



Corporate Governance Policy

Chotiwat Manufacturing Public Company Limited (“the Company”) has consistently operated the business by strictly adhering to Good Corporate Governance Code stipulated by the Securities Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”) as well as realizing the importance of business operation and continued development of existing corporate governance policy with the aim to achieve sustainable business growth and promote transparency. Such principle does not only generate trust and confidence among shareholders, investors or every stakeholder group but also foster long-term business value and performance of the Company while ensuring overall benefits for the competitiveness and sustainable growth of the Company.

Besides, the Company has constantly emphasized on the right of shareholders and responsibility toward shareholders and stakeholders, equal treatment of shareholders, consideration on the roles of stakeholders, information disclosure and transparency. The Board of Directors also realize their duty and compliance with good corporate governance principle to foster trust of every shareholder, investor and stakeholder group. Consequently, the Board of Directors deem necessary to establish good corporate governance policy of which the content shall cover every key principle; namely, the structure, roles, duties and responsibilities of the Board, including management approaches of the executives which must be transparent, evident and verifiable. The Company has strongly adhered to the principles and guidelines on good corporate governance for listed companies B.E. 2560 set forth by the Securities Exchange Commission. This shall become guidelines for the management of the organization to ensure that any operations of the Company shall fairly proceed while taking into consideration the best interests of every shareholder and stakeholder. The main points of such policy can be divided into 8 practices as indicated below:

Practice 1: Roles and Responsibilities of the Board of Directors

Practice 1.1

The Board of Directors shall acknowledge their roles and responsibilities as a leader of the organization to ensure efficient management which encompasses the following guidelines:

1. Specification of objectives and goals of business operation
2. Specification of strategies and policies of business operation as well as allocation of primary resources to achieve the established objectives and goals of the Company
3. Follow-up, assessment and supervision of report on operational outcomes

Practice 1.2

The Board of Directors shall supervise the business operation to ensure that it has generated sustainable business value and competitiveness while taking into consideration long-term business performance, business ethics, verifiability and respect of the rights of shareholders and stakeholders. The Board shall also ensure that the business operation will benefit the society at large, minimize environmental impact and remain adaptable amidst constant changes.

Therefore, the Board of Directors shall adhere to the following practices to ensure efficient outcomes of good corporate governance.

1. Apart from financial performance, the Board of Directors shall take into consideration business ethics, social and environmental impact.
2. The Board of Directors shall set themselves as a good example in strictly complying with business code of conduct and corporate governance policy.
3. The Board of Directors shall establish policies, in a written form, for every director, executive and employee which represent operation principles and guidelines. Such policies shall consist of good corporate governance and business code of conduct etc.



4. The Board of Directors shall monitor internal communication to ensure that every director, executive and employee understand and put such stipulated policy into practice as well as follow up the monitoring system and review such policy on a regular basis.

Practice 1.3

The Board of Directors shall supervise every director and executive to perform their respective duty with responsibility, accountability while taking into consideration their duty of care and duty of loyalty. Besides, the Board of Directors shall ensure that the business operation is in compliance with relevant laws, specifications, rules, requirements and the resolution of the shareholders' meeting.

Guideline 1.3

The Board of Directors and executives shall perform their duty with responsibility, care and integrity by adhering to relevant laws and regulations as well as act in line with the Securities and Exchange Act B.E. 2535, sections 89/7, 89/8, 89/9 and 89/10.

The Board of Directors shall ensure the adequacy of the system or mechanism so that the Company's business operation will be in accordance with laws, regulations, resolution of the shareholders' meeting, including established policies or guidelines. The Board shall also determine the approval procedure for significant matters as stipulated by law.

Practice 1.4

The Board of Directors shall understand their scope of duty and responsibility by clearly identifying the scope of task assignment and responsibility for the Chief Executive Officer, sub-committee and the management as well as supervising the CEO and the management to perform their respective duty as assigned.

1. The Board of Directors shall establish the Board Charter to determine the Board's duty and responsibility. The Board shall review the Charter regularly or at least once a year.

2. The Board shall endeavor to understand their scope of duty and assign the management authority to the management in a written form. In addition, the Board shall closely supervise the management to perform their assigned duty. However, the Board have given the authority to the sub-committee, the CEO and the administration as stipulated in the Charter for each sub-committee whereby the Board of Directors are entitled to approve only significant matters. Such matters must be approved by the Board while the management is responsible for putting the Company's strategies and objectives into practice while simultaneously handling daily tasks and duties of the Company. The scope of duty of the Board of Directors are listed as follows:

(1) Establish business code of conduct so that every director, executive and employee will understand ethical standards required for the Company's business operation and follow up the compliance with the code of conduct set forth by the Company.

(2) Supervise the compliance with the regulations to prevent potential frauds, corrupt behaviors and conflicts of interest by taking careful consideration, setting clear guidelines on connected transactions for the best interest of the Company and shareholders. Nonetheless, the directors with potential conflicts of interest are not allowed to participate in the decision making and any information disclosures must be conducted in an accurate and complete manner.

