

**Corporate Governance**

NSL Foods Public Co., Ltd. (“Company”) realizes the importance of corporate governance in fostering the Company’s operation to be effective with sustainable growth going forward. Effective business operation will benefit everyone, from employees and investors to shareholders and other stakeholders. To this end, the Board of Directors has decided to formulate the Good Corporate Governance Code, covering every component of corporate governance, from management structure, Directors’ responsibilities and duties to the principles of corporate administration that are transparent, clear and accountable. The Code will ensure that the Company’s governance is good and effective, with benefits of shareholders and other stakeholders in mind.

To encourage shareholders and stakeholders’ trust and to promote the Company’s sustainable growth according to the expectations of investors, capital market and the general public, the Company has formulated the Good Corporate Governance Code, based on the Corporate Governance Code by the Office of the Securities and Exchange Commission. The Code shall serve as the guiding principles of the Company.

**Corporate Governance Code and Practices**

The Board of Directors attaches great importance to following the Good Corporate Governance Code, that encompasses all 8 Corporate Governance Practices, as follows;

<b>Practice 1</b>	Role and Responsibilities of the Board
<b>Practice 2</b>	Company’s Objectives and Goals
<b>Practice 3</b>	Promotion of the Board’s Efficiency
<b>Practice 4</b>	Selection and Development of Executives and Human Resource Management
<b>Practice 5</b>	Innovation Promotion and Responsible Business Operation
<b>Practice 6</b>	Fostering Suitable Risk Management and Internal Control Systems
<b>Practice 7</b>	Financial Confidence Preservation and Disclosure of Information
<b>Practice 8</b>	Shareholders’ Communication and Participation Promotion

**Practice 1: Role and Responsibilities of the Board**

● **Practice 1.1**

The Board shall understand the role and realize their responsibilities in being the leaders who will guide the Company towards good governance. This Practice includes;

- (1) Determination of objectives and goals
- (2) Determination of strategies, administrative policies and the allocation of resources towards the fulfillment of the objectives and goals
- (3) Monitoring, evaluation and supervision of performance reporting

● **Practice 1.2**

The Board shall guide the Company towards the governance outcomes that include, but not limited to the following;

- (1) Able to compete and generate satisfactory turnover, while taking into account long-term impact
- (2) Operate with ethics, respect of rights and responsibilities to shareholders and stakeholders in mind
- (3) Contribute to the society and reduce the negative environmental impact
- (4) Able to adapt under the changing circumstances

To this end, the Board shall adhere to the following principles in fostering good corporate governance;

- 1.2.1 The Board shall also consider the ethical, societal and impacts, alongside monetary turnover.
- 1.2.2 The Board shall be a good leadership example of corporate administration that promotes ethical corporate culture.
- 1.2.3 The Board shall formulate the policies for the Directors, executives and employees that codify the principles of exemplary business operation such as business ethics.
- 1.2.4 The Board shall ensure that proper communication between the Directors, executives and employees is established to ensure sufficient mechanisms for the realization, monitoring and regular reviews of aforementioned policies.

● **Practice 1.3**

The Board shall ensure that every Director and executive carry out their duties with care and corporate loyalty, while ensuring that the operation is in accordance with the law, regulations, the Shareholders' Meeting's resolutions, as well as other policies and principles. The Board shall also establish the approval process for all important undertakings such as investments, business transactions that significantly impact the Company, transactions that concern related individuals, acquisition / sale of assets and dividend payment.

● **Practice 1.4**

The Board shall understand their scope of duties and responsibilities, and specify clearly the scope of duties and responsibilities for the President and other persons in management, while following up to ensure that the President and other persons in management fulfil their duties and responsibilities.

1.4.1 The Board shall formulate the Directors' corporate governance charter or code with clearly defined roles and responsibilities as a reference for every Director's performance. The Charter will be regularly reviewed at least once per year, while making sure that the specification of the roles of the Board, President and other persons in management coincides with the Company's direction.

1.4.2 The Board shall understand their scope of duties and authorize, in letters, the persons in management to operate the Company. However, this authorization is not to relieve the Board of their responsibilities as the Board shall continue to monitor the Management to execute their duties. For this purpose, the scope of duties of the Board, President and the Management can be specified, as follows;

Duties whose fulfilment should be ensured

Are duties that the Board has the main responsibility to carry out. The Board may empower the Management to propose these items for approval, including;

- A. Specification of objectives and goals of business operation
- B. Promotion of ethical corporate culture through the Board's exemplary actions
- C. Management of the Board's structure and operation to be in accordance with the objectives and goals of effective business operation
- D. Recruitment, development, income specification and performance monitoring of the President

- E. Specification of salary structure as incentives for employees to fulfill their duties in accordance with the Company's objectives and goals

Duties conducted in conjunction with the Management

Are duties that the Board, President and the Management will jointly consider. The Management shall propose the items for the Board's approval, and the Board will ensure that the overall policy coincides with the objectives and goals of business operation, while assigning the Management to carry out the policy. The Board shall then monitor and ask for regular reports by the Management. These items include;

- A. Specification and review of yearly strategies, objectives and operational plan
- B. Monitoring of the sufficiency and suitability of the risk management and internal control systems
- C. Specification of the scope of operation that is suitable with the Management's responsibilities
- D. Specification of the scope of resource allocation, development and budgets such as the human resource management policy and information technology policy
- E. Monitoring and Evaluation
- F. Monitoring of the disclosure of financial and non-financial informations that are trustworthy

Duties that should not be conducted

Are the duties that the Board shall only be responsible at the policy level, then assign the President and Management to carry out. These items include;

- A. Execution of the approval strategies, policies and operational plan

The Board should let the Management take care of the execution, procurement and employee recruitment as per the scope of policies, while monitoring the actual execution without interfering, except when necessary.

- B. Prohibited activities such as the approval of transactions where the Directors have conflict of interest

**Practice 2: Company's Sustainable Objectives and Goals**

● **Practice 2.1**

The Board shall specify the objectives and goals of the Company with sustainability in mind. The objectives and goals should create values for customers, stakeholders and the society as a whole.

