

## Corporate Governance Policies

Carabao Group Public Company Limited, together with its subsidiary companies, has been adhering to and abiding by corporate governance principles to operate under the synergy of its board, executives, and employees in compliance with its own corporate governance policies, which have been in effect since 2014, for the purpose of building investor confidence and of maintaining the sustainability of its business value.

In 2020, our board members considered changing its corporate governance policies in order to render them apt to our business circumstances and performance, with some improvements made as to the policies concerning corporate governance in correspondence with the corporate governance principles stated by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) and the instructions by the Thai Institute of Directors. Both the executives and employees were notified of this amendment requiring their compliance.

Our company's corporate governance policies are composed of 5 sections as follows:

1. The Rights of Shareholders
2. The Equitable Treatment of Shareholders
3. The Role of Shareholders
4. Disclosure and Transparency
5. Board Responsibilities

### **Section 1 The Rights of Shareholders**

Our company is well aware that its shareholders are entitled to the rights to the ownership of our company and its governance through its appointed board of directors. Therefore, it gives precedence to the rights of all its shareholders—majority or minority shareholders and foreign or institutional investors alike. Besides, it has no explicit intentions of depriving its shareholders of their fundamental rights and is willing to facilitate their convenience of exercising their rights apropos of the matters they are entitled to.

- The Protection of Shareholders' Rights

Our company is well aware of its responsibilities and gives precedence to granting and defending the rights of its shareholders and ensures that they gain and exercise their fundamental rights entitled to them by law and our company's regulations in a proper, equal, and just fashion and in accord with our company's rules and regulations as well as those of the SET and the SEC or other important related laws. The fundamental rights of shareholders comprises: buying, selling, and transferring stocks; receiving dividends; being kept well informed of company's information and news; attending shareholders' meetings in which they use their voting rights to appoint and remove

board of directors and determine their remuneration; appointing auditors and determining their remuneration; and examining matters that might affect our company such as dividend allocation, the imposition or amendment of regulations or memoranda, fund reduction or augmentation, and approval for other special causes.

In addition, with respect for and in defense of the rights of its shareholders, our company has no policy which precludes its shareholders from communicating among them. It also has no policy on agreement-making between the shareholders that can have a significant impact on our company or other shareholders. Moreover, in order to facilitate the shareholders to exercise their rights, our company also proceeds as follows.

### **1. Shareholders' Meeting**

Our shareholders' meeting is a consequential means by which shareholders can exercise their rights as shareholders. Hence, our company comes up with the guidelines on how it hosts its shareholders' meeting as stipulated by the SET, in order to facilitate shareholders, as follows.

- 1.1 Our company hosts its annual ordinary shareholders' meeting within four months after the last day of its fiscal year or within the duration required by law or related regulations. Other shareholders' meetings are extraordinary shareholders' meetings, which will be convened as appropriate. When holding each meeting, our company stages several procedures to facilitate it and encourage shareholders as well as institutional investors to attend it and exercise their voting rights. It prioritizes the appropriateness and convenience of date, time, and rendezvous for shareholders to attend the meeting and gives them an opportunity to propose the meeting agenda in advance according to the rules and conditions and procedures stated by our company under related regulations and law; it also promulgates the details, rules, channels, time, and results to shareholders via our company website as well as the SET website.
- 1.2 Our company created meeting invitations explicitly stating the agenda, objectives, causes, and board of directors' opinions and recommendations, together with related information concerning each meeting agenda in both Thai and English, published on our company website, and sent them to shareholders prior to the meeting within no less time than required by law so that they would have enough information and time to make an effective decision on each agenda. For those who have questions, they can raise the questions to be answered in the meeting beforehand via the channels stated by our company, or they can inquire about, recommend, and comment on the agenda at the meeting.
- 1.3 Our company attached herewith the proxies in the form required by law, with explanations as to the procedures and documents that the shareholders must prepare to attend the meeting and give proxies in case, they could not attend the meeting so they could delegate someone else or appoint any independent director as stipulated in the proxies to attend the meeting and vote on their behalf.

- 1.4 Our company will be responsible to supply all meeting attendees with adequate and effective personnel, registration, and devices to facilitate them and check their documents.
- 1.5 Our company encourages all board of directors, managing directors, subcommittee chairman and members, and senior executives to attend the meeting in order to give explanation, answer questions, and hear attendees' comments and recommendations.
- 1.6 Our company will apprise shareholders of the regulations and procedures for attending the meeting and giving proxies and explain to shareholders the regulations and procedures for giving their votes prior to considering the agenda. It will also supply them with ballots and invite a third party or the representatives of minority shareholders to observe and examine the vote-counting process to ensure accuracy and transparency.
- 1.7 Our company confers on all shareholders equal rights to make comments and ask questions relevant to the agenda and matters being proposed during the meeting as deemed appropriate.
- 1.8 Our company will notify the meeting consensus through the SET news channel within the duration and under the rules it or any related organization stipulates. Our company will also record and create accurate and complete meeting minutes and send them to the SET and related organizations before publishing them on our company website, available in both Thai and English, within the duration stipulated by law or related regulations so that shareholders can access to check them. These meeting minutes will be organized systematically so they can be rechecked and used as reference.

## **2. Nomination and Removal of the Shareholder(s) and Determination of Directors' Remuneration**

### **2.1 Nomination of Directors**

Our company confers an opportunity to the shareholders to nominate the director individually by proposing to the shareholders for their consideration, the list of the candidate along with their individual curriculum vitae including their useful information for the nomination in the board of shareholder's meeting.

