

# Corporate Governance

## Corporate Governance

### 1. Overview of Corporate Governance Policy and Guidelines

The Company has a policy to follow the principles of good corporate governance by disclosure information and news for the shareholders, investors and related persons to make investment decisions through various channels for the long – term benefit of shareholder. This includes establishing a Code of Business Ethics and Code of Conduct to guide the duties of directors and executives to comply with the code of Best Practice in order to comply with the guidelines of the Stock Exchange of Thailand. The essence of corporate governance as follows

#### **Principle 1 Establish Leadership Role and Responsibilities of the Board**

**Principle 1.1** The Board will understand its leadership role, assume its responsibilities in overseeing the company , and strengthen good governance, including

- (1) Defining objectives
- (2) Determining means to attain the objectives
- (3) Monitoring , evaluating and reporting on performance

**Principle 1.2** The board will exercise its leadership role and pursue the following governance outconned :

- (1) Competitiveness and performance with long-term perspective
- (2) Ethical and responsible business
- (3) Good corporate citizenship and develop less impact on environment
- (4) Corporate resilience
  - (1) The Board of directors will adhere to the following practices for supervising the company to lead to good corporate governance results
  - (2) 1.2.1 In evaluating the performance of the Company, the board would not only consider the the Company's financial results but also take into account non – financial performance, its ethical performance and impact on stakeholders, society and the environment.
  - (3) 1.2.2 the board assume a leadership role in creating and driving a culture of compliance and ethical conduct throughout the Company, and lead by example
  - (4) 1.2.3 the board ensure creation of written policies and guidelines, such as a corporate governance policy, codes of ethics. and business conduct, applicable to all directors, executives, employees
  - (5) 1.2.4 the board ensure effective implementation including regular communication of the Company's policies and guidelines of all director's executives, employees. The board will apply a degrade mechanisms are in place for monitoring, reviewing and reporting compliance with the company's policies and quake lines.

### **Principle 1.3**

The board will ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards. The board is responsible for the implementation of adequate systems and controls to ensure that the Company complies with applicable law and standards for specified matters and the shareholders meeting's resolution, including material investment, related party transaction, acquisition/ disposal of assets, and dividend payment decisions.

### **Principle 1.4**

The board demonstrates a thorough understanding of the division of board and management responsibilities. The board is clearly the roles and responsibilities of management and monitor management's proper performance of its duties.

1.4.1 The board has adopted a written policy so called "Charter" that clearly sets out the roles and responsibilities of the board and management. For reference in the performance of duties of all directors and will conduct regularly review a Charter at least once a year, including reviewing the division of roles and duties of the board, Chief executive officer, and management with the direction of the organization.

1.4.2 The board is responsible and accountable for the overall affairs of the Company but may delegate day-to-day management duties. The board must provide written direction to management the clearly set out management's responsibilities and monitoring.

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

### Principle 2.1

The board will define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company as well as for all stakeholders.

2.1.1 The board will ensure that the Company has clearly defined objectives that support the company's business plan and company-wide communication of the objectives, for instance, in the form of the Company's vision, values, or purposes.

2.1.2 When developing the business plan for sustainable value creation, the board should take into consideration the following factors:

- (1) The Company's ecosystem, including changes to business conditions and opportunities, and the company's effective use of innovation and technology.
- (2) Customers and other stakeholders.
- (3) Available resources and competitiveness of the Company.
- (4) The purposes of the company.
- (5) The Company's main products and customers.
- (6) The Company's value proposition.

2.1.3 The Company's values should reflect characteristics of good corporate governance, such as accountability, integrity, transparency, and due consideration of social and environmental responsibilities.

2.1.4 The board will promote a good corporate governance culture and strive to have the Company's objective embedded in company-wide decision-making and conduct through effective communication and leading by example.

### Principle 2.2

The board will ensure that the Company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objective, while utilizing innovation and technology effectively.

2.2.1 The board will ensure that the company's annual objectives, goals, strategies, and plans correlate and align with the Company's long-term objectives, and plans are annually reviewed and updated as appropriate.

2.2.2 The board may ensure that the Company's strategies and plans take into account all relevant factors influencing the value chain, including the Company's ecosystem, risks, resources, competitiveness, and stakeholders. The board may ensure that a mechanism for stakeholder engagement is in place that;

- (1) Clearly defines stakeholder engagement policies, procedures, and practices that enable the Company to identify and assess the interests of each stakeholder group.
  - (2) Clearly identifies stakeholder groups including individuals, groups, and entities, such as employees and staff, investors, customers, business partners, communities, society, environment, government agencies and regulators.
  - (3) Identifies, prioritizes and addresses stakeholder concerns and expectations, considering their level of importance and potential on the Company.
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2.2.3 When developing strategies and plans, the board may promote innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations, and meet social and environmental responsibilities.

2.2.4 In considering the approval of the company's targets (financial and non-financial), the board would ensure that they are suitable to the Company's business profile, and they do not cause the Company to engage in illegal or unethical conduct.