2.1.1 The Board has the responsibility to ensure that the Company has clearly-defined and suitable objectives and goals that could be used as a business model. The Board should communicate the objectives and goals to everyone in the Company to encourage collective action by formulating the Company's vision, values, Practices and purposes or others in the same vein.

2.1.2 In fulfilling the objectives and goals, the Board shall designate a business model that will create values to the Company, stakeholders and the society while considering the following;

- (1) Environment and changes that include the proper utilization of technology
- (2) Customers and stakeholders' demands
- (3) The Company's readiness, expertise and ability to compete
- (4) Objectives of the Company's founding
- (5) The Company's main target groups
- (6) Ability to generate revenue and compete using value proposition
- (7) Long-term survivability of the Company under factors—opportunity and risk—that may impact the Company and stakeholders

2.1.3 The Board shall promote the corporate values that engender good corporate governance such as accountability, integrity, transparency, and due consideration of social and environmental responsibilities.

2.1.4 The Board shall encourage the promotion and communication of the Company's objectives and goals to imbue them in the consideration and operation processes of employees at every level, thereby creating corporate culture.

● **Practice 2.2**

The Board shall ensure that the objectives, goals and medium-term / yearly strategies of the Company coincide with the accomplishment of the Company's objectives and goals by utilizing technology, where appropriate and safe

2.2.1 The Board shall regulate the formulation of yearly strategies and operational plan to be in accordance with the goals and objectives of the Company by considering the contemporary surrounding environments, opportunities and acceptable risks to ensure that the yearly strategies and operational plan take into account the longer-term and foreseeable impacts.

2.2.2 In formulating the yearly strategies and operational plan, the Board shall analyze the surrounding environments and risks that may affect the stakeholders through the value chain, as well as the factor that may affect the fulfilment of Company's objectives. To this end, a mechanism would be set up to grasp the demands of all stakeholders.

(1) Specify the process and channels, through which stakeholders and the Company may communicate in order to create an understanding of the demands of different stakeholder groups

(2) Specify the relevant stakeholders, both inside and outside the Company, including those who are persons, groups of persons and agencies such as employees, investors, customers, communities, government agencies and other relevant agencies.

(3) Specify the points and expectations of stakeholders in order to analyze and prioritize the said points in order of importance and potential impact on the Company and stakeholders. By prioritizing and focusing the stakeholders' points and expectations, joint value creation with all stakeholders may be achieved.

2.2.3 The Board shall specify the goals in accordance with the business environments and Company's capabilities. The specification considers both financial and non-financial goals, while taking into account the possibility that the specification of goals may cause unlawful and unethical conduct.

2.2.4 The Board shall ensure that the objectives and goals are communicated throughout the company by means of strategies and operational plan.

2.2.5 The Board shall regulate the appropriate resource allocation and operation supervision in accordance with the yearly strategies and operational plan, by assigning persons to be in charge of supervision and monitoring.

**Practice 3: Promotion of the Board's Efficiency**

● **Practice 3.1**

The Board has the responsibilities to specify and review the its own structure, in terms of compositions and suitable proportion of independent directors, which would lean the Company towards the specified objectives and goals.

3.1.1 The Board has the duty to manage so that their compositions consist of Directors with various expertise, experiences, capabilities and specific qualities. This is to ensure that the Board, as a whole, has suitable attributes and is able to understand and respond to stakeholders' demands.

3.1.2 The Board shall consider the appropriate number of Directors in order for it to function efficiently, with the mandatory number of Directors of no less than 5.

3.1.3 The Board shall be made up of a suitable proportion of both executive and non-executive Directors, reflecting the proper check and balance mechanism.

A. At least 1 in 3 is a non-executive Director who could independently give opinions on the performance of the Management.

B. The independent Directors' number and qualities coincide with the regulations as laid out by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Steps must also be taken to ensure that the independent Directors are able to work alongside other Directors efficiently and independently.

3.1.4 The Board shall disclose the Board's compositions that are diverse and the Directors' profiles, including age, education, experiences, shareholding proportion, years served as a Director and the positions as Directors in other companies. The information shall be disclosed in both the annual report and the Company's website.

**Practice 3.2**

The Board shall select and appoint the person suitable for the position of the Chairman of the Board. The Board shall ensure that the compositions and practices of the Board promote independent consideration.

3.2.1 The Chairman of the Board is an independent Director

3.2.2 The Chairman of the Board and the President are positions of different capacities. The Board shall clearly define the duties of the Chairman of the Board and the President to avoid an incident where one position holds unlimited authority. The Chairman of the Board and the President will not be the same person.

3.2.3 The Chairman of the Board is the head of the Board, with capacities that include;

- (1) Monitor, follow up and supervise the performance of the Board to be efficient and meet the objectives and goals of the Company
- (2) Ensure that every Director take part in the promotion of ethical corporate culture and good business administration
- (3) Specify the Board of Directors' Meeting's agenda by discussing with the President, and take steps to ensure that matters of importance are in the agenda
- (4) Allocate enough time for the agenda to be proposed by the Management, thoroughly discussed and decided by prudent discretion and independent opinions.
- (5) Promote good working relationship between the executive and non-executive Directors, and between the Board and the Management

3.2.4 The Board shall specify the policies so that the independent Director's tenure lasts no more than 9 consecutive years, starting from the date when the independent Director assumes the position. If the tenure should last more than the specified period, the Board shall consider the tenure's extension based on reasons and necessity.

3.2.5 To ensure that important matters are given prudent consideration, the Board shall appoint a sub-committee to consider the issues concerning a particular matter, scrutinize the information and specify the points to consider before proposing the matter for the Board's consideration.

3.2.6 The Board shall take steps to disclose the roles and responsibilities of the Board and the sub-committee, including the times the meeting convenes, the attendance of the Directors in the past year, and the performance report of each sub-committee.

● **Practice 3.3**

3.3.1 The Board of Directors shall organize a meeting to consider the guidelines and methods for Director's selection in order to ensure that the recruited Director has the suitable attributes, capabilities and experience, before being approved by the Shareholders' Meeting. Additionally, the Company shall inform the shareholders of the necessary details with regards to the person being proposed as a Director.