### **2.2 Removal of Director**

Any removal of any director before the expiration of the term will be in accordance with the law and our company's article of association by using the voting result no less than three-fourth of the numbers of shareholders attending the meeting and such voting shareholders must have no less than half of the voting rights and shares calculated from all shareholders attend the meeting and having the voting rights.

### **2.3 Determination of the Directors' Remuneration**

The shareholders will be entitled to determine the director's monetary remuneration and non-monetary remuneration in the specific agenda provided for shareholders' consideration in every year. For such agenda, the

shareholders will be provided the principle and policy for the consideration of each director's monetary remuneration and non-monetary remuneration.

### **3. The Rights to Appoint Auditor and Audit Fee**

Our company determines that the appointment of the auditor and audit fee must be approved by the shareholders' annual meeting every year. The company's auditor will be independent and approved by the SEC. Our company will enclose with the letter of shareholder's meeting invitation and publish in the company's website, the proposed auditor's details, original affiliation audit firm, experience, capability, independence, year(s) of services for our company (in case that such proposed auditor is an existing company's auditor) and the audit fee and/or other fees (if any) to enable the shareholders to consider the proposed auditors' qualification prior to the determination.

### **4. Rights to Obtain the Information, News, Operation Outcome and Management Policy Continuously and Timely**

According to our company's policy of transparency, accuracy, completeness and non-discrimination by no different treatment providing for any particular group of shareholders, the shareholders will be entitled to access and obtain the information, news, operation outcome and management policy which are sufficiently, continuously, timely and equally disclose to the shareholders. The shareholders can contact our company or obtain the information via the contact channel e.g., our company's website etc.

## **Section 2 The Equitable Treatment of Shareholders**

Our company gives precedence to treating all shareholders—majority or minority shareholders, institutional and foreign investors—equally and justly; therefore, it pursues a policy to defend their rights and make sure they are treated equally and justly, as explained below.

### **1. Protection of minority rights**

Our company offers shareholders an opportunity to propose an additional meeting agenda and/or nominate fully qualified and suitable persons to be considered being elected as board of directors before the ordinary shareholders' meeting takes place, according to our company's rules, conditions and procedures. It also divulges the details, regulations, conditions, and procedures including channels, time, and results to shareholders through its website as well as on the SET website.

### **2. Providing information for the shareholders' meeting**

2.1 Our company created bilingual meeting invitations with information documents and sent them together with the details of the meeting agenda to all shareholders besides publishing them online via our website prior to the date of the actual meeting within the duration required by law or regulations.

2.2 Our company will proceed with the shareholders' meeting agenda specified in the letter of meeting invitation orderly. Except for the case of necessity, there will be no additional agenda other than those which informed in the meeting invitation letter especially for the important agenda those which shareholders must take time for consideration before determination in order to providing fair treatment for the shareholders who are not attending the meeting.

2.3 Our company gives the priority to the accurately, completely, timely and equally disclosure of our company's news and information to all shareholders via SET's and our company's website.

### **3. Appointment of Proxy to attend the shareholders' meeting**

In case of shareholders didn't attend the meeting, our company offered proxies which enable shareholders to specify how voting should be carried out, attached along with the invitations, so that non-attendees could assign someone else to attend the meeting and vote on their behalf. These documents provide shareholders with explicit documents or evidence as well as how to give proxies to someone else so that they could prepare correct documents and that their appointees have no trouble attending the meeting. The regulations, procedures, and conditions as to giving proxies are based on the law, without imposing any other procedure that might cause complications to shareholders in giving proxies. Besides, shareholders can give proxies to any independent director named in the proxies to preserve their rights.

### **4. Measures to prevent the use of inside information of the company and conflicts of interest**

4.1 The company requires that all corporate board of directors and executives divulge information apropos of their stakes and any relevant party as required by company regulations and law so that the board of directors can consider corporate transactions, which might cause dissension of interest, before making a decision for company's sake. The board of directors and executives involved in stake transactions will not partake in them.

4.2 The company imposes some measures clearly informing board of directors and executives of the role and responsibility to hold the property in the companies of their own, their spouse or their family members who have not come of age. It has also apprised the SEC of the change of hand of property as required by law (article 59, punishable as stated in the property act) and requested board of directors and executives to reveal their property ownership in its annual almanac.

4.3 Our company strictly oversee and control the usage of internal information in order to prevent abusive self-dealing in order to provide fair treatment to all interested persons. Our company also imposes some measures on using inside information and has clearly notified board of directors, executives and employees not to capitalize on confidential inside information, which has never been divulged to the public, for the benefit of themselves or other parties. This includes buying and selling company assets by board of directors, executives and employees from the division well acquainted with inside information. Furthermore, our company also imposes some penalty in case there was an

infringement of using corporate inside information in company regulations, such punishment ranges from verbal admonition to dismissal from work.

4.4 The company imposes procedures for interdivisional transactions by considering the actual costs or with reference to market costs and by considering the benefits to company. It also emphasizes strict compliance with the regulations and procedures for revealing information that related to listed companies. Those aforementioned will be identically treated as the transaction conducted with third parties under the general sale conditions for the best interest of our company.

4.5 The company clearly advises that the law, rules and regulations of the SET and the SEC be strictly complied with so that all shareholders are assured that they are treated and exercise their rights equally and justly.