2.2.5 The board would ensure effective communication of the Company's objectives, goals, strategies, plans, and targets throughout the Company.

2.2.6 The board may ensure proper resource allocation and effective systems and controls, and monitor the implementation of the Company's strategies and plans.

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

#### **Principle 3.1**

The board has responsibility in determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives.

3.1.1 The board may establish a skills matrix to ensure that the board consists of directors with appropriate and the necessary qualifications, knowledge, skills, experience, character, with an appropriate gender and age balance and diversity to achieve the objectives of the company and stakeholder interests. At least one of the non-executive directors should be experienced and competent in the Company's main industry.

3.1.2 The board may determine the proper number of directors to function effectively. It must comprise at least 5 directors and more than half of them have the residence in Thailand.

## Board of Director's Structure

The Board of Directors consists of 7 members who fully experienced and qualified, have significant role in established policy and strategy of the Company. As well as review and monitor the Company's performance as follows;

### Board of Directors

The Board of Directors consists of 7 members who fully experienced and qualified, have significant role in business.

- 1.1 Executive Directors 3 persons;
  - 1.1.1 Patama Wongtoythong Chairman of Executive Committee
  - 1.1.2 Sittichai Kritvivat Executive Committee
  - 1.1.3 Pupaa Taechanarong Executive Committee
- 1.2 Independent Director and Non Executive Directors 3 person
  - 1.2.1 GEN.Pudit Tattiyachot Chairman of Audit Committee (Independent Director)
  - 1.2.2 Pol.Lt.Gen.Saridchai Anakevieng Audit Committee (Independent Director)
  - 1.2.3 Vipon Vorasowharid Audit Committee (Independent Director)

Directors have an important role in business operations; therefore, any important agendas and resolutions must be approved by the Board of Directors or the shareholders' meeting (Depending on the case). The Directors shall not entitle to vote on such transaction which they or persons have a conflict of interest.

3.1.3 The proportion between executive directors and non-executive directors should support proper checks and balances to prevent unfettered power of decision and authority by any one individual, whereby;

- a) The majority of the board consist of non-executive directors, who exercise objective and independent judgement.
- b) The number and qualifications of the independent non-executive directors should reflect applicable legal requirements. The independent directors and the entire board can fulfil its role and responsibilities efficiently and in the best interest of the Company while exercising objective and independent judgement.

3.1.4 The board may explicitly disclose in the Company's 56-1 One Report.

### Principle 3.2

The board may select an appropriate person as the Chairman and ensure that the board composition serves the best interest of the Company, enabling the board to make its decisions as a result of exercising independent judgement on corporate affairs.

3.2.1 The chairman's roles and responsibilities are different from Chief Executive Officer. The board would clearly define the roles and responsibilities of both positions. To ensure effective checks and balances of power, the two positions are held by different individuals.

3.2.2 The chairman is responsible for leading the board. The chairman's duties are at least cover the following matters;

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- (1) Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the Company's objectives.
- (2) Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- (3) Set the board meeting agenda by discussing with Chief executive Officer which important matters should be included.
- (4) Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company.
- (5) Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.

3.2.3 The board may appoint relevant sub-committees to review specific matters, to screen information, and to recommend action for board approval; however, the board remains accountable for all and to recommend actions.

3.2.4 The board may disclose the roles and responsibilities of the board and the sub-committees, the number of meeting and the number of directors participating in meeting in the previous year, board and sub-committee performance.

### **Principle 3.3**

The board should ensure that policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.

3.3.1 The board will set the nomination criteria and process consistent with the skills matrix approved and ensure that the candidate's profile meets the requirements set out in the skills matrix and nomination criteria. Upon proposal to and approval, the candidate is presented to the shareholders' meeting for election and appointment as a director. Shareholders may receive adequate prior notice and sufficient information about candidates up for election at the shareholders' meeting.

3.3.2 The board may review a description of the nomination criteria and process, and sole and responsibilities of a particular appointment before nomination new directors. If the board nominates current directors, their performance should be considered.

### **Principle 3.4**

When proposing director remuneration to the shareholders' meeting for approval, the board may consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentive for the board to lead the Company in meeting its objectives, both in the short and long term.

3.4.1 The board is responsible for setting the remuneration policy.

3.4.2 The remuneration of the board shall be consistent with the Company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. The remuneration is comparable to industry practice.

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3.4.3 Shareholders must approve the board remuneration structure, including level and pay components (both cash-based and non-cash compensation). The board may consider the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and attendance fee) and remuneration paid according to the Company's performance (such as bonus and rewards). The remuneration should reflect the values the Company creates for shareholders, and the pay level should not be too high so as to avoid the board excessively focusing on the company's short-term results.

3.4.4 The board shall disclose the directors' remuneration policy that reflects the duties and responsibilities of each individual, including the pay components and level received by each director. The remuneration disclosed for each director should also include remuneration for what each individual receives from holding directorship at the Company's subsidiaries (if any).

