



## **Corporate Governance Principles Policy**

Information for SEAFCO PLC Only

## Corporate Governance Principles Policy

The board of directors of the company is committed to managing the work based on the principles of good corporate governance in order to increase confidence of shareholders, investors and those related parties by complying to the guidelines for following the rules, regulations and related practices of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

The Securities and Exchange Commission (SEC) issues the principles of Good Corporate Governance for listed companies in Stock Exchange of Thailand and outlines eight main principles for board of directors, as follows:

1. Realizing the role and responsibility of the board of directors as the leader of organization that creates sustainable value for the business.
2. Defining the main objectives and targets of the business that is for sustainability.
3. Creating effective committees.
4. Select and develop high rank executives and managing personnel.
5. Promoting innovation and operating business with responsibility.
6. Taking care so that there is appropriate risk management system and suitable internal control.
7. Maintain financial creditability and disclosure of data.
8. Supporting participation and communication with shareholders.

The Corporate Governance and Sustainability Committee adopts the basic principles and adapts the principles as the best suited to the business and determined additional practices to suit the company's circumstances. The aim is to develop and raise the level of corporate governance of the company to excellence and determine to have review of the corporate governance policy and compliance with the policy at least once a year by presenting it to the Board of Directors for consideration and approval.

This manual of "Corporate Governance Principles Policy" of the company, the board of directors of the company has set this manual to be held as good guidelines of directors, executives and employees in performing the duty which they are responsible and upgrade the quality of supervision of business to cover guidelines and meeting the expectation of shareholders, investors, and stakeholders towards the company.

The Board of Directors of Seafco Public Company Limited will use effort to take care, so that there is compliance with the policy and guidelines strictly and commits to develop the supervision of the company business continuously, to achieve target for creating stability and growth continuously and sustainably to organization and shareholders

On behalf of the Board of Directors  
Seafco Public Company Limited

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## **1. Rights of Shareholders : Rights and fair treatment**

The Board of Directors has the policy for shareholders to collaborate and suggest for the Company's operations, we therefore provide the rights for shareholders e.g. the right to getting sufficient information, be in time with appropriate to make decision, to attend and vote in the shareholders meetings to decide the Company's major policy changes, to elect and remove member of the board, to approve external auditor appointments and to receive share profits. Shareholders are the owners of the company. They control the Company by appointing the board of directors to act as their representatives. Shareholders are eligible to make decisions on any of significant corporate changes including to be furnished with sufficient Company's operation information for decision making. Moreover, shareholders own the rights to attend shareholders meetings to vote on director election/ removal, appoint the external auditor and the issues to have effects to the Company such as dividend allocations, amendments to the company's articles of association or the company's bylaws, capital increases or decreases, and the approval of extraordinary transactions, etc.

1. The Company shall provide the information on the date, time, venue and agenda items with complete support data, and the issues for decision to all shareholders at least 14 days prior to the meeting. The information also shall be posted in the Company's website both in Thai (Least 30 days) and English (Least 7 days).
2. The Company has developed the annual shareholders meeting process to correspond with the good operations care and control principle as follows:
  - 2.1 To certify the Minutes of previous Meeting.
  - 2.2 To acknowledge the Company's performance for the past year.
  - 2.3 To approve the Statement of financial position and statement of comprehensive income for the accounting period end on December 31 of the past year.
  - 2.4 To consider the allocation of profits from the business performance of the past year.
  - 2.5 To Consider the appointment of directors in place of those who retiring by rotation
  - 2.6 To consider the remuneration of directors.
  - 2.7 To consider the appointment of the Company's auditor and determine his/her remuneration
  - 2.8 Other business, opportunity for shareholders to ask on their intention issues and/or the board give answers and/or declaration to shareholders without voting
3. The company shall facilitate the participation of shareholders in the meeting. The meeting venue shall be in Head Office accessible and can accommodate all shareholders along with providing adequate personnel and technology for monitoring the registration documents for the meeting including the duty stamps for proxy shareholders shall be provided.
4. The Company shall allocate appropriate time for discussion and encourage shareholders to express their opinions and ask questions related to the Company's operation.
5. All directors and executives shall attend shareholders' meetings and reply questions.
6. In the Meeting of Shareholders, the company will do Live video, through Facebook to open opportunity for shareholders who cannot attend the meeting, can know the atmosphere of the meeting. This will start in the ordinary meeting of shareholders of the year 2019.

## **2. Equitable Treatment of Shareholders**

The Board of Directors has the policy to provide shareholders supervise the company and its performance by giving opportunities to protect the shareholders rights, equitable treatment and fairness.