4.6 The Company has established policies for Directors and Executive Management must notify the company at least 1 day before trading to the Company Secretary department and report to the Board of Directors meeting quarterly.

### **Section 3 The Roles of Shareholders**

Our company gives precedence to the rights of stakeholders from all parties, inside or outside, since it is well aware that all the stakeholders must be given best care as their rights are protected by law. It is therefore advisable that there be cooperation between company and its stakeholders in order to maintain business sustainability. In the system of our organization, there are several parties: stockholders or investors, employees, customers, trade partners, creditors, adjacent community, the public, the government, and other parties such as our rivals.

Our company is cognizant that our satisfactory performance results from cooperation among all of the above-mentioned parties involved; therefore, it has a policy to effectuate the synergy between the company and these parties in order to bring about reciprocal benefits and to ensure that all are protected and treated well, with their rights being given priority as explained below.

- Shareholders

On behalf of the shareholders, our company aims at operating its business for the highest benefit to them, on the basis of honesty and with adherence to fair and equal treatment to all as witnessed by its regular updates of complete and accurate information together with its discreet administration and decision-making to effectively achieve its short- and long-term goals while building its own sustainable business.

- Employees

Our company plans on managing human resources in accordance with and in support of its policies, business achievements, and strategies. It maintains that its employees be treated equally and fairly, with regards to human rights and personal freedom, both directly and indirectly. It also places importance on its employees' quality of life, security, welfare, and workplace environment by constantly improving its standards related to these.

Our company pursues a policy to consider remuneration based mainly on their competency and effectiveness and places much importance on improving their potential by offering employees various training sessions, held both in and out of company, so as to ameliorate their knowledge and proficiency.

Our company also opens channels for employees to send their complaints or information that might be injurious to its image or employees and finds ways to deal with these complaints and protect its employees.

- Customers

Our company aims of constantly improving product and service quality to most satisfy consumers. It does not only take care of and is responsible for its customers by maintaining the quality and standard of its products, but it also carries out its business by the rules and law and in accord with business ethics so that quality products of decent standard and reasonable price are guaranteed. In addition to this, it set up a division to deal with consumer complaints and find solutions to the requests to investigate and quickly mend their problems to their satisfaction.

- Trade Partners

Our company realizes how important it is to look for and select its trade partners, considering their portfolio, price, reliability, and record free from corruption and human right violation. As far as its business operation is concerned, it treats its trading partners with transparency and equality, on the basis of justice and mutual benefit.

To prevent its trading partners and employees involved from fraudulence, our company has its procedure and criteria for selecting its partners apart from setting up a procurement committee to ensure that its partners follow its policies and establishing a procedure for dealing with fraudulent trade partners and employees.

- Creditors

Our company has a policy to treat creditors in a fair and equal manner and vows to strictly and legitimately abide by the conditions and terms of agreement made in the contract made between it and its creditors.

- Rivals

Our company plays by universal rules and treats business rivals with transparency, which is beneficial to consumers, and operates with honesty without concealing terms of agreements, trying to expose rivals' confidential information or maligning their reputation using any illegal means.

- Community

Our company realizes that being a part of the society means helping one another. To reciprocate the society, especially those in the vicinity of the locations of the company, factories, outlets, outlets, and the national society as a whole, our company is planning to create jobs and opportunities to communities and satisfy their needs by setting up a division to put into practice constant and sustainable community development.

- Environment

Our company is aware that it is essential to instill into people the value of love for nature and make them conscious of using natural resources to fullest efficiency and how important it is to manage the environment in every

way so that the society and businesses can capitalize on it perpetually. This notion can be promoted from within the company to the community to the society.

Our company uses every means it has such as bulletin boards and electronic media to communicate this message to employees, campaigning to follow policies concerning using resources wisely such as turning off electric lights and air conditioners before leaving a meeting room. Besides, its executives always stress the importance of not wasting resources and set an example to the employees.

- Public and Related Organizations

Our company strictly complies with the law, regulations, and decrees regarding workforce treatment, taxation and accountancy, workplace safety, and the environment, imposed by the government on corporate operation.

To put the above policy into effect, our company adheres to the SET regulations as follows.

(1) Our company implements a clear policy on how to treat its stakeholders, which covers various principles of good business operation for a listed company in 2012 imposed by the SET.

(2) Our company has adopted the procedure for and channel of receiving and dealing with complaints by stakeholders via its official website.

#### **Section 4 Disclosure and Transparency**

The Company is committed to disclosing accurate, complete, and transparent information, both in terms of financial reports and general information as well as essential information that impacts the price of the Company's shares, so that all relevant persons equally acknowledge such information through the channels and media as followed.

1. Apart from disclosure of information both in terms of financial reports and general information in accordance with the rules specified through the channels of the SET and the SEC, the Company takes into account the necessity of keeping confidential corporate information, business strategies, or information that might put a business at a disadvantage and inability to compete if disclosed. These reports include the annual registration statement (Form 56-1), and the annual report (56-20), the Company will disclose the financial information alongside the auditor's information in the annual report. The board of directors recognizes its responsibility in providing accurate, complete, true, and reasonable financial statements which are prepared in accordance with generally accepted accounting standards. The Company regularly applies appropriate accounting policies and carefully exercises its discretion. The Company also provides adequate information in the notes to the financial statements.

2. Our company has an investor relations unit to contact, coordinate with, and provides institutional investors, shareholders, and analysts involved with information without discrimination. We open a channel to contact our investor relations staff on our website and set up a unit responsible for propagating the accuracy and consequential information about our activities, performances, and projects to the public.