3.3.2 The Board of Directors shall review the guidelines and methods for Director's selection before seeking a replacement for each outgoing Director. In the case that the same person is being proposed to continue his/her tenure, the Board of Directors shall also consider his/her past performance as a Director.

3.3.3 In the case that the Board of Directors appoints an advisor to assist in the selection and remunerations specification process, the advisor's details, evidence of independence and absence of the conflict of interest have to be included in the annual report.

● **Principle 3.4**

For the process of proposing the Board's remunerations for approval by the shareholders, the Board of Directors shall consider the structure and remunerations to suit the responsibilities and be an incentive for the Board to guide the Company towards the accomplishments of short-term and long-term goals.

3.4.1 The remunerations for each Director have to coincide with the strategies and long-term goals of the Company, his/her experience, accountability and responsibilities, as well as the contributions expected for each Director. The remunerations must be comparable to those of other companies in the sector.

3.4.2 Shareholders shall approve the structure and remunerations of the Directors, both monetary and non-monetary. The Board of Directors shall consider the remunerations as appropriate, including fixed remunerations (e.g., salary and meeting allowance) and remunerations based on the Company's operation (e.g., bonus and pensions). The remunerations must coincide with benefits generated for shareholders and are not so high that the Directors only focus on short-term gains.

3.4.3 The Board shall disclose the policies and guidelines in specifying the remunerations that reflect the roles and responsibilities of each Director, including the form and amount of remunerations. The disclosed remunerations must include other remunerations each Director receive from other affiliated companies.

● **Practice 3.5**

The Board has the duty to ensure that every Director duly assume their responsibilities and duties, as well as allocate enough time for the fulfilment of said responsibilities and duties.

3.5.1 The Board shall ensure that mechanism exists to support each Director in understanding their roles

3.5.2 The Board shall formulate the guidelines concerning the Directors' positions in other companies based on the performance of the Directors who have positions in many companies in order to make sure that each Director has enough time to fulfil their duties to the Company. The Board may specify the numbers and nature of positions in multiple companies each Director may hold concurrently.

3.5.3 The Board shall ask for the reports on each Director's performance in different positions and fully disclose the information.

3.5.4 If a Director has positions as a Director or President in other companies that have conflicting interest with the Company or are prone to abuse the Company's information for own gains, the Board must take steps to ensure that the Company has ample defense mechanism and may report the fact to shareholders, as appropriate.

3.5.5 Each Director must attend no less than half of the total Board of Directors' Meetings organized in a year, except in the cases where absence is necessary.

● **Practice 3.6**

The Board has the duty to ensure that framework and mechanism exists for the regulations and operation of each affiliated company and other companies the Company has stakes in. The regulations have to consider the level of competitiveness for each company, and each affiliated company and other companies that the Company have stakes in must fully understand the regulations.

3.6.1 The Board shall consider the policy for the administration of affiliated companies, as follows;

- (1) Criteria for the appointment of persons to be directors, executives or persons in charge of the affiliated companies; except in the case where the said companies are small-sized and are operating arms of the Company. In this case, the Board may ask the President to appoint persons to assume the positions.
- (2) Scope of duties and responsibilities of the persons as mentioned in (1); the persons shall be monitored by the Company's representatives in accordance with the affiliated companies' policies. If the affiliated companies have other co-investors, the Board shall specify the policies for each representative to follow to ensure the Company's interest.
- (3) Internal control system of the affiliated companies must be appropriate and sufficient, and every business transaction must abide by the law and relevant regulations.
- (4) The financial details, performance, transactions with related persons, the acquisition and sale of assets, other important transactions, the increase and decrease of capitals and the closure of affiliated companies must be fully disclosed.

3.6.2 In the case where the Company's investment in other businesses is significant. For instance, the investment amounts to 20% - 50% of total voting shares, and the amount of investment money or the possibility of more investments have significant impact to the Company, the Board shall ensure that the Shareholders' Agreement or other agreements are made to clarify the scope of power in managing or participating in making important decisions and monitoring the performance. This is to ensure that there is enough information for the formulation of financial budgets in accordance with standards and within the specified timeframe.

● **Practice 3.7**

The Board shall evaluate their performance as a whole as well as evaluate the performance of each Director at least once per year in order to review the performance and problems of each year, so that the evaluation result could be used for the improvement and adjustments of the Board's operation in different respects.

● **Practice 3.8**

The Board shall ensure that the Board and its Directors understand their roles, manners of business operation and relevant laws regarding business operation, while promoting every Director to enhance their skills and knowledge concerning the fulfilment of their duties as Directors.

3.8.1 The Board shall ensure that the newly-promoted Director is advised and given information useful for the fulfilment of the duties, including the understandings of the Company's objectives, goals, vision, mission, values, business type and business operation practices.

3.8.2 The Board shall ensure that each Director receives regular trainings and knowledge enhancement activities.

3.8.3 The Board shall seek full understandings of the law, regulations, standards, risks, business environments and shall receive regular briefings on current situations and information.

3.8.4 The Board shall disclose the details of the trainings and knowledge enhancement activities taken by the Board every year.

● **Practice 3.9**

The Board shall make certain that they can operate in an orderly manner; the Board could access necessary details and has a competent Company Secretary who has the knowledge and experience necessary to support the Board's operation.

3.9.1 The Board shall plan meetings and specify the meeting agenda in advance, so that every director could plan ahead and attend the meetings.

3.9.2 The number of meetings should coincide with the roles and responsibilities of the Board and the manner of operation of the Company, with the minimum number of meetings of 4 times per year.

3.9.3 The Board shall ensure that each Director is free to independently propose an agenda that may be beneficial for the Company

3.9.4 The meeting documents have to be sent to each Director no less than 7 days in advance; except in cases of urgency, where meetings could be organized on shorter notice to preserve the interest of the Company.

3.9.5 The Board shall support the President in inviting high-level executives to attend the Board of Directors' Meeting in order to provide details relating to the issues in question, and to familiarize both parties with each other with a view to smoothen future succession plans.

3.9.6 The Board may access additional information via the President, Company Secretary or other assigned executives. The information has to be within the pre-designated scope of policies, and in some cases, the Board may request consultation with outside professionals at the Company's expense.