(3) Set up the internal control system and appoint an independent individual or division to audit such system as well as review the system at least once a year. The result of the audit must also be disclosed in the Company's annual report.

(4) Manage risks throughout the entire organization, supervise the management to appropriately manage risks and prepare report on a regular basis, review the system or evaluate the efficiency of risk management at least once a year or when suspecting that the risk level has been changed and such finding must be disclosed in the Company's annual report as well.

(5) Supervise the Company to disclose accurate and complete accounting and financial statements.



(6) Perform their duty as prescribed by law, objectives, specifications and resolution of the Board meeting. However, to perform their respective duty within the scope of authority, the Board of Directors may assign at least one director or more or other persons to perform one of the duties on behalf of the Board.

Practice 2: Specification of Objectives and Goals for Business Sustainability

Practice 2.1

The Board of Directors shall specify or oversee key business objectives and goals to ensure their compliance with sustainability principle. Such objectives and goals shall be in line with value creation for the Company, customers, each stakeholder group and overall society.

1. The Board of Directors shall be responsible for the specification of the organization's values, visions, missions, strategies, objectives and goals which in turn shall reflect good corporate governance principle. The Board shall also communicate such values, visions, missions, strategies, objectives and goals to move forward every personnel of the organization toward the same direction.

2. Specification of the business model that can generate value for the Company, every stakeholder and society by taking into consideration the following:

(1) Environment and changing factors, including the use of innovation and technology to improve daily tasks and create the foundation of the organization

(2) Requirement of customers and stakeholders

(3) Competitiveness, expertise, business opportunity and risk

3. The Board of Directors shall determine the Company's values which reflect good corporate governance such as accountability, integrity, transparency, due consideration of social and environmental responsibilities etc.

4. The Board of Directors shall communicate and foster awareness of personnel at every level so that they will ultimately become the corporate culture.

Practice 2.2

The Board of Directors shall ensure that both intermediate and annual objectives, goals, strategies of the Company will lead to the achievement of established objectives and goals by appropriately employing innovation and technology.

1. The Board of Directors shall supervise the preparation of strategies and annual operation plan which are in accordance with established objectives and goals of the Company. Besides, the Board shall consider other accompanying factors, including opportunity and risk appetite. Furthermore, the Board shall encourage the establishment or regular review of objectives, goals and strategies.

2. The Board of Directors shall establish the strategies and annual operation plan as well as analyze the environment and risk factors which may affect the stakeholders throughout the entire supply chain, including other factors which may incur potential impact on the attainment of the Company's goals whereby the mechanism that actually realizes the needs and requirements of the stakeholders shall also be established.

(1) Clearly identify approaches, procedures, channels for participation or communication channels between the stakeholders and the Company to enable the Company to gain access of the information or requirements of each stakeholder group as accurately as possible.

(2) Specify every relevant stakeholder of the Company, both internal and external whether they be an individual, group of people or organization.

(3) Determine the expectation of every stakeholder group in order to analyze potential impact on the Company and stakeholder by prioritizing the significance of each impact to ensure the success of the operation.



3. The Board of Directors shall supervise the promotion of innovation development and use of innovation and technology to create competitiveness while responding to the needs of every stakeholder on the basis of social and environmental responsibility.
4. The Board of Directors shall determine the Company's goals by considering the appropriateness of its business condition and potential. The Company shall specify both financial and non-financial goals to be consistent with good corporate governance principle.
5. The Board of Directors shall communicate the Company's objectives, goals and annual operation plan throughout the entire organization.
6. The Board of Directors shall supervise adequate resources allocation while monitoring the Company's business operation and following up the operation to ensure its consistency with annual operation plan.

Practice 3: Promotion of Effective Board of Directors

Practice 3.1

The Board of Directors shall be responsible for the establishment and review of the Board structure in terms of its size and proportion of independent directors which are suitable and deemed necessary in order to lead the Company toward its goals and objectives.

1. The Board of Directors shall comprise of directors possessing various qualifications, skills, experiences, capabilities and specialized traits, including gender and age required for the achievement of objectives and goals specified by the organization. Also, the Board shall set the Board Skills Matrix to ensure that every director will possess suitable qualifications and that they will acknowledge and respond to the requirements of every stakeholder group.

2. The Board of Directors shall assign an appropriate number of directors who can perform their duty efficiently. The Board shall consist of at least 5 directors and not exceeding 12 directors, depending on the business's size, nature and complexity.

3. The Board of Directors shall arrange the proportion of executive director and non-executive director which will reflect appropriate balance of power. The majority of directors shall be non-executive directors who can provide an independent opinion on the management's performance. The number and qualifications of the independent directors shall be in accordance with the criteria set forth by the SEC office and SET. Moreover, the Board shall supervise these independent directors to work collaboratively and efficiently with the entire Board while being able to express their opinion freely.

4. The Board of Directors shall disclose the policy in specifying the Board Matrix, including directors' information such as their age, gender, education background, experiences, shareholding ratio, duration of directorship position and their directorship in other listed companies in the Company's annual report.