3. Our company has the policy to expose information, both financial and nonfinancial, via the channel offered by the SET at an appropriate time. Shareholders, investors and the public are already acquainted with the channel, which is easily accessible and allows for equal access to our information, available in both Thai and English. Moreover, our company also offers this vital information on our website and keep it updated constantly so that investors and those who are interested in have immediate and equal access to it.

4. The Company is aware of the conflict of interest, which might result from using corporate inside information for personal purposes; therefore, it proposes that the board of directors and executives inform their shares as well as the transactions between companies, which might cause a conflict of interest, in which case the Company will confer on the assets scrutiny committee the responsibility intervene. If the assets scrutiny committee have no expertise on settling the dispute, they may employ a specialist to help them. The company suggests avoiding any transaction that might cause dispute between the Company and the employees.

To prevent conflicts of interest, the Company has an explicit policy to prevent matters related to such conflicts of interest by barring stakeholders from doing transactions that might cause disagreement and disqualifying them from the right to vote or take part in such transactions.

## **Section 5 Board Responsibilities**

The Board of directors play a pivotal role in directing corporate management towards the target and and direction of utmost utility to shareholders and stakeholders and assigning board of directors' structure, qualifications, and scope of responsibility deemed appropriate and favorable to corporate efficiency. Those appointed as board of directors should be knowledgeable, competent, experienced, visionary, honest and able to dedicate their time to working for the company to their fullest potential and to make an independent decision.

The Board of directors set up a subcommittee to study, scrutinize, screen, and work in support of board of directors to achieve greater efficiency; therefore, they specify committee and subcommittee members' structure, scope of work, and responsibilities as followed.

### **Principle 1 Establish Clear Leadership Role and Responsibilities of The Board**

#### **• Role and Responsibilities of the Board of Directors**

1. The board of directors are responsible to the shareholders; hence they must perform their duty with discretion and honesty by using their knowledge, ability, and experience for the sake of running the company in accord with the law, the company's regulations, and the consensus reached at the board and shareholders' meetings. They also have to reveal accurate, transparent, and complete information to shareholders and stakeholders as appropriate.

2. The board of directors also have the duty to ensure the smooth running of business by giving instructions and approval, having vision and target, or even finding strategies to perform their duty and allocate resources as appropriate and apt to current circumstances. They have to be able to adapt to changes and competition so as to effectuate satisfactory performance in the long run. The board of directors also has the responsibility to direct and administer in correspondence with the policies and plans they aim to achieve with regards to the benefits to all parties involved, and try to reduce the negative effects on the environment both for now and in the future.

Thus, the company committee has determined the goal based on the sustainability. The goal and purpose is to be made in accord to create the value for the company who holds the responsibility and for the society as a whole. They could be achieved by using innovation and technology adequately and safely.

3. The company committee will administrate the money report, account report, intra-qualification, risk management and intra- administration to be adequate, proper and reliable. This is to ensure the accuracy of the performance, legally correct, equal treatment for all stockholders, sustain the profit of stockholders and any person involved and the information clarification as accurate, adequate and swift.

Thus, it is forbidden for the committee members to own a business or become a stockholder or committee for a similar business or to compete with the company's network. This is also forbidden for the committee or an individual who has a conflict, profit-related or conflict with the company or sub-company (as the laws regard and as declared by Securities and Exchange Commission and The Securities Exchange of Thailand). The aforementioned person are not allowed to vote in that subject.

4. Any operation or legally business permit must be permitted by the stockholders' decision. The company committee must follow the rules and conditions strictly.

5. The company committee has the authority to set the individual board of director or in groups.

6. The company committee has the authority to appoint the board of director and/or administrators to administrate single or group of operation for the company committee. The administration must be under the regulation of the company committee and must be controlled adequately. The company committee also has the authority to set up the sub-committee to support their administration and it is their job to regulate the authorization of this sub-committee.

7. The company committee has the authority to appoint any individual member to be the board of administration in order to operate the order of the company committee. The company committee has the right to change, adjust the power of the board of administration.

Thus, this aforementioned appointment must not come in a form of passing the authority to whom may have allowed the operation which himself, conflict-related individual and related issue (as the laws regard and as declared by Securities and Exchange Commission and The Securities Exchange of Thailand) with the company network. This is an

exception for the operation which was made under the policy and permitted by the company committee. The person involved in the operation is not allowed to vote.

8. Company's board of committee have prepared various of policies i.e. social responsibility policy, anti-corruption policy and business ethics so that our company will undertake the business with ethic, beneficial for social and environment as well as able to adjust itself under the changing of factors in order to creates sustainable business value. To this extent, our company's committee have internal published all policies and also communicate such policies, to provide understanding and ability of actual use, to company's executives and staff so that they will be informed and will conduct accordingly. Moreover, our company's committee are obliged to review and revise all policies so that they will be in line with the situation.

9. Company's committee are obliged to oversee our company's directors and executives so that they will perform their obligations with responsibility, under the duty of care, the duty of loyalty as well as in compliance with the law, our company's objectives, our company's article of association, resolution of our company's board of directors' meeting, resolution of board of shareholders' meeting and all of our company's policy by establishing an audit committee and internal audit department to oversee the company's undertaking so that they will be in compliance with the law and related meeting resolution, by arranging the mechanism to receive complains and proceed with the corruption cases, etc. The company's committee's obligations are also included approval of the company's important undertaking i.e. any investment, any conducts which significantly impact to our company, any conduct of related party transaction, any property acquisition or transfer and any dividend payment, etc. of which will be in accordance with our company's policy i.e. investment and management policy in subsidiary company and associate company, related party transaction policy, anti-conflict of interest policy, etc.