3.9.7 The Board may assign non-executive Directors to discuss among themselves in order to discuss any issues of interest without the involvement of the Management; the Board must be subsequently informed of the result of the discussion.

3.9.8 The attributes and experiences required for the Company Secretary position shall be determined by the Board. The required qualities should include the abilities to give legal and regulatory advices, manage the Board's meeting documents, other important documents, organize the Board's activities and coordinate with others to ensure the implementation of the Board's decision.

3.9.9 The Company Secretary shall undergo regular trainings and knowledge enhancement to improve the skills in fulfilling his/her duty. The Company Secretary shall also take part in the certified programmes, if one occur.

**Practice 4: Selection and Development of Executives and Human Resource Management**

● **Practice 4.1**

The Board shall ensure that the selection and development of the President and high-level executives who have the knowledge, skills, experiences and other attributes necessary to drive the Company forward.

4.1.1 The Board shall consider or assign the selection and remunerations committee to consider the guidelines and methods used in finding the persons suitable for the position of the President.

4.1.2 The Board shall ensure that the President takes steps to make certain that high-level executives possess the suitable qualities by specifying the guidelines and methods in selecting and appointing the proposed persons as high-level executives.

4.1.3 To ensure smooth operation of business, the Board shall make sure that succession plan exists in order to prepare for the retirement and succession of persons in the position of President and high-level executives.

4.1.4 The Board shall encourage the President and high-level executives to undergo trainings and development in order to gather more knowledge and obtain useful experiences.

● **Practice 4.2**

The Board shall ensure that the remunerations structure and evaluation are reasonable.

4.2.1 The Board, if requested by the President, shall specify the appropriate remuneration structure and evaluation process

4.2.2 The Board, if requested by the executive committee, shall specify the appropriate remuneration structure in order to persuade the employees at every level to operate according to the Company's objectives, goals and long-term interest.

4.2.3 The Board shall consider and approve the guidelines and factors to be used in performance evaluation, as well as give approval to the remuneration structure for high-level executives and monitor the evaluation process of high-level executives by the President to be consistent with the mentioned guidelines and factors.

- **Practice 4.3**

The Board shall understand the structure and connection of shareholders which could impact the operation and the scope of operation of the Company.

4.3.1 The Board shall understand the structure and connection of shareholders, shareholders' agreement and other policies issued by the parent company that affect the Company's management power.

4.3.2 The Board shall ensure that the agreement as per 4.3.1 does not obstruct the Board's operation, for example, the succession plan.

4.3.3 The Board shall ensure the disclosure of every information concerning the Company's administration.

- **Practice 4.4**

The Board shall monitor the personnel management and human resources development to make sure that the employees possess the suitable knowledge, skills, experiences and incentives.

4.4.1 The Board shall ensure that the Company's human resource management coincides with the Company's direction and strategies, that every employee has the suitable knowledge, skills, and experiences, and receive fair treatments in order to preserve the services of skilled employees.

4.4.2 The Board shall establish the provident fund or other mechanisms to ensure that the employees have enough savings for retirement, and encourage the employee's understandings in financial management, selection of proper investment plans for each age group, as well as the risks.

**Practice 5: Responsible Business Operation**

- **Practice 5.1**

The Board emphasizes and supports responsible business operation, where revenue is generated, and customers' benefits ensured, while being environmentally and socially responsible.

5.1.1 The Board shall emphasize the creation of corporate culture and make it a factor influencing the review of strategies, performance enhancement planning and monitoring.

5.1.2 The Board shall support the Company's value creation under everchanging circumstances. These values may include the specification of business model, mindset and perspectives used in researching and developing better products, services, production process, work process and fostering partnerships.

It is worth noting that the aforementioned undertakings should proceed with the benefits of customers, partners, society and environment in mind, and without galvanizing inappropriate behaviours, unlawful or unethical activities.

- **Practice 5.2**

The Board shall take steps to ensure that the business operation is environmentally and socially responsibly conducted. The operational plan should reflect these responsible practices, making sure that every division in the Company conducts their work according to the objectives, goals and strategies of the Company.

5.2.1 The Board shall set up a mechanism to ensure that the Company conducts business ethically and socially and environmentally responsibly, without violating any stakeholders' rights. This mechanism shall serve as guidelines for every division to follow in achieving the objectives and goals in a sustainable manner. The Business Ethics Code should comprise the following;

- (1) Responsibility towards employees and workers all conducts must be lawful and coincide with the relevant standards and respect of work ethics and human rights. This includes the fair remunerations and other benefits, providing welfare that is not below what the law indicates or higher if appropriate, ensuring the health and safety during work, training, enhancing skills and promoting upward mobility in the Company, as well as giving employees the opportunities to develop skills in areas other than their own works.
- (2) Responsibility towards customers all conducts must be lawful and coincide with the relevant standards, taking into account the health, safety, fairness, nondisclosure of customers' information, after sales services throughout the life of products and services, following up on customers' satisfaction to better develop the products and services, as well as responsible advertisements that are not misleading or taking advantage of customers' misconception.
- (3) Responsibility towards partners the procurement process and clauses in the agreements must be fair. The Company shall also help develop the skills, capabilities and production capacities of their partners, while ensuring that the partners respect human rights and fair labor practices for their workers. The Company shall encourage the partners to be socially and environmentally responsible; this may include monitoring and evaluation of partners to ensure sustainable business partnerships in the long term.
- (4) Responsibility towards communities the Company shall utilize its knowledge and business experiences in undertaking projects that may tangibly benefit the communities, including the monitoring and evaluation of progress and success in the long term.
- (5) Environmental Responsibility the Company shall prevent, reduce and manage to ensure that negative environmental impacts are avoided; this includes the selection of raw materials,

energy and water consumption, usage of renewable resources, waste management and emission of greenhouse gases.

(6) Fair competition All business conducts must be transparent and do not create unfair business advantages.

(7) Anti-corruption All conducts must be lawful and coincide with the relevant standards. The Company must also have an anti-corruption policy that is transparent to the public. This may include joining anti-corruption networks and supporting other companies to have similar anti-corruption policy.

● **Practice 5.3**

The Board shall supervise the effective allocation of resources for the Management, so that business conducts are effective, being able to achieve the objectives and goals sustainably.