1. Shareholders shall have the right to propose issues to include to the shareholders meeting agenda in accordance with the rule posted in the Company's website <http://www.seafco.co.th>. The issues shall be proposed within December 31, every year.
2. Shareholders shall have the right to nominate persons for the Board of director elections in accordance with the rule posted in the Company's website <http://www.seafco.co.th>. The nominations shall be proposed within December 31, every year.

3. No additional meeting agendas/ substantial information changes shall be included or made to meetings without prior notice to shareholders.
4. Shareholders who cannot attend meeting may appoint grantee with the power of attorney which indicates voting. The Company shall propose at least an independent director to be the grantee' choice.
5. Shareholders shall have the right to elect on individual director. Voting shall be with ballots to be transparent and checkable.
6. The Company has imposed the internal information application rule to prevent the directors, executives and staff to use the internal information for their own/ other persons' interests inappropriately. The approach and policy have been noticed to all staffs to observe with the follows-up conducted regularly.
7. The directors and executives shall disclose their interests and related person for the Board of Directors to consider the operations probably having conflicts of interest and to decide for the Company's interest in overall. The directors and executives who have any interest on the transaction relevant the company, should not concern in the decision making on such transaction and would be following the process or measure of consider approval on related transaction of the company.
8. The Board has a policy regarding securities trading of the company and reporting method to implement by the board, executive and staff can access inside information and the board and relevant executives have to prepare and submit report of securities holding of the company in accordance with the regulation of the Securities and Exchange Commission.
9. The Board of Directors shall complete the minutes and inform to shareholders via the Company's website within 14 days since meeting.

### **3. Roles of the Stakeholders**

The Board of Directors has the policy to promote the cooperation between the Company and stakeholders having strengthened the company's performance including taking care of stakeholder base on the rights of related laws.

The Company's stakeholders are clients, employees, suppliers, shareholders/investors, creditors, competitors and the community the Company operates in, either a public/government sector.

1. The Company has developed a Code of conduct handbook and imposed for all directors, executives and staff to acknowledge and observe. Offences to the manual's provisions shall be penalized.
2. The Company has the policy to upgrade to quality of life in workplace for all the employees to have better livings and work safeties there. There is defining of safety, occupational health and work environment policy.
3. Receiving notification of clue, or complaint, open opportunity to stakeholders in the company and outside of the company, notification of clues, or complaint relating to illegal activities, correctness of financial statement, defective internal control system, unethical conduct, dishonesty, or corruption, through chairman of Audit Committee or Executive Committee or the President, or Chairman of Subcommittee on Corporate Governance and Sustainability Committee Subcommittee establishing the mechanism to protect the right of whistleblowers, or complaints, as well as collection to bring complaints to evaluate the result and improve work better and tracking and evaluating.
4. The Company shall compensate the stakeholders who are damaged by the Company's infringement to their stakeholder rights as per the law and per specified in the "Business Ethics and Code of Conduct" Manual.
5. The Board of Directors has announced the directors, executives and staff who know the inside information which may have effects to the changes of the security prices shall refrain from

security exchange in the 1 month period prior the Company announces the operation performance/disclose the inside information to public and after the news report and the financial statements for at least three days.

6. There is determining of policy against unfair competition in the “Business ethics and Code of Conduct” Manual

#### 4. Disclosure & Transparency

The Board of Directors shall disclose the Company’s financial information and other information on the Company’s business and operation performance which shall be true, complete, sufficient, and timely to show the Company’s true financial and enterprising status including the future of the Company’s business.

The Board of Directors is committed to take care and control for compliance with the laws, rules and regulations on information disclosure and transparency as follows:

1. Shall disseminate the information as per specified via the SET channel, Form 56-1 One Report as well as via the Company’s website both in Thai and English.
2. Shall report the result of the corporate governance policy via the Form 56-1 One Report
3. To comply with the SET’s announcement on the approach, condition and reporting of the disclosure of the financial statuses and operation performances, the Company has set to disclose via the form 56-1 One Report e.g. (1) Company Structure and Operations, (2) Risk Management, (3) Driving Business for sustainability, (4) Management Discussion and Analysis (MD&A), (5) Corporate information and other information, (6) Corporate Governance, (7) Corporation Governance Structure and Key information about the Board, (8) Highlights of Corporate Governance, (9) Internal Control and Related Party Traction
4. Shall provide a statement of its responsibilities concerning the company’s financial reports.
5. Shall disclose the names of members and roles of the Board of Directors and sub-committees, the number of meetings and the attendance of each director during the year.
6. Shall disclose all the remuneration paid of each director including the fees for being the subsidiary directors and other positions such as advisors etc. Also, the remuneration of the first 4 executives stating from the president shall be disclosed in the annual report form 56-1 (One Report)
7. Disclosure & the Disclosing Authority
  - 7.1 The information disclosure as required by SET’s rule
    - 7.1.1 The Company has the investor relation section to contact with outsiders such as shareholders, institutional investors, individual investors, analysts, related government agencies as follows:
      - (1) To disclose the substantial information to public.
      - (2) To widely disseminate information to public.
      - (3) To clarify against rumors/to news.
      - (4) To act when security exchange is unusual.
      - (5) To exchange security with insider trading on validly, sufficiently, timely, transparently, equitably and fairly.The Company authorizes the following persons for the information disclosure – the president.
    - 7.1.2 The Company’s contact persons for SET are
      - (1) President or the company secretary – For disclosure of the financial information which shall include annual and quarterly balance sheets, form 56-1 (One Report)
      - (2) President – For disclosure of the situational information which shall include to the acquired/ released assets, related transaction, shareholders, meeting date, director/auditor change, the Company’s head office relocation, shareholders meeting minutes, investment projects etc.

- 7.2 The general information for organizational management shall be released to mass media by the president.
8. The directors' and executives' security holdings and security holding changes shall be reported as per the Securities and Exchange Commission Thailand's criteria.
  9. The Board of Directors and first 4 executives starting from president shall report their interests and the related persons to the chairmen and chairman of audit committee as per the Securities and Exchange Commission Act B.E.2551.
  10. The Board of Directors has lodged a risk management system having coverage to the vision, target, business strategy, finance, production and other areas for all with consideration to the occurrence probabilities and degrees of effect; has imposed the anti-measures and assigned the persons to be responsible for. Also the report and evaluation measures have been imposed together with the risks management committee has been adopted for planning and reporting the result of the actions by the plan to the Risk management committee regularly.
  11. The Board of Directors has adopted the internal control system having coverage to the financial, work operations and the applicable codes, rules and regulations compliance areas for all together with has adopted the audit and balancing mechanism being sufficiently effective to regularly protect and take care of the shareholders' investment and the Company assets. The practices instruction shall be in writing and supported with independent internal audit unit directly reporting to the audit committee and auditing all sections' practices are as per the instructions.

## **5. Responsibilities of the Board**

The Board of Directors has the important role of the care and control for benefit to the Company. The Board of Directors is responsible to the duty to shareholders and is independent from the Company's management.

### **5.1 Structure of the Board of Directors**

Authorized directors consist of two directors shall be empowered to jointly sign and affix Company seal or one director is authorized to sign and seal of the company only for the following matters.

- a) Submission of documents and undertaking any work with the Ministry of Commerce and the government agencies under the supervision of the Ministry of Commerce
- b) Submission of documents and undertaking any work with the Ministry of Labor and the government agencies under the supervision of the Ministry of Labor.
- c) Submission of documents and undertaking any work with the Revenue Department and the government agencies under the supervision of the Revenue Department
- d) Submission of documents and undertaking any work with the Ministry of Interior and the government agencies under the supervision of the Ministry of Interior.
- e) Submission of documents and undertaking any work with Bangkok Metropolitan Administration and the government agencies under the supervision of Bangkok Metropolitan Administration.
- f) Submission of documents and lodging a complaint to file the case of missing property of the company with the police officers.
- g) Undertaking and contact with any government agency or state enterprise or private organization related to the services for running water, electricity, telephone, mail and internet to apply for permission, transfer of ownership and accept the transfer of ownership, to pledge or accept the return of deposit, to transfer and accept the transfer of deposit related to running water, electricity, telephone, mail and internet.
- h) Signing name in invoices, billing, or receipts

#### **5.1.1 Board Elements**

1. The Board of Directors consists totally of not less than 5 persons with qualifications as required by law and the Articles of Association of the Company.