- Tasks and responsibilities for Chairman of the board of director

These following issues are under the responsibilities of board of director

1. Being responsible as the leader of the Company's Board of Directors in supervising and monitoring the Company's management to achieve the objectives set forth by the policies.

2. Acting as the Chairman of the Board of Directors' Meeting and the shareholders' meeting

3. Giving the casting vote in the case that the Board of Directors' Meeting has given the equal votes.

4. Controlling the shareholders' meeting in accordance with the Company's regulations and the determined agenda as well as giving the casting vote in case of having the equal votes.

5. Performing any other duties as prescribed by law.

- Communication and promotion of conformity to the corporate governance policy and business ethics of the

Company

The Company's Board of Directors is aware of the importance of disseminating, promoting, and encouraging the awareness, understanding, and cooperation of all people in the organization to abide by and conform to the policy of good corporate governance and business ethics of the Company strictly in order to achieve the objectives and purposes in developing and elevating the level of corporate governance.

The Company's Board of Directors, therefore, sets the policy for the communication to the employees for knowing the good corporate governance and business ethics of the Company continually as well as arranging the activities to promote the knowledge and understanding on the processes in monitoring and conforming to the policies and business ethics of the Company in order to be used for improving and developing the conformity to the principles as the same approach or target for the whole organization.

### **Principle 2 Define Objectives that Promote Sustainable Value Creation**

The Board of Directors has determined the objectives and main goals of the Company. In business operations for sustainability and in line with creating value for businesses, customers, stakeholders, and society as a whole Including communication for personnel at all levels to adhere to the principles in performing their duties in order to achieve the specified objectives and goals and to be the corporate culture by adopting innovation and technology appropriately and safely.

### **Principle 3 Strengthen Board Effectiveness**

The Company has a policy to determine the board structure to be suitable for the business and size of the company. And according to the law as follows

1. The Board of Directors is responsible for defining and reviewing the board structure. Both in terms of size and composition proportions of independent directors that are appropriate and necessary to lead the company towards the objectives and main goals

- Structure of Board of Directors

1. Company board must comprise of at least 5 persons or as required by law and/or company's regulations.

2. More than half of the board of directors must possess a permanent home in Thailand.

3. There must be at least 1 independent director out of every 3 board of directors, but no less fewer three persons, or as required by law or the SET regulations.

4. The board of directors select one person as chief executive officer and may appoint one or more person as vice chief executive officer as they deem appropriate.

- Qualifications of Board of Directors

Qualified board of directors must be competent and knowledgeable or have diversified work experience, which would be favorable to running the company. A fully qualified board of directors must not possess qualities prohibited by the public company limited law and/or lack confidence in running a company, which, by the rights of

law, the SET decree, and other corresponding regulations, is co-owned by the public. However, the age of the person who will be selected to be the director of the company must not exceed 70 years

- Qualifications of Independent Directors

Independent directors must not be dependent on the majority shareholders and executives and must possess qualifications specified by the SET and SEC regulations, decree, and other corresponding laws. (Details as to this are in the title "Recruiting and Appointing Board of Directors and Chief Executive.)

- Balance of Non-Executive Directors

The Company has set the policy to restructure the Company's Board of Directors for the independent directors, executive directors, and non-executive directors appropriately for the performance of the Company's Board of Directors to be properly monitored and counterbalanced.

Moreover, the Company also has the policy to encourage the non-executive directors to hold the meeting as appropriate without the attendance of the management team or the executives in order to give the opportunities for the non-executive directors to discuss on various issues related to the business operation or any other matters as deemed appropriate.

In the meeting, the non-executive directors will choose one director to be the Chairman of the meeting.

- Term of Company's directors

At each Annual General Meeting of Shareholders, the directors who are in the longest position shall retire from office for one third of the total number of directors. If the number of directors cannot be divided into three parts, the nearest number to one third will be used instead. However, the names of the outgoing directors following such term may be proposed to the shareholders' meeting for consideration to be re-appointment in the position again except for the independent directors who should not have consecutive terms of office for over 3 or 9 years unless any independent director is suitable to stay in the office longer.

The Board of Directors may consider the independence, suitability, efficiency in the operational performance, and explain the reasons together with the performance of duties to the shareholders for consideration to elect the independent directors who hold the position of independent director for more than 3 consecutive terms or 9 years to be the independent directors of the Company further.

Apart from the termination following the term, the Company's directors shall vacate the office due to reasons as prescribed by laws or the Company's regulations. And in the case that the position is vacant due to other reasons apart from the termination following the term, the Board of Directors will choose the qualified persons without the prohibited characteristics by law to become the directors except for the term of the director is less than 2 months. The newly appointed directors will hold the office only for the remaining term. Such appointment of directors must be approved by the Board of Directors with the votes of not less than three quarters of the remaining directors.

2. Board of directors arrange the director nomination under the suitability and accountability procedure which will establish the shareholders' confidence as follows.

Board of Directors assign the nomination and remuneration determination committee to determine the directors' and any sub-committee's remuneration in every form which include monthly remuneration, meeting allowance, pension and other forms of remuneration (if any) and propose to the board of directors to reconsider the suitability before proposing to the board of directors' meeting respectively.

