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# CORPORATE GOVERNANCE & CODE OF CONDUCT HANDBOOK

**TOA Paint (Thailand) Public Company Limited  
and its subsidiaries**

DECEMBER 14, 2021 | 3rd Revision

### Acknowledgment and Compliance Form for Directors, Executives, and Employees

- I have received the Corporate Governance and Code of Conduct Handbook.
- I shall study and comply with the Corporate Governance Policy, Code of Conduct, and Anti-Corruption Policy, as my business guideline to be observed strictly and completely.

Signature: \_\_\_\_\_

( \_\_\_\_\_ )

Position: \_\_\_\_\_

Employee Number: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_



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# 1 | General Information



## Message from Chairman and Chief Executive Officer

Presently, the paint and coating industry faces quite high competition. In order to maintain sustainable leadership in the paint and coating market, there must be continuous development in every aspect for employees to perform their duties effectively and to be lined up to work towards the same goals. In this regard, the Company puts in a lot of effort to make its employees at all levels comply with and possess desired characteristics with the code of conduct under the corporate governance principles, morality, and business ethics.

Therefore, TOA Paint (Thailand) Public Company Limited has established the Corporate Governance and Code of Conduct Handbook for all directors, executives, and employees as practical guidance to ensure compliance. This shall retain the key principles to run business with transparency, legality, and taking the stakeholders into account. All of them are expected to understand and apply the guidelines stated in this handbook defining the scope of guidelines to perform duties for all directors, executives, and employees.

Mr. Prachak Tangkaravakoon  
Chairman

Mr. Jatuphat Tangkaravakoon  
Chief Executive Officer



## Vision, Goal, Strategy, and Core Value

### Vision

“To become a leader of the end-user paint and coating industry in AEC through product differentiation and the provision of service solutions.”

### Goal

“We aim to be the market leader in the paint and coating industry in the AEC and successfully capitalize on the high potential growth of the region’s markets.”

### Strategy

- 1) Fortify leading position in Thailand
- 2) Expand our presence in AEC
- 3) Increase market share in retail non-decorative paints and coatings segments
- 4) Expand distribution channels
- 5) Continued focus on cost leadership
- 6) Product distribution capability
- 7) Increase supply capacities

### Core Value

**First:** Customers First  
**Change:** Change for Tomorrow  
**Passion:** Work with Passion  
**Expertise:** Deliver our Expertise  
**Execution:** Execution to Excellence



## Definition

**Code of Conduct** refers to good business practice based on the business philosophy of the Company and its subsidiaries, which will henceforth be known as “Code of Conduct”.

**The Company** refers to TOA Paint (Thailand) Public Company Limited.

**The Corporate Group** refers to TOA Paint (Thailand) Public Company Limited and its subsidiaries.

**Employee** refers to anyone contracted to work, or to provide special services for TOA Paint (Thailand) Public Company Limited and its subsidiaries.

**Executive** refers to an employee in the management position appointed and given the responsibility to manage the affairs of an organization to achieve the objectives and can provide employees with pros and cons.

**Proxy** refers to a person or juristic person receiving authority from the Company to act on behalf of the Company.

**Contractual Party** refers to one who enters into contractual obligations, namely mutual rights and responsibilities specified in a contract, with the Company.

**Contractor** refers to a contractual party hired to work or provides services to the Company in the legal definition, which some businesses call “Business Partner”.

**Business contact** refers to a person or legal entity with whom the Company must deal in the normal course of business, including the government, state agencies, state enterprises, private-sector organizations, and organizations for the public good, etc.

**Stakeholder** refers to persons/entities involved with the Company such as company directors, employees, shareholders, contractual parties, contractors, business contacts, creditors, debtors, society, communities, and so on.





## Guidelines for Corporate Governance and Code of Conduct

### 1. Who has to be obliged to observe the Corporate Governance and Code of Conduct?

All directors, executives, and employees are obliged to observe the Corporate Governance and Code of Conduct. Thus, the Board of Directors and executives must serve as role models of such conduct.

### 2. Advice about this Handbook

- 1) Study its contents
- 2) Study the portions related to your duties and responsibilities
- 3) Regularly and constantly review the contents and your understanding of this handbook
- 4) If your performance relates to or affects the Company, share your knowledge and understanding with others
- 5) When in doubt, consult your superior
- 6) If you detect violation of the code of conduct, inform your superior or a responsible party
- 7) Lend cooperation to investigations by assigned agencies or parties
- 8) All superiors must lead in compliance with the corporate governance principles and code of conduct while promoting a proper work environment for employees and related parties to understand that such compliance is the right thing to do



## Whistle Blowing Policy

The Company has defined the whistleblowing measures, and the information provided remains confidential for employees and other parties who want to communicate their concerns about illegal, unethical practices, or human rights violations occurring in the corporate group, or to express opinions useful to the corporate group for more convenient proceeding.

### Scope of Complaint and Whistleblowing

There are many kinds of wrongdoings including but not limited to the following actions:

- Crimes or inciting a person to commit an offense;
- Unlawful acts including corrupt practices, bribery, and intimidation;
- Ignorance of one's duty or laws or corporate governance principles;
- Any acts, behaviors, or ignorance of any compliance in relation to finances, reports, records, and guidelines and/or financial report or internal control implying unethical practices or non-compliance with the generally accepted standards;
- Any incidents that harm the health or safety of an individual;
- Any damages that occur to the environment;
- Serious misconduct;
- Wilful or deliberate behavior to harm or disadvantage the corporate group or the corporate group's reputation;
- In the event that an inevitable charge or severe damage to the corporate group is not able to be solved or carried out in line with the rational procedures;
- Intentional concealment of any wrongdoings.

### Whistleblowing or Complaint Channels

If one comes across a violation of the laws, regulations, corporate governance principles, code of conduct, policies or regulations of the corporate group, as well as suspected corrupt practices by directors, executives, or employees of the corporate group, one can file a complaint through designated channels. An employee coming across such acts should ask or consult with his or her superior first. If unsure or uneasy to do so, he or she can use the following designated channels:

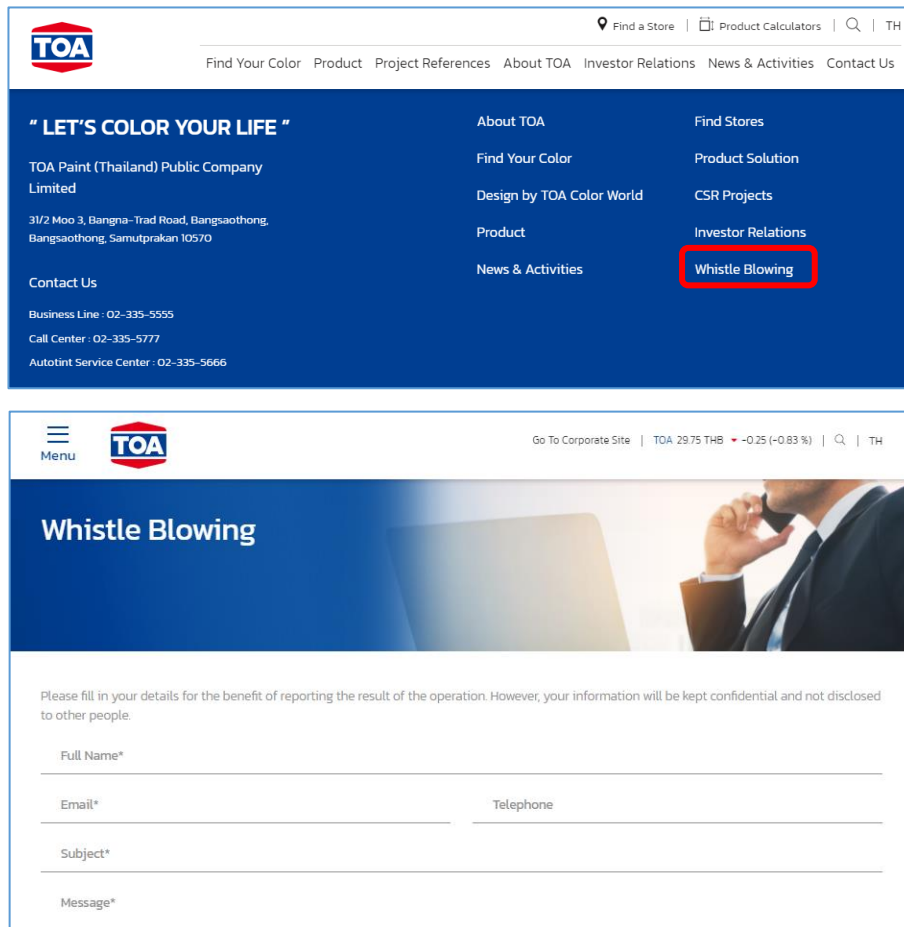
- **Channel 1:** via e-mail to one of the following committees:

Board/Committee	E-Mail
Board of Directors	<a href="mailto:directors@toagroup.com">directors@toagroup.com</a>
Audit Committee	<a href="mailto:auditcommittee@toagroup.com">auditcommittee@toagroup.com</a>

- **Channel 2:** by post addressing one of the above-mentioned committees at:  
TOA Paint (Thailand) Public Company Limited  
31/2 Moo 3, Bangna-Trad Road, Bang Sao Thong, Samut Prakarn 10570



- **Channel 3:** via the Company's website at [www.toagroup.com](http://www.toagroup.com) or <https://investor.toagroup.com/en/whistle-blowing>



### Complaint and Whistle Blowing Process

Designated persons mentioned in No.2 who receive a complaint or whistle-blowing concern must forward it to Internal Audit Division. After being approached about the matter, Internal Audit Division, playing a vital role, is responsible for coordinating, gathering related information and evidence, together with taking fundamental steps to evaluate and verify the adequacy of primary information and evidence. After that, Internal Audit Division will take into consideration as appropriate or forward the matter to the related heads of divisions/ Division within 3 working days to take action to duly investigate to ensure solid proof. The Internal Audit Division will further take the responsibility for tracking the progress periodically to ensure that actions have been properly taken. The guidelines are as follows:

- 1) Violations of laws, state regulations, policies, and disciplines relating to human resources should be forwarded to the Head of Human Resources Division.
- 2) Violations of the corporate group's policies, corporate governance principles, code of conduct, and regulations should be forwarded to the Company Secretary.
- 3) Any acts, behaviors, or ignorance of any compliance in relation to finances, reports, records, and guidelines and/or financial report or internal control implying unethical practices or non-compliance



with the generally accepted standards should be forwarded to the Head of Finance and Accounting Division.

- 4) Dubious acts for unlawful gains for oneself or other parties, including embezzlement, corrupt practices, fraud, etc. should be forwarded to the related heads of divisions/departments.
- 5) If the matter is complicated or involves several units or relating to independence matter, it should be forwarded to the Chief Executive Officer who will consider appointing an Investigation Committee to examine such matter.

Internal Audit Division is to record the whistle-blowing matter or complaint on the logbook, follow up on the progress periodically, and report to the Audit Committee and the Board of Directors for acknowledgment and further receiving recommendations and setting up guidance.

### **Investigation Period**

The investigation will be undertaken carefully but quickly as possible in line with the nature and severity of the allegation/complaint without affecting the quality and efficiency of the investigation. Initial stages of the investigation will seek for a conclusion of the inquiry within 14 working days from the date that the matter is forwarded to the management or related head of division/department with a signature for acknowledgment or from the date of appointment of the Investigation Committee as per stated in No.3.

### **Investigation Procedures**

The investigation of misconduct or fraud should be conducted with fairness and without prejudice. The investigation should get to know the facts, prove the complaint about the alleged misconduct or fraud, and maintain the interests and reputation of the accused.

The related management/heads of divisions/departments or Investigation Committee as mentioned above have the responsibility to evaluate and verify primary information received with the relevant units. In order to verify the information, the responsible parties are able to examine and review the information, e-mail, document data, and ask for other relevant information from the person who raised such concern. The summary report is to be prepared within 30 working days.

When examining the concern and finding the information that does indicate misconduct or fraud, the related management or head of division/department or Investigation Committee proposes such information to a top executive or an authorized person in order to consider disciplinary action or punishment according to the corporate group's regulations. The investigation result must be reported to Internal Audit Division within 7 working days for recording and further reporting to the Audit Committee and the Board of Directors.

### **False Reporting and Punishment**

A person who, either intentionally or negligently, fails to comply with this policy, or commits an act of harassment, threatens, or imposes disciplinary punishment, or inflicts unfair treatment upon a complainant or any person involved in the reporting, including the case of false reporting or accusation, is considered to have



committed a disciplinary offense and shall be liable for damage suffered by the corporate group or any other person, including any other liability otherwise provided by law.

### **Confidentiality and Protection of Whistleblowers**

This policy is designed to build confidence for whistleblowers that their complaints will be treated seriously and there will not be any intimidation as a result of raising genuine concerns in good faith. However, the employees or whistleblowers should exercise due care to ensure the accuracy of the information disclosed before filing a complaint.

Complainants or whistleblowers can provide information without exposing their identity, and the corporate group also keeps their identity confidential during the investigation process. An identity of a whistleblower, report-related information, and the conduct of an investigation shall be kept confidential by all participants involved. However, under some circumstances, the participants may disclose the information if the disclosure is required by law or by the proceedings in accordance with the corporate group's rules. Disciplinary action and/or legal action may be taken against any person found to have intentionally disclosed confidential information.

Moreover, the corporate group shall not allow any unfair actions, for instance, threatens, position transfer, responsibility or work location change, suspension, termination, negative effect on performance appraisal, or any other actions that can cause damage to the employees who file a complaint, whistleblowers or cooperative witnesses, and will take disciplinary actions with the persons who attempt any retaliation to the whistleblowers under a proper process to prevent any impact on the work and/or work relationship of the whistleblowers by taking the corporate interests into account.