5.3.1 The Board shall realize the needs of particular resources, and that the utilization of different resources yield different impacts.

5.3.2 The Board shall realize that different business models generate different impacts on resources. Thus, the selection of business models should take into account the impacts on resources and resource efficiency, while still ensuring that business conducts are ethical, responsible and creating values for the Company sustainably.

The resources that the Company should keep in mind comprise 4 types of resources, including Financial Capital, Human Capital, Social and Relationship Capital, and Natural Capital.

● **Practice 5.4**

The Board shall ensure that proper regulatory frameworks are established to management corporate information technology, in accordance with the Company's demands and the utilization of technology in creating new business opportunities, operation enhancements and risk management, with a view to achieve the Company's goals and objectives.

5.4.1 The Board shall set up policies with regards to the allocation of technological resources that comprise sufficient resource allocation for business operation and the contingency plan for when enough resource could not be allocated.

5.4.2 The Board shall ensure that the Company's risk management includes information risk management.

5.4.3 The Board shall set up policies and standards that concern information security.

Therefore, the regulatory framework for corporate information technology management should ensure;

- (1) That the Company abides by the law, regulations and standards relevant to the utilization of technology.
- (2) That the Company has a security system in place to ensure confidentiality, integrity and availability of technology, as well as to prevent the exploitation of information and unauthorized modification of information.
- (3) That the Company takes into account the risks inherent to information technology and has a plan to manage the risks such as the business continuity management, incident management and asset management.
- (4) That the Company properly considers the technological resource allocation, including the specification of guidelines and factors indicating the importance of information technology plan such as its suitability with strategies, impact on business operation, utilization urgency, funding and technology human resources and its suitability with the business model.

**Practice 6: Fostering Suitable Risk Management and Internal Control Systems**

● **Practice 6.1**

The Board shall ensure that the Company has adequate risk management and internal control systems to achieve the Company's objectives, while all practices are lawful and up to relevant standards.

6.1.1 The Board shall understand the important risks involving the Company, and seek to limit the risks at an acceptable level.

6.1.2 The Board shall consider and approve the risk management policies that coincide with the objectives, goals, strategies and acceptable risk level to serve as guidelines for the risk management process of everyone in the Company. The Board shall be aware of any warning signs and ensure that the risk management policies are reviewed regularly.

6.1.3 The Board shall ensure that the Company specifies the outstanding risks by considering both the internal and external factors that may force the Company to miss its objectives.

To this end, the main risks that the Board shall emphasize are: Strategic Risk, Operational Risk, Financial Risk and Compliance Risk, for instance.

6.1.4 The Board shall make sure that the Company evaluates the risks and the chance that they may occur in order to specify each risk's policy priority and lay out the appropriate policies to tackle it.

- 6.1.5 The Board may assign the Executive Committee to do preliminary assessments concerning the matters laid out in 6.1.1 – 6.1.4 before submitting the matters for the Board's approval.
- 6.1.6 The Board shall regularly monitor and evaluate the Company's risk management efficiency.
- 6.1.7 The Board has a duty to confirm that the undertakings of the Company are lawful and coinciding with the relevant standards, both domestic and international.
- 6.1.8 In the case the Company has affiliated companies or other companies in which it has significant investments (e.g., having from 20 to 50 percent of voting shares), the Board shall include the assessment of those companies' internal control and risk management systems in the consideration process, as laid out in 6.1.1 – 6.1.7.

- **Practice 6.2**

The Board shall set up the Audit Committee that could function efficiently and independently.

- 6.2.1 The Board shall set up the Audit Committee, consisting of at least 3 Directors, all of which are independent and possess the attributes and duties as described by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 6.2.2 The Board shall, in writing, specify the duties of the Audit Committee, which must include, at the least, the duties as described in the Audit Committee's charter.
- 6.2.3 The Board shall ensure that there are mechanisms / tools that allow the Audit Committee can gain access to the information necessary to carry out their works. For example, the Audit Committee may have the power to be briefed by relevant employees, discuss with the auditor of the Company's accounts or seek advice from independent advisors from various professional backgrounds.
- 6.2.4 The Board shall appoint persons or agencies as internal auditors that are independent and responsible for the development and review of the risk management and internal control systems' efficiency. They must then report the findings to the Audit Committee and add them to the annual report.
- 6.2.5 The Audit Committee shall give opinions regarding whether the current risk management and internal control systems are sufficient, and add their opinions to the annual report.

- **Practice 6.3**

The Board shall monitor and manage the potential conflict of interest between the Company, the Board's Management and shareholders, as well as prevent the exploitation of the Company's assets, information, business opportunities and other transactions that concern other individuals connected to the Company.

6.3.1 The Board shall establish the information protection system that includes the policies and practices in ensuring the information's confidentiality, integrity, availability and the management of market sensitive information. Additionally, the Board shall ensure that the Directors, high-level executives, employees and other individuals connected to the Company such as legal advisors and financial advisors follow the information protection system's policies.

6.3.2 The Board shall monitor and manage potential issues that could cause conflict of interest, while ensuring that there are guidelines and practices to make sure that such issues proceed according to appropriate steps and with full information disclosure as required by the law, appropriate to the Company and its shareholders' interest, and without the involvement of direct stakeholders.

6.3.3 The Board shall instruct its Directors to declare their status as potential stakeholders before considering the agenda during the Board's meeting, and such declarations shall be included in the Meeting's report. The Board shall ensure that the Director(s) who holds significant stakes in the matters that they restrain him from having independent opinions to not be included in the consideration of the agenda in question.

- **Practice 6.4**

The Board shall formulate policies and guidelines that discourage corruption and encourage communication between the employees at every level and with others outside the Company. The policies and guidelines shall also promote the activities that guarantee that every employee follows the law and relevant regulations.

- **Practice 6.5**

The Board shall ensure that the Company has channels to receive complaints and act accordingly.

6.5.1 The Board shall ensure that there are mechanisms to process the complaints from stakeholders, that complaints could be made easily, as well as describe the channels to receive complaints on the website or in the annual report.