2. Chairman of the Board must be independent directors.
3. The Board of Directors consists of not less than one-thirds of the Board of Directors. Seafco PLC. in defining the terms of the independent Director of the Board, the Securities and Exchange Commission and the stock exchange of Thailand Thailand. According to the capital market supervisory board supervisory 4./2552 (2009) date 20 February 2552(2009), i.e., the "independent Director" carefully refers to a Director. By features:
  - 3.1 Independent directors shall hold office for a period of not more than 9 years (in the case that the company is unable to find independent directors with qualifications, knowledge and ability to be equal to the former director, such director will be allowed to hold the position for more than 9 years)
  - 3.2 Holding no more than 1 percent of the total shares with voting rights in the Company, its group companies, associated companies, subsidiaries, or being a potentially conflicting person.
  - 3.3 Having had no managerial participation; being not an employee, staff, regularly paid advisor, person providing professional service to the Company, such as auditor or lawyer, or a person empowered to control the Company, its group companies, associated companies, subsidiaries, or being a potentially conflicting person, without aforesaid interests or conflicts of interests for a period of not less than 2 years.
  - 3.4 Having no business relationships, interests, conflicts of interests, directly or indirectly, in finance and management, and being not a customer, partner, raw materials supplier, trade creditor/debtor, loan creditor/debtor of the Company, its group companies, associated companies, subsidiaries, or being a potentially conflicting person which could lead to lack of independence.
  - 3.5 Being not a close relative of the management or major shareholders of the Company, its group companies, associated companies, subsidiaries, or a potentially conflicting person and not appointed as its fiduciary representative.
4. Appointment of directors is in accordance with a specifically included agenda focusing on transparency and clearness. Nominating a candidate should be made along with an adequate provision of his/her background information and details for the benefit of selection.
5. Backgrounds of all directors are publicly disclosed thoroughly and each time of director change.
6. Board Chairman is not a chairman or member of any sub-committees in order to leave their undertakings independent.
7. Board of Directors have to arrange a meeting on a regularly basis at least seven a year.
8. Sub-committees have to arrange a meeting on a regularly basis at least two a year.
9. Directors of the company and the non-management directors have jointly met with the auditor of the company without participation of the management regularly at least 4 times a year.
10. The independent board meeting shall be held without the management team attending the meeting, at least one time per year.
11. The number of directors attending the meeting and making any resolution is required to be at least two-thirds of the total number of the directors and the resolution is required to be approved by the majority vote.

#### **5.1.2 Board Qualifications**

1. Board qualifications must not be contrary to the Public Limited Companies Act.
2. Having leadership, broad vision, virtue, ethic, and good record of employment.
3. Having interest in the Company's business and being able to provide adequate dedication.
4. Directors must be nominated by the Recruitment and Compensation Committee and appointed by the shareholders' meeting.



5. Neither conducting nor participating in any businesses of the same conditions and competing with Company business, whether for personal or others' gain.
6. The directors can be directors in listed companies for not over five companies, so that the directors can perform duty as directors of the company effectively, able to dedicate time to do duty of director sufficiently.

**5.1.3 Roles, Duties and Responsibilities of Board Chairman**

1. To act as the leader of the Board of Director, control, follow up and manage the Board of Directors, committees and subcommittees to ensure attainment of objectives as planned.
2. To chair the Board Meetings and Shareholders Meetings.
3. To cast a ruling vote at the Board Meeting in case of a tie vote.

**5.1.4 Roles, Duties and Responsibilities of Board of Directors**

1. Perform duties in compliance with laws, the objects, Articles of Association, and shareholders meeting resolutions with honesty and integrity, Company interests carefully maintained, and responsibility toward the shareholders.
2. Define policies and operational direction of the Company and supervise to ensure that managerial implementations are effective and efficient based on the policies under good corporate governance and toward the best interest of the Company and its shareholders.
3. Provide the Company with an effective and reliable accounting system, financial reporting, internal control and internal audit.
4. Participate in risk management implementation by providing a guideline and suitably adequate risk management measure regularly monitored.
5. Regulate to ensure that all stakeholder parties are treated ethically and equitably by the management team.
6. Independent directors are ready to use their own discretion independently in their consideration of strategy determination plan, management, resources use, director appointment, and operational standard establishment so as to raise highest the economic value for the Company and its shareholders.
7. The good governance policy, including vision, mission and strategy of the company in the preceding years, is required to be reviewed and approved consistently.
8. The work is to follow up and monitor the implementation of the company's strategy. In the board meeting, in every quarter, the Board follows the management's performance, by specifying the performance report and the operating results of the company, especially the goals of performance and financial goals and the plan is in accordance with the strategy which is laid down.
9. Make available a Company secretary to assist in implementing several board activities, such as Board and shareholders meeting, give the Board and Company advices about their personal performance and carrying out in compliance with applicable laws and ordinance on a regular basis, and ensure proper disclosure by the Board and Company of data and information.
10. Provide as guidelines for internal performance, provisions about the Code of Conduct and business ethics, and ethics of the Board of Directors, Ethics to Stakeholders and Ethics Employees.
11. Abstaining from securities trades for 1 month, at least, before the announcement of financial statement news and after the announcement of financial statement news for 3 days, at least. Prior to the trades, a notification accordingly must be made to the Company Secretary for 1 day, at least, in advance, in order that a preparation for submission it to the Board of Directors in the succeeding Board Directors' meeting can be made.

