit Committee including the number of attending meeting of each director in the annual report
7. To disclose the remuneration of each Director and Management that consists of the remuneration payment policy, other benefits and the total amount of remuneration and represent such information in the annual report
8. To disclose the information of each director about the related person and transaction that may have the conflict of interest with the Company and/or other related companies and also publish such information in the annual financial statement

5. Responsibilities of the Board

Principles: The Board of Director plays a key role in the conducting the corporate governance and being responsible for the shareholders to obtain benefits and create value to the Company in the long run.

Practices:

1. Board Structure

- The Board of Director is composed of ten directors who have well knowledge and abilities as well as more experiences in various fields of business. Five of them are represented from the shareholders. One of them comes from management team and rest of them are the independent directors in order to perform their duties and be balance of authorities among the Board of Directors to create fairness and maximum benefits to whole shareholders
- The Board of Director shall appoint the independent director to be the Chairman of the Board of Director separating from the Chief Executive Committee so as to perform their duties with efficiency and transparency.
- The Company has set up the procedure to be divided the responsibilities between the Board of Director, the Executive Committee, the Audit Committee and the Management for the purpose that create balance with efficiency and effectiveness.
- The term of taking a position of each director shall be clearly clarified as in the Article of Association of the Company approving by the shareholder
- The policies regarding Board positions in other firms shall be clarified as prescribed by law.
- The Company shall appoint the company secretary to perform his/her responsibilities in accordance with the regulation of the Securities Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand.

2. Committee

- The Board of Director shall appoint the Committee as is proper to consider on significant issue by determining the role and responsibilities appropriately as follow:
 - The Executive Committee – to be responsible for conducting and managing general business operation, determining the annual business plan, budget, corporate structure, other corporate authorities as well as business criterion relating to economic condition and / or approving and monitoring the business operation as prescribed by Corporate policy.
 - The Audit Committee - to be responsible for auditing the financial report, monitoring the sufficiency of internal control and risk management procedure as well as following on any related rule and regulation and preparing report and recommendation to the Board or Annual General Meeting in case of necessity.

- The Nomination and Compensation Committee – to be responsible for selecting the person who deserve to be nominated as the member of Board of Director and considering the criteria of the remuneration for the Company’s Director. The criteria must be determined transparently, fairly and reasonably and present its matter to the Board of Director to consider for presenting to the shareholder’s meeting to consider and approve.
- The Credit Committee – to be responsible for considering and approving the financial credit as determined by the Board of Director and performing such activities as assigned by the Board of Director.

3. The roles and responsibilities of the Board of Director

- To determine the Company vision and mission relating to the business operation.
- To monitor and protect all benefits as well as disclose information to shareholders and stakeholders with equivalent.
- To conduct the business to be relevant with the management policy in order to create business growth in the long term in according the rules of legal and the business ethics to maximize highest benefit to shareholders.
- To conduct business by setting the risk management policy and internal control system sufficiently and properly.
- To conduct the business to have transparency in operating process and also to disclose the information punctually to all related person as well as to concern about any activity that may cause the conflict of interest based on the right of the stakeholder.
- To provide the report of their responsibilities toward the financial report simultaneously with the report of the certified public accountant in the annual report.

4. The Board of Director’s meeting

- The Board of Director’s meeting shall be arranged regularly. According to the Article of Association of the Company, the meeting should be held at least once in every three months; can be arranged for special meeting if necessary. The meeting documents should ~~be sent to each director at least seven days before the meeting date~~, except for an emergency case to protect rights and/or benefits of the Company. Every Meeting should have clear meeting’s agenda and sufficient attached documents in order that each director can manage time to consider whole documents before attending meeting. Besides, every director deserves rights to propose the agenda, discuss in each matter and give various recommendations to the meeting. Furthermore, it also open an opportunity to the high-level management to participate in the meeting so as to response respectfully any suspicious points that the Board of Director questions. After that the Chairman shall gather all comments and summaries collected from the meeting. The meeting report shall be made by writing when the meeting is closed. After affirming from the meeting, the

meeting agenda shall be filed in the secure place, but easily accessible for the director and related person to audit.

5. The selection of the Company's director and determination on the remuneration of the Board of Director and the management

- The Board of Director have appointed the Nomination and Compensation Committee by selecting at least 3 of the Company's Director of which of the majority of the Committee must be an independent director. The Nomination and Compensation Committee shall take responsibilities for selecting the person who deserve to be nominated as the member of Board of Director and considering the criteria of the remuneration for the Company's Director. The criteria must be determined transparently, fairly and reasonably and present its matter to the Board of Director to consider for presenting to the shareholder's meeting to consider and approve.

6. Conflict of interest

- The Board of Director and the Management also realize on the conflict of interest that might occur so they has set up the policy to be in line with the regulation determined by SET about the approval of the connected transaction including the disclosure of the transaction dealing by the related person that may have the conflict of interest with the Company. Besides, the policy shall cover the subject about the use of inside information of the Director and any related to perform for their own benefit.

7. Good Corporate Governance

- The Company has issued the Good Corporate Governance policy in writing and also approved on such policy.

8. Business Ethics

- The Company has issued the Business Ethics as the guideline for the Director, the Management as well as employees. Besides, these also cover the business objective, responsibilities, business ethics, compliance, competition as well as information disclosure. The Company shall notice the code of ethics to employees in every level to realize and take it into action.

9. Risk Management policy

- The Company has determined the Risk Management policy including risk framework as the guideline for the Director, the Management as well as employees. Besides, the Company shall notice such policy to employees in every level to realize and take it into action.