In order to determine all form of the remuneration, the nomination and remuneration determination committee will consider by comparing with the company in the same industry with similar business undertaking with our company by taking in to account the suitability and consistent with the duty, result of the performance and assigned responsibility. The committee will also be able to persuade the qualified and capability to be our company's director or perform their duty to meet the objective, target and business direction set by our company.

- Determination of remuneration of the Company's Board of Directors

The Company's Board of Directors provides the system in considering and determining the remuneration of the Company's Board of Directors under the proper process and can be auditable which will build the confidence to the shareholders. The Company's Board of Directors assigns the Nomination and Remuneration Committee to consider the remuneration to the Company's Board of Directors and the subcommittees in all forms including the salary, meeting allowance, director's remuneration, as well as other forms of remuneration (if any) to be proposed to the Company's Board of Directors for reviewing the appropriateness before proposing to the shareholder's meeting to consider approving further. The director's remuneration will be determined in all forms. The Nomination and Remuneration Committee will consider and refer from the companies in the industry and business having the similar sizes. The remuneration must be suitable and correspondent with the missions, duties, performance, and responsibilities as assigned as well as being able to motivate the qualified and competent directors to become the Company's Board of Directors in order to perform the duties to achieve the objectives, goals, and direction set forth by the Company.

3. The Company's Board of Directors provides the appropriate and accountable process of directors' recruitment to create reliability to the shareholders as follows

Board of directors assign the members of the nomination and remuneration committee in exchange for recruiting the board of directors by selecting a person with decent qualifications required for the position based on his or her competency, knowledge, ability, and work experience. They may also take into account his or her age, gender, skills, profession, and specialization. These people will recruit the person with the expertise and proficiency required to boost the efficacy of the team of board of directors

When the members of the nomination and remuneration committee have chosen the nominee, they nominate the qualified person and his or her brief background for consideration in the board of directors' or shareholders'

meeting depending on the case. Appointing a member of the board of directors by the shareholders concurs with the regulations and procedures required by the company and relevant law.

4. Directors and executive of the Company could be assigned as the Company's directors or the executive of the subsidiary company or other companies. However, the directors and executive shall perform in accordance with the regulations of the Securities and Exchange Commission, Capital Market Supervisory Board and Stock Market as well as rules, regulations and other relevant laws.

Furthermore, the company committee requires each member to be board of director of not more than 5 registered companies. The board of directors must not work for any other companies except for cooperated companies, sub-companies or network companies.

5. The Company's Board of Directors indicates the board of directors' meeting as follow

5.1. The meetings are scheduled by the Board of Directors on a quarterly basis and the additional meetings will possibly be scheduled as needed. The meeting is scheduled in advance for the whole year round.

5.2 . At the Board of Directors' Meeting, the Chairman of the Board of Directors or the person assigned by the Chairman will send the invitation letter together with the meeting documents completely and sufficiently to each director at least 5 days in advance prior to the meeting date. Unless there is an urgent need to protect the rights and benefits of the Company, the meeting arrangement will be announced by other means and the meeting date may be arranged earlier than that.

5.3. In each Board of Directors' Meeting, the directors are required to attend the meeting for not less than half of the total number of directors to be the quorum.

Moreover, the Company determines that the minimum of the meeting quorum shall not less than 2 in 3 of the total directors at the time the board of directors' votes in the meeting.

5.4. The Chairman of the Board of Directors chairs the Board of Directors' Meeting. In the case that the Chairman of the Board does not present at the meeting or cannot perform the duty, the Vice Chairman will chair. If there is no Vice Chairman or the Vice Chairman cannot perform the duty, the directors are supposed to choose one director attending the meeting to chair over the meeting.

5.5. The Company's Board of Directors determines the Company's Secretary to be responsible for recording the Minutes of the meeting in writing. And after having been certified by the Board of Directors, the Minutes will be kept and available for the directors and relevant persons to check at any time.

5.6. The Chairman of the Board of Directors and the appointed independent committee will determine the agendas in each meeting.

6. The Company has appointed the Subcommittee to assist in the supervision of the Company's operation, namely, the Executive Committee, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, with the compositions, qualifications, meeting, office term, and scope of responsibilities of each subcommittee as prescribed by the Board of Directors set forth in the charter or the order for the appointment of such subcommittee. In addition, the Company decided to have a revision of the charter regularly, at least 1 time per year, to be accordance with the conditions as follow

6.1 Executive committee consists of at least 5 executive directors to support the Company's Board of Directors in order to manage the business of the Company to be in accordance with policies, plans, rules and orders including the set goals under the assignment framework from the Company's Board of Directors. The details of structure, qualification, meeting, term of position, scope of duties and responsibility shall be stipulated in the charter of the executive committee.

6.2 Audit committee consists of at least 3 auditors which are the independent directors in order to support the Company's Board of Directors to oversees and audits the management, the internal control and comply with the relevant laws, including issuing the financial statement to be operated and disclose the trusty and reliable information of the Company. The details of structure, qualification, meeting, term of position, scope of duties and responsibility shall be stipulated in the charter of the audit committee.

6.3 Nomination and remuneration determination committee consists of at least 3 nomination and remuneration determination directors to recruit the qualified person to be a director of the Company, a subcommittee and a chief executive of the Company, including determine the guideline and rule in remuneration determination of the directors, the subcommittee and the chief executive in order to demonstrate their duties, responsibilities and purpose to the Company's Board of Directors' meeting and/or shareholders' meeting for the approval (as the case maybe). The details of structure, qualification, meeting, term of position, scope of duties and responsibility shall be stipulated in the charter of the nomination and remuneration determination committee.