### **Principle 3.5**

The board may ensure that all directors are properly accountable for their duties, responsibilities and allocate sufficient time to discharge their duties and responsibilities effectively.

3.5.1 The board may ensure that there is a mechanism to support directors in understanding their roles and responsibilities expected from them.

3.5.2 The board may set and publicly disclose criteria limiting the number of director positions directors can hold simultaneously in other companies, and consider the effectiveness of directors who hold multiple board seats. The number of companies of which a person can simultaneously be a director should be appropriate to the nature and types of businesses involved but should not exceed five listed companies.

3.5.3 The board may ensure reporting and public disclosure of directors assuming or holding positions at other companies.

3.5.4 The board may ensure that the Company's policies prohibit and prevent a director from creating a conflict of interest with the Company, including by using the Company's assets, information or opportunities for his or her own benefit, as a result of having or taking a director or management position, or having or creating vested interests, both directly and indirectly, in other companies. Information about a director's other directorships and positions should be reported to shareholders, as appropriate.

3.5.5 Each director will attend not less than 75 percent of all board meeting in any whole financial reporting year.

### **Principle 3.6**

The board may ensure that the Company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.

3.6.1 The board may ensure that the Company's governance framework and policies extend to its subsidiaries, including written policies relating to;

(1) The authority to appoint subsidiary directors, executives, or other with controlling power. Generally, the board have the authority to appoint those persons, except that for smaller operating subsidiaries, the board may delegate this authority to the executive committee.

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(2) The duties and responsibilities of subsidiary directors, executives and others with controlling power. They are to oversee the subsidiaries' operation to ensure compliance with applicable law and standards, and the subsidiaries' policies. If the Company's subsidiary has investors other than the Company, the board should require the Company's appointed representative to perform his/her role in the subsidiary's best interest and consistent with the governance framework and policies of the Company.

(3) The subsidiary's internal control systems are effective and that all transactions comply with relevant law and standards.

(4) The integrity and timely disclosure of the material information of the subsidiary, including its financial information, related party transactions, acquisition and disposition of assets and other important transactions, capital increases or decreases, and termination of a subsidiary.

3.6.1 For business that the Company has plans to hold a significant investment in (such as between 20 percent and 50 percent of shares with voting rights), other than subsidiaries, the board shall ensure that shareholder agreements or other agreements are in place to enable the Company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions. This is to ensure that the Company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards.

#### **Principle 3.7**

The board shall conduct a formal annual performance evaluation of the board, its committees, and each individual director. The evaluation results will be used to strengthen the effectiveness of the board.

3.7.1 The board's, committee's and individual directors' performance evaluation shall be conducted at least once a year to facilitate consideration and improvement of the board's performance and effectiveness and resolution of any problems. Assessment criteria and process for the board's, committees' and directors, performance should be systematically set-in advance.

3.7.2 The annual assessment of the performance of the board and committees as a whole and on an individual director level should be based on self-evaluation, or alternatively, on cross-evaluation together with self - evaluation. The criteria, process, and results of the evaluation should be disclosed in the annual report.

3.7.3 The evaluation results will be used for ensuring that the directors collectively possess the right combination of knowledge, skills, and experience.

#### **Principle 3.8**

The board may ensure that the board and each individual director understand their roles and responsibilities, the nature of the business, the Company's operation, relevant law and standards, and other applicable obligation. The board shall support all directors in updating their skills and knowledge necessary to carry out their roles on the board.

3.8.1 The board will ensure that newly appointed directors receive a formal and proper induction and all information relevant to their responsibilities and performing their duties, including details about the Company's objectives, the nature of the business, and the Company's operations.

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3.8.2 The board would have knowledge and understanding of relevant law and standards, and other applicable obligations, risk factors, and the Company's business environment. The board shall receive accurate, timely and clear information, including timely and regular updates.

### **Principle 3.9**

The board will ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The board has appointed a company secretary with necessary qualifications, knowledge, skills, and experience to support the board in performing its duties.

3.9.1 The board's meeting schedule and agenda shall be set in advance and each director should receive sufficient notice to ensure attendance.

3.9.2 The number of board meeting should be appropriate to the obligations and responsibilities of the board and nature of the business, but the board shall meet at least five (5) times per financial year. If the board meeting are not held monthly, the board should receive a report on the Company's performance for the months in which the board does not hold a meeting, so that it can monitor management and company performance continuously and promptly.

3.9.3 The board have a mechanism that allows each board member and management to propose the inclusion of relevant items on the meeting agenda.

3.9.4 Meeting documents should be sent to each director at least seven (7) business days before the meeting, except in the case of urgent need to protect the rights or benefits of the Company, the meeting may be called by other methods and the meeting date may be set earlier.

3.9.5 The board may encourage the executive director to invite key executives to attend board meetings to present details on agenda items related to matters that they are directly responsible for.

3.9.6 The board shall have access to accurate, relevant, timely and clear information required for their respective roles from Chief Executive Officer, company secretary, or designated management if necessary. To discharge their responsibilities, the board may seek independent professional advice at the Company's expense.