12. Report securities holding by them, their spouses and children of an illegal age to a Board meeting at every occurrence of change, and to the Company without delay on the following cases:
  - 12.1 Having a conflict of interest, directly or indirectly, in any contract executed by the Company during a financial year.
  - 12.2 Holding stocks, debentures or preference shares of the Company and its group companies.
13. To assess themselves annually to ensure that they properly take control and perform their tasks well enough. The assessment shall be used for management improvement. The assessment shall be done on the SEC form adapted by the company in line with the company's Board of Directors. The assessment results shall be reported to the Board of Directors for use by the management.

#### **5.1.5 Authority of the Board of Directors**

1. Appoint, remove, or give power to advisors of the Board of Directors, several committees and Managing Director to perform the work
2. Consult with experts or the consultant of the company, or to hire a consultant or external expert in case of necessity, with the expense of the company
3. Approve borrowing for use as working capital of the company, in the amount exceeding the authority of the Executive Committee
4. Approval of receiving or canceling credit lines in the amount exceeding the authority of the Executive Committee
5. Approve lending to companies that have business relationships with the company as a shareholder or companies that conduct business with each other or other companies in the amount exceeding the authority of the Executive Committee
6. Approve the guarantee of credit facilities for companies that have business relationships with the company, as a shareholder or companies that conduct business with each other or other companies in the amount exceeding the authority of the Executive Committee
7. Approve the establishment, merger or dissolution of subsidiaries
8. Approve investment, selling investments in ordinary shares and/or any other securities in the amount exceeding the authority of the Executive Committee
9. Approve the procurement and investment in fixed assets in the amount exceeding the authority of the Executive Committee
10. Approve the disposal of fixed assets in the amount exceeding the authority of the Executive Committee
11. Approve the adjustment of the condition, destruction, amortization of fixed assets and/or intangible assets that are discontinued, damaged, lost, destroyed, deteriorated, obsolete or those unable to be used, it will have value in the accounting value (cost) in the amount that exceeds the authority of the Executive Committee
12. Approve compromise, settlement of disputes by arbitration, grievances, prosecution and/or any proceedings in the name of the company for non-commercial matters and/or in the normal course of business that has the capital in the amount exceeding the authority of the Executive Committee
13. Approve the transaction that is not normal for the business in the amount exceeding the authority of the Executive Committee
14. Propose capital increase or decrease in capital or change in the value of shares, amendments to the memorandum of association, articles of association and / or objectives of the company to the shareholders
15. Authorize the management, executives, or employees of the company or any other person who is a representative

16. Having the power to invite the management, executives, or related employees of the company to explain, give opinion, join in the meeting and to send documents as the Board deems that it is related or necessary.
17. Appoint and withdraw the secretary of the company.
18. All such above authority to operate the work of executive committee relating with acquiring or distributing assets or related transactions; it shall be done according to the notice of capital market supervision committee.

**Quorum of the meeting of the board of directors to pass a resolution**

The policy of the company is that the resolution of the board of directors is required to be passed by the meeting of the board of directors attended by at least two-thirds of the total directors.

**Meeting of non-executive directors**

The Board of Directors determines that non-executive directors (except the chairman of the board), there are meetings as appropriate without any director who is not executive or the management participating in the meeting, to provide opportunities for discussion of several problems both related to the business of the company, such as management strategy, ways of sustainable growth, or other matters.

**5.1.6 Roles, Duties and Responsibilities of the President and CEO**

1. To adopt business policies and strategies; to set targets and allocate annual budgets for the Company and affiliates for approval by the Board of Directors.
2. To operate business according to the business policies and strategies; to attain the targets with the annual budgets allocated for the Company and affiliates and approved by the Board of Directors.
3. To report results of operation of the company and affiliates monthly and quarterly for comparison with the plan and budget for acknowledgement and suggestions by the Board of Directors.
4. Approve expense for not over 30 million Baht per time. Such approval is normal operation. If there is exceeding over this amount, they must report to the Executive Board to know and consider and approve, after that it must be proposed to the Board of Directors to know.
5. To approve investment not exceeding 50 million Baht in a project related to the company's core business with IRR Project the interest is higher than the fixed account interest rate.; any project investment – such as maintenance, efficiency increase and replacement of machinery -- that do not meet the above criteria should be submitted to the Board of Directors for approval.
6. To approve reorganization of sections or lower units.
7. To perform other tasks assigned by the Board of Directors.

The authority of the President and CEO does not include (must not be in conflict with the rules of the SEC) approval of transactions which create conflict of interests of the President and CEO, other stakeholders, the company or affiliates or the intercompany transactions, sale of the assets of the company or affiliates which requires approval of the Board Meeting or Shareholders Meeting.