6.4 Risk management committee consists of at least 5 risk management directors to support the Company's Board of Directors to adopt the appropriate, sufficient, effective and efficient risk management policy and to oversees the overall system or process of risk management to be in an acceptable level. The details of structure, qualification, meeting, term of position, scope of duties and responsibility shall be stipulated in the charter of the risk management committee.

The meetings for subcommittees are scheduled in advance and can be additionally arranged as needed. There are also the recorded Minutes of meeting in writing and the Minutes are also kept systematically.

Moreover, the Board of Directors requires the disclosure of details of the composition, structure, roles, duties and responsibilities, operations, meeting attendance, amount of remuneration of the Board of Directors and the subcommittee as well as the Company's authorized signatory directors in the annual report as well.

7. The Company has appointed the Company's secretary in accordance with the law and the principles of good corporate governance with the scope of power, duties, and responsibilities as follows:

7.1. Have the authority to contact and sign the documents notified to the Stock Exchange of Thailand.

7.2. Have duties and responsibilities as required by the laws on the securities and the Stock Exchange of Thailand, SEC, and relevant regulatory agencies.

8. The Company has the policy to the Board of Directors to do the self-assessment at least once a year to be utilized in developing and improving the performance of the Company's Board of Directors.

9. The Company has the policies to promote and encourage all Company's Board of Directors to attend the beneficial seminar and study in various training programs held by Thai Institute of Directors Association or IOD and SEC including the independent organizations or various agencies to enhance the knowledge and benefit the performance to be more efficient.

10. The Company shall disclose the Biographical information of all directors and sub-committees such as age, sexual, academic qualifications, professional experience, shareholding ratio, number of year(s) service, meeting attendance, remuneration of the Company's Board of Directors both of monetary remuneration and non-monetary remuneration, directorships in other listed companies, roles and responsibilities and performance report of the Board of Directors and sub-committee to disclose in the annual report and/or the company's website.

11. The Company's Board of Directors defines the orientation for all new directors in order that the new directors can know the roles, duties, responsibilities of the Company's Board of Directors, policies, and codes of practices in the supervision of the Company's operation as well as creating the knowledge and understanding in the business, products, business plan, and operations of the Company including the visits on various operational units of the Company to be prepared for the operational performance of the Company's Board of Directors.

#### **Principle 4 Nomination and development for the top executive and people management (Ensure Effective CEO and People Management)**

1. The Company's Board of Directors has defined the nomination and remuneration committee have a duty to determine the qualifications and guidelines for selecting and nominating qualified person for appointment as the top executive and directors including prescribed the criteria and development process for the Chief Executive Officer and all directors to comply with the company's business and/or any circumstances such as encourage its Board members to attend training courses to enhance their knowledge and set the performance evaluation also to consider the criteria and guideline regarding of appropriately remuneration determination of the top executive both of

short and long terms as salary, performance compensation and rewards which shall be comply with the company's performance and the resulted of Chief Executive Officer's performance.

2. The Company prepares and monitors the progress of the comprehensive succession plan on the top executive position in order to ensure that the Company has the executives with knowledge, competence, and experiences that can be inherited important position in the future. The succession plan is reviewed and reported as appropriate. This is to promote and prepare the executives to be responsible for the succession of important jobs or positions of the Company.

3. The Company's Board of Director shall be supervised the process of people development to gain their knowledge, uplift their skills and experience including of the appropriately recognition rewards to ensure that all procedure of people management shall comply with the strategic direction of the company by encourage all employee to attend the training course in order to gain more knowledge and their ability also the company will define the procedure to ensure the best practice in operation process with fair treatment for all employee regarding to retain and motivate high-performance employee to success in the career of the organization.

4. The Company provides the provident funds for all employee to encourage their sufficient saving after retirement including to stimulate their knowledge to understand the finance management.

#### **Principle 5 Nurture Innovation and Responsible Business**

The Company's Board of Director emphasizes concerning of the innovation development in order to define sustainable growth for company's business. Thus, the company would encourage and contribute the department of new business development to sourcing/produce any product/material where of its innovation and new trend technology meanwhile such of its innovation shall be aware of social impacts, both positive and negative, on people, it is friendly to customer along with the environment protection and reinforce all employee to open their visions of leaning by implemented new trend technology on their working process simultaneously the company also defines the regulatory framework of technology management as appropriately in order to develop the standardize of working procedure and enhance the company's risk management which will lead the company to sustainable growth and stability.

Beside of this, the Company's Board of Directors shall be supervised the administration management to provide the development planning, allocation and managing the resources to be efficient and effectiveness in achieving the objective, goals target and the business strategic of the company in the meanwhile the impact of the whole of the business's value chain is stated at as priority of the company's awareness.

#### **Principle 6 Strengthen Effective Risk Management and Internal Control**

- Controlling and internal audit systems

The Company's Board of Directors has provided the internal audit system covering all aspects for the Company's operation to follow the target, regulations, and relevant rules. There is also the mechanism provided for balancing that is sufficiently efficient for protecting and regulating the capital of the shareholders and the Company's

assets. The hierarchy of approval, the responsibilities of the executives and the employees, the operational regulations are defined in writing. The internal audit agency is set to audit the performance of all agencies to be correct and precise in order to prevent the corruption and to be in accordance with the rules and regulations set forth. There is also the Audit Committee to be responsible for the Company's operation and management for the Company to have the efficient internal audit system and the reliable system of financial report by considering the operational performance directly reported by the internal audit agency of the Company to be prepared as the report of the Audit Committee to report to the Company's Board of Directors every quarter and in the annual report.