6.5.2 The Board shall make sure that there are clear policies to follow through when complaints are received. There may be channels to forward the complaints to the Chair of Audit Committee, as well as to monitor the information gathering and other relevant processes, then report them to the Board.

6.5.3 The Board shall set up appropriate measures and standards to protect those who make complaints with genuine intentions.

**Practice 7: Financial Confidence Preservation and Disclosure of Information**

● **Practice 7.1**

The Board is responsible for the annual financial report formulation and disclosure of information systems. The Board shall also ensure that the systems are correct, sufficient, timely and are according to the relevant regulations, standards and practices.

7.1.1 The Board shall make sure that every person involved in the formulation and disclosure processes has the knowledge, skills, and experiences that fit the duties' requirements and that the number of persons involved are sufficient. Such persons include the executive of the accounting and finance division, accountants, auditors, Company Secretary and the investors' relations officers.

7.1.2 In the process of approval for the disclosure, the Board shall consider all the relevant factors. When the disclosure concerns the financial report, the Board shall also consider the following;

- (1) Internal Control System's Sufficiency Report
- (2) Auditors' Opinions in the Financial Report; including the observations concerning the internal control system and other opinions from auditors that are communicated via other means (if any)
- (3) Opinions of the Audit Committee
- (4) Coherence with the Company's Objectives, Goals, Strategies and Policies

7.1.3 The Board shall ensure that the disclosure, including the financial report and annual report (Form 56-1), sufficiently reflects the financial status and performance report. The Board shall encourage the Company to make the Management Discussion and Analysis (MD&A), alongside every quarterly financial budget disclosure. This is to inform the investors of the changes concerning the financial status and business operations, beside the statistics in the budget.

7.1.4 In the case that the disclosure specifically concerns any particular Director, he/she will ensure that the disclosure that concerns him/her is complete, including his/her or his/her group's shareholding data and other information that is related to the Shareholders' Agreement made by him/her or his/her group.

● **Practice 7.2**

The Board shall follow up whether the Company's liquidity and ability to pay off debts are sufficient.

7.2.1 The Board shall ensure that the Management monitors and evaluates the financial stance of the Company, and regularly reports the findings. The Board and Management shall jointly find swift solutions if there are problems concerning the Company's liquidity and ability to pay off debts.

7.2.2 In submitting any transactions or propositions of any issues for the Shareholders' Meeting's approval, the Board shall ensure that such transactions / propositions will not impact the Company's business operation continuity, liquidity or the ability to pay off debts.

● **Practice 7.3**

If the Company encounters or has the chance to encounter financial difficulties, the Board shall make sure that are plans to manage the problems as well as other mechanisms that could solve the financial difficulties while taking into account the rights of all stakeholders.

7.3.1 If the Company is likely to not be able to pay off debts or encounter financial difficulties, the Board shall follow the issues closely and make sure that the Company makes prudent business decisions, while following the regulations concerning information disclosure.

7.3.2 The Board shall ensure that the Company formulates a plan to tackle financial difficulties, while taking into account the fairness towards all stakeholders, including the creditors. The Board shall also monitor the problem resolution progress and asks the Management to give regular reports.

7.3.3 The Board shall make certain that every decision concerning the resolution of the Company's financial difficulties is made rationally.

● **Practice 7.4**

The Board shall formulate the sustainability report, as appropriate.

7.4.1 The Board shall consider the appropriateness whether to disclose the information regarding its legal compliance, ethical compliance, anti-corruption policies, treatments of employees and stakeholders, practices that highlight fair treatments and respect of human rights, as well as social and environmental responsibilities, while keeping in mind that the scope of the report must be domestically and internationally accepted. The information disclosed may be included in the annual report or put together separately, if appropriate.

7.4.2 The Board shall make sure that the disclosed information is important and reflects the practices that will create sustainable values for the Company.

● **Practice 7.5**

The Board shall make sure that the Management sets up an agency or assigns persons to be responsible for investors' relations. The duty includes the communication with investors and other stakeholders such as investors and analysts, while ensuring that the interactions are appropriate, fair and timely.

7.5.1 The Board shall establish the Communication Policy and Disclosure Policy to make sure that the communication and disclosure of information to outside persons are appropriate, fair, timely and done through proper channels in order to prevent the unintentional disclosure of secret information or other information that may affect the price of securities, as well as to prevent misunderstandings inside the Company regarding how to comply with such policies.

7.5.2 The Board shall assign persons to be responsible for external relations. The persons must possess the compatibilities required in fulfilling their duties, understand the Company's business, values, objectives and are able to communicate well in the capital market.

7.5.3 The Board shall make sure that the Management specifies the direction and supports the tasks concerning investors' relations such as formulating the practices in disclosing information, internal information usage policy, roles and responsibilities of investors' relations, and ensuring that the communication and disclosure are done effectively.

● **Practice 7.6**

The Board shall support the utilization of information technology in information disclosure

7.6.1 Beside the disclosure of information as stipulated by the Stock Exchange of Thailand, the Board shall regularly consider other disclosures of up-to-date information, both in Thai and English, via other channels such as the Company's website.

Thus, the Company shall disclose, at the least, the following information on its website:

(1) Company's Vision and Values

(2) Company's Business Operation Characteristics

(3) Names of Directors and Executives

(4) Financial Budget and Reports concerning financial status and performance reports of the current and previous years

(5) Downloadable Annual Report and Form 56-1 Report

- (6) Information and Other Documents offered to analysts, fund managers and the press
- (7) Shareholding Structure, both direct and indirect
- (8) Management Structure of the Company's Group, including affiliated companies, associates, joint ventures and special purpose enterprises / vehicles (SPEs/SPVs)
- (9) Group of Major Shareholders, both direct and indirect (possessing more than 5 percent of the distributed shares and are eligible to vote)
- (10) Shares held directly and indirectly by Directors, Major Shareholders and High-Level Executives
- (11) Notice of the General and Extraordinary Shareholders' Meetings
- (12) Regulations of the Company / Memorandum of Association (MOA)
- (13) Corporate Governance / Anti-Corruption Policy / Information Technology Security Policy / Risk Management Policy
- (14) Charter or Responsibilities, Attributes and Term of the Board of Directors, including other matters that need the Board's approval / Charter, Responsibilities, Attributes, and Term of the Audit Committee
- (15) Business Ethics
- (16) Contact Details of the Company or for Complaints, or persons responsible for investors' relations, Company Secretary (including the email / telephone number of the individuals who can provide such information)

**Practice 8: Shareholders' Communication and Participation Promotion**

● **Practice 8.1**

The Board shall ensure that shareholders participate in considering the Company's important matters

8.1.1 The Board shall ensure that important matters, issues as stipulated by the law, and issues that may affect the Company's direction pass the consideration / approval of shareholders. Such important issues shall be included in the Shareholders' Meeting's agenda.