## 2 | Corporate Governance Principles



## Corporate Governance Principles

The Board of Directors fosters the importance of good corporate governance. Therefore, the Board of Directors has reviewed the application to the principles of Corporate Governance Code for listed companies 2017 by the Securities and Exchange Commission (SEC) or CG Code. The CG Code based on the Stock Exchange of Thailand's Principles of Good Corporate Governance for Listed Companies includes relevant regulatory requirements for revision to cover the guidelines or changes along with current international standards and trends to ensure the management efficiency, honesty, absence of fraud, and corruption, transparency, and auditability in order to build confidence among the Company's shareholders, investors, stakeholders, society, all relevant parties, and enhance the sustainable growth.

Thus, the corporate governance policy determines the principles for the Board of Directors as an organizational leadership to comply with properly, regarded as the key duty for all directors, management, and employees for adherence to and compliance with the following 8 principles;

### Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors focuses on and recognizes the importance of the roles and responsibilities of organizational leadership to protect the benefit of the Company's shareholders and stakeholders. In overseeing the Company, the Board of Directors determines business strategy and objectives both in the present and in a long term, defining the auditing process, and monitoring the business operation with transparency in order to create sustainable value.

**Principle 1.1 The Board of Directors defines the Company's vision and mission for the directors, management, and employees to recognize the same goals, which have been reviewed on a yearly basis, and also determines the engagement guidelines.**

**Principle 1.2 The Board of Directors exercises its leadership to achieve sustainable value creation, and pursue the following governance outcomes:**

1. Competitiveness and performance with a long-term perspective,
2. Ethical and responsible business towards shareholders and stakeholders as well as fair customer service,
3. Good corporate citizenship for environmental development or minimizing environmental impact,
4. Corporate resilience.

**Principle 1.3 The Board of Directors ensures that all directors and management perform their responsibilities in compliance with the required responsibilities, duty of care, and duty of loyalty and that the Company operates in accordance with applicable laws, Articles of Association, and resolution of shareholders' meeting.**

1. Ensure that directors and management perform their duties with responsibility, due care, and loyalty, and comply with laws, regulations, and relevant regulatory requirements;



- 1.1 In performing duty with due care under the scope of responsibility in the position, knowledge, capability, and experience:
  - 1.1.1 a decision has been made with honest belief and reasonable ground that it is for the best interest of the Company,
  - 1.1.2 a decision has been made in reliance of information honestly believed to be sufficient, and
  - 1.1.3 a decision has been made without one's interest, whether directly or indirectly, in the matter.
- 1.2 In performing duty with loyalty, directors, and management shall:
  - 1.2.1 act in good faith for the best interest of the Company,
  - 1.2.2 act with proper purpose and,
  - 1.2.3 not act in significant conflicts with the interest of the Company.
2. The Board of Directors is responsible for the implementation of adequate systems and controls to ensure that the Company complies with applicable laws, Articles of Association, resolution of shareholders' meeting including policies, material approval procedures such as investment, related party transaction, acquisition/disposal of assets, and dividend payment, etc.

**Principle 1.4 The Board of Directors demonstrates a thorough understanding of the division of roles and responsibilities. The Board of Directors clearly defines the roles and responsibilities of the Chief Executive Officer, and management team, and monitors their proper performance of duties.**

1. The Board of Directors has established the charter of each committee, Chief Executive Officer, and President that clearly sets out the roles and responsibilities referring to the duties of directors. The Board of Directors shall at least annually review the charters.
2. The Board of Directors demonstrates a thorough understanding of the division of roles and responsibilities and is responsible and accountable for the overall affairs of the Company: matters for which the Board of Directors has primary responsibility: matters involving shared responsibility of the Board of Directors and management: and matters that the Board of Directors should delegate or not get involved with by means of providing written directions to management that clearly set out management's responsibilities including monitor the management's duties and assignment.

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

**Principle 2.1 The Board of Directors defines or oversees the objectives that promote sustainable value creation and governance outcomes towards the Company, customers, stakeholders, and society as a framework for the operation of the Company.**





**Principle 2.2 The Board of Directors ensures that the Company’s objectives, goals, medium-term and/or annual strategies are consistent with the key objectives and goals while utilizing innovation and technology properly and securely.**

1. The Board of Directors ensures that the Company’s annual strategies and plans, as well as medium-term strategies for 3 - 5 years, correlate and align with the Company’s key objectives and goals while considering the business environment, opportunities, and risk appetite. Moreover, the Board of Directors ensures that such strategies and plans are regularly reviewed and updated as appropriate.
2. The Board of Directors ensures that the Company’s strategies and plans take into account all relevant factors influencing stakeholders and value chain by means of clearly defining stakeholder engagement procedures and channels, identifying stakeholders in both internal and external groups relating to the business operation, identifying and prioritizing stakeholder concerns and expectations in order to consider and take action on their level of importance and potential impact on the stakeholder engagement in value co-creation.
3. The Board of Directors promotes the innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations based on the Company’s strategies.
4. The Board of Directors defines the Company’s financial and non-financial goals that are suitable for the Company’s business environment and capability with the risk concerns taken into account, which does not cause the Company to engage in illegal or unethical conduct.
5. The Board of Directors fosters the effective communication of the Company’s objectives and goals linking to strategies and plans throughout the organization.
6. The Board of Directors ensures the proper resource allocation and effective systems and controls, as well as monitoring the implementation of the Company’s annual strategies and plans.

### **Principle 3: Strengthen Effective Board of Directors**

**Principle 3.1 The Board of Directors is responsible for determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors, so as to ensure its leadership role in achieving the Company’s objectives.**

1. The Board of Directors establishes a board skills matrix to ensure that the Board of Directors consists of directors with appropriate and necessary qualifications, knowledge, skills, experience, character traits, with an appropriate gender and age balance and diversity to achieve the objectives and goals of the Company and respond to stakeholder expectations.
2. The proper number of directors must comprise at least 5 directors but not more than 12 directors. The majority of the Board of Directors are non-executive directors who exercise objective and independent judgment. Moreover, the number and qualifications of the independent directors are in accordance with the regulations specified by the Securities and Exchange Commission and the Stock Exchange of



Thailand. Furthermore, the Board of Directors ensures that the independent directors and the entire board can fulfill their role and responsibilities efficiently and in the best interest of the Company while exercising objective and independent judgment.

3. The Board of Directors explicitly discloses the policies and details relating to the board composition, including directors' information such as shareholding percentage, years of service as directors, and directors' position in other listed companies in the Company's annual report and on its website.

**Principle 3.2 The Board of Directors should select an appropriate person as the Chairman and ensure that the board composition serves the best interest of the Company, enabling the Board of Directors to make its decisions as a result of exercising independent judgment on corporate affairs.**

1. In case the Chairman is not an independent director, the Board of Directors shall appoint a designated independent director to participate in setting the board meeting agenda.
2. The Board of Directors clearly separates the roles and responsibilities of the positions of the Chairman and Chief Executive Officer.
3. The Board of Directors establishes the policy that the tenure of an independent director should not exceed a cumulative term of 9 years from the first day of service in order to actually perform the duty to exercise independent judgment.
4. The Board of Directors appoints the sub-committees to consider specific matters, to screen information, and to recommend action for board approval; however, the Board of Directors remains accountable for all decisions and actions.
5. The Board of Directors monitors the disclosure of the roles and responsibilities of the Board of Directors and all sub-committees, the number of meetings, the number of directors participating in meetings in the previous year, and the performance of the Board of Directors and all sub-committees.

**Principle 3.3 The Board of Directors should ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the Board of Directors.**

1. The Board of Directors establishes the Nomination and Remuneration Committee. The majority of its members and the Chairman are independent directors.
2. The Nomination and Remuneration Committee sets the nomination criteria and process. Upon proposal to and approval by the Board of Directors, a candidate's profile is presented to the shareholders' meeting for election and appointment as a director. If the Nomination and Remuneration Committee nominates current directors, their performance should be considered.
3. In case the Board of Directors appoints any person as a consultant to the Nomination and Remuneration Committee, relevant information about that consultant shall be disclosed in the annual report, including information about independence and conflicts of interest.



## Guidelines

The Board of Directors has approved the written charters/roles and responsibilities of the Board of Directors, sub-committees, Chairman, and Chief Executive Officer as follows:

### Board of Directors

The Board of Directors has an important role in monitoring corporate governance for the best interest of the Company. The board composition consists of directors with diverse qualifications, skills, experiences, specific capabilities. The Board of Directors sets the vision and performs its leadership roles and duties with honesty, due care, can exercise objective and independent judgment towards the management, take the best interest of the Company into account, respect the fairness and be responsible for the shareholders and all stakeholders. Moreover, the Board of Directors must ensure that the Company operates the business with systematic procedures in compliance with laws and ethics.

#### 1. Board of Directors' Composition

- 1) The Board of Directors must comprise at least 5 directors and not less than half of the total number of directors must be resident in the Kingdom of Thailand including the composition of independent directors must not be less than 1/3 of the entire board and at least 3 independent directors in compliance with the regulation of the Securities and Exchange Commission.
- 2) The Chairman and the Chief Executive Officer are not the same person. The separation of their roles and responsibilities is clearly defined.
- 3) In case the Chairman is not an independent director, the Board of Directors shall appoint a designated independent director to participate in setting the board meeting agenda in compliance with good corporate governance. In case approval of an agenda that a non-independent director may lead to the conflict of interests, there must be at least 2 independent directors to present and vote at the meeting.
- 4) The Board of Directors appoints a company secretary for performing his/her duties including coordination in compliance with the board resolution. Moreover, the company secretary should receive ongoing training and education relevant to performing his/her duties or laws and accounting.
- 5) The board composition must consist of directors with diversified backgrounds: gender, age experience, skills, profession, and specific capability such as accounting and finance, organization management and human resources, risk management, crisis management, Company's business model, international marketing, defining vision and strategies and necessary knowledge towards the Company in 3-5 years ahead, for performing duties in order to ensure that the Company runs the business to achieve the objectives and creates sustainable growth. Thus, there must be at least 3 directors who know the Company's industry or nature, and at least 1 director or 1/3 of such number must be a non-executive director including at least 1 director who possesses knowledge of accounting and finance.



## 2. Qualifications of Directors

- 1) The Board of Directors must not have prohibited characteristics under the requirements by the Limited Public Company Act B.E. 2535 (as amended), the Securities and Exchange Act B.E. 2535 (as amended) as well as notifications, Articles of Association, and/or relevant regulations.
- 2) The Board of Directors comprises qualified directors with knowledge and experience from diversified professions: relevant business, accounting, and finance.
- 3) The Board of Directors is able to consider and exercise independent judgment towards the management and any group with interest. Thus, all directors must submit a report of conducting business or being a director or an executive in other companies to the Chairman and Chairman of the Audit Committee.
- 4) The Board of Directors can allocate sufficient time to discharge its duties and responsibilities effectively.
- 5) The directors or top management of the Company have never been staff or partners or had any relationship with the audit firm during the past two years.
- 6) The number of listed companies that the directors can serve as directors should not exceed 5 listed companies in order to allocate their sufficient time and perform their duties and director roles effectively.

## 3. Qualifications of Independent Directors

- 1) All of the independent directors of the Company are qualified in line with Notification of the Capital Market Supervisory Board No. Tor Jor. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (including the amendments), and regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand:
  - Holding no more than 1.0 percent of the total voting shares of the Company, parent company, subsidiary, associate company, major shareholder or controlling person of the Company, including shares held by the connected persons of such independent director;
  - Not being or having been an executive director, employee, staff, advisor earning a regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended for at least 2 years.
  - Not being a person who is related by blood or legal registration as father, mother, spouse, sibling, and child, including a spouse of the child, other directors, management, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary;
  - Not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent



company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least 2 years.

The business relationship shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counter party being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the Company or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person;

- Not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than 2 years;
- Not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than 2 million baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than 2 years;
- Not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a majority shareholder;
- Not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning a regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary;
- Not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company;
- Do not be a director delegated from the Board of Directors to make a decision of the Company, its parent company, subsidiary, associated company, same-level subsidiary, majority shareholder, or controlling person and;
- Do not be a director of the parent company, subsidiary, or same-level subsidiary of a listed company.



- 2) Be independent from the management and major shareholders of the Company, and there is no independent director holding positions of more than 5 listed companies.
- 3) Independent directors should have a tenure not exceeding a cumulative term of 9 years from the first day of such appointment.

#### 4. Nomination and Termination of Directors

##### 1) Nomination

- The Nomination and Remuneration Committee shall consider the nomination criteria with the **board diversity**. The **Board Skills Matrix** is established to define the required director qualifications in line with the Company's business strategies. The committee shall select a qualified person to be proposed to serve as a director in consideration of proper qualifications, skills, and experiences suitable for the benefit of the Company. In this regard, a **professional search firm or director pool** may be applied to select a qualified person a necessary and appropriate.
- The Company offers its minor shareholders the opportunity to propose a proper person with the profile for considering as a director via the Company's website at [www.toagroup.com](http://www.toagroup.com) or the company secretary's email at [companysecretary@toagroup.com](mailto:companysecretary@toagroup.com). The Company also discloses the proposing procedures equipped with the proposing form on the Company's website. Thus, a person proposed to be a director shall submit a notification of confirmation within December 31 of every year. Then, the company secretary shall collect such information in order to propose at the Nomination and Remuneration Committee's meeting to screen and scrutinize proposed persons for the proper ones.
- The Nomination and Remuneration Committee shall propose the qualified person's name and profile together with receiving approval from the Board of Directors in order to present such agenda in the general shareholders' meeting for election and appointment as a director.

##### 2) Appointment of Directors

###### ▪ Shareholders' Resolution to Appoint Directors

A director shall be appointed in replacement of a director whose office term ended and/or a new director shall be appointed in compliance with the following criteria and procedures of the Company's Articles of Association;

- (1) Each shareholder shall have one share for one vote;
- (2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors, but the shareholder cannot appropriate his or her votes to any person in any number as the shareholder desires;
- (3) Persons who receive the highest votes arranged in order from higher to lower in a number equal to that of the number of directors to be appointed are elected to be the directors of the



Company in that meeting. In the event of a tie at a lower place, which would make the number of directors greater than that required, the Chairman of the meeting should have a casting vote.