3.9.7 Non-executive directors shall be able to meet, as necessary, among themselves without the management team to debate their concerns and report the outcome of their meeting to Chief Executive Officer.

3.9.8 The board shall appoint a company secretary with the necessary qualification, knowledge, skill, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements, preparing board meetings and other important documents, supporting board meetings, and coordinating the implementation of board resolutions

## **Principle 4 : Ensure Effective Chief Executive Officer and People Management**

### **Principle 4.1**

The board may ensure that a proper mechanism is in place for the nomination and development of Chief Executive Officer and key management to ensure that they possess the knowledge, skills, experience, and characteristic necessary for the Company to achieve its objectives.

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4.1.1 The board shall establish the criteria and procedures for nomination and appointment of Chief Executive Officer.

4.1.2 The board shall ensure that Chief Executive Officer appoints knowledgeable, skilled, and experienced key managements. The executive committee together with Chief Executive Officer shall establish the criteria and procedures for nomination and appointment of key managements.

4.1.3 To ensure business continuity, the board shall ensure that succession plans for Chief Executive Officer and key management are in place. The board shall annually request reporting on the implementation of the development and succession plans from Chief Executive Officer.

4.1.4 The board shall promote continuous development and education of Chief Executive Officer and key management that is relevant to their roles. The Company requires the person that taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO) and the person supervising accounting (Accounting and Finance Manager) must train in continuing development course in accounting knowledge 6 hours per year from 2019 onwards, to meet the qualifications specified by SEC that was announced on 11 July 2017.

4.1.5 The board shall establish set clear policies and guidelines for Chief Executive Officer and key managements serving as a director in other companies. The policies should set out permissible appointments and the permissible number of companies in which they are allowed to simultaneously serve as a director.

#### **Principle 4.2**

The board shall ensure that an appropriate compensation structure and performance evaluation are in place.

4.2.1 The board has delegated the executive committee to establish the compensation structure rewards individual performance, incentivizes Chief Executive Officer and key managements to act in support of the Company's objectives and values, and fosters long-term commitment.

4.2.2 The board has delegated the executive committee to ensure that clear and predetermined performance evaluation criteria are in place for key managements and monitoring Chief Executive Officer evaluate the executive managements throughout the Company's objectives and values.

#### **Principle 4.3**

The board shall consider its responsibilities in the context of the Company's shareholder structure and relationships, which may impact the management and operation of the Company.

4.3.1 The board should understand the Company's shareholder structure and relationships, and consider their impact on the control over the Company, including shareholder agreements, or group company policies.

4.3.2 The board shall ensure that the Company's shareholder structure and relationships that stated in 4.3.1 do not affect the board's exercise of its duties and responsibilities.

4.3.3 The board shall oversee that information is properly disclosed when there are any conditions that have an impact on the control over the Company.

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#### **Principle 4.4**

The board shall ensure the Company has effective human resources management and development programs to ensure that the Company has adequate staffing and appropriately knowledge, skilled, and experienced employees and staff.

4.4.1 The board shall ensure that the Company is properly staffed, and that human resources management aligns with the Company's objectives and furthers sustainable value creation.

4.1.2 The board shall ensure that the Company's establishes a provident fund or other plan, and require management to implement a training program for employees and staff that promotes financial literacy, including on retirement savings, and educates employees and staff on life path investments that are suitable for their age and risk appetite.

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

#### **Principle 5.1**

The board shall encourage management to adopt responsible operation, and incorporate them into the Company's operations plan. This is to ensure that every department in the Company adopts the Company's objectives, goals and strategies.

5.1.1 The board shall encourage management to ensure that the Company's operations reflect the Company-wide implementation of high ethical, environmental and social standards and ensure that appropriate company-wide policies and procedures are implemented to further the Company's objectives, goals and strategies in support of sustainable value creation. Policies and procedures shall at least cover;

(1) Responsibilities to employees and workers at least by adhering to applicable law and standards and providing fair treatment and respect for human rights, including a fair level of remuneration and other benefits, a level of welfare that is not less than the legal limit (But can be over the legal limit where appropriate), health care, and safety in the workplace, access to relevant training, potential skills development and advancement.

(2) Responsibilities to customers at least by adhering to applicable law and standards, considering impact on health, safety of products and services, customer information security, sales conduct, after-sales service throughout the lifespan of products and services, and following up on customer satisfaction measurements to improve the quality of products and service. In addition, advertising and public relations should promote responsible consumption and must be done responsibly, avoiding taking advantage of misleading consumption and must be done responsibly, avoiding taking advantage of misleading customers about the products and services offered by the Company.

(3) Responsibilities to business partners by engaging in and expecting fair procurement and contracting, including fair contract or agreement conditions, providing access to training, developing potential and enhancing production and service standards in line with applicable law and standards, and expecting business partners to respect human rights, social and environmental responsibilities, and treat their

employees and workers fairly including ensuring that business partners have implemented sustainable and values-based business policies and procedures.