Practice 3.2

The Board of Directors shall appoint qualified candidate to become the Chairman of the Company to ensure that the components and operation of the Board of Directors will facilitate independent judgment and decision making of the Board.

1. The Chairman shall be an independent director.

2. The Chairman and the Chief Executive Officer have different duty and responsibility. Thus, the Board of Directors shall clearly determine the scope of duty and authority of the Chairman and CEO to ensure that either one of them shall not possess unlimited authority. Besides, the person holding the position of the Chairman must be separated from the person holding the CEO position.

3. The Chairman shall act as a leader of the Company's Board of Directors and his duty shall include the following matters:

(1) Monitor, follow up and supervise the Board of Directors to ensure that they have performed their respective duties efficiently to achieve key objectives and goals of the Company.



(2) Encourage every director to take part in promoting good corporate culture with an emphasis on ethical conduct and good corporate governance.

(3) Set the meeting date of the Board meeting by consulting with the CEO and determine measures to include key issues in the meeting agenda.

(4) Allocate adequate time for the management to propose matters and for the directors to make careful discussion on any key matters while encouraging the directors to exercise their considerate judgment and independent opinion.

(5) Foster good relationship among the directors who are executives and those who are non-executives and also between the Board and the management.

4. In a case where the duties of the Chairman and the CEO are not clearly separated, the Company has specified the following guidelines:

(1) The component of the Board shall consist of more than one half of the independent directors

(2) Appoint one independent director to determine the meeting agenda for the Board meeting

5. The independent directors can hold the directorship position for no more than 9 consecutive years, starting from the first appointment date. Nonetheless, in a case where such independent director is appointed to continue his/her directorship term, the Board shall consider the rationale of such necessity.

6. The Board of Directors shall appoint the sub-committee to cautiously consider significant matters in detail and propose guidelines to the Board for further approval.

7. The Board shall ensure the disclosure of rules and duties of the Board and the sub-committee, number of meetings and number of meeting attendances that each director has attended during the previous year.

Practice 3.3

The Board of Directors shall supervise procedures in the nomination and appointment of directors to ensure its transparency in order that the directors shall possess the qualifications in accordance with established components.

1. The Board of Directors shall appoint the Nomination, Remuneration and Corporate Governance Committee of which most members and the Chairman shall be independent directors.

2. The Nomination, Remuneration and Corporate Governance Committee shall organize a meeting to consider the criteria and procedure for the nomination of well qualified, knowledgeable and skillful director. Besides, the shareholders shall possess sufficient information of such nominated individual to compliment their decision making.

3. The Nomination, Remuneration and Corporate Governance Committee shall review the nomination criteria and procedure to propose to the Board of Directors before the nomination of directors completing his/her term will start. In a case where the Committee propose the same director, the Board shall consider his/her past performance as well.

4. In a case where the Board appoints any individuals to act as the consultant of the Nomination, Remuneration and Corporate Governance Committee and the information of such consultant must be disclosed in the Company's annual report, including his/her independence and conflicts of interest.

Practice 3.4

In proposing the remuneration for the shareholders' approval, the Board of Directors shall take into consideration the structure and rate of remuneration which is appropriate for their responsibility and to encourage the Board to lead the Company to achieve both short-term and long-term goals.

1. The Board of Directors shall appoint the Nomination, Remuneration and Corporate Governance Committee. Most members of the Committee and the Chairman of the Committee shall be independent director. This Committee shall determine the policy and criteria in specifying the remuneration.



2. The director's remuneration shall be in line with the Company's strategies and long-term goals, experiences, duties, accountability and responsibility, including potential benefits that may derive from each director and directors who have been assigned more duties and responsibilities. However, the rate of remuneration shall be comparable to other companies within the same industry.

3. The shareholders must approve the structure and rate of remuneration for the directors, both in financial and non-financial forms. The Board shall consider each form of remuneration to be appropriate, including fixed rate and rate depending on the Company's business performance.

4. The Board of Directors shall disclose the policy and criteria on the specification of remuneration which reflects the duty and responsibility of each director, including the form and amount of remuneration. Nonetheless, the amount of disclosed remuneration shall include the remuneration each director receives in holding the directorship position of the subsidiary.

5. In a case where the Board of Directors appoint any individuals to act as the consultant of the Nomination, Remuneration and Corporate Governance Committee, the information pertinent to such consultant shall be available in the Company's annual report, including his/her independence or conflicts of interest.

Practice 3.5

The Board of Directors shall supervise every director to perform their respective duty with responsibility and to allocate adequate time.

1. The Board of Directors shall supervise the mechanism that supports the directors' understanding of their roles and duties.

2. The Board of Directors shall disclose other directorship positions of the Company's directors for acknowledgement.

3. In a case where the director holds a position of the Company's director or executive or have potential conflicts of interest, whether directly or indirectly, in other businesses with potential conflicts of interest or can exploit the opportunity or the Company's information for his/her personal gain.

4. The Board of Directors shall ensure that the Company has established sufficient preventive measures and appropriately inform the shareholders for their acknowledgement.

5. Each director shall attend at least 75 percent of the total Board meetings held annually, except in case of necessity where he/she may be unable to attend the meeting.