8.1.2 The Board shall promote the participation of shareholders, including;

- (1) Setting up the regulations that allow minor shareholders to propose the additions to the Meeting's agenda before the date of meeting. The Board shall then consider the addition

requests. If the request is denied, the Board must explain the reasons during the Shareholders' Meeting.

- (2) Setting up the regulations that allow minor shareholders to propose the candidates for the positions of Director.

The Board shall ensure that the regulations are explained to the shareholders in advance.

- 8.1.3 The Board shall make sure that the Shareholders' Meeting's notice includes correct, complete and sufficient information for each shareholder to participate
- 8.1.4 The Board shall ensure that the Meeting's notice and relevant documents are made available on the Company's website at least 7 days before the meeting date.
- 8.1.5 The Board shall allow every shareholder to submit questions before the meeting date. The regulations regarding the submission of questions shall be formulated and made accessible on the Company's website.
- 8.1.6 The Shareholders' Meetings' notice and relevant documents will be made available in English in their entirety, alongside the Thai-language version.

The notice shall include;

- (1) Time, date and venue of the meeting
- (2) Agenda; with elaborations whether an agenda is for information or for approval, and the segmentations of the agenda into clear separate issues, with the agenda concerning the Directors, election of Directors and the approval of Directors' remunerations being segmented separately
- (3) Objectives, reasons and Directors' opinions for each agenda, including;
  - A. Agenda on dividend payments – policy on dividend payment, proposed dividend yields including the reasons and accompanying information; reasons and accompanying information must be elaborated if proposing to halt dividend payment
  - B. Agenda on appointment of Directors – Candidate's names, age, academic and professional experiences, number of positions held in different companies simultaneously, methods of selection, type of directorial positions proposed, and if the same Director is nominated, information on his/her attendance in the past year's Board meetings and the date when he/she was appointed as Director have to be included.

- C. Agenda on Directors' remunerations – policy and guidelines on the specification of Directors' remunerations and details on every type of remunerations received by the Directors, both monetary and non-monetary
- D. Agenda on the Appointment of Auditor – Auditor's name, parent company, professional experience, independence, audit and other services fee

(4) Proxy Form, as specified by the Ministry of Commerce

(5) Other information concerning the Meeting such as the voting procedures, vote counting and reporting, rights to vote for different type of shares, details on the independent committee who the Company proposes as the shareholders' proxy, the documents that shareholders need to declare before joining the Meeting, map of the venue, procedures on proxy form submission etc.

● **Practice 8.2**

The Board shall ensure that the Meeting procedures proceed in an orderly manner, transparent and conducive to shareholders' participation.

8.2.1 The Board shall indicate the date, time and venue of the Meeting by considering the shareholders' convenience such as the meeting time is sufficient for debates, and the venue is easily accessible.

8.2.2 The Board shall make sure that there are no obstacles preventing the shareholders from attending. For instance, each shareholder's proxy is not required to present any documents exceeding those specified by the relevant authority.

8.2.3 The Board shall promote the use of technology in holding the meeting to make the registration process, vote counting and reporting, and the meeting's proceedings able to proceed correctly and conveniently.

8.2.4 The Chariman of the Board shall chair the Shareholders' Meeting. He/she has the duties to ensure that the meeting's proceeding is lawful and in accordance with the relevant regulations, allocate sufficient time for every agenda, and open the floor for shareholders' comments and questions concerning the Company.

8.2.5 To enable shareholders to participate in important decision-making, the Directors shall not encourage the addition of agenda that has not been informed to the shareholders in advance, especially if the agenda is important and takes time to thoroughly consider.

8.2.6 Every Director and executive shall be encouraged to attend the Meeting to enable the shareholders to question each person on any relevant issues.

8.2.7 Before the Meeting, the Company shall inform the shareholders of the number and proportion of shareholders who attend the meetings, either in person or via proxy, the Meeting procedures, as well as the vote counting and reporting procedures.

8.2.8 In case of long agenda, the Meeting's chair shall arrange for separate votings for each agenda item. For instance, shareholders may be allowed to consider the appointment of each Director separately.

8.2.9 The Board shall encourage the use of ballots in case of important agenda items. Independent persons shall be encouraged to count and examine the votes during the meeting, and then report the vote counts in details. The vote counts shall be informed to the Meeting and added to the Meeting report.

● **Practice 8.3**

The Board shall make certain that the Meeting's resolutions are disclosed, and the formulation of the Meeting report is done fully and correctly.

8.3.1 The Board shall make certain that the Meeting's resolutions are disclosed alongside the vote counts within the next working day, through the news channel of the Stock Exchange of Thailand and on the Company's website.

8.3.2 The Board shall send a copy of the Meeting report to the Stock Exchange of Thailand within 14 days after the meeting date.

8.3.3 The Board shall ensure that the Meeting report includes the following information;

(1) The names of Directors and Executives who attended the Meeting, as well as the number / proportion of the attending and non-attending Directors.