8. To comply with the purchase regulations adopted on 1 March 2006.
9. The president and CEO can be directors in listed companies for not over five companies, so that the directors can perform duty as directors of the company effectively, able to dedicate time to do duty of director sufficiently.
10. To prepare and make disclosure of shareholding and change in shareholding in his securities and forward contracts, his spouse or those living like a spouse and underage children to the board of directors of the company.

## 5.2 The Executive Committee

### **Roles, Duties and Responsibilities of the Executive Committee**

The Executive Committee is to establish policy, guideline, strategy, and core management structure to operate the business of the company corresponding and supportive to the economic environment and competition as announced at the General Shareholders' Meeting. The Executive Committee is to report to the Board of Directors for approval its business plan, budget, and delegation of authority, to enable the Board to follow-up on the policy, the efficient conduct of the company's business, and the operating results according to the approved business plan. The Committee is to engage in financial transaction with financial institution and perform other matters as assigned by the Board of Directors.

### **Quorum of the meeting of the board of directors to pass a resolution**

The policy of the company is that the resolution of the board of directors is required to be passed by the meeting of the board of directors attended by at least two-thirds of the total directors.

## 5.3 Sub-committees

The company has established a Sub-Committee, Audit Committee, The Recruitment and Compensation Committee, Risk Management Committee and Corporate Governance and sustainable Committee as follows:-

### **5.3.1 Audit Committee**

The Audit Committee must consist of not less than 3 independent directors, at least one being knowledgeable and experienced in financial review. (Miss Chularat Suteethorn an experience in the financial statements). The audit committee with the term in the office of 3 years and the audit committee is required to arrange a meeting and make a report to the board of directors of the company.

### **Roles, Duties and Responsibilities of the Audit Committee**

1. Review to ensure proper financial reporting and adequate disclosure by coordinating with an auditor from outside, with the management being responsible for producing financial reports both quarterly and annually. The Audit Committee might suggest the auditor to review or audit any transactions deemed necessary and important during an audit.
2. Review to ensure the halving of a suitably efficient internal control and internal audit, jointly with external and internal auditors.
3. Review to ensure that Company performance conforms to the law on securities and stock exchange, Stock Exchange's requirements, or laws related to securities business.
4. Consider, select and nominate for appointment, a Company auditor and propose auditor emolument with regard to credibility, resourcefulness and amount of audit works of such auditing firm, including the experience of the person designated for auditing.
5. To disengage auditor who fails to accomplish to tasks.
6. To recruit and nominate the internal auditor who will conduct audit as assigned; to have the power to disengage the internal auditor who fails to accomplish the tasks.
7. Consider the Company's disclosure in the event of party-related transactions or those potentially with conflicts of interests to ensure accuracy and completeness and consider approving such transactions for further proposing to the Board's and/or shareholders' meeting.
8. Carry out anything else as designated by the Board of Directors and agreed to by the Audit Committee, such as review of financial management and risk management, review of adherence by executives to the Code of Conduct, joint review with the management of important reports legally required to be presented to the public such as executive reports and analysis, etc.
9. Produce and disclose an Audit Committee activity report in the Company's annual report, which is signed by the Chairman of Audit Committee and should consist of the following particulars:
  - 9.1 Opinion toward the accuracy, completeness and reliability of the production process and disclosure of financial reports.
  - 9.2 Opinion toward the adequacy of the internal control.
  - 9.3 Decent reason justifying the appointment of the auditor for another term.

- 9.4 Opinion toward compliance with the law on securities and stock exchange, Stock Exchange requirements, and laws related to Company business.
10. Any other reports that in its opinion should be known by the shareholders and general investors, under the scope of duties and responsibilities assigned by the Board of Directors.
  11. Report the Audit Committee's performance to the Board of Directors at least 4 times a year.
  12. Arrange a meeting between the Audit Committee and the external auditor at least 4 times a year.
  13. Arrange a meeting to assess the adequacy of the internal control system once a year.
  14. Review the charter of Audit Committee and Internal Audit Charter at least once a year and consider making amendment to the issues deemed necessary and appropriate.
  15. Receiving complaints about dishonesty, or corruption or manipulation of financial statement, and participate in investigation of the facts as assigned by the Board of Directors.
  16. There shall be an evaluation of the performance of Board of Directors and Subcommittees.
  17. Supervising the independence and integrity of internal audit operation and considering approving internal audit plan.

**Quorum of the meeting of the board of Audit Committee to pass a resolution**

The policy of the company is that the resolution of the board of Audit Committee is required to be passed by the meeting of the board of Audit Committee attended by at least two-thirds of the total directors.