Practice 3.6

The Board of Directors shall establish framework and mechanism required for the monitoring of policies and operation of the subsidiaries and other businesses that the Company has significantly invested at the level appropriate for each business type.

1. The Board of Directors shall determine the Corporate Governance Policy for the subsidiaries which include:

(1) Appointment of directors, executives or authorized person supervising the subsidiary shall be made in a written form. In general, the Board of Directors shall make such appointment, except in a case where such company is considered an operating arms of the Company, then the Board may assign the Chief Executive Officer to appoint such position.

(2) Specification of the scope of duty and responsibility of the person acting as the Company's representative as indicated in clause (1) and such representative shall supervise the compliance of the subsidiary and in a case where the subsidiary has other joint ventures, the Board of Directors shall set the policy to ensure that the representative will perform his/her assigned duty with the best ability for the highest interest of the subsidiary as well as in compliance with the policies set forth by the parent company.

(3) Establishment of the subsidiary's internal control system which shall be suitable and concise. Every transaction must be made according to relevant laws and regulations.



(4) Disclosure of financial status and business performance, connected transactions, acquisition or sale of asset, other important transactions, capital increase, capital decrease, termination of subsidiary etc.

2. Joint ventures in other businesses in a significant manner: The Board of Directors shall supervise the shareholders' agreement or other agreements as deemed necessary in order to clarify the authority in the management and involvement in the decision making of significant matters, following up the operating result so that such information can be employed to prepare the Company's financial statement according to the standard and timing specified.

Practice 3.7

The Board of Directors shall establish annual performance assessment of the Board and the sub-committee of which the result can be used in performance improvement.

1. The Board of Directors and the sub-committee shall assess their performance at least once a year.

2. The Board of Directors shall arrange for the assessment of operation; for example, group assessment, individual assessment and shall disclose such assessment result in the Company's annual report.

3. The Board of Directors shall employ the evaluation outcome to improve the duty of the Board and the sub-committee and to use such outcome in the consideration of the appropriateness of the Board component.

Practice 3.8

The Board of Directors shall ensure that every director will have knowledge and understanding of their role, duty, business nature and law relating to business operation. In addition, the Board shall regularly encourage every director to enhance their skill and knowledge pertinent to their respective duty as a director.

1. Person appointed as new director shall be given advice and useful information relating to their performance of duty as well as the understanding of objectives, goals, visions, missions, corporate values, business nature and business practice.

2. The director shall constantly receive knowledge and necessary training and such knowledge and training provided shall be disclosed in the Company's annual report.

3. The Board of Directors shall study and endeavor to understand laws, regulations, standards, risks and environment pertinent to business operation while acknowledging up-to-date information on a regular basis.

Practice 3.9

The Board of Directors shall ensure that they have performed their duty with care while gaining adequate access to necessary information. The Company Secretary shall possess knowledge and experience as required and deemed necessary in order to support the operation of the Board.

1. The Board of Directors shall determine the meeting date of the Board meeting in advance so that the directors can schedule their time accordingly.

2. The Board of Directors shall specify the number of meetings with at least 6 meetings per year.

3. The Board of Directors shall set up the mechanism that enables the director and the management to propose key matters at the Board meeting.

4. The Board of Directors shall ensure that meeting agendas will be sent to the directors 5 working days in advance prior to the meeting date.

5. The Board of Directors shall encourage the Chairman and the management to attend the Board meeting in order to provide them with information and additional details which are directly related to the problem.

6. The Board of Directors shall have an access of additional information from the CEO, the Company Secretary or other executives assigned within specified criteria and policy. If necessary, the Board of Directors may request for independent opinion from the consultant or external parties of which any expenditures shall be under the Company's responsibility.



7. The Board of Directors shall provide an opportunity to non-executive directors to organize meeting among themselves as deemed appropriate with the purpose to discuss various issues concerning the management without the presence of the management. Moreover, the CEO shall acknowledge the result of such meeting.

8. The Company Secretary shall possess suitable qualifications and experiences and his/her duty shall be in accordance with the Securities and Exchange Act. The Board shall organize regular training and knowledge development program which will be beneficial to his/her performance. Besides, the Board of Directors shall disclose the qualifications and experiences of the Company Secretary in the Company's annual report, including its website.

9. The Company Secretary shall be continually trained and improve his/her knowledge which will benefit his/her overall performance. In a case where the certified program is available, the Company Secretary shall attend such program at an appropriate timing.

Practice 4: Recruitment and Development of Top Executives and Personnel Management

Practice 4.1

The Board of Directors shall recruit and promote the Chief Executive Officer and top executives to possess knowledge, capabilities, experiences and personal traits required in order to drive the organization toward its established goals.

1. The Board of Directors shall consider or assign the Nomination, Remuneration and Corporate Governance Committee to recruit qualified candidate to hold the position of Chief Executive Officer.

2. The Board of Directors shall assign the CEO the responsibility to recruit well qualified top executives.

3. The Board of Directors shall ensure business continuity as well as supervise the succession plan of the CEO and top executives. Besides, the CEO shall report his/her performance according to the succession plan to the Board for acknowledgement at least once a year.