(4) Responsibilities to the community by applying business knowledge and experience to develop and follow upon the success of projects that can concretely add value to the community while respecting community interests.

(5) Responsibilities to the environment by preventing, reducing and managing negative impact on the environment from all aspects of the Company's operations, including in the context of raw material use, energy use (in production, logistic, and office), water use, renewable resource use, waste management, and greenhouse gas emissions.

(6) Fair competition by promoting ethical business conduct and not using anti-competitive practices to gain or protect a market position.

(7) Anti-fraud and corruption by ensuring that the Company complies with applicable anti-fraud and corruption law and standards, and implements, announces and reports on anti-fraud and corruption policies and practices to the public, including on its participation in private sector anti-corruption initiatives and certification programs. The board shall encourage the Company to collaborate with other companies and business partners to establish and implement anti-fraud and corruption measures

#### **Principle 5.2**

The board shall ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives.

5.2.1 The board shall have a thorough understanding of the Company's resource needs to support its business model, and how available resources correlate.

5.2.2 The board shall have a thorough understanding of how the business model affects resources optimization in support of ethical, responsible, and overall sustainable value creation.

5.2.3 The board shall ensure that management continuously reviews, adapts, and develops the Company's use and optimization of resources, considering internal and external factors to meet the Company's objectives.

The types of resources that the Company should consider include financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital.

#### **Principle 5.3**

The board shall establish a framework for governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.

5.3.1 The board shall ensure that the Company has an IT resource allocation policy that ensures adequate and optimal investment in and allocation of IT resources.

5.3.2 The board shall ensure that IT security policies and procedures are in place. The Company's governance of enterprise IT should cover.

(1) Compliance with relevant law and standards.

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(2) An information security system to safe guard against unauthorized access to information, measures to maintain the integrity of relevant data and ensure availability of critical data.

(3) Consideration of IT risks and risk mitigation policies, plans, and measures. For example, business continuity management, IT security, incident management, and IT asset management.

(4) Proper allocation and management of IT resources, including criteria to identify IT priorities, that takes into consideration the Company's business model.

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

### **Principle 6.1**

The Board shall ensure that the Company has effective and appropriate risk management and internal control system that are aligned with the Company's objectives, goals and strategies and company with applicable law and standards.

6.1.1 The board shall aware of and understand the nature and scope of the Company's principal and substantial risks and may approve the risk appetite of the Company.

6.1.2 The board shall establish and implement the risk management policies that are consistent with the Company's goals, objectives, strategies and risk appetite. The risk management policies are supported the identification and prioritization of early warning signals of material risks. The risk management policies will be reviewed annually.

6.1.3 The board shall ensure that the Company's principal and substantial risk are identified through consideration of internal and external factors. The main risks that the board will pay attention to be divided into Strategic Risk, Operational Risk, Financial Risk, and Compliance Risk, etc.

6.1.4 The board shall ensure that the impact and likelihood of identified risks are assessed and prioritized, and that suitable risk mitigation strategies and plans are in place.

6.1.5 The board shall regularly monitor the effectiveness of the Company's risk management quarterly.

6.1.6 The board has to ensure and monitor that the Company complies with relevant and applicable law and standards, whether domestic and international.

6.1.7 In assessing the effectiveness of the Company's internal control and risk management, the board shall consider the results of internal control and risk management at its subsidiaries and business in which it has a significant investment (between 20 percent to 50 percent of shares with voting rights). The board will take part of the results of internal control system assessment and risk management as part of the consideration under Nos. 6.1.1-6.1.6

### **Principle 6.2**

The board has established an audit committee that can act effectively and independently.

6.2.1 The board has established an audit committee that comprises at least three (3) directors, all of whom must be independent directors, with required qualifications, and comply with applicable legal requirements, including those promulgated by the Securities and Exchange Commission and Stock Exchange of Thailand.

6.2.2 The board has clearly set out in writing the audit committee's duties and responsibilities, and include at least in the charter of audit committee.

6.2.3 The board shall ensure that procedures are established that allow the audit committee to fulfil its duties and responsibilities, including by having access to management, employees and staff, professional advisers (such as external auditor), and information relevant and necessary to perform their duties.

6.2.4 The board has designated an internal auditor, who is an independent internal audit function that is responsible for reviewing and improving the effectiveness of the risk management and internal control systems, and reporting review results to the audit committee quarterly. The result of the internal audit review must be disclosed in the Company's Annual report.

6.2.5 The audit committee shall express its opinion on the adequacy of the Company's internal control and risk management system, and disclose its opinion in the Company's Annual report.

6.2.6 The audit committee shall review, select, and recommend to the board for nomination an independent party to be the Company's external auditor, consider and recommend the auditor's remuneration, and hold a meeting with the external auditor without the presence of management at least once a year.

6.2.7 The audit committee shall review related party transaction and other transactions that may create conflicts of interest, to ensure that they comply with applicable law, are reasonable, and carried out in the best interest of the Company.