The Company has promoted and encouraged the internal audit agency to be independent in their practice for the audit and balance completely by reporting to the Audit Committee to ensure that the Company's operations follow the guidelines strictly and efficiently. In each Audit Committee meeting, the Head of Internal Audit Unit will report the results of significant audit to the Audit Committee. Moreover, the Audit Committee will send the reports, comments and recommendations to the management team to know what should be improved. It is also the unit to support the performance of Audit Committee on the complaints and whistle blowing both from the personnel and the outsiders of the Company.

- Risk management

As the Company's Board of Directors is aware of the importance in the management of risks possibly occurring to the Company, the Risk Management Committee is set consisting of the committee and the executives covering all important agencies of the Company to be responsible in assessing and managing the risks for the whole organization including the risks on the corruption and fraud.

The Risk Management Committee will discuss together to assess the main risk factors, the secondary risk factors, and the non-significant risk factors as well as providing the guidelines and approaches for the solution of management or alleviating the negative effects from various types of risk factors. The progress of operation is monitored properly and continuously including preparing the report of the Risk Management Committee to report to the Company's Board of Directors quarterly as well as reporting in the annual report.

### Conflict of Interests Management

- The Company's Board of Directors oversees and manages the conflict of interests which might occurred between the Company and management department, the Company's Board of Directors and shareholders, including protect the Company from unreasonable utilization of assets, information and opportunity and the transaction with relevant persons who unreasonable involve with the Company.

- The Company's Board of Directors provides the information security system which includes the determination of the policy and procedure to protect the confidentiality, integrity and availability of information, as well as take charge of information which might affect the Market Sensitive Information. Moreover, the Company's Board of

Directors oversees the directors, chief executive, and employee as well as the relevant third party to comply with the information security system.

### **Anti-Corruption**

The Company has an anti-corruption policy and support anti-corruption, receiving or giving a bribe or corruption in any case, and cooperating or joining with various agencies in the fight against corruption as appropriate. At the same time, the Company has determined that all directors, executives and employees of the Company must not participate in corruption by giving or receiving bribes from public and private officials, both directly and indirectly in order to acquire or maintain, which business or competitive advantage or take advantage of the donation and doing charity for the benefit or support of corruption.

At the same time, there has continually been a communication organized and the knowledge provided on the anti-corruption practices including an audit and assessment of the risk of corruption and follow up and compliance with ongoing and appropriate anti-corruption guidelines on bribery or corruption.

### **The non-infringement of intellectual property / copyrights**

The Company is aware and emphasize into the intellectual property infringement where of the company has already registered the trademark for any such of company's products both domestic and export. The company has the controlling procedure to foster and maintain awareness of the importance of protecting not allow anyone to uses the company's trademark for any kind of business benefits or any concerning matters including the company also intent and strictly on the regulations by law not to infringement of intellectual property of others.

The Company prescribes all employee to use the legal information technology, not allow to implement such of any license copyrighted programs without the prohibited from the owner or making any modifications for business interests which it might be occurred any damage to other people. Moreover, the company also implemented the security system to prevent violations of the company's information technology system.

### **Principle 7 Ensure Disclosure and Financial Integrity**

The Company's Board of Directors is responsible for the management of financial statement and disclose the important information correctly, sufficiently, and promptly to be in accordance with the financial statement standard and relevant regulations as follows

1.The Company's Board of Directors oversees the procurement of employee, who has qualified knowledge, skill, and experience with the duty responsibility, and sufficient for the issuance of financial statement and disclosure of information. The aforementioned employee includes director, audit and finance executive, accountant, auditor, company secretary, investor relations and the relevant persons.

2.Determination on the disclosure of financial statement. The Company's Board of Directors provides the responsibility on the financial statement of the Company's Board of Directors.

3.The Company's Board of Directors oversees the information disclosure including the financial statement annual report and 56-1 form which demonstrates financial status and the result of operation sufficiently, and Management Discussion and Analysis for the disclosure of financial statement quarterly or annually.

4.Any disclosure of information relevant to the Company's Board of Directors and executive. The Company has performed and disclosed the information to be in accordance with the Securities and Exchange Commission, Stock Exchange, and relevant laws.

5.The Company's Board of Directors oversees the management department to provide the investment relations in order to communicate with the shareholders, stakeholders, investors, analyst or media appropriately, equally and promptly.

6.The Company's Board of Directors emphasizes on the financial liquidity and potential of debt settlement of the Company by appointing the management department to follow and evaluate the financial status and the financial liquidity regularly and shall report the Company's Board of Directors quarterly.

7.The Company's Board of Directors promotes the use of technology to disclose information. Apart from the disclosure of information according to the regulations that regulated by the Stock Exchange's channel, the Company's Board of Directors will provide the disclosure of information in Thai and English via other channels such as Company's website and will also provide the updated information.

### **Principle 8 Ensure Engagement and Communication with Shareholders**

The Company's Board of Directors will ensure that the shareholders will be involved in the determination of the important plans of the Company. Moreover, the Company's Board of Directors will oversee complaints and will take action on the accusations by providing the regulation on "Policy on complaints and accusations" which discloses the process and procedure on the website of the Company.