4. The Board of Directors shall promote and encourage the CEO and top executives to attend training and development program to enhance their knowledge and experiences that will benefit to their daily operation.

5. The Board of Directors shall ensure that the CEO and top executives will report their accession of directorship position or executive position in other companies to the Company's Chairman or Chairman of the Audit and Risk Management Committee for acknowledgement via the Company Secretary.

Practice 4.2

The Board of Directors shall establish appropriate remuneration structure and evaluation of results.

1. The Board of Directors shall specify the remuneration structure as an incentive for the CEO, top executives and personnel of every level to perform their duty in compliance with the organization's objectives, goals and long-term interests of the Company.

2. The Board of Directors (excludes executive director) shall be responsible for specifying remuneration and evaluating the performance of the Chief Executive Officer with at least the following matters:

2.1 Approve the criteria on performance evaluation of the CEO of which the criteria shall encourage the CEO to manage the business in accordance with the objectives, strategies and long-term interests of the Company in the long run. The CEO shall acknowledge the evaluation criteria in advance.

2.2 Evaluate the performance of the CEO annually or may assign the Remuneration Committee to perform the evaluation. Besides, the Chairman or top executives shall communicate the outcome, including matters for consideration to the CEO for acknowledgement.

2.3 Approve annual remuneration of the CEO and evaluate the performance of the CEO, including other accompanying factors.



3. The Board of Directors shall consider the criteria and factors for performance evaluation as well as approve the remuneration structure of top executives and ensure that the CEO will assess the performance of top executives which shall be in accordance with the assessment criteria.
4. The Board of Directors shall supervise the specification of criteria and factors required for performance evaluation for the entire organization.

Practice 4.3

The Board of Directors shall understand the structure and remuneration of the shareholders which may incur an impact on the Company's management and operation.

1. The Board of Directors shall endeavor to understand the structure and relationship of shareholders, agreement of family business, whether it be in a written form or not, shareholders' agreement or policy of the Company Group which may affect business control.
2. The Board of Directors shall ensure that the agreement according to clause 1 will not hinder the performance of the Board of Directors.
3. The Board of Directors shall supervise information disclosure according to various agreements affecting the control of the Company.

Practice 4.4

The Board of Directors shall monitor and supervise personnel administration and development and shall ensure an adequate number of personnel with suitable knowledge, skills, experiences and incentives

1. The Board of Directors shall assign the Executive Committee the duty of supervising human resources management and to report to the Board for acknowledgement at least once a year. Matters to be reported shall include organization's structure and suitability of remuneration, fair and equal treatment and the development and maintenance plan for skillful and knowledgeable personnel.
2. The Board of Directors shall organize the provident fund for the employees to ensure their adequate savings in support of their retirement.

Practice 5: Promotion of Innovation and Responsibility for Business Operation

Practice 5.1

The Board of Directors have realized the importance and the support of the innovation which incurs business value while simultaneously generating benefits to the customers or other related parties as well as being responsible for society and environment.

1. The Board of Directors shall foster corporate culture to become the organization of innovation and to develop the innovation that can create standardized value to the products, services or operational procedures which can link to the Company's visions, directions and strategies.
2. The Board of Directors shall further the development of business innovation which corresponds to changing environment and condition. Furthermore, the Board shall improve manufacturing processes as well as foster the development of innovation with other trade partners.

Practice 5.2

The Board of Directors shall supervise the management to operate the business with social and environmental responsibility which can be seen from the operation plan. This is to ensure that every department operates in accordance with the objectives, goals and strategies established by the Company.

The Board of Directors shall also ensure that the Company has set up the mechanism in operating business with utmost integrity and responsibility toward society and environment and must not violate the rights of shareholders. Such mechanism can be employed as guidelines for every sector of the organization in order to sustainably achieve the objectives and goals. Thus, such policies and practices shall encompass the following:



(1) **Responsibility toward personnel and employees** by conforming to relevant laws and standards. The Company shall treat every personnel and employee fairly and shall respect their human rights; for example, the specification of fair remunerations and benefits, providing them with welfare at the rate specified by law or higher as deemed appropriate, ensuring good health and hygiene in the workplace, knowledge training, competency development and promotion of career advancement as well as provide the opportunity for the employees to improve their skills in other areas.

(2) **Responsibility toward customers** by conforming to related laws and standards while taking into consideration the health, safety, fairness and confidentiality of the customers, after sales services throughout the useful life of products and services, following up and evaluation of customer satisfaction in order to improve product and service quality. Moreover, the Company's advertising, public relations and promotion campaigns must be done properly to avoid misunderstanding and must not exploit from the customers' misunderstanding.

(3) **Responsibility toward trade partners** by determining fair procurement procedures, contracts or agreements, knowledge enhancement, competency development and elevation of productivity and standardized service. Besides, the Company shall inform the trade partners to respect human rights and treat their own workforce fairly and equally, operate their business with responsibility toward society and environment as well as monitor and assess the business outcome of trade partners in order to mutually develop sustainable business operation.