### **Principle 6.3**

The board shall manage and monitor conflicts of interest that might occur between the Company, management, directors, and shareholders, The board also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

6.3.1 The board has established an information security system, including appropriate policies and procedures, to protect confidentiality, integrity, and availability of business information, including market-sensitive information, The board shall monitor the implementation of the information security policies and procedures and the adherence to confidentiality requirements by insiders, including directors, executives, employees and staff, and professional advisers, such as legal or financial advisers.

6.3.2 The board shall ensure management and monitoring of conflict-of interest situations and transaction. The board should adopt an ethics and conflicts of interest policy consistent with applicable law and standards (including fiduciary duties), and establish clear guidelines and procedures for disclosure and decision-making in conflict-of-interest situations where any party who has a vested interest in a particular transaction, should disclose that interest, and not be involved in the decision-making.

6.3.3 The board has set requirements for all directors to report conflicts of interest in relation to any meeting agenda item at least before consideration of the matter at the meeting and record the reported conflict of interest in the meeting minutes. The board also ensure that all directors that have a conflict of interest in relation to an agenda item abstain from being present for discussion of voting on that agenda item.

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#### **Principle 6.4**

The board has established a clear anti-corruption policy and practices (including communication and staff training), and strive to extend its anti-corruption efforts to stakeholders.

6.4.1 The board shall ensure Company-wide awareness and implementation of the Company's anti-corruption policy and practices, and compliance with applicable law and standards.

#### **Principle 6.5**

The board has established a mechanism for handling complaints and whistleblowing.

6.5.1 The board shall oversee that an effective mechanism is in place to record, track, resolve, and report complaints and feedback. The board shall ensure the availability of convenient complaint channels (more than one), and that stakeholders are made aware through the Company's website or annual report of all channels available for complaints.

6.5.2 The board has a clear whistleblowing policy, including designated whistleblowing channels for reporting of suspected wrongdoing, such as through the Company's website, e-mail, designated independent directors or the audit committee. The board shall ensure proper and effective handling of whistleblowing complaints, including the investigation, any remedial action, and reporting to the board.

6.5.3 The board shall ensure that whistleblowers are protected from retaliation as a result of their good faith whistleblowing activities.

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

#### **Principle 7.1**

The board must ensure the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.

7.1.1 The board shall ensure that any person (including chief financial officer, accountant, internal auditor, company secretary, investors relation officer) involved in the preparation and disclosure of any information of the Company has relevant knowledge, skills and experience, and that sufficient resources, including staffing, are allocated.

7.1.2 When approving information disclosures, the board shall consider all relevant factors, including for periodic financial disclosures;

(1) The evaluation results of the adequacy the internal control system.

(2) The external auditor's opinions on financial reporting, observations on the internal control system, and any other observations through other channels (if any).

(3) The audit committee's opinions.

(4) Consistency with objectives, strategies and policies.

7.1.3 The board shall ensure that information disclosures (including financial statements and 56-1 One Report) reflect the Company's financial status and performance accurately and fairly. The board shall promote the inclusion of the Management Discussion and Analysis (MD&A) in quarterly financial reports in

order to provide to investors more complete and accurate information about the Company's true financial status, performance and circumstances.

7.1.4 For disclosures related to any individual director, that director should ensure the accuracy and completeness of the information disclosed by the Company, including of shareholders' information and any shareholders' agreement.

**Principle 7.2** The board shall monitor the Company's financial liquidity and solvency.

7.2.1 The board shall ensure that management regularly monitors, evaluates and report on the Company's financial status. The board and management should ensure that any threats to the Company's financial liquidity and solvency are promptly addressed and remedied.

7.2.2 The board shall ensure that it does not consciously approve any transactions or propose any transactions for shareholder approval which could negatively affect business continuity, financial liquidity, and solvency.

**Principle 7.3**

The board shall ensure that risks to the financial position of the Company or financial difficulties are promptly identified, managed and mitigated, and that the Company's governance framework provide for the consideration of stakeholder rights.

7.3.1 In the event of financial risk or difficulties, the board shall enhance monitoring of the affairs of the Company, and duly consider the Company's financial position and disclosure obligations.

7.3.2 The board shall ensure that the Company has sound financial mitigation plans that consider stakeholder rights including creditor rights. The board should monitor management's handling of financial risk or difficulties and seek regular reports

7.3.3 The board shall ensure that any actions to improve the Company's financial position are reasonable and made for a proper purpose.

The indicators of financial risk or difficulties to the Company's sustainability;

- (1) Ongoing losses
- (2) Poor cash flow
- (3) Incomplete financial records
- (4) Lack of a proper or incomplete accounting system
- (5) Lack of cash flow forecasts and other budgets
- (6) Lack of a business plan
- (7) Liabilities greater than assets
- (8) problems selling inventories or collecting debts

**Principle 7.4** The board shall ensure sustainability reporting, as appropriate.

7.4.1 The board shall consider and report data on the company's compliance and ethical performance; including anti-corruption performance, its treatment employees and other stakeholder (including fair treatment and respect for human rights), and social and environmental responsibilities, using a report

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framework that is proportionate to the Company and meets domestic and international standards. The Company can disclose this information in 56-1 One Report or in separate reports, as appropriate.