**5.3.2 The Recruitment and Compensation Committee**

**Roles, Duties and Responsibilities of the Recruitment and Compensation Committee**

1. Review and establish qualification and recruit individuals for the positions of
  - 1.1 company director and submit to the Board for appointment consideration at the General Shareholders' Meeting
  - 1.2 executive committee member and submit to the Board for appointment consideration
2. Establish criteria for compensation to directors, managing director, and submit to the Board for approval consideration at the General Shareholders' Meeting
3. Review the structure and composition of the Board of Directors, monitor the tenure of the Board of Directors, the CEO and the Executive Committee, and monitor the succession plan for senior executives (from the Assistant Managing Director level)
4. To recruit and select the persons to become the directors and President and Chief Executive Officer at the expiry of the term or when there is any vacancy or the other executive post assigned by the board of directors.
5. To provide recommendation on method to evaluate the performance of the directors and the board of directors to the board of directors.
6. To review and suggest any correction to scope, duty and responsibility of the recruitment committee in compliance with the conditions.
7. Making the report of the activities of the Recruitment and Compensation Committee expressly in (Form 56-1 One Report) of the company. Such report was affixed with signature of the Chairman of the Recruitment and Compensation Committee.
8. Other works assigned by the board of directors.

**Quorum of the meeting of the board of The Recruitment and Compensation Committee to pass a resolution**

The policy of the company is that the resolution of the board of The Recruitment and Compensation Committee is required to be passed by the meeting of the board of The Recruitment and Compensation Committee attended by at least two-thirds of the total directors.

### **5.3.3 Risk management committee**

The Board of Directors has made the appointment of a new set of risk management Committee in accordance with the Board of Directors meeting date January 27, 2023 policy risk management in the administration of the company, in accordance with management policies and corporate strategies, including assessment of the risks that may arise, to report to the Board of Directors.

In risk management, the Board of Directors has monitored and acknowledged the risk management plan of the Company from the management's report in reporting the performance of the Board of Directors every time and acknowledges from the report of the Risk Management Committee which the company has determined and assessed the risks of the business. There is determination of measures to protect and risk management system which is effective, covering the entire organization.

Risk Management Committee considers and appoints Risk Management Subcommittee having Dr. Narong Thasnanipan, Chairman of the Subcommittee. He is the person in the highest rank responsible for operation level in risk inspection, evaluation and risk management. Mr. Akkarat Keawlawing is the Secretary of Risk Management Subcommittee who will be responsible for operation level in tracking and reviewing the risk management process, to present to Risk Management Subcommittee for correcting and improving the risk management and presenting to Risk Management Committee.

#### **Roles, Duties and Responsibilities of the risk management committee**

1. Considering and giving opinion to draft of policy and framework of risk management, as well as defining the risk appetite level and risk tolerance of the company, before offering to the board of directors to consider for giving comment and approval.
2. Acknowledging, considering and giving approval relating to risk assessment result, guidelines and measures for risk management, as well as work operation plan to manage the remaining risk, to be sure that the company has sufficient and suitable risk management.
3. Taking care and supporting the risk management of the company to achieve success according to the defined objectives and target, as well as recommending the method to prevent and method of reducing risk level, so that the risk is in the acceptable level, follow the action plan to reduce risk continuously and appropriate for business operation condition, to ensure that the risk is managed sufficiently and appropriately.
4. Taking care and supporting so that there is re-examining and reviewing policy and framework of risk management for at least one time per year to ensure that the applied policy and framework of risk management is still consistent and appropriate to the business operation condition in the overview of the company.
5. Communicate and exchange information and coordinate relating to risk and internal control with Audit Committee.
6. Report of duty result of risk management committee to Audit Committee and Board of Directors for acknowledgement continuously.
7. Giving opinion and recommendation, in case the company has necessity to hire third parties to help work in some part that the company does not have enough personnel and/or not enough specific knowledge and specialty to do duty to achieve the specified plan. However, such have above hiring must be temporary hiring only.
8. Making the report of the activities of Risk Management Committee expressly in (Form 56-1 One Report) of the company. Such report was affixed with signature of the Chairman of Risk Management Committee.

#### **Quorum of the meeting of the board of the risk management committee to pass a resolution**

The policy of the company is that the resolution of the board of the risk management committee is required to be passed by the meeting of the board of the risk management committee attended by at least two-thirds of the total directors.