(4) **Responsibility toward the community** by employing business knowledge and experiences to develop projects which potentially generate concrete value to the community as well as monitoring and measuring the progress and success in the long run.

(5) **Responsibility toward the environment** by preventing, minimizing, handling any negative impacts on the environment incurred by the Company. This shall encompass the use of material, energy consumption (for manufacturing, transportation or in the office) , water consumption, use of renewable energy, maintenance and restoration of biodiversity which have been affected by the Company's business operation, emission and management of waste resulting from its business operation and emission of greenhouse gas etc.

(6) **Fair competition** by operating business in an open and transparent manner and shall not exploit the Company's competitive advantage unfairly.

(7) **Anti-fraud and anti-corruption** by acting in accordance with relevant laws and standards. The Board shall establish and announce the anti-fraud and anti-corruption policy to the public and may join force with other network partners in opposing fraud and corruption while encouraging other companies and trade partners to announce and put into practice the anti-fraud and anti-corruption policy as well as participate in the network partners.

Practice 5.3

The Board of Directors shall ensure that the management have allocated and managed resources efficiently and effectively by considering the impact and resources development throughout the value chain to achieve the Company's objectives and goals in a sustainable manner.

1. The Board of Directors have realized the necessity of resources consumption as well as recognized that such resources may incur mutual impact on one another.

2. The Board of Directors have acknowledged that different business models will incur an impact on various resources; therefore, in deciding on business approach, the Board shall consider potential impact and value of such resources while strictly adhering to the foundation of ethical conduct, responsibility and sustainable business value.

3. The Board of Directors shall ensure that the management will review and supervise resources consumption efficiently and effectively by considering constant changes of both internal and external factors.



Practice 5.4

The Board of Directors shall manage information technology to respond to business requirements while emphasizing on business development, operation development, risk management to achieve the Company's objectives and goals.

1. The Board of Directors shall ensure that the management of information technology shall be adequate for business operation and shall determine supportive guidelines in case of emergency that may inhibit the Company to manage resources available as planned.

2. The Board of Directors shall manage risks of the organization to cover the area of information technology. This is to ensure that the Company's information technology system is safe, secured and will enable the Company to attain its established objectives and goals.

3. The Board of Directors shall set the policy and measure on safety and security of information technology system.

Practice 6: Supervision of Appropriate Risk Management and Internal Control System

Practice 6.1

The Board of Directors shall establish efficient risk management and internal control system which must be in line with relevant laws and standards.

1. The Board of Directors shall supervise the business operation to be in compliance with relevant laws and standards. The Board shall acknowledge major risks of the Company and have the authority to approve on the management of major risks for the continuation of its business operation.

2. The Board of Directors shall consider and specify risk management policy which must be in line with the organization's established objectives, goals and strategies in which the risk appetite must be acceptable. In addition, the Board shall regularly review the risk management policy.

3. In managing risks, the Board of Directors shall take into consideration both internal and external factors that may incur an impact and prevent the Company from attaining its established objectives and goals.

4. The Board of Directors shall ensure that the Company has evaluated potential risks and their impact in order to prioritize such risks and manage them appropriately.

5. The Board of Directors can assign the Audit and Risk Management Committee to screen clauses 1-4 before proposing to the Board for approval and consideration as deemed appropriate for the business.

6. The Board of Directors shall follow up the evaluation of the efficiency of risk management on a regular basis

7. The Board of Directors shall supervise the Company's business operation to ensure its compliance with relevant laws and standards, both at national and international levels.

8. In a case where the Company also has the subsidiary or other businesses in which the Company has significantly invested (for example, has the shareholding ration with voting right from 20 percent or more but not exceeding 50 percent), the Board shall employ the assessment result of internal control and risk management system as part of the consideration according to clauses 1-7.

Practice 6.2

The Board of Directors shall appoint the Audit and Risk Management Committee that can perform their duty efficiently and independently.

1. The Board of Directors shall appoint the Audit and Risk Management Committee which comprise of at least 3 directors and every director must be independent director. The qualifications and duties of these independent directors shall be in line with the criteria stipulated by the SEC Office and SET.

2. The Board of Directors shall determine the duties of the Audit and Risk Management Committee in a written form. Besides, the Board shall prepare the Charter for the Audit and Risk Management Committee as well as specify the term of directorship, scope of duty and authority to clearly separate their roles and duties.



3. The Board of Directors shall supervise the mechanism or tool that facilitates the Audit and Risk Management Committee to gain access to any information necessary for their operation; for example, the mechanism or tool that enables the Audit and Risk Management Committee to request for information from relevant parties, consultation with the auditor or search for independent opinion from professional consultant to compliment the consideration of the Audit and Risk Management Committee.

4. The Board of Directors shall organize the internal control agency which performs its duty independently and is responsible for the development and review of the efficiency of risk management and internal control system. The Board shall also report to the Audit and Risk Management Committee to disclose such audit report in the Company's annual report.

5. The Audit and Risk Management Committee shall provide opinion on the adequacy of risk management and internal control system as well as disclose such report in the Company's annual report.