7.4.2 The board shall ensure that the Company's sustainability reporting reflects material corporate practices that support sustainable value creation.

#### **Principle 7.5**

The board has dedicated Investor Relations function responsible for regular, effective and fair communication with shareholder and other stakeholders such as analysts and potential investors.

7.5.1 The board has established a communication and disclosure policy to assist the Company in meeting its disclosure obligations and to ensure that all information relevant and material to the Company's shareholders, the market and third parties is disclosed in an appropriate, equal, and timely manner, using appropriate channels, while protecting the Company's sensitive and confidential information. The board shall ensure company-wide communication and implementation on disclosure policy.

7.5.2 The board shall ensure the creation of an Investor Relation function responsible for regular, effective and fair communication with shareholder and external parties. The Company's designated Investor Relations contract should be suitable for the role and have a thorough understanding of the nature of the Company's business, and its objectives and values.

7.5.3 The board shall ensure that management sets clear directions for and supports the Investor Relations function such as through a code of conduct, and clearly defines the roles and responsibilities of the Investor Relation function, so as to ensure effective communication between the Company, the financial community and other stakeholders.

### **Control of Internal Information**

According to the principles of Good Corporate Governance of the Company are follows.

1. Directors, executive, and employees of the Company shall abide by the following.
  - a) Maintain the confidentiality and/or internal data within the Company.
  - b) No disclosure of secret information and/or internal data of the Company shall be carried out to seek own benefits or the benefit of any other persons either directly or indirectly, and either receive or not receive the return.
  - c) Neither selling, nor transfer of securities of the Company by sign confidential and/or internal data shall be conducted, and/or entering into any other transactions by using confidential and/or internal data that may cause damage to the Company either directly or indirectly.

However, the directors, executive, management and employees of the Company are receiving the internal information of the Company should avoid or refrain from trading securities of the Company during a period of one month prior to the public disclosure of financial statements. Such regulations shall include the spouse and immature children of directors, executives, management, and employees of the Company, Any violation of such regulations shall be deemed to have committed a serious offense.

2. Company's directors and executives, including the external auditors of the Company shall report the change in holding the securities in their own companies, including the spouse and immature children, to the Securities and Exchange Commission and the SET pursuant to Section 59.
3. Such regulations shall be declared to the directors, executives, management, and employees accordingly.

#### **Principle 7.6**

The board shall ensure the effective use by the Company of information technology in disseminating information.

7.6.1 In addition to the Company's mandatory periodic and non-periodic disclosure of information pursuant to applicable requirements, the board should consider regularly disclosing relevant information in both Thai and in English through other channels, such as the Company's website. Information to be disclosed on the Company's website includes;

- (1) the Company's objectives and values.
- (2) nature of the Company's business.
- (3) list of the Company's board of directors and managements.
- (4) Financial statement and reports about the financial status and the Company's financial and non-financial performance for current and previous year.
- (5) downloadable version of Form 56-1 One Report.
- (6) information and documents that the Company discloses to the investment community and other external parties (if any).
- (7) shareholding structure, both direct and indirect.
- (8) the Company's group structure, including subsidiaries, affiliates, and joint ventures.
- (9) direct and indirect major shareholder, holding at least 5 percent of paid-in capital with voting rights.
- (10) Direct and indirect shareholding in the Company held by directors. major shareholders, and key managements of the Company.
- (11) invitation letters to the shareholders' ordinary and extraordinary meetings.
- (12) the Company's regulations, and memorandum and articles of association.
- (13) the Company's Corporate Governance policy, Anti-corruption policy, IT security policy, Quality security safety health and environment policy, Sustainability management policy, Environmental management policy, Personal data protection policy, Human right and non-discrimination policy, and Risk Management policy.
- (14) a charter or statement of duties and responsibilities, directors' qualifications, terms, and authority of the board.
- (15) The Company's code of ethics and conduct.

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

## **Principle 8.1**

The board shall ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

8.1.1 The board shall ensure that significant corporate are considered and/or approved by the shareholders pursuant to applicable legal requirement. Matters that require shareholder approval should be included in the agenda for the shareholders' meeting and shareholders should be provided sufficient notice thereof.

8.1.2 The board shall support participation of all shareholders through reasonable measures, including;

(1) Establishing criteria that allow minority shareholder to propose agenda items for shareholders' meetings. The board shall consider shareholders' proposals to be included in the agenda, and if board rejects a proposal, the reasons should be given at the meeting.

(2) Establishing criteria for minority shareholders to nominate persons to serve as directors of the Company.