#### **5.3.4 Corporate Governance and Sustainability Committee**

The Board of Directors has appointed the Corporate Governance and Sustainability Committee to assist in overseeing the establishment of good corporate governance in accordance with the principles of corporate governance and the Company's sustainable development work to ensure that the Company's business policies and strategies are implemented. Integrate corporate governance frameworks and guidelines, as well as sustainability issues and have clear operational guidelines that can govern the company in accordance with the corporate governance framework and deliver sustainable value to shareholders and all stakeholders.

In addition, Corporate Governance and Sustainability Committee considers and appoints Corporate Governance and Sustainability Sub-committee, having Dr. Nuttapan Thasnanipan to be Chairman of the Subcommittee and appoint employees of the company to be the work team to collect information of Corporate Governance and Sustainability to make information presenting to Corporate Governance Subcommittee and presenting to Corporate Governance and Sustainability Committee.

##### **Roles, Duties and Responsibilities of the Corporate Governance and Sustainability Committee**

1. Consider and define the guideline and suggest the policy, strategy, frame of work, including defining the target to be a company having good corporate governance and sustainable development, ethics and business code of conduct, as well as policy/measure to resist dishonesty or corruption to the Board of Directors and the Management to determine rules for procedures of standard organization to be correct guidelines, to comply with the objective of being organization that aims to build confidence and sustainability to stakeholders in every group.
2. Preparing a manual for good Corporate Governance of the company and preparing a manual of business ethics and work practices and present it to the Executive Board, or the company directors to approve and bring to practice.
3. Supervising compliance with good Corporate Governance Manual of the Company and Business Ethics and the Work Code of Conduct Manual strictly and continuously.
4. Supervising giving advice, review on the work operation in corporate governance and sustainable development, bringing to practice, creating participation, in doing various projects under the framework of corporate governance and sustainable development with related agencies, both internal and external to international standards.
5. Provide consultation, promote and support regarding resources and personnel, publicize strategy and culture of corporate governance and sustainable development, to be understood by executives and employees in all levels and to have practical result throughout the organization and affiliated companies to be consistent in the same direction.
6. Supporting and giving advice to the company, to receive assessment or rating of corporate governance, in order to develop and raise the standard of corporate governance of the company continuously.
7. Summarizing the operation result consisting of management data regarding corporate governance and sustainable development, to Executive Board or Board of Directors of the company once a year.
8. Consider and review, or improve the charter of Corporate Governance and Sustainability Committee at least once a year and present to Board of Directors of the company for consideration and approving.
9. Making the report of the activities of Corporate Governance and Sustainability Committee expressly in (Form 56-1 One Report) of the company. Such report was affixed with signature of the Chairman of Corporate Governance and Sustainability Committee.
10. Appointing Corporate Governance and Sustainability Subcommittee as appropriate.

**Quorum of the meeting of the board of the Corporate Governance and Sustainability Committee to pass a resolution**

The policy of the company is that the resolution of the board of Corporate Governance and Sustainability Committee is required to be passed by the meeting of the board of directors attended by at least two-thirds of the total directors.

**5.4 Company Secretary**

**Duties of the company secretary**

1. To advise the directors on legal matters, related rules and regulations.
2. To ensure that the company complies with the law, articles of association, regulations and good governance practice.
3. To hold meetings as required by law and articles of association; to make and keep director registration, invitations to Board Meetings, annual reports, invitations to shareholders meetings and minutes of shareholders meetings; to ensure compliance with the resolutions of Board Meetings and Shareholders Meetings.
4. To ensure disclosure of information to regulatory agencies.
5. To contact and communicate with shareholders and regulatory agencies concerned.
6. To provide information on training courses for directors for the benefit of their duty performance.
7. To perform other duties assigned by the Board of Directors.

**Ensuring compliance with and revision**

The company Board shall supervise for the director's, executives' and staff's compliances with the good practices specified in the corporate governance handbook for continuous operations control quality upgrading and development to ensure stability and sustenance of the entity, shareholders and stakeholders for all.

The Board of Director and Corporate Governance and Sustainability Committee the manual of "Corporate Governance Principles Policy" will be reviewed annually.



## Sources/ References

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3. The Securities and Exchange Commission ACT(No.4)B.E.2008
4. The Securities and Exchange Commission ACT(No.5)B.E.2016
5. The Code of Best Practice for Directors of Listed Companies: The Stock Exchange of Thailand.
6. Report on Corporate Governance : The Stock Exchange of Thailand
7. Director's Handbook : The securities and Exchange commission
8. The Criteria for evaluating the status of corporate governance : The Thai Institute of Directors Association
9. The Roles, Duties and Responsibilities of the Director of Listed Companies : DCP Program : Thai Institute of Directors
10. OECD Principles of Corporate Governance: Organization for Economic Cooperation and Development.

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