Practice 6.3

The Board of Directors shall determine policies and manage any potential conflicts of interest between the Company, directors, the management or shareholders. In addition, the Board shall prevent any misuses of information and opportunity as well as any transactions with any persons with inappropriate relationship with the Company.

1. The Board of Directors shall supervise data protection system as well as specify policies on confidentiality, integrity, availability while simultaneously handling market sensitive information. Furthermore, the Board of Directors shall enforce every director, top executive, employee and other relevant parties to comply with the policy on data protection system.

2. The Board of Directors shall engage in handling and following up any transactions with potential conflicts of interest, supervise the guidelines and practices to ensure that such transaction will be in line with operational procedure and information disclosure as specified by law as well as to emphasize on the best interests of the Company and shareholders.

3. The Board of Directors shall ensure that the directors have reported any conflicts of interest before setting the meeting agenda of the Board meeting. Such agenda item must be recorded in the meeting minutes whereby the director who may have conflicts of interest on such agenda item shall leave the meeting room and has no voting right on such agenda item.

Practice 6.4

The Board of Directors shall clearly specify policies and practices on anti-corruption by communicating with employees of every level and external parties for practice. Besides, the Board shall encourage and promote every employee to conform to relevant laws, regulations and practices on anti-corruption.

Practice 6.5

The Board of Directors shall establish the mechanism in filing complaints, including whistleblowing policy.

1. The Board of Directors shall establish procedures and practices for filing complaints and whistleblowing of the stakeholders. The Board shall also determine the channel to report whistleblowing suitably. In addition, the Board shall establish the procedures for data inspection, proceedings and report to the Board of Directors

2. The Board of Directors shall establish protective measures to protect the whistleblower who reports any suspicious acts with honest intention. The Company must keep such information confidential and proceed on such matter with caution.

Practice 7: Maintain Financial Credibility and Information Disclosure

Practice 7.1



The Board of Directors shall supervise the preparation of the Company's financial statement and disclosure of important information in an accurate, adequate and timely manner while ensuring the compliance with relevant standards and regulations regarding the report on financial statements.

1. The Board of Directors shall ensure that personnel responsible for the preparation and disclosure of information possess appropriate skills and experiences pertinent to their duty, responsibility and shall ensure the sufficient number of such personnel. Such personnel include the Chief Accounting and Financial Officer, accountant, auditor, Company Secretary and investor relations officer.

2. The Board of Directors shall consider factors relating to an approval on information disclosure. In a case of the report on financial statement, the Board shall take into consideration the following factors:

- Evaluation of the adequacy of internal control system
- Opinion of the auditor on financial statement and the auditor's comment on internal control system, including his/her comment via different communication channels (if any).
- Opinion of the Audit and Risk Management Committee
- Consistency with objectives, goals, strategies and policies of the Company

3. The Board of Directors shall supervise the disclosure of information, financial statements, annual report, 56-1 form, including the explanation and analysis of the management that adequately reflects financial status and performance result. Besides, the Board shall encourage the Company to prepare Management Discussion and Analysis or MD&A to compliment the disclosure of quarterly or annual financial statement.

4. For disclosure of any information particularly relating to one of the directors, such director shall ensure that his/her personal information will be completely and accurately disclosed according to the criteria stipulated by the SEC Office, SET and other relevant laws.

Practice 7.2

The Board of Directors shall follow up the adequacy of the Company's liquidity and solvency.

1. The Board of Directors shall monitor and follow up the Company's financial status and report to the Board on a regular basis. If there is any events or signs indicating the impact on the Company's liquidity and solvency, the Board and the management shall closely monitor to mutually find the solution and operate business more cautiously to ensure that information disclosure shall be in accordance with relevant sector.

Practice 7.3

In a case where the Company is confronted with financial problem or tends to have such problem, the Board of Directors shall find the solution to ensure that the Company will have other plans or mechanisms to resolve such financial problem. Nonetheless, the Board of Directors shall take into consideration the right of every stakeholder group.

1. The Board of Directors shall closely supervise and monitor the Company to operate its business cautiously and to comply with the specifications relating to information disclosure if it appears that the Company may be unable to pay debt or may be confronted with financial problem.

2. The Board of Directors shall establish a plan to resolve financial problem by taking into consideration fairness to every stakeholder group and the management shall report the progress of such problem resolution for the Board's acknowledgement.

3. The Board of Directors shall reasonably resolve any financial problems of the Company.

Practice 7.4

The Board of Directors shall prepare the sustainability report.

1. The Board of Directors shall consider the suitability of information disclosure relating to legal compliance, business ethics, code of conduct, anti-corruption policy, treatment of employees and stakeholders, respect of human rights, social and environmental responsibility by taking into consideration report framework which is acceptable at a national or international level. Such information shall be disclosed in the Company's annual report.



2. The Board of Directors shall consider that information disclosure is significant and shall reflect the practice which will ultimately lead to value creation of business sustainability.

Practice 7.5

The Board of Directors shall assign the division or individual responsible for investor relations task whereby such division or individual shall communicate with the shareholders, stakeholders, investors, analysts or press media in an appropriate, equal and timely manner.