▪ **Election of Directors in case of Director Vacancy other than the End of Office Term**

The Board of Directors shall on the next board meeting appoint a qualified person, not having prohibited qualities under the laws pertaining to the Public Limited Company Act and the Securities and Exchange Act to be a new director, except if such office term remaining is less than two (2) months. The replacement director shall hold the office only for the remainder of the office term of the director whom he/she replaces. In this regard, the resolution of the Board of Directors must be approved by the votes of not less than three-fourths (3/4) of the number of the remaining directors.

**3) Tenure and Termination**

The Company's directors hold office for three years. At the general shareholders' meeting, one-third (1/3) of the directors, or, if the number of directors cannot be divided exactly into three (3) parts, the number of directors nearest to one-third (1/3) shall vacate office. A vacating director may be eligible for re-election.

Apart from vacating at the end of his/her office term, a director shall vacate office upon

- (1) death,
- (2) resignation; (effective on the date when the resignation letter reaches the Company),
- (3) lack of qualifications or disqualifications under the laws, regulations, notification pertaining to applicable laws or the Company's Articles of Association,
- (4) removal prior to the expiration of his/her office term pursuant to a resolution passed at the shareholders' meeting by a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and the shares held by them shall, in aggregate, be not less than one half of the number of shares held by the shareholders attending the meeting and having the right to vote.
- (5) removal pursuant to a court order.

**5. Scope of Duties and Responsibilities**

- 1) Perform duties in compliance with laws, objectives, the Company's Articles of Association, and Board of Directors' and shareholders' resolutions with accountability, prudence, and integrity.
- 2) Consider providing details and endorse vision, business strategy, business direction, business policy, goal, guideline, operating plan, and budget of the Company and its subsidiary companies as prepared by the Executive Committee and the management.
- 3) Supervision of management and performance of the Executive Committee, Chief Executive Officer, the management, or any persons assigned to perform such duties in order to comply with the vision, mission,



business strategy, business direction, business policy, goals, approaches, operational plans and budget formulated by the Board of Directors.

- 4) Monitor the operating results of the Company and its subsidiary companies regularly in order to meet with the operating plan and budget of the Company.
- 5) Ensure that the Company and its subsidiary companies apply an appropriate and efficient accounting system, as well as establish the internal control system and the internal audit system can be evaluated efficiently and sufficiently. To provide a proper assessment process of the Company of the internal control system and subsidiaries as usual.
- 6) Ensure that the balance sheet and profit and loss statement are made available at the end of the fiscal year of the Company, and sign to certify the said financial statements for further proposal to shareholders for consideration and approval in the Annual General Meeting of Shareholders.
- 7) Consider and endorse the selection and nomination of the auditor, as well as consider appropriate remuneration as proposed by the Audit Committee for further proposal to shareholders for consideration and approval in the Annual General Meeting of Shareholders.
- 8) Establish the written corporate governance policy in line with the good corporate governance principles by the Stock Exchange of Thailand, the Securities and Exchange Commission and grant approval of as well as foster such policy into practice efficiently for retaining and keeping the high standards of the Company's good corporate governance, including to ensure that the Company is accountable to all concerned parties equally, by reviewing such policy at least once a year.
- 9) Establish the business ethics based on honesty, trustworthiness, transparency, good corporate governance principles, and good social ethics, which is approved by the Board of Directors. Thus, the directors, management, employees must comply with such business ethics strictly as well as communicate it for well understanding via email and notice board. The standard operating procedures are also defined in order to control the operation, organizational implementation including monitoring such compliance.
- 10) The Board of Directors supervises the implementation of the risk management covering the organization and assigns the Risk Management Committee to determine the risk management policy and propose to the Audit Committee and the Board of Directors respectively for acknowledgment. The Risk Management Committee is responsible for the compliance and reports to the Audit Committee on a regular basis, and report on the committee's performance is presented to the Audit Committee and the Board of Directors at least once a year. Moreover, the risk system or assessment of risk management should be reviewed at least once a year and disclosed on the annual report as well as whenever a risk level changes together with prioritization of the early warning signs and irregularity.
- 11) The Board of Directors determines the whistleblowing policy for whistleblowers or stakeholders via the Company's website or directly to the Audit Committee and the Board of Directors. This may appoint designated persons; that is, the head of internal audit and/or the secretary to the Audit Committee to





further report such matter to the Company's independent directors or the Audit Committee in order to investigate a whistleblowing issue in line with the procedures and have explicit actions taken when a whistleblowing issue is received, and then report to the Board of Directors.

- 12) Consider and appoint persons possessing desirable qualifications and having no prohibited characteristics as stipulated in the Public Limited Company Act B.E. 2535 (including the amendments), the Securities and Exchange Act B.E. 2535 (including the amendments), as well as the announcements, rules, and/or related regulations to take up the directorship in case of vacancy in the Board of Directors for other reasons than retirement by rotation. Consider and endorse the appointment of directors to replace those who retire by rotation, as well as determine the directors' remuneration for further proposal in the shareholders' meeting for consideration and approval.
- 13) Establish sub-committees as well as Audit Committee, Executive Committee or any other sub-committees, and formulate the roles and responsibilities of such committees in order to assist and support the Board of Directors in the discharge of its responsibilities including determining the remuneration of the sub-committees subject to the budget proposed by the management (not exceed the total amount approved by the shareholders).
- 14) Consider and appoint the Chief Executive Officer, Executive Vice President in the Office of Chief Executive Officer, and Company Secretary, as well as determine the remuneration for the Chief Executive Officer, Executive Vice President in the Office of Chief Executive Officer, including setting the aggregate amount for the annual bonus of employees and the management of the Company.
- 15) Consider and approve the financial expenditure in investment, other operations, loans or credits from a financial institution, as well as serving as a guarantor, for business-as-usual operations of the Company or subsidiaries, including companies in the Group; without financial limit, under the Company's regulations or rules with relevance to the Stock Exchange of Thailand and the Capital Market Supervisory Board.
- 16) Consider the conflicts of interest with due care in consideration of approval on a related transaction between the Company, its subsidiaries, and associate companies with a related person as specified by the Securities and Exchange Act B.E. 2535 (including the amendments) as well as regulations pertaining to the Stock Exchange of Thailand and Capital Market Supervisory Board, and approve the criteria about trade agreement under the general commercial terms to enter into a transaction between the Company and its subsidiaries with a related director, management, or relevant party. In order to determine the scope of authority to enter into the transaction, it is subject to the applicable laws and relevant regulations. Such transaction shall be considered and screened by the Audit Committee prior to presenting the proposal at the Board of Directors' and/or shareholders' meeting depending on the transaction nature and size in line with the notification of the Capital Market Supervisory Board. Thus, directors or management of the Company who may cause conflicts of interest or be involved shall not participate in making decisions in such transaction.

- 17) Provide appropriate channels of communication for each group of shareholders, and supervise the disclosure of information in order to ensure correctness, clearness, transparency, and credibility in line with the Company's disclosure of information and relevant regulations.
- 18) Appoint an individual to serve as a director of the subsidiaries, or associate companies at least in proportion to shareholding. Scope, authority, and responsibilities of the appointed directors and management are clearly set as well as determine the scope of authority for exercising discretion to vote in the subsidiaries' board meeting or associate companies upon important matters which require prior approval of the Company's Board of Directors in order to exercise the management control in accordance with the Company's policy, and ensure that all transactions are conducted legally, including disclosure of information upon financial status, performance, related transactions, as well as significant acquisition or disposition of assets accurately.
- 19) Consider and approve the interim dividend payment.
- 20) Determine and/or change the authorized signatories of the Company's directors.
- 21) Seek professional opinions from external organizations if necessary so as to contribute to making proper decisions.
- 22) Monitor the Company's corporate performance to run efficiently, and protect any interests related to all stakeholders.
- 23) Arrange the annual general meeting of shareholders (AGM) every year within 4 months after the end of the Company's fiscal year.
- 24) Hold the Board of Directors' meeting at least once every three months.
- 25) Prepare the Board of Directors' annual report, and be responsible for preparing and disclosing the financial statements of the Company and its subsidiaries to demonstrate the financial status and performance of the Company, and subsidiaries in the previous year and further proposal at a shareholders' meeting for consideration and approval.
- 26) Assess the overall performance of the Board of Directors, including individual performance assessment to consider and review the performance, problems, and obstacles in each year to ensure future application of the assessment result for development and improvement in various aspects of operations.
- 27) Monitor and oversee the management and operation of the Company and subsidiaries in alignment with the Company's policy, securities, and exchange laws, including announcement, regulations, and other criteria related to the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand such as a related transaction, a significant acquisition or disposition of assets, as long as there is no infringement with other laws. Moreover, there must be an appropriate and sufficient internal control system, and an internal audit system.
- 28) Review the Board of Directors' charter at least once a year.

## **Sub-Committees**

The Board of Directors may establish 3 sub-committees; (1) the Audit Committee, (2) the Nomination and Remuneration Committee, and (3) the Executive Committee in order to focus on a particular task or area which supports the Board of Directors' performance. Such sub-committees have responsibilities for screening and reviewing other particular matters. The Board of Directors considers and appoints the members of sub-committees or determines the scope of duties, authority, and responsibilities including other issues relating to the sub-committees as deemed appropriate by the Board of Directors. On a yearly basis, the Board of Directors considers and reviews the charter of sub-committees.

### **1. Audit Committee**

The Audit Committee is regarded as the important part of the good corporate governance mechanism in order to support the Board of Directors in overseeing and monitoring the quality and reliability of financial system, audit system, internal control system, as well as the Company's financial reporting procedures.

#### **1.1 Composition**

The Audit Committee must consist of at least 3 directors and all of them are independent directors who can exercise their independent judgment as well as read and understand the basic financial statements, which is a necessary duty to perform as a member of the Audit Committee. There must be at least 1 person with knowledge and experience in accounting or financial management in line with the regulation of the Stock Exchange of Thailand.

#### **1.2 Tenure**

The Audit Committee serves a term of 3 years since the appointment date or the tenure of the director of the Company. The retiring members of the Audit Committee shall be re-elected at the Board of Directors' or the shareholders' meeting as deemed appropriate. In case of a vacancy for the member of the Audit Committee due to other reasons aside from retirement by rotation, the Board of Directors' or the shareholders' meeting shall appoint a qualified person with the complete requirement to be a member of the Audit Committee in order to replace the vacant position as specified by laws or related regulations not later than 3 months as of the date of incomplete composition of the Audit Committee. Such replacement member shall hold office only for the remaining term of office of the member whom he/she replaces.

The Audit Committee considers and appoints the head of the internal audit department in order to serve as the secretary to the Audit Committee and to provide support to the Audit Committee in meeting appointments, and other assignments by the Audit Committee.

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

- 1) Review the Company's financial reports to ensure the accuracy and sufficiency of financial reports in accordance with the relevant financial reporting standards, and to cooperate with the external auditor and the management in preparing quarterly and annual financial reports. The Audit Committee may also



suggest the auditor to review or audit any transaction which is deemed important and necessary during the auditing process of the Company;

- 2) Review the internal control and internal audit system to ensure that such systems are appropriate, sufficient, and efficient;
- 3) Consider the independence of the internal audit division by its performance and responsibilities for developing and reviewing the efficiency of the risk management and internal control, as well as approve the appointment, transfer, and dismissal of the head of the internal audit division or other related divisions in charge of internal audit;
- 4) Has the authority to gain access to all levels of information of the Company, including inviting executives, management, division heads, employees, or other relevant parties to the meeting for clarifying information. This includes distributing and sharing related information in accordance to the duties subject to the scope of authority as assigned by the Board of Directors;
- 5) Consider and approve the annual budget, manpower, and resources required for the internal audit division's duties and approve the annual internal audit plan including any material changes to such plan as well as ensure that the duties and assignment of the internal audit division are in accordance with the approved annual internal audit plan and the International Standards for the Professional Practice of International Auditing, and evaluate the quality of the internal audit division's performance annually.
- 6) Ensure that the Company complies with the securities and exchange laws and the Capital Market Supervisory Board or laws relating to the Company's business;
- 7) Consider, select, nominate, and dismiss an independent person to serve as an auditor of the Company, and propose the auditor's remuneration in consideration of reliability, sufficient resources, the quantity of auditing work of the audit firm, and experience of the auditor to be assigned for audit of the Company, as well as attend in a meeting with the auditor in the absence of the management at least once a year;
- 8) Consider related party transactions, or any transactions that may lead to conflicts of interest, and ensure that such transactions are carried out in compliance with laws and regulations pertaining to the Stock Exchange of Thailand, and the Capital Market Supervisory Board, which is reasonable and for the best interest of the Company and shareholders;
- 9) Prepare a report of the corporate governance performance by the Audit Committee and disclose in the Company's annual report signed by the Chairman of the Audit Committee. Such report contains the following information:
  - Opinion about accuracy and completeness to ensure the reliability of the Company's financial report;
  - Opinion about the adequacy of the Company's internal control system and risk management;
  - Opinion about compliance with the laws pertaining to the securities and exchange laws, regulations of the Stock Exchange of Thailand or other laws relevant to the Company's business;
  - Opinion about the appropriateness of the auditor;



- Opinion about the transactions that may cause the conflicts of interest;
  - Number of the Audit Committee's meeting and the meeting attendance of each member;
  - Overall opinion or observation that the Audit Committee performs duties subject to the charter; and
  - Other matters that shareholders and investors should know under the scope of duties and responsibilities as assigned by the Board of Directors;
- 10) Review and monitor the risk management performance, as well as assess the performance of the Risk Management Committee at least once a quarter. There must be at least one executive director on the committee. The Audit Committee and the Risk Management Committee must hold joint meetings at least twice a year;
  - 11) Meet up with the management at least once a year;
  - 12) Review the complaint-making and whistle-blowing process, such process conducted by the management;
  - 13) Review the accuracy of references and self-assessment relating to the anti-corruption of the organization in the accordance with the Private Sector Collective Action Coalition Against Corruption;
  - 14) Review and propose the amendment of the Audit Committee Charter as deemed appropriate at least once a year;
  - 15) Review the operating performance in the previous year by preparing the report and presenting it to the Board of Directors at least once a year;
  - 16) Seek the independent opinions in other professions when deemed necessary in order to provide opinions or suggestions within the scope of duties fitting to the Company's budget;
  - 17) Carry out other duties as assigned by the Board of Directors with the consent of the Audit Committee.