(2) The voting and vote counting procedures, Meeting's resolutions and vote results in details (in favor / not in favor / abstaining) of each agenda item

(3) Questions and answers during the Meeting, including the names of the persons asking and answering questions

## **Code of Conduct**

To comply with the corporate governance policy, the Company has formulated the Code of Conduct for the executives and employees to abide by and follow, alongside the regulations of the Company. This is to promote transparency, clarity and fairness of the Company's administration and undertakings in order to preserve the dignity, trustworthiness and credibility of the Company among the customers and the general public. The Code of Conduct is as follows;

### **1. Business Ethical Code**

The Company shall ensure that every employee follows the following business ethics;

- (1) Honest and fair business dealings; every business dealing must keep in mind the social responsibilities in terms of the law, morals, and goodwill to individuals, communities, the society and environment.
- (2) Indiscriminate and fair treatments towards the customers, in terms of products and services.
- (3) Business dealings must be carried out under a well-established control system and standards; knowledge and skills have to be fully utilized, with sufficient information and references, while in keeping with the law and relevant regulations.
- (4) Non-disclosure of customers' information that has been obtained during business dealings; this information is one which normally will not be made public, unless the disclosure is for the officials as commanded by the law.
- (5) Customers could make complaints in case of flawed products and services
- (6) Full and complete disclosure of the products and services' information
- (7) Adherence to the agreements and conditions agreed with the customers; if the agreements and conditions could not be followed, the customers must be made aware in order to find solutions together.

### **2. Code of Conduct for Employees**

All employees must follow the protocol, regulations, announcements and instructions given by the Company and their superiors. This includes;

- (1) Support and strictly follow the protocol, policies, announcements, agreements and instructions given by the Company.
- (2) Fulfill own duty with honesty and fairness, including reporting every incident that could cause damages to the reputations or properties of the Company

- (3) Be polite and respectful to fellow colleagues, and avoid spreading any information unrelated to work or personal information of colleagues which could be damaging to the employees and the Company.
- (4) Be respectful and obedient to the instructions given by the superiors; such instructions must be in accordance with the policies and regulations of the Company.
- (5) Fulfill own duty with diligence and attention, in keeping with the Company's practices and good governance; be an exemplary model for the benefits of the Company.
- (6) Be united and collective, always helping each other and refraining from any conflicts that could be damaging to others and the Company.
- (7) Preserve the interest and secrets of the Company, customers or any business dealings which the Company does not intend to disclose; any disclosure must follow the proper protocol and authorization; all secrets must be kept either during or after the employee's status as a part of the Company; in case of unauthorized disclosure of such secrets, the employees shall be held responsible and liable for compensations to the Company.
- (8) Be honest and indiscriminate towards customers and partners.
- (9) Protect the Company's assets from harm either by persons or disasters to the best of ability; refrain from using the Company's assets for own or others' gains which are not related to the Company's operation.
- (10) Execute the management of the Company virtuously and fairly; encourage every level of the Company to have morals and virtues, while being vigilant to potential conflict of interest that may occur in the Company
- (11) Govern the employees with care, fairness and be free of bias.
- (12) Be a good team player, always listening to others' opinions
- (13) Follow and support the Company's policies concerning computer system usage; ensure that the employees follow the protocol and regulations of the Company in terms of computer system, information access and computer traffic data; make sure that the Company's computer system usage follows the relevant laws and avoids any circumstances that may harm the Company's reputations and public image.

### **3. Code of Conduct to be Avoided for Employees**

All employees must refrain from partaking in any activities that may harm the Company or themselves. This includes;

- (1) Misappropriate the Company's working hours for other unrelated or personal activities
- (2) Do not use own positions or privileged access for own gains or in competing with the Company
- (3) Undertake any practices that may harm own positions or the Company's reputations
- (4) Provide false information or refuse to give information that the Company should know
- (5) Work carelessly or partake in any activities unsuitable for good executives and unhelpful for ensuring the correct and fair practices
- (6) Conceal or distort any information for own benefits, which may cause damage to the Company, either direct or indirect.
- (7) Obstruct or partake in any activities that obstruct the rightful undertaking of duties of any persons under the command of the Company; or order the workers to partake in any unlawful or unethical activities.
- (8) Violate the law, either the criminal code or civics that may cause harm to oneself or others, either deliberately or unintentionally.
- (9) Disclose the information on remunerations, salary or salary increase of oneself or others, either deliberately or unintentionally.
- (10) Ask for or agree to receive any benefits or favors from customers, partners, competitors or any other persons who deal with the Company, except in case where the occasions are customary or constitute normal business meetings or business promotion activities or customary exchanges of goodwill. In the case where the value of the gifts exceeds 5,000 THB, one must notify their superiors at the earliest opportunity.
- (11) Receive bribes either directly or through third parties / or use own influence inappropriately towards government officials, customers or partners, which constitutes a breach of Company's policies.
- (12) Deceptively add, reduce or amend any wordings in any reports in order to change the significance of the reports / or deliberately falsely record accounts for whatever purposes.
- (13) Make transactions or business dealings deceitfully with intentions other than those described in the documents for those particular business dealings and transactions.
- (14) Appear to be or be an insolvently in-debt person.

- (15) Fail to protect the Company's intellectual properties or the intellectual properties the Company gains through the service of employees.
- (16) Copy the works or intellectual properties of others
- (17) Seek unwarranted gains for ourselves or others
- (18) Ask others otherthan the procurement division to seek sponsorships from partners or customers (if necessary, the divisions involved have to consult with the procurement division in order to proceed with the dealings, except in the case of joint marketing activities, where the marketing and business development division is in charge).
- (19) Partake in any activities or practices that allow other persons to seek unwarranted gains or unauthorized access to the computer system, information or the Company's computer traffic data; or deliberately support any misconducts of service providers in accordance with the laws concerning computer system, intellectual property and other relevant laws.

#### **4. Punishments**

- (1) For non-serious violations, violators shall receive a warning letter, in which the nature and intent of the violations would be explained. Those employees shall receive an opportunity to counter those accusations with their superiors. If the problems could not be solved, they should be forwarded to the Board of Directors who will make the final decisions. If the same violators commit the violations again or do not try to correct their prior violations, the employees may be subject to other disciplinary actions, which may include dismissals.
- (2) For serious violations including receiving bribes, fraud, unauthorized disclosure of the Company's secrets or intellectual properties to others, or any other violations that significantly damage the reputations of the Company or entail the concealment of information, discussion or any documents from their superiors, the employees may be subject to dismissals without compensations, without needing to issue the warning letters first.

#### **5. Penalties**

- (1) Verbal warnings
- (2) Warnings in writing (warning letter)
- (3) Wage deduction
- (4) Furlough

- (5) Dismissal without the compensations as stipulated in the labor protection laws
- (6) Legal persecutions