1. The Board of Directors shall assign the individual responsible for investor relations task to communicate and disclose information to external parties via suitable channel. Such individual shall possess an understanding of the Company's business, objectives, goals, values while being able to communicate with the capital market.

2. The Board of Directors shall determine the policies on communication and information disclosure to ensure that disclosure of information to the external parties will be appropriate, fair and timely. Information shall be disclosed via suitable channel while confidential information and information that may affect the price of shares shall be adequately protected. Besides, the Board shall ensure that such policies will be accurately communicated for practice throughout the entire organization.

3. The Board of Directors shall assign the management to set the directions and support the task of investor relations to facilitate efficient communication and information disclosure.

Practice 7.6

The Board of Directors shall promote the use of information technology to disseminate information whereby the Board will arrange for information disclosure, both in Thai and English, via the SET's website, including the Company's website.

Practice 8: Support of Personnel Involvement and Communication with Shareholders

Practice 8.1

The Board of Directors shall allow the shareholders to take part in the decision making of key matters of the Company.

1. The Board of Directors shall ensure that key matters specified by law and matters which may affect business direction of the Company will be in the consideration and/or be granted with the shareholders' approval. Such key matters must be listed in the agenda of the shareholders' meeting.

2. The Board shall ensure that meeting invitations and other accompanying documents will be sent to the shareholders 28 days prior to the meeting date as well as published on the Company's website.

3. The Board of Directors shall encourage the shareholders' involvement by providing them with the opportunity to propose agenda items prior to the meeting and/or propose the list of persons to be appointed as the director at the Annual General Meeting of shareholders. Nonetheless, the Board shall disclose the criteria in exercising such right for the shareholders' acknowledgement in advance. In a case where the Board of Directors do not approve the proposed agenda item, the Board must provide reason at the shareholders' meeting for their acknowledgement.

4. The Board of Directors shall allow the shareholders to submit questions relating to the meeting prior to the meeting date and to disseminate such regulations on the Company's website.

5. The Board of Directors shall ensure that the meeting invitations for the shareholders' meeting contain precise and complete information with other related documents.

6. The Board of Directors shall encourage every shareholder to exercise their right. The Company shall issue the meeting invitation for the shareholders' meeting, including other accompanying documents in advance for their consideration. The meeting invitation shall be made in Thai and English versions.

Practice 8.2

The Board of Directors shall supervise the shareholders' meeting to proceed with caution, transparency and efficiency as well as to facilitate every shareholder to exercise their right.



1. The Board of Directors shall determine the meeting date, time, venue by considering the convenience of the shareholders.

2. The Board of Directors shall ensure that there are no acts that may limit the opportunity of the shareholders to attend the meeting or create unnecessary burden to the shareholders.

3. The Board of Directors shall promote the use of technology at the shareholders' meeting; for example, shareholders' registration, vote counting and display to enable speedy and accurate meeting procedures.

4. The Board of Directors has stipulated guidelines on the shareholders' meeting as follows:

(1) The Chairman shall act as the Chairman of the shareholders' meeting, supervise the meeting to ensure its compliance with relevant laws, regulations and the Company's charter. Besides, the Chairman shall allocate adequate time for each agenda item as specified in the meeting notification as well as provide opportunity to the shareholders to express their opinions and ask questions pertinent to the Company.

(2) The Board must not support any agenda items that have been added without prior notice, especially key agenda items that require additional time before the shareholders can make any decisions.

(3) Every director and other executives shall attend the shareholders' meeting so that the shareholders can raise various issues.

(4) Before the meeting starts, the number and ratio of shareholders attending the meeting, shareholders appointing their proxy, meeting procedures, voting procedures and vote counting must be informed.

(5) In a case where there are many agenda items, the Chairman of the meeting shall arrange for a separate resolution for each agenda item; for example, for the appointment of the directors, the Chairman shall arrange for an individual voting.

(6) Use ballot for voting of key agenda items. Independent person shall attend the meeting to act as witness during vote counting process. Voting results (agree, disagree and abstain) of each agenda item must be disclosed for the shareholders for their acknowledgement as well as recorded in the meeting minutes.

Practice 8.3

The Board of Directors shall ensure that the disclosure of meeting resolution and the report of the shareholders' meeting will be performed accurately and completely.

1. The Board of Directors shall disclose, to the public, the resolution of the shareholders' meeting, including voting result of each agenda item on the following day via the news system of SET and also on the Company's website.

2. The Board of Directors shall ensure the preparation of the report of the shareholders' meeting of which the contents shall include at least the following: the explanation of voting procedures and vote counting, list of directors, sub-committee and executives attending the meeting, the ratio of directors attending the meeting, those who are absent, meeting resolution and voting results (agree, disagree and abstain) of each agenda item, questions and answers during meeting as well as name and last name of inquirer and respondent. Such information shall be published on the Company's website.

3. The Board of Directors shall ensure that the copy of the report of the shareholders' meeting will be submitted to the Stock Exchange of Thailand (SET) within 14 days after the meeting date.