The Board of Directors has the authority to modify, change, define, and set qualifications of the independent directors, including the Audit Committee's charter in order to maintain consistency to the regulations of SEC, SET, Capital Market Supervisory Board, and/or other related laws.

## **2. Nomination and Remuneration Committee**

### **2.1 Composition**

- 1) The Nomination and Remuneration Committee shall consist of not less than 3 members and most of the members are independent directors (more than 50%).
- 2) The Chairman of the Nomination and Remuneration Committee must be an independent director.

### **2.2 Tenure**

- 1) The tenure of the Nomination and Remuneration Committee is 3 years since the appointment date.



- 2) A Member of the Nomination and Remuneration Committee whose tenure has ended may be re-appointed as deemed appropriate by the Board of Directors.

### **2.3 Roles, Duties, and Responsibility of Nomination and Remuneration Committee**

- 1) Consider the board structure and composition including the number and proper qualifications for the corporate business;
- 2) Consider the qualifications of a candidate who shall be nominated as an independent director suitable for the nature of business. The independence must be at least in accordance with the requirements of the SEC;
- 3) Consider the nomination policy and criteria for a qualified person suitable for the director-level position, senior management position from the Vice President and higher, including selecting and nominating a qualified person, as well as nominating retired persons to be reinstated into such positions. Such nomination shall be proposed to the Board of Directors, and/or at a shareholders' meeting for considering the appointment;
- 4) Consider and review the policy and criteria relating to the remuneration and benefits for senior management positions from the Vice President and higher;
- 5) Provide suggestions to the Board of Directors in order to consider and approve the following issues;
  - Nomination of senior management positions from the Vice President and higher, including determination of the remuneration and benefits of such management,
  - Remuneration and benefits of the directors, which is proposed to the Board of Directors for consideration and approval prior to the shareholders' meeting for further approval,
  - The total amount of the annual bonus for the Company's employees and management,
  - Annual salary increments for the senior managers at the level of the Vice President and higher,
  - Determination of goals and annual indicators for the senior managers at the level of the Vice President and higher.
- 6) Consider and approve the succession plan review, and monitor the implementation in order to further inform the Board of Directors;
- 7) Consider the director development plan for the purpose of enhancing knowledge both for the existing directors and new directors in relation to corporate business, industry outlook, including director roles and responsibilities, relevant rules, or applicable laws;
- 8) Provide suggestions upon the human resource management;
- 9) Review the Charter of the Nomination and Remuneration Committee at least once a year.



### 3. Executive Committee

#### 3.1 Roles, Duties, and Responsibilities of Executive Committee

- (1) Consider and determine a policy, business strategy, goal, operation plan, financial goal, and an annual budget of the Company and its subsidiaries in consideration of business factors appropriately in order to present to the Board of Directors for approval. In case of changes, the Executive Committee shall consider the expenditure of the approved budget for proper management in any situation;
- (2) Oversee, verify, and monitor the business operations of the Company in accordance with the policies, business strategies, goals, business plans, financial goals, and budget of the Company, which is approved by the Board of Directors in an efficient and effective manner and suitable for the business condition. In addition, the Executive Committee has the responsibility to advise and provide suggestions relating to the management to the top management;
- (3) Study the possibility of investing in new projects and have the authority to consider and approve the investment or joint venture with an individual, entity, or other organization that the Executive Committee deems appropriate in order to operate in line with the Company's objectives. This includes consideration and approval of expenditure for such investment, entering into a legal contract, and/or any operations related to the matter until it reaches the set financial limit and/or applicable laws and regulations, and/or the Company's Articles of Association;
- (4) Monitor the progress and performance of the investment projects of each business unit, report the performance with problems or obstacles that may arise, and provide a solution or improvement to the Board of Directors for acknowledgment;
- (5) Examine and advise the dividend payment policy of the Company, and report it to the Board of Directors;
- (6) Consider and make suggestions or opinions to the Board of Directors in relation to the proposed projects or any transactions relating to the Company's business operations. This includes considerations for fundraising when necessary, and when exceeding the financial limit and/or the applicable laws, related regulations, or the Company's Articles of Association which requires the approval of the shareholders and/or the Board of Directors;
- (7) Consider and approve to enter into financial transactions with financial institutions to open accounts for loans, credits, pawns, guarantor, and others, including purchasing-selling, and registration of land title. This follows the objectives of benefiting the Company's business operations, including entering into legal contracts, making proposals, contact, or legal actions, with the governmental agency; which grant multiple rights to the Company and/or operations related to such matter, until reaching the set financial limit, and/or the related laws, regulations, or the Company's Articles of Association. Thus, the Executive Committee has the authority to approve the budget approved by the Board of Directors not exceeding 50,000,000 Baht. In case

of no budget and/or a failure to adhere to the budget approved by the Board of Directors, the Executive Committee has the autonomous authority to approve not exceeding 15,000,000 Baht each time;

- (8) Consider and approve rules, regulations, management policies, and business operations of the Company or any actions which bind the Company;
- (9) Appoint and/or assign the executive directors or any other person(s) to perform duties under the scope of the Executive Committee's authority, and within the period as considered appropriate by the Executive Committee. In this regard, the Executive Committee may revoke, withdraw, or amend the designated authority;
- (10) Invite executives, management, or employees to attend the Executive Committee's meeting, or provide relevant information to be considered in the Executive Committee's meeting;
- (11) Have any authority or responsibilities as assigned, or according to policies granted by the Board of Directors on a case-by-case basis;
- (12) Seek a counsel or any other person to provide independent opinions or suggestions when necessary;
- (13) Report to the Board of Directors all actions taken by the Executive Committee under its scope of authority, and responsibilities on a regular basis, including any other matters as deemed necessary and appropriate to be presented to the Board of Directors for acknowledgment;
- (14) Consider and approve the work-related policies and scope of responsibility of the management in order to ensure that all acts taken by the management are conducted in a systematic manner;
- (15) Consider and approve the day-to-day operations of the Company, including entering into any agreements in the ordinary course of business, in accordance with the investment or budget approved by the Board of Directors. Such amount for each transaction must be in accordance with the delegation of authority approved by the Board of Directors, but not exceed the annual budget approved by the Board of Directors. This also includes entering into any related contracts.

## **Roles, Duties, and Responsibilities of Chairman, and Chief Executive Officer**

### **1. Roles, Duties, and Responsibilities of Chairman**

- 1) The Chairman or other assigned person convenes the Board of Directors' meeting. The notice must be given to the directors at least 7 days (5 business days) prior to the meeting date.
- 2) Perform duties in determining the meeting agenda with the Chief Executive Officer and President to oversee the material matter to be proposed in the agenda meeting of the Board of Directors. In case the Chairman is not an independent director, the Board of Directors shall appoint a designated independent director to participate in setting the board meeting agenda in compliance with the good corporate governance principles.





- 3) Be the Chairman at the Board of Directors' meeting, and have a casting vote.
- 4) Control the meeting efficiently, allocate sufficient time for the management to propose topics, support and give the directors an opportunity to discuss and exercise their independent opinions, control discussion of issues, and declare a resolution in the meeting.
- 5) Encourage the directors to perform their duties in line with the scope of roles, duties, and responsibilities of the Board of Directors, applicable laws as well as the good corporate governance principles such as abstention and absence from the meeting in case of consideration on an agenda pertaining to a director who may cause a conflict of interest.
- 6) Oversee and ensure that the Board of Directors carries out its duties efficiently to achieve the Company's objectives.
- 7) Inform the Board of Directors of any important information.
- 8) Encourage the directors to attend the shareholders' meeting, and perform duties as the Chairman of the shareholders' meeting in order to monitor the meeting efficiently including answering questions of the shareholders.
- 9) Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- 10) Promote a culture of openness and debate through ensuring constructive relations between the executive directors and non-executive directors, and between the Board of Directors and the management.

## **2. Roles, Duties, and Responsibilities of Chief Executive Officer**

- 1) Determine a vision, business direction, policies, business strategies, goals, operation plans, and annual budget plan of the Company and its subsidiaries as proposed by the management, including defining the structure and authority of management, operation plan, and annual budget plan of the Company and its subsidiaries in order to propose to the Executive Committee and/or Board of Director for further approval.
- 2) Communicate the vision, business direction, policies, and business strategies of the Company, which is approved by the Board of Directors to the top management of the Company in order to implement them as a framework for work plan and business management plan in each unit.
- 3) Oversee, monitor, implement and/or conduct day-to-day operations in line with the policies, work plans, and annual budget plan as approved by the Board of Directors, including overseeing, and ensuring that the Company's business operations are in accordance with the plans, as well as applicable laws, regulations, and rules required by other relevant parties, and the Company's Articles of Association. This shall lead to the set outcomes for both financial and non-financial performances.
- 4) Consider and approve the operation plan of each unit of the Company, and consider and approve the proposal from other units of the Company, which exceeds the authorized limit of any units.



This includes considering and approving to enter into the general business transactions of the Company subject to the investment or budget approved by the Board of Directors, or the delegation of authority approved by the Board of Directors.

- 5) Prepare an operating performance report and operation plans of the Company and its subsidiaries to further present them to the Board of Directors on a quarterly basis, and have the authority to define orders, regulations, notifications, and memos to ensure compliance with policies and benefits of the Company, and to monitor the working disciplines within the organization.
- 6) Have the authority to manage the Company's business in line with the objectives, Articles of Association, policies, regulations, rules, orders, budget as approved by the Board of Directors, the shareholder resolution, and/or the Board of Directors' resolution, and/or the Executive Committee's resolution. This includes verifying and assessing the Company's operating performance to be in accordance with the policies and reporting the managerial performance, as well as the progress to the Chief Executive Officer, Executive Committee, Audit Committee, or Board of Directors as the case may be.
- 7) Ensure that the Company has an appropriate internal control system in alignment with the guidelines provided by the Audit Committee and/or the Board of Directors.
- 8) Ensure that the Company has an appropriate risk management and control system in alignment with the guidelines provided by the Audit Committee and/or the Board of Directors.
- 9) Seek a business opportunity and new investment related to the core business of the Company and its subsidiaries in order to generate income for the Company.
- 10) Monitor the Company's overall human resources management and determine regulations, criteria, guidelines, rules, appointment, employment, rotation, salary, compensation, bonus, and employment termination.
- 11) Determine an organizational structure as well as employee appointment, employment, rotation, salary, compensation, bonus, employment termination, including employment at the position level below the Vice President.
- 12) Approve and appoint a consultant of other professions as deemed necessary to the business operations, and to be in compliance with the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 13) Be a representative of the Company in conducting corporate public relations, particularly in creating relation networks and a good image of the organization both nationally and internationally.
- 14) Support the Board of Directors to provide proper communication channels for the shareholders in a consistent manner and disclose information with standard and transparency, including being a representative of the Company in communication with shareholders.



- 15) Have authority, roles, and responsibilities for the administration of the subsidiaries and other departments of the Company.
- 16) Delegate the management-level employees to have the power to be in charge in one or any actions as deemed appropriate, including having the authority to grant a power of attorney and/or assign any person to be in charge in some actions by granting the power and/or assigning which is subject to the scope of power in the letter of power of attorney and/or the regulations, disciplines or orders determined by the Board of Directors and/or sub-committees and/or the Company.

Thus, in granting the power and responsibilities of the Chief Executive Officer or a person given the authority by the Chief Executive Officer, it is not included with using such authority for approving any transactions involved with oneself or any persons who may cause the conflicts of interest, (according to the notifications of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant parties), causing the Chief Executive Officer or any person to have the interest or may have the conflicts of interest in otherwise manners with the Company and its subsidiaries. This is excepted for the transactions which are conducted in line with the policies and criteria approved by the shareholder meeting or the Board of Directors, and such transactions are considered as ordinary business and general business conditions in compliance with the notifications of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant parties.

- 17) Carry out other duties as assigned by the Board of Directors and/or sub-committees under the Company's regulations and Articles of Association, securities, and exchange laws, as well as notifications, regulations, and other criteria pertaining to the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

**Principle 3.4 When proposing director remuneration to the shareholders' meeting for approval, the Board of Directors should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and performance, and provide incentives for the Board of Directors to lead the Company in meeting its objectives, both in the short and long term.**

#### **Guidelines**

##### **1. Remuneration for Directors**

- 1) The Company defines the remuneration policy for the directors comparable to the industry level, reflecting the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. Directors who have additional roles and responsibilities, such as a member of a sub-committee, should be entitled to additional remuneration as appropriate. Thus, the Nomination and Remuneration Committee shall consider the remuneration of directors and propose to the Board of Directors for approval prior to the general meeting of shareholders for further approval each year.



- 2) The remuneration of the directors should be consistent with the Company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, and responsibilities. The members of the sub-committees should be entitled to proper additional remuneration according to the Company's performance and, comparable to industry practice.
- 3) The Board of Directors shall disclose the directors' remuneration policy and criteria including the pay components and level received from the Company and its subsidiaries.

## **2. Remuneration for Management**

- 1) The remuneration is set for the Chief Executive Officer, President, and top management in accordance with the criteria and policy determined by the Board of Directors, and for the best interest of the Company. Such remuneration levels such as salary, bonus, and incentives shall be linked to their individual performance, and the shareholders' benefit shall be taken into account.
- 2) The Nomination and Remuneration Committee assesses the performance of the Chief Executive Officer and President for considering the determination of the remuneration of the Chief Executive Officer and President by means of the concrete assessment criteria and process, which is systematically set in advance with the Chief Executive Officer and President, reflecting the financial performance, performance meeting the Company's objectives, long-term strategies, development of the management, etc. In this regard, the performance shall be presented to the Board of Directors for approval, the Chairman or Chairman of the Nomination and Remuneration Committee shall inform the results to the Chief Executive Officer and President for acknowledgment.

**Principles 3.5 The Board of Directors should ensure that all directors are properly accountable for their duties, responsibilities, and allocate sufficient time to discharge their duties and responsibilities effectively.**

1. The Board of Directors should ensure that the Company's policies prohibit and prevent a director from creating a conflict of interest with the Company both directly and indirectly in other companies, including by using the Company's information or opportunities for his or her own benefit. In this regard, this must be informed to the shareholders as appropriate.
2. The Board of Directors should encourage each director to attend not less than 75 percent of the total number of board meetings in the whole financial reporting year.

### **Guidelines**

The Board of Directors determines the guidelines pertaining to the meeting of the Board of Directors, and sub-committees as follows;

#### **1. Board of Directors**

##### **1.1 Meeting**



- According to the Company's Articles of Association, the Board of Directors shall convene meetings at least once every 3 months at the province where the head office of the Company is located or nearby province or other location. The meeting day, time, and venue are considered by the Chairman, and the special meeting shall be held if necessary. In order to ensure the board meeting is held in a consistent manner, and the large numbers of directors' meeting attendance, the Company shall send its directors the whole-year schedule of the Board of Directors' meetings for the next year prior to the year-end of each year. The board meetings are determined at least 6 meetings a year.
- The Company shall hold a meeting where the non-executive directors have the opportunity to discuss the managerial affair, as necessary, in the absence of the management, and shall report such results to the Chief Executive Officer.

## 1.2 Meeting Agenda

At every meeting, the company secretary, the Chief Executive Officer, and President discuss proposing a meeting agenda to the Chairman and the designated independent director to participate in setting such agenda in order to set the meeting agenda in advance. Thus, the notice with relevant document shall be sent to the directors at least 7 days (5 business days) prior to the meeting date to provide the directors sufficient time to consider the content of the meeting agenda or be able to request more information or document. In case of an urgent issue considered to protect the right and benefit of the Company, there may be other ways to call for a meeting and send the meeting document to the directors less than seven (7) days.

## 1.3 Summon of the Board of Directors' Meeting

The Chairman shall call for the Board of Directors' meeting, or two (2) or more directors may request to convene a meeting, the Chairman shall define the meeting date within fourteen (14) days from the date of receipt of the request.

## 1.4 Attendance, Quorum, and Voting

- According to the Company's Articles of Association pertaining to a board meeting either being present in the same place or via electronic meeting, not less than one-half of the total number of directors must be present to constitute a quorum. However, in order to encourage the directors to participate in considering and voting at the meeting, the Company determines not less than two-thirds of the total number of the entire directors (the numbers of directors who are present and attend the meeting are counted; however, a director who is involved with an agenda that may cause a conflict of interest has no right to vote on such agenda).
- The Chairman presides at the Board of Directors' meeting. In case the Chairman is not present at the meeting, or cannot perform his or her duties, the Vice-Chairman shall be the chairperson of the meeting. If the Vice-Chairman is not present or cannot perform his or

her duties, the directors present at the meeting shall elect one of the directors to be the chairperson of the meeting.

- The decisions at the meeting shall be made by a majority vote of the directors attending the meeting. Any director having an interest in any matter shall not be entitled to vote on such matter. In the event of a tie vote, the Chairman of the meeting shall have a casting vote.
- The Chairman allocates sufficient time for the management to propose topics and discuss the significant matter thoroughly and encourages all directors to place importance on the issue at the meeting, as well as the corporate governance.
- The Board of Directors should encourage the top management to propose the inclusion of relevant items and to attend the meeting to present details on the agenda items related to matters that they are directly responsible for, and to allow the directors to gain familiarity with the top management and assist succession planning in the future.
- The Board of Directors is able to have access to necessary information required for their respective roles from the management and company secretary. If necessary to discharge their responsibilities, the Board of Directors may seek independent professional advice at the Company's expense.

#### 1.5 Reporting

The company secretary or a person designated by the Board of Directors shall record the meeting, and send it to the Board of Directors within 14 days from the meeting date.

## 2. Audit Committee

### 2.1 Meeting

- The Audit Committee must hold at least 4 meetings per year.
- The Chairman of the Audit Committee may call for a special meeting when receiving such request from a member of the Audit Committee, internal auditor, auditor, or the Chairman of the Company for considering and discussing the significant matter.

### 2.2 Meeting Agenda

The secretary of the Audit Committee and the Chairman of the Audit Committee discuss to determine the meeting agenda and send the relevant document to the Audit Committee and other related parties in advance to provide the committee sufficient time to consider the content of the meeting agenda, or request more information or document. Thus, if such a meeting is held through electronic means, documents related to the meeting may be sent through electronic mail.

### 2.3 Quorum

- All members of the Audit Committee should attend all the meetings. There must be not less than one-half of the total number of the committee present to constitute a quorum, either being



present in the same place or via electronic meeting. In case the Chairman of the Audit Committee is not present at the meeting, or cannot perform his or her duties, the members present at the meeting shall elect one of the members to be the chairperson of the meeting.

- The Audit Committee may invite a director or management of the corporate group, internal auditor, auditor, external lawyer, or other professional to attend the meeting in order to exercise their opinions or answer a relevant matter.

#### 2.4 Voting

- The meeting document must define the names of persons who attend the meeting. Any member of the Audit Committee with a vested interest in any matter shall not be entitled to attend the meeting and vote on such matter.
- The resolutions at the meeting shall be made by a majority vote, either being present in the same place or via electronic meeting. One member shall have one vote, in the event of a tie vote, the Chairman of the Audit Committee or the Chairman at the meeting shall have a casting vote.
- The secretary of the Audit Committee has no right to vote.

#### 2.5 Reporting

The secretary of the Audit Committee or a person designated by the Audit Committee shall record the meeting and send it to the committee within 14 days from the meeting date.

### 3. Nomination and Remuneration Committee

#### 3.1 Meeting

The Nomination and Remuneration Committee must hold at least 2 meetings per year.

#### 3.2 Quorum

In the Nomination and Remuneration Committee's meeting either being present in the same place or via electronic meeting, there must be not less than one-half of the total number of the committee present to constitute a quorum. In case the Chairman of the Nomination and Remuneration Committee is not present at the meeting, or cannot perform his or her duties, the members present at the meeting shall elect one of the members to be the chairperson of the meeting.

#### 3.3 Voting

Either being present in the same place or via electronic meeting, a member of the Nomination and Remuneration Committee shall have one vote, and the resolutions at the meeting shall be made by a majority vote. Any member of the Nomination and Remuneration Committee with a vested interest in any matter shall not be entitled to vote on such matter. In the event of a tie vote, the Chairman of the Nomination and Remuneration Committee or the Chairman at the meeting shall have a casting vote.



## 4. Executive Committee

### 4.1 Meeting

The Company shall hold meetings of the Executive Committee at least 4 times a year, on a quarterly basis. The meeting schedule shall be set and informed to the members in advance. Thus, the Board of Directors considers that the dedication to the Company of each member should not focus on the meeting attendance only, but also on the exchanging opinions, suggestions, experience, and relation network for creating benefit to the Company's business.

### 4.2 Quorum

In the Executive Committee's meeting, there must be not less than one-half of the total number of the committee present to constitute a quorum, either being present in the same place or via electronic meeting. In case the Chairman of the Executive Committee is not present at the meeting, or cannot perform his or her duties, the members present at the meeting shall elect one of the members to be the chairperson of the meeting.

### 4.3 Voting

Either being present in the same place or via electronic meeting, a member of the Executive Committee shall have one vote, and the resolutions at the meeting shall be made by a majority vote. Any member of the Executive Committee with a vested interest in any matter shall not be entitled to vote on such matter. In the event of a tie vote, the Chairman of the Executive Committee or the Chairman at the meeting shall have a casting vote.

**Principle 3.6 The Board of Directors should ensure that the Company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.**

#### Guidelines

1. **The Board of Directors defines the Company's governance framework and policies extend to its subsidiaries** as follows:
  - The authority to appoint subsidiary directors, management, or others with controlling power, including the duties and responsibilities of such persons in accordance with the Company's policies as well as other joint venture agreements (if any).
  - The internal control systems are effective and all transactions comply with relevant laws and regulations.
  - The integrity and timely disclosure of the financial information, performance, and other information as required by laws.



2. **A significant investment in other businesses** such as between 20 percent and 50 percent of shares with voting rights), other than the subsidiaries, which is to ensure those shareholder agreements or other agreements are in place to enable the Company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions in order to ensure that the Company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards.

**Principles 3.7 The Board of Directors conducts an annual performance assessment of the Board of Directors, sub-committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the board.**

#### **Guidelines**

##### **1. Board Self-Assessment**

- 1) The performance assessment of the Board of Directors and sub-committees should be conducted at least once a year to facilitate consideration and improvement of the board's performance and effectiveness and resolution of any problems.
- 2) The Nomination and Remuneration Committee considers the assessment guidelines to further propose to the Board of Directors for approval. The Committee determines the annual assessment of the performance of the Board of Directors and sub-committees as a whole and on an individual director level based on self-assessment. The criteria, process, and results of the assessment should be disclosed in the annual report.
- 3) The Board of Directors shall consider the assessment results and problems for further improvement and the right combination of the Board of Directors.

##### **2. Performance Assessment of the Chief Executive Officer, Executive Vice President – Office of Chief Executive Officer, and President**

- 1) The Nomination and Remuneration Committee assesses the performance and further presents it to the Board of Directors for approval on a yearly basis.
- 2) Assessment Criteria
  - Corporate KPIs
  - Leadership competency assessments:
    - (1) Leadership
    - (2) Strategic Planning
    - (3) Performance aligned with strategy
    - (4) Financial planning and performance
    - (5) Relationship with the Board of Directors
    - (6) Relationship with third parties
    - (7) Management and people engagement
    - (8) Succession Planning
    - (9) Knowledge about products and services
    - (10) Characteristics



**Principle 3.8 The Board of Directors ensures that the board and each individual director understand their roles and responsibilities, the nature of the business, the Company’s operations, relevant laws, and standards. The board supports all directors in updating and refreshing their skills and knowledge necessary to carry out their roles and duties.**

**Guidelines**

1. The Board of Directors establishes the director’s handbook which includes corporate information, charter, and policies as the guidelines of the director’s roles and duties.
2. The Board of Directors ensures that a newly appointed director receives suggestions and the director’s handbook including other relevant information. The director orientation shall be held to inform him or her of the nature of business, and corporate direction that shall enhance the well understanding of the Company’s objectives, goals, vision, and nature of business.
3. The Board of Directors encourages the directors to regularly receive sufficient and continuous training and knowledge development and also discloses training and knowledge development of the directors in the annual report.

**Principle 3.9 The Board of Directors ensures that it can perform its duties effectively and have access to accurate, relevant, and timely information. The Board of Directors should appoint a company secretary with the necessary qualifications, knowledge, skills, and experience to support the board in performing its duties.**

**Guidelines**

1. The Board of Directors has a mechanism that allows each board member and management to independently propose the relevant items on the meeting agenda through the company secretary.
2. The Board of Directors encourages the Chief Executive Officer or President to invite key management to attend the board meetings to present details on the agenda items related to matters that they are directly responsible for.
3. The meeting documents should be sent to the directors at least 7 days (5 business days) before the meeting date. The Board of Directors can access to important information required for their scope of duties and roles from the Chief Executive Officer, President, company secretary, or designated individual.
4. The company secretary has the necessary qualifications, and experience for performing his/her duties, and receives ongoing training and education relevant to performing his/her duties, and a company secretary certified program. The qualifications and experience of the company secretary must be disclosed in the annual report and on the company’s website.

## Principle 4: Ensure Effective Top Management and People Management

**Principle 4.1** The Board of Directors ensures that a proper mechanism is in place for the nomination and development of the President and top management to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives.

### Guidelines

#### 1. Criteria and Procedures of Nominating the Top Management

The Nomination and Remuneration Committee defines the nomination criteria, selection, and remuneration of the Chief Executive Officer, Executive Vice President at the Office of Chief Executive Officer, and President in order to propose to the Board of Directors for approval of the appointment and remuneration.

#### 2. Succession Plan

- 1) The Board of Directors ensures that the Company has a system of personnel selection to be responsible for the management positions or important supervisors at all levels. In recruiting candidates for the position of the Chief Executive Officer and President, it must be in accordance with the appropriate recruitment process in the consideration of the inside and outside the Company.
- 2) The Board of Directors monitors the succession plan for the top management, and requests reporting on the implementation at least once a year.

#### 3. Development of Top Management

- 1) Promote and facilitate the continuous development and education of the top management that is relevant to their roles to enhance their skills and knowledge, as well as corporate governance. Training and education shall be organized by the Company, or by outsourcing.
- 2) The Company encourages the management to receive ongoing development for the readiness of the rotation in the organization administration from the department manager level and above, as well as evaluating the competency of the top management for being a successor of the President and Chief Executive Officer.

#### 4. Determine the policies and guidelines for the Chief Executive Officer, President, top management, serving as a director in other companies, which is proposed to the Board of Directors for approval on the consideration of the appropriateness of each nature of the business that is not competitive with the corporate group, as well as the dedication of time to perform their duties for the subsidiaries.

**Principle 4.2** The Board of Directors ensures that the appropriate compensation structure and performance assessment are in place.

### Guidelines



1. The Board of Directors determines the compensation structure and incentives for the top management, and employees at all levels to act in support of the Company's objectives, goals, and long-term value, taking into account industry standards.
2. The Board of Directors approves the evaluation criteria of the Company's performance, and the top management's annual bonus, which is preliminarily considered by the Nomination and Remuneration Committee.
3. The Nomination and Remuneration Committee assesses the performance of the Chief Executive Officer, Executive Vice President at the Office of Chief Executive Officer, and President, and then proposes to the Board of Directors for approval every year.

**Principle 4.3 The Board of Directors considers its responsibilities in the context of the Company's shareholder structure and relationships, which may impact the management and operation of the Company.**

**Guidelines**

1. The Board of Directors understands the Company's shareholder structure and relationships, including the family agreements, and considers their impact on the control over the Company.
2. The Board of Directors oversees that information is properly disclosed when there are any conditions that have an impact on the control over the Company.

**Principle 4.4 The Board of Directors ensures the Company has effective human resources management and development programs to ensure that the Company has adequate staffing and appropriately skilled, and experienced employees.**

**Guidelines**

1. The Board of Directors ensures that the Company is properly staffed and that human resources management aligns with the Company's objectives and furthers sustainable value creation. All employees must receive fair treatment, remuneration, and welfares that retain competent employees.
2. The Board of Directors ensures that the Company establishes a provident fund and implements a training and development program for employees that promotes financial literacy and management and investments that are suitable for their age.

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

**Principle 5.1 The Board of Directors prioritizes and promotes innovation that creates value for the Company together with benefits for its customers or relevant parties, society, and the environment, in support of sustainable growth of the Company.**

**Guidelines**



1. The Board of Directors prioritizes and promotes a corporate culture that embraces innovation, and ensures the inclusion of innovation in corporate strategy, designing innovative business models, products, and services, promoting research and development, improving production processes, and collaborating with business partners to exchange knowledge and technology.

**Principle 5.2 The Board of Directors encourages the management to adopt responsible operations, and incorporate them into the Company's operation plan. This is to ensure that every department and function in the Company adopt the Company's objectives, goals, and strategies, responsibility for all stakeholders, environment, and society.**

1. The Company recognizes the importance of caring for all stakeholders. The internal stakeholders such as shareholders or investors and employees of the Company, or external stakeholders, such as customers, business partners, creditors, competitors, society and community, and so on. In running the business, the Company takes into account the rights of all stakeholders. The collaboration between the Company and the stakeholders shall be fostered to create sustainable growth.
2. The Board of Directors determines the code of conduct and corporate governance policy for directors, management, and all employees to comply with. This shall help the Company achieve the objectives and key goals sustainably. Such code of conduct and corporate governance policy includes conducting business with ethics, corporate social responsibility and environment, right of stakeholders that covers the responsibility for its employees, responsibility for customers, responsibility for business partners, responsibility for community, responsibility for the environment, fair competition, and anti-corruption.

## **Guidelines**

### **1) Fair Labor Practices**

The employees' right to enjoy a working life in a good and respectful environment is prioritized. Employees at all levels are encouraged to treat their colleagues with respect, and taking advantage of colleagues is ardently discouraged. In relation to labor practices, the Company determines the human resources management in every procedure to ensure efficiency including recruitment, human resources development, training and education on a regular basis, fair remuneration, and welfare benefit. Moreover, the Company offers all employees an opportunity for career advancement. Training courses are provided to employees at all levels to improve their professional skills in the proper workplace. There are the following key guidelines:

#### **1.1 Remuneration and Welfare**

The Company has a policy pertaining to fair remunerations; salary and bonus according to the individual competency, job security, and career path for all employees. Welfare is also provided for the employees as required by law, such as social security. In addition to the legal requirements, the Company provides the employees with additional welfare for their good quality of life, life security, and long-term care such as provident fund, annual health check-up, health and accident



insurance, as well as financial contributions such as the funeral expenses of an employee's parents, and so on.

### 1.2 Job Skill and Knowledge Development and Training

The Company has a policy for promoting human resources development by encouraging all employees to improve their knowledge and enhance their skills, potential, good attitude, morals, and ethics, and embrace the spirit of teamwork by means of training courses, workshops, seminars, site visits to ensure their effective improvements.

Furthermore, the Company supports the development of the corporate and human resources, focusing on implementing operating procedures efficiently, clearly defining the scope of employees' roles and duties, determining an appropriate remuneration, improving the performance evaluation system, and enhancing employees' capacity.

### 1.3 Occupational Health and Safety Policy

The Company determines a policy for its employees to perform their duties in line with the awareness of occupational health and safety in a good workplace. In this regard, the regulations and safety handbook have been established and announced to all employees to strictly comply with. The Company puts the importance on avoiding work-related accidents with great efforts. Moreover, safety awareness is established among employees, as well as educating them with training sessions relating to occupational health, and any acts or things that are detrimental to the health or condition of customers or service users should be prohibited. In addition, all employees are encouraged to always keep the workspace in a hygienic and safe condition in order to minimize the statistic of incidents, absenteeism rate, and injury/illness severity rate.

## 2 Responsibility to Shareholders

- 1) Perform duties with integrity, as well as making a decision on the professional principle with caution, care, and fairness to major and minor shareholders with the intention to generate a good performance, stable growth for the best interest of the shareholders;
- 2) Report the Company's status, operating performance, and other reports with accuracy, completion, consistency, and truth to the Board of Directors and the shareholders;
- 3) Conduct and drive the Company's business to growth, stability, and proper return towards the shareholders;
- 4) Perform duties with utmost knowledge, capability, and skills for the benefit of the shareholders and Company;
- 5) Do not seek any interest, in performing duties, for oneself and others;
- 6) Do not disclose any secret of the Company, and do not use its confidential information for the benefit of oneself or others without receiving permission from the Company;



- 7) Any acts which may cause the conflict of interest with the Company without prior notice are prohibited.

### **3 Responsibility to Customers and Consumers**

The Company has the intention to generate products with utmost quality toward its customers and consumers in order to achieve their satisfaction, with the following guidelines:

- 1) The Company focuses on the quality and standard of its products, quality of materials, and production standard in order to generate a product with quality and achieve the customers' and consumers' satisfaction;
- 2) The Company consistently develops and improves innovation for new products to meet the needs of customers and consumers to offer them various products with quality and standard, and respond to demand/needs;
- 3) The Company believes in the concept of a fair market, and enforces its belief through policies that direct customers and consumers to the accurate and sufficient source of product information without any distortion, obscurity, or over-exaggeration, that will help support their buying decisions;
- 4) The Company is aware of the matter of customer and consumer safety and is readily committed to providing them with high quality and safe products in accordance with international safety standards, regulations, and laws, which includes continuous creative designing and development of its products that inspire the confidence of customers and consumers in the Company's products with quality, standard, and safety;
- 5) The Company establishes a customer relationship system as a basis of two-way communication between the Company and its customers and consumers, which also includes an efficient complaint channel for quality of products to timely respond to their needs;
- 6) The Company protects the confidential information of its customers and consumers and does not misuse such information.

### **4 Responsibility to the Business Partners and/or Creditors**

The Company determines a policy pertaining to fair and equitable treatment towards all business partners and/or creditors with honesty, without exploitation, in consideration of maximizing the Company's benefits based on the fair return for both parties. Any situation causing the conflict of interest must be avoided, and the negotiation for any solutions shall be decided by taking the business relationship into account, with the following guidelines:

- 1) The process of selecting business partners is clearly set by providing equal information and selecting business partners with fairness based on the criteria for evaluating and selecting the Company's business partners under the proper contract form and fairness to all parties;
- 2) The Company must not request for, receive, or offer any kind of benefits from business partners and/or creditors in a way that is perceived as dishonest;



- 3) In case there is any information on the occurrence of request, acceptance, or the pay of any dishonest benefit, such matter shall be informed to the business partners and/or creditors to jointly find solutions fairly and quickly;
- 4) Comply with the contractual terms and conditions strictly; in the case of failure of compliance with any condition, the notice to the creditors shall be made in advance to jointly consider and find solutions;
- 5) The Company attaches great importance to its creditors as an important business partner, so it is committed to complying with all existing contractual obligations with its creditors and without concealing any information or facts that may cause any damage or non-compliance with such obligations, the Company will notify the creditors in advance to find out the solution, including guarantees, capital management, and default payment;
- 6) In case of a loan borrowed from a financial institution, the Company shall not use such loan in the way that causes a breach of the loan agreement/conditions.

#### **5 Policy and Practices towards Business Competitors**

The Company conducts its business under the rules of fair competition with due regard to business ethics, business alliances to support each party without causing any damage to business and relations, with the following guidelines:

- 1) Do not seek any confidential information of the business competitors or do any act to receive such information through dishonest or illegal means;
- 2) The Company shall not conduct any acts in the way to cause the unfair competition or cartel;
- 3) The Company shall not destroy or damage the reputation of business competitors.

#### **6 Engagement to Develop the Community and Society**

The Company determines a policy to run its business that is beneficial to the economy and society, to be a good citizen, and comply with applicable laws and regulations. The Company is also committed to improving and elevating the quality of life of the society in proximity to its premises as well as expanding its business at the same time.

The Company complies with the policy to care for and build a relationship with the nearby community. In this regard, the Company regularly promotes the nearby communities' activities in consideration of proper projects that provide benefits to the community and society for the purpose of sustainable community development. The Company's employees also participate in such activities including supporting the activities on a regular basis.



## **7 Environmental Conservation**

The Company prioritizes its social responsibility towards environmental conservation by running its business under environmental standards such as an effective environmental management system; ISO14001 for domestically and internationally. The Company ensures that its production process and operations are in accordance with the laws pertaining to environmental conservation. Under the concept of environmental care and awareness, the Company focuses on monitoring and developing an environmentally friendly production process, and selecting raw materials without environmental impact.

Additionally, the Company also emphasizes reducing waste generated from the production process by employing the principles of green engineering, minimizing material consumption as much as necessary, with the purpose of recycling shared resources for maximum efficiency and environmental preservation and avoidance of deforestation by means of procuring an environment centric system that serves as both guideline and business management tool. For launching a campaign to promote energy efficiency, the Company promotes various energy-saving policies of cost-effective consumption of workplace consumables, such as using re-used papers, using 2-side used papers for color testing by the Technical Support Division, turning electrical appliances and air-conditioners off during break time, distributing digitalized documents (soft files) instead of hard files, emphasizing on internet-based communication, meeting, and transaction to reduce otherwise mandatory inter-departmental visits.

## **8 Human Rights**

The Company recognizes the importance of human rights and emphasizes the equitable treatment of those within and outside of the Company. The Company constantly monitors and does not let the Company's business get involved with the direct or indirect infringements of an individual's rights or freedoms e.g. forced labor and child labor. It also stresses the fair and respectful treatment of all stakeholders on the basis of human dignity, and issues of equal treatment for the Company's employees, without discrimination by the origin of birth, race, gender, age, complexion, religion, physical appearance, social status or class, genealogical history, or another status that does not directly affect work performance. Internally, the Company promotes a mechanism for the monitoring of all employees to comply with its rules on human rights, encourages the compliance with the international standards of human rights, and ensures that the business responsibility pertaining to human rights are shared by all parties involved, from affiliates, joint ventures, and business partners.

## **9 Supervision of Compliance with Intellectual Property Laws**

The Company does not conduct any operation that violates intellectual property rights by ensuring that the directors, management, and employees comply with the laws and regulations and that they are not under any circumstance complicit in, contribute to, or act in such a way that violates the laws and regulations pertaining to the intellectual property.



**Principle 5.3 The Board of Directors ensures that the management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its sustainability objectives and goals.**

**Guidelines**

1. The Board of Directors has a thorough understanding of how the business model affects resources optimization in support of ethical, responsible, and overall sustainable value creation.
2. The Board of Directors ensures the Company's use and optimization of resources, considering internal and external factors to meet the Company's objectives.

**Principle 5.4 The Board of Directors establishes a framework for the governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.**

**Guidelines**

- 1) The Board of Directors monitors and ensures that the Company has an IT resource allocation and management policy, including IT security policy.
- 2) The Board of Directors monitors the risk management to include IT risk management.

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

**Principle 6.1 The Board of Directors ensures that the Company has effective and appropriate risk management and internal control systems that are aligned with the Company's objectives, goals, and strategies, and comply with applicable laws and standards.**

**Guidelines**

1. The Board of Directors is aware of and understands the nature and scope of the Company's principal and substantial risks and should approve the risk appetite of the Company.
2. Risk Management Committee, chaired by the Chief Executive Officer, consists of the top management from every department to be responsible for determining the risk management policy to propose to the Audit Committee for approval. Moreover, risk management shall be reviewed at least once a year.
3. The Risk Management Committee assesses the Company's principal and substantial risks that are identified through consideration of internal and external factors that may cause the Company to not able to achieve its objectives.
4. Risk Management Committee ensures that the Company assesses and prioritizes the impact and likelihood of identified risks, and that suitable risk management is included in the Company's risk management plans, which are divided as strategic risk, operational risk, financial risk, and legal and compliance risk.



5. Risk Management Committee reports the status of the risk management plan to the Audit Committee for assessing the effectiveness of the risk management, regularly report to the Audit Committee, and the Board of Directors at least once a year.

**Principle 6.2 The Board of Directors establishes the Audit Committee that can act effectively and independently.**

**Guidelines**

1. The Board of Directors establishes the Audit Committee that comprises 3 directors with required qualifications in line with the Securities and Exchange Commission and Stock Exchange of Thailand and clearly sets out in writing the Audit Committee's charter that includes the tenure, scope of duties, and responsibilities.
2. The Audit Committee shall hold a meeting with the external auditor without the presence of the management at least once a year.

**Principle 6.3 The Board of Directors manages and monitors the conflicts of interest that might occur between the Company, management, or shareholders. The Board of Directors should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.**

**Guidelines**

1. The Board of Directors establishes the policy on internal use of information, disclosure policy, and corporate governance policy, including code of conduct in order to monitor the information security, protect confidentiality, integrity, and availability of business information, as well as market-sensitive information. The Board of Directors monitors the implementation of the information security policies and procedures and the adherence to confidentiality requirements by insiders, including directors, management, employees, and professional advisers. Such policies can be found on the Company's website.
2. The Board of Directors monitors and discloses the conflict of interest situations and transactions in compliance with applicable laws and standards.
3. The Board of Directors sets requirements for all directors to report conflicts of interest in relation to any meeting agenda item at least before consideration of the matter at the meeting and record the reported conflict of interest in the meeting minutes. The Board of Directors also ensures that all directors who have a conflict of interest in relation to an agenda item abstain from being present for discussion of or voting on that agenda item.

**Principle 6.4 The Board of Directors establishes a clear anti-corruption policy and practices, including communication, and strives to extend its anti-corruption efforts to stakeholders.**



## Guidelines

1. The Board of Directors establishes the anti-corruption policy to be a part of the code of conduct, which the directors, management, and employees must comply with strictly, including ensuring the company-wide awareness and implementation of the Company's anti-corruption policy and practices, and compliance with applicable laws and standards with the following details:

The Company conducts its business with transparency, recognizes the importance of anti-corruption in all forms, complies with applicable laws, and brings benefit to the society, as well as promotes integrity and good citizen among its employees.

The Company determines the anti-corruption policy as a clear guideline to prevent and resist the corruption problems in the Company. The anti-corruption is adhered to the organizational culture to enhance the awareness of the negative impact of the corruption in order to drive the ethical value and build the confidence of all the stakeholders, and to ensure that the anti-corruption is effectively put in place with the following guidelines.

1. The directors, management, employees at all levels must not act or ignore their performing duties, or misuse their authority, violate the applicable laws and ethics, including doing any act or being involved with all forms of corruption both directly and indirectly, not seeking inappropriate benefit in any form such as to call for, accept, offer, or give any asset including any benefit to state officers or other individual doing business with the Company, and so on.
2. Determine the guidelines pertaining to giving, receiving gifts, or entertainment to be included in the Company's code of conduct. The employees must not offer, call for, receive, or accept money, non-monetary items, business hospitalities (such as meals and entertainment), or other benefits which may cause suspicion of bribery and fraud. Gifts, non-cash or cash equivalent, should be given on a rational basis, not causing confusion in business judgment. It should be aware that any acts must be subject to transparency, and auditable.
3. Determine a regulation pertaining to procurement, the purpose of a transaction, advance payment, or any contract, to ensure that there is clear supporting evidence for each process, including the delegation of authority should be properly defined.
4. Communicate the anti-corruption policy to each department of the Company through various channels such as training, internal communication system to inform all related parties to comply with, etc.
5. Define the whistleblowing channel by promoting various communication channels for employees and related parties to be able to inform any suspicion or wrongdoing. Thus, effective measures to protect whistleblowers must be established, including strictly protecting their identity to avoid unfair punishment or job rotation, as well as appointing an individual to investigate and oversee the whistleblowing issues.
6. Develop and stay up-to-date on the anti-corruption measures to be in compliance with relevant laws as well as ethical practices, and ensure that the risk assessment of related activities or likelihood of any

potential fraud and corruption risks together with the proper preventive measures are put in place, which should be communicated within the organization on a regular basis.

7. In the event that directors, management, and employees do any act, both directly and indirectly, that violates or is in non-compliance with this policy, they shall be punished according to the Company's regulations or applicable laws.

Thus, the Company's personnel must understand and comply with the anti-corruption policy in all working procedures. If any wrongdoing against this policy is found, it must be immediately reported to one's supervisor or department/individual who is delegated for this matter.

**Principle 6.5 The Board of Directors establishes a mechanism for handling complaints and whistleblowing.**

**Guidelines**

1. The Board of Directors ensures that the Company has a clear whistleblowing policy which includes procedures, and proper whistleblower protection from retaliation as a result of their good faith whistleblowing activities, and ensures the availability of convenient complaint channels that are set up for stakeholders to freely communicate their concerns about illegal or unethical practices or potential corruption or unethical behavior as well as human rights violation and other concerns to the Board of Directors directly as follows;

**Channel 1:** via e-mail to one of the following committees;

<b>Channels</b>	<b>E-Mail</b>
Board of Directors	directors@toagroup.com
Audit Committee	auditcommittee@toagroup.com

**Channel 2:** by post addressing one of the committees at the following address: TOA Paint (Thailand) Public Company Limited: 31/2 Moo 3, Bangna-Trad Road, Bang Sao Thong, Samut Prakarn 10570

2. The head of internal audit is responsible for receiving and collecting whistleblowing issues and carries out in line with the whistleblowing policy, and then reports to the Audit Committee and the Board of Directors respectively for further consideration and approval.
3. The Company has clear whistleblowing channels for reporting suspected wrongdoing through the Company's website or annual report.

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

**Principle 7.1 The Board of Directors ensures the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.**

**Guidelines**

1. The Board of Directors ensures that any related person, including Chief Financial Officer, Internal Auditor, Company Secretary, and Investor Relations Officer, involved in the preparation and disclosure



of any information of the Company have relevant knowledge, skills, and experience, and that sufficient resources, including staffing, are allocated.

2. When approving periodic financial disclosures, the Board of Directors should consider all relevant factors, including:
  - The adequacy of the internal control system,
  - The external auditor's opinions and observations,
  - The Audit Committee's opinions,
  - Consistency with the Company's objectives, strategies, and policies.
3. The Board of Directors has a mechanism that ensures the accuracy, clarity, and sufficiency of information disclosed to investors for their decision-making, both positive and negative impacts on the Company for financial and non-financial information in accordance with the regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand, and other relevant information with accuracy, accountability, credibility, and in a timely manner for shareholders and stakeholders to receive information equally.
4. The Board of Directors provides a summary of the Company's corporate governance policy, code of conduct, risk management policy, and corporate social responsibility policy, together with steps taken to implement such policies and identification of and reasons for each case of non-compliance through various channels, e.g., the Company's annual report and website, etc.
5. The Board of Directors presents its report of the Board of Directors' responsibilities for financial statements alongside the auditor's report to be disclosed in the annual report.
6. Encourage the Company to prepare a management discussion and analysis (MD&A) for each quarterly and annual financial statements, in order to provide to investors more complete and accurate information about the Company's true financial status, performance, and circumstances, other than figures in the financial statements.
7. Ensure the disclosure of audit and non-audit fees.
8. Ensure that the roles and responsibilities of the Board of Directors and sub-committees, together with the number of meetings held, the attendance record of each director in the previous year, opinions of their performance, including ongoing professional education or training of the directors to be disclosed in the annual report.
9. Disclosure of the remuneration policy of the directors and top management reflecting their individual roles and responsibilities, including the compensation types. Thus, the amount of the remuneration, including the pay per each director serving as a director of its subsidiaries should be disclosed.
10. The Company discloses information as specified by the regulations through the channel of the Stock Exchange of Thailand, and annual registration statements/ annual report (56-1 One Report). The Board of Directors shall consider disclosing information via other channels, such as the Company's website, and keep such information updated on a regular basis.



11. The directors and management of the Company must report to the Company their own interests or those of related persons, which are related to the business operation of the Company or its subsidiaries in accordance with the rules and procedures prescribed by the Capital Market Supervisory Board. Such report must be updated and informed to the Company within 30 days from the date of the change of their interest, which is included in the meeting agenda of the Board of Directors for acknowledgment on a quarterly basis.
12. The Board of Directors determines the policy for the directors and management to inform the Board of Directors and company secretary of purchasing, trading, transferring, and/or obtaining securities of the Company, including derivatives<sup>1</sup> and convertibles<sup>2</sup>, in writing at least 1 day prior to conducting the securities' trading.
13. All directors must submit their report on shareholding of the Company's securities, including derivatives and convertibles, and those of related parties in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992), and relevant regulations to the company secretary before submitting to the Securities and Exchange Commission as required by applicable laws. The company secretary is responsible for summarizing the report of the securities changes and reports to the Board of Directors for acknowledgment every 6 months. In this regard, the Company shall disclose the changes in shareholding of the securities, derivatives, and convertibles of the directors and top management by showing the holding levels at the beginning and at the end of the year together with the aggregate changes during the year in the annual report.
14. All directors ensure the accuracy and completeness of their information disclosed by the Company, including shareholders' information or any shareholders' agreement (if any).

**Principle 7.2 The Board of Directors monitors the Company's financial liquidity and solvency.**

**Guidelines**

1. The Board of Directors ensures that the management regularly monitors, evaluates, and reports on the Company's financial status. The Board of Directors and the management should ensure that any threats to the Company's financial liquidity and solvency are promptly addressed and remedied.

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<sup>1</sup> "derivatives" means derivatives under the Law on Derivatives, having all of the following characteristics:

(<sup>1</sup>) specifying that the counterparty shall gain returns based on the price or the returns from shares issued by the Company;

(<sup>2</sup>) traded on a licensed derivatives exchange under the Law on Derivatives.

<sup>2</sup> "convertibles" means securities subject to any of the following rules and conditions:

(<sup>1</sup>) debt repayment may be converted into settlement of shares issued by the Company;

(<sup>2</sup>) the securities holder shall have the right to buy shares issued by the Company;

(<sup>3</sup>) the right to gain returns shall be based on the price or the returns from shares issued by the Company.



2. The Board of Directors should ensure that it does not consciously approve any transactions or propose any transactions for shareholder approval which could negatively affect business continuity, financial liquidity, and solvency.

**Principle 7.3 The Board of Directors ensures that risks to the financial position of the Company or financial difficulties are promptly identified, managed, and mitigated, and that the Company's governance framework provides for the consideration of stakeholder rights.**

**Guidelines**

1. In the event of financial difficulties, the Board of Directors shall enhance monitoring of the affairs of the Company, and duly consider the Company's financial position and disclosure obligations.
2. The Board of Directors ensures that the Company has sound financial mitigation plans and that any actions to improve the Company's financial position are reasonable and made for a proper purpose in consideration of the stakeholder rights including creditor rights.

**Principle 7.4 The Board of Directors ensures sustainability reporting, as appropriate.**

**Guidelines**

1. The Board of Directors considers and reports data on the Company's compliance and ethical performance, anti-corruption performance, its treatment of employees and other stakeholders, including fair treatment and respect for human rights, and social and environmental responsibilities, which reflects material corporate practices that support sustainable value creation. The sustainability reporting shall meet the domestic and international standards.

**Principle 7.5 The Board of Directors ensures the establishment of a dedicated Investor Relations function responsible for regular, effective, and fair communication with shareholders and other stakeholders.**

**Guidelines**

1. The Board of Directors establishes the disclosure of information policy, and inside information policy as guidelines for the disclosure obligations and to ensure that all information relevant and material to third parties is disclosed in an appropriate, equal, and timely manner, using appropriate channels while protecting the Company's sensitive and confidential information. The Board of Directors ensures the creation of an Investor Relations function responsible for communication with external parties and ensures the company-wide communication and implementation of the Company's communication and disclosure policy.
2. Establish the Investor Relations department to communicate with investors or shareholders. The Company shall disclose its information, financial and general information to inform shareholders, securities analysts, and related parties through convenient, timely, and accessible channels. Such parties shall be given an opportunity to meet the Company's management as appropriate in





consideration of public disclosure of information. The roles and responsibilities of the investor relations department are defined in the IR code of conduct.

**Principle 7.6 The Board of Directors ensures the effective use by the Company of information technology in disseminating information.**

**Guidelines**

- 1) The Board of Directors promotes the disclosure of information in both Thai and English through the Company's website at [www.toagroup.com](http://www.toagroup.com), other than the disclosure of information through the Stock Exchange of Thailand's channel.

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

**Principle 8.1 The Board of Directors ensures that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.**

**Principle 8.2 The Board of Directors ensures that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensures inclusive and equitable treatment of all shareholders and their ability to exercise their rights.**

**Principle 8.3 The Board of Directors ensures accurate, timely, and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.**

**Guidelines**

**1. Right of Shareholders**

The right of shareholders is highly prioritized not only for the right prescribed by applicable laws. The Company shall not conduct any act that violates or deprives the shareholders' rights but shall encourage the shareholders to exercise their rights. The basic right of shareholders includes the right to buy, sell and transfer stocks, profit sharing, to acquire adequate information of the Company, to attend the shareholder meetings to vote for appointment or removal of the directors, auditors, to approve important transactions influencing and impacting the Company's business direction, such as dividend payout, determination or amendment of the Company's Articles of Association and Memorandum of Association, increase or decrease of capital, including approval on special issues, and so on.

Apart from the aforementioned basic right of shareholders, the Company also encourages and facilitates the shareholders to exercise their right by:

**1.1 Prior to the Shareholder Meeting Date**

- 1) The Board of Directors ensures that significant matters that may impact the Company's business direction are included in the agenda for the shareholders' meeting.



- 2) The Company shall inform the shareholders of information, date, time, venue, and agenda items for the shareholders' meeting, including purposes, reasons, and opinions of the Board of Directors in each agenda item, as well as all relevant information for decision-making.
- 3) The Company determines a policy pertaining to facilitate shareholders and institutional investors to exercise their right to attend and vote in the shareholders' meeting. The shareholders' meeting shall hold in the Bangkok metropolis area or the meeting room of the Company. Moreover, the transportation service is provided as deemed appropriate to facilitate the shareholders, and a revenue stamp for affixing on the proxy form is also provided for proxies.
- 4) Shareholders are allowed to submit questions prior to the meeting date not less than 10 days in accordance with the Company's criteria. Shareholders are also informed through the channel of the Stock Exchange of Thailand, and the criteria and process for shareholders to submit questions are posted on the Company's website at [www.toagroup.com](http://www.toagroup.com).
- 5) The Board of Directors encourages the use of proxy forms on which shareholders are able to specify their votes, and appoint at least 1 independent director as their proxy.

#### **1.2 On the Day of Shareholders' Meeting**

- 1) Sufficient staffing and technology are allocated in order to run the meeting timely, accurately, and precisely.
- 2) The Chairman of the Board of Directors or the Chairman of the shareholders' meeting oversees the meeting in compliance with applicable legal requirements and the Company's Articles of Association, allocating sufficient time for consideration and debate of agenda items, and providing an opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.
- 3) Directors, top management, company secretary, and auditors should attend the meeting to meet shareholders and answer questions from shareholders on company-related matters.
- 4) The Company promotes the appointment of an independent party as an inspector to count or validate votes at the annual general meeting or an extraordinary general meeting, which shall be disclosed at the meeting and recorded in the minutes of the meeting.
- 5) The attending shareholders should be informed of the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods before the start of the meeting.
- 6) There should not be any bundling of several items into the same resolution. For example, the appointment of each director should be voted on and recorded as a separate resolution.

- 7) For promoting transparency and future reference, the Company encourages the use of voting cards for important agenda items such as related party transactions, acquisitions or disposal of assets, etc.
- 8) The Company shall allocate sufficient time, and provide an opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.
- 9) The Board of Directors ensures that the Company discloses the results of voting on proposed resolutions at the shareholders' meeting through the channel of the Stock Exchange of Thailand and the Company's website within the next business day.
- 10) The Company shall promptly prepare the effective minutes of the shareholders' meeting, including at least the following information:
  - attendance of directors, management, the proportion of attending directors, and director who is absent at the meeting;
  - voting and vote counting methods by informing shareholders before the start of the meeting;
  - questions asked and answers provided during the meeting, which is given to shareholders to ask in each agenda item;
  - clear meeting resolutions, and voting results ("for", "against", and "abstain") for each proposed agenda that requires voting; and
  - Names of Directors and management who attend the meeting.
- 11) The minutes of the shareholders' meeting are submitted to the Stock Exchange of Thailand and disclosed on the Company's website at [www.toagroup.com](http://www.toagroup.com) within 14 days from the shareholders' meeting date.

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

The Company is committed to establishing equality among all groups of shareholders including shareholders who are management, non-executive, major, minor, and foreigner. All of them should be treated fairly and equally.

### **Guidelines**

#### **2.1 Information announced to shareholders prior to the meeting date**

- 1) The Board of Directors ensures that the notice of the shareholders' meeting is accurate, complete, and sufficiently in advance for the shareholders to exercise their rights.
- 2) The Company shall arrange for the notice of the shareholders' meeting that includes agenda items and the Board of Directors' opinions to be disclosed on the Stock Exchange of Thailand and Company's website both in Thai and English at least 30 days before the meeting date.



- 3) The Company shall submit the notice of the shareholders' meeting to Thailand Securities Depository Company Limited, a registrar of the Company, in order to send the notice and related document to all shareholders at least 7 days before the meeting date or 14 days in case of the proposal for approving important transactions such as allocating stock options for director and employee stock option plan (ESOP), related party transactions, acquisition or disposal of assets, etc.
- 4) Shareholders shall be informed about relevant regulations pertaining to the meeting, voting procedures, including voting right for each type of stock.

## **2.2 Right of Minority Shareholders**

- 1) The Company establishes the criteria that allow shareholders to propose agenda items for shareholders' meetings with details posted on the Company's website at [www.toagroup.com](http://www.toagroup.com). The shareholders can propose agenda items from October to December of every year. If the Board of Directors rejects a proposal, the reasons should be given at the meeting.
- 2) The shareholders are given an opportunity to nominate persons to serve as directors of the Company according to the Company's criteria. Such details shall be posted on the Company's website at [www.toagroup.com](http://www.toagroup.com). The shareholders can nominate persons from October to December of every year.
- 3) The Company shall not add agenda items or change significant information without prior notice to the shareholders.
- 4) With regard to transparency and auditability, the Board of Directors gives the shareholders an opportunity to exercise their right for appointing each director, and use voting cards for "approval", "disapproval" and "abstention".
- 5) The Company determines the voting right of shareholders in line with the number of shares they hold.

## **2.3 Use of Inside Information**

The Company determines a policy pertaining to the use of insider information, and disclosure of information, establishing guidelines and measures for every person in the organization to comply with. The Company also regularly monitors compliance to prevent directors, management, and employees from using insider information for self-benefit or others in an illegal way. Directors and management must report their shareholding to the company secretary every time they purchase, sell, transfer, and obtain securities in order to summarize and report to the Board of Directors for acknowledgment every 6 months, as well as disclose in the annual report.

## **2.4 Interests of Directors**

- 1) Directors and management must report their interests and those of their related persons to the Board of Directors for considering the Company's transactions that may cause the conflicts of interest, and for the best interest of the Company. Thus, directors and management who have an interest involved with the transactions of the Company shall not participate in decision-



making on that matter according to the procedures or measures of the Company's related party transactions to ensure that such transactions are conducted with fair market price and at arm's length.

- 2) The Board of Directors determines guidelines for considering an agenda item involved with a director who has an interest. Such director shall be absent in the meeting, except the Chairman of the meeting allows the director to be present at the meeting to provide information, and have no right to vote on that agenda item.
- 3) The Board of Directors determines the policy on securities trading, and reporting procedures for directors, management, and employees involved with inside information to comply with. Directors and management who hold management positions as specified by the regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand must report their securities holding to the Board of Directors.

Thus, the Board of Directors determines the policy for the directors and management to inform the Board of Directors and company secretary of purchasing, trading, transferring, and/or obtaining securities of the Company, including derivatives<sup>3</sup> and convertibles<sup>4</sup>, in writing at least 1 day prior conducting the securities' trading.

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<sup>3</sup> "derivatives" means derivatives under the Law on Derivatives, having all of the following characteristics:

- (1) specifying that the counterparty shall gain returns based on the price or the returns from shares issued by the Company;
- (2) traded on a licensed derivatives exchange under the Law on Derivatives.

<sup>4</sup> "convertibles" means securities subject to any of the following rules and conditions;

- (1) debt repayment may be converted into settlement of shares issued by the Company;
- (2) the securities holder shall have the right to buy shares issued by the Company;
- (3) the right to gain returns shall be based on the price or the returns from shares issued by the Company.



## 3 | Code of Conduct



The Company has adhered to conducting its businesses based on good corporate governance to drive good returns and sustainable growth together with taking responsibility for stakeholders, society, and environment with the following fundamentals:

- 1) Focus on conducting businesses with effectiveness, efficiency, transparency, integrity, responsibility for stakeholders, society, and community as well as generating proper returns to shareholders;
- 2) Encourage good citizenship, sense of morality, and strictly comply with laws, regulations, rules, relevant regulatory requirements;
- 3) Prioritize continued humane resource development by implementing the learning and development organization, awareness of integrity, honesty, determination, and responsibility; and
- 4) Aim to develop quality products and services with state-of-the-art innovation to meet customer needs and respond to changing society and environment.

## **Chapter 1: Code of Conduct for the Board, Management, and Employees**

### **1. Behavior**

- 1.1 Comply with regulations, rules, and laws related to the Company's businesses, as well as laws and regulations prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission;
- 1.2 Seek knowledge and experience to strengthen one's competence for more efficient and effective performance;
- 1.3 Adhere to righteousness and refrain from seeking undue positions, or benefits from superiors or other parties both directly and indirectly;
- 1.4 Refrain from all vices and addictions and from bringing upon oneself and the Company dishonor or disrepute;
- 1.5 Refrain from engagement in jobs or actions that could compromise the standards or reputation of oneself and the Company; and
- 1.6 Refrain from engagement in management activities of other entities that undermine the Company's interests or favor parties or juristic entities, whether for oneself or others.

### **2. Treatment of Colleagues**

- 2.1 Treat colleagues politely, courteously, and affectionately, have a good relationship, adjust oneself for work with others;
- 2.2 Honor others by not claiming ownership of their work, and refrain from concealing information essential to the performance of colleagues;



- 2.3 Foster teamwork by lending cooperation and mutual help for the good of the Company as a whole;
- 2.4 Subordinates must treat superiors with respect, obey superiors' advice and not overstep their direct superiors except at the instruction of their superiors' superior(s);
- 2.5 Refrain from disclosing or commenting on others' information or news, whether related to their jobs or personal, to harm them or the Company's reputation as a whole; and
- 2.6 Refrain from an immoral act or sexual harassment that disturbs others (physical or verbal).

### **3. Treatment of Company**

- 3.1 Observe the Company's rules, regulations, corporate governance principles, code of conduct, policies, plans, and good traditions;
- 3.2 Perform duties with utmost responsibility, integrity, honesty, dedication, and oriented results, and also participate in driving organizational excellence;
- 3.3 Strictly keep confidential information of customers, business partners, and the Company itself through careful measures against leaks of documents or information;
- 3.4 Refrain from acts harming the Company's image and reputation;
- 3.5 Forge good relations by lending cooperation with and providing information to society, communities, government agencies, and related entities; personnel should provide information cautiously and prudently for the good of Company and public;
- 3.6 Refrain from taking part in or covering up potential conflicts of interest with the Company and from taking part in illegal cover-ups; and
- 3.7 Be proactive when encountering suspicious acts or corruption-related acts by informing superiors or using designated whistle-blowing channels, and extend cooperation to fact-finding efforts.

## **Principle 2: Code of Conduct**

### **1. Interpersonal Rights and Freedoms**

#### **1.1 Privacy**

Personal freedom is to be protected from violations caused by the use of personal information, such as biographical, health-related, career-related, or other kinds of data, or disclosure or communication of the same to unauthorized parties. Such violations may harm the owner of such data or other persons and are regarded as breaches of discipline unless done in the course of duty for ethical reasons, in obedience to the law, or for the common good.





Guidelines:

- 1) Protect all personal information about employees being held or maintained by the Company;
- 2) Make public disclosure or transfer of an employee's personal information only upon that employee's consent; and
- 3) Limit the use and disclosure of personal information on employees and related persons to the Company to what is strictly necessary.

## 1.2 Equal Treatment

The Company prioritizes the equal right of all persons. All who have to deal with the Company should be treated fairly, nor should any person be favored or shunned because he or she is like or unlike someone in any aspect, be it physical, mental, racial, national, religious, gender, or related to age, education, or any other traits.

Guidelines:

- 1) Show respect to and acceptance of one another;
- 2) Deliberations related to recruitment and judgment of performance should be accurate and fair;
- 3) When performing your work, avoid expressing opinions that have to do with physical, mental, racial, national, religious, or gender differences or differences related to age, education, or any other attribute likely to cause conflict; and
- 4) Contribute to making your work environment free of oppression and injustice. If you are treated unfairly, converse with the person responsible to help generate a better understanding.

## 1.3 Political Activities

The Company remains politically neutral and does not support any particular political party or person with political influence. Nevertheless, the Company recognizes and respects the freedom of employees to exercise their political rights, such as voting or belonging to a political party.

Guidelines:

- 1) Avoid assuming the directorship of a political party, representing a party at a public function, or accepting membership in a local governmental organization such as the administrative council of a province or sub-district. Avoid any act that others may construe as signifying the Company's involvement in, or support or preference for, a political program or party;



- 2) Refrain from the expression of political opinions at the workplace or during working hours, as this may lead to conflict;
- 3) Do not take the Company's resources to support political activities of political parties, political groups or any politician whether directly or indirectly, and not allow political parties to use the resources and the Company's premise for political affair purposes; and
- 4) Employees are prohibited to exercise power, resource, finance, and the Company's name to use in fundraising or engage in political activities.

## **2. Environment, Health, and Safety**

The Company has taken serious and continuous steps to protect the environment, health, and safety of employees, communities, and other concerned parties. The Company has continually expressed its commitment to raising awareness of these issues among employees and all related parties. Each issue has particular duties that require attention and implementation.

### **2.1 Society and Environment**

- 1) Provide appropriate support and assistance to society and particularly the communities surrounding the Company's sites of operation;
- 2) The Company strives to participate the social and environmental responsibility seriously and continually, realizing the importance of environment and safety of stakeholders as well as strengthening social activities in preserving the environment and developing the quality of life in communities based on the principle of sustainable development;
- 3) Provide opportunities for communities and related persons to voice their concerns on projects that may affect them and to voice their opinions or complaints regarding the Company's operations that have been affecting them;
- 4) Cooperate in carrying out the work according to standards or international agreements in various issues which are formulated to protect or reduce environmental impact;
- 5) Design and develop production process, machinery, and equipment that can help control and/or reduce pollution, including wastewater, dust, gas, and other wastes;
- 6) Those who are in charge of the production process, machinery, and equipment control must monitor activities to prevent environmental impact beyond the specified standards;



- 7) Cooperate in reducing the output of waste and emissions due to production and regular operating procedures;
- 8) Study and cooperate in waste and emission management by using the appropriate methods; and
- 9) Evaluate the risk and impact of matters related to the environment, health, and safety before investing or jointly investing in any business.

## 2.2 Conservation of Natural Resources

- 1) Use natural materials, equipment, and natural resources in an effective and efficient manner;
- 2) Cooperate with the Company's approaches to conserve natural resources, such as the 3R's (Reduce, Reuse, Recycle); and
- 3) Ensure that those involved with the production process or production machinery perform their duties to upgrade or maintain the processes and machinery according to the designated standards, in order to minimize consumption of natural resources.

## 2.3 Health and Safety

- 1) Promote health and safety as the main agenda by abiding by requirements and standards of health, safety, occupational health, environment, and the measures of quality of not less than the law limitation based international standard. Employees must study and comply with relevant laws, policies, regulations, and standards of health, safety, occupational health, environment, and related quality strictly;
- 2) The Company will continue in every effort to control and prevent loss in different ways due to accident, fire, injury or illness from work, property loss, safety violation, improper operation, and other faults that occur as well as maintain a safe working environment for personnel in the Company;
- 3) Examine your own readiness and physical health before commencing work. Do not work when you are unhealthy or not ready, so as to prevent exposure to unnecessary danger at work;
- 4) Those who work in dangerous jobs risky to life or health should study the working instructions of such jobs before starting the work;
- 5) If at any time during the work, you feel uncertain as to the risk or outcome of a particular activity, stop, postpone that activity and consult with an expert first;
- 6) Immediately report to your superior when you notice anything unusual about your workplace that could affect health or safety; and



- 7) Supervisors are obliged to set rules and action guidelines that could prevent or control accidents and inform employees and related persons of those rules and action guidelines. They should also inspect the health of workers according to the risk