The board has notified both criteria of propose the agendas and nominate persons to the shareholders not less than 1 month in advance between 4 January 2023 to 3 March 2023

8.1.3 The board shall ensure that the notice of the shareholders' meeting is accurate, complete, and sufficiently in advance for the shareholder to exercise their rights.

8.1.4 The board shall ensure that the Company arranges for the notice of the shareholders' meeting and related papers to be sent to shareholders at least seven (7) days before the meeting and posted the notice in the Thai and English version on the Company's website at least 30 days before the meeting.

8.1.5 Shareholders was allowed to submit questions prior to the meeting not less than 1 month in advance between 4 January 2023 to 3 March 2023. The criteria were posted on the Company's website.

8.1.6 The notice of the shareholders' meeting and related papers should be fully translated into English and published at the same time as the Thai version. The notice of the shareholders' meeting has to comply with applicable legal requirement and include the following;

(1) Date, time, and place of the meeting.

(2) Meeting agenda and matters to be proposed for information, consideration or approval. The agenda should clearly specify each individual matter or item of information to be considered or approved, such as the separate listing of election of directors, and approval of directors' remuneration.

(3) Sufficient information, objectives and reasons, and of directors' opinions each agenda, including as follows;

a) Approval or rejection of dividend payment: dividend policy, proposed dividend payment rate, including reasons and supporting information, or reasons and supporting information for rejecting dividend payment.

b) Appointment of directors: name, age, gender, education, experience, the number of listed companies and other companies where they each hold directorial positions, the criteria and procedures for selection, and types of proposed directors. Where proposed directors and those who are re-entering the same position, information must be identified about participation in meetings in previous year and the date of original appointment as a director.

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c) Approval of directors' remuneration: the policy and criteria for determining role-specific director remuneration and all monetary and non-monetary director's remuneration.

d) Appointment of external auditors: auditor's name and the name of the auditor's audit firm, auditor's experience, independence, and audit and non-audit fees.

(4) Proxy form and supporting documentation using the form specified by the Ministry of Commerce.

(5) Other supporting information, including on voting procedures (such as voting count and verification of voting results criteria, rights), detail concerning independent directors proposed by the Company to act as proxies for shareholder, and map of meeting venue. Shareholders who are inconvenient to attend the meeting can download both proxy forms (Form A, Form B) according to the Department of Business Development: Ministry of Commerce from the Company's website.

8.1.7 The Company has posted the notice of shareholder meeting invitation on Business newspaper for a consecutive 3 days in the period of 10 – 12 April 2023 specified date, time, location as well as agendas.

8.1.8 The Company facilitates shareholder request a hardcopy of 56-1 One Report via letter that attached in the shareholder meeting invitation, the Company's email, or the Company's website. The Company shall send a hardcopy to shareholder by mail as requested.

#### **Principle 8.2**

The board shall ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

8.2.1 The board shall the date, time, and place of the meeting by considering the interests of shareholders, such as allocating sufficient time for debate, and choosing a convenient location.

8.2.2 The board shall ensure that the Company does not through its meeting attendance requirements or prerequisites prevent attendance by or places an undue burden on shareholders, including as a result of identification requirements that exceed applicable legal and regulatory requirements.

8.2.3 In the interest of transparency and accountability, the board shall promote the use of information technology to facilitate the shareholders' meetings, including for registration and vote counting.

8.2.4 The chairman of the board is the chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the Company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.

8.2.5 The ensure the right of shareholders to participate in the Company's decision-making process in relation to significant corporate matters by participating and voting at shareholder's meetings on the basis of sufficient notice and information, directors who are shareholder should not be allowed to add items to the meeting agenda that have not been duly notified in advance.

8.2.6 All directors and relevant executives shall attend the meeting to answer questions from shareholders on Company-related matters.

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8.2.7 The attending shareholders should be informed of the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods before the start of the meeting.

8.2.8 There should not be any bundling items into the same resolution. For example, the appointment of each director should be voted on and recorded as separate resolution.

8.2.9 The board shall promote the use of ballots for voting on resolutions proposed at the shareholders' meeting and designate an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "approve", "disapprove" and "abstain" votes. The voting results for each proposed resolution should be included in the minutes of the meeting.

### **Principle 8.3**

The board shall ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

8.3.1 The board shall ensure that the Company discloses the results of voting on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and through the Company's website by 14.00 o'clock if meeting done in the morning and by 09.00 o'clock of the next business day if the meeting done in the afternoon.

8.3.2 The board shall ensure that minutes of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.

8.3.3 The board shall ensure that Company promptly prepares the minutes of the shareholders' meeting, including the following information;

(1) attendance of directors, managements, and the proportion of attending directors.

(2) voting and vote counting methods, meeting resolutions, and voting results ("approve", "disapprove", and "abstain") for each proposed resolution.

(3) questions asked and answers provided during the meeting, including the identity of the persons asking and answering the questions.

8.3.4 The Company has a policy of introducing suggestions and opinions received from shareholders regarding the holding of the shareholders' meeting to be used for evaluation of the meeting and improve the meeting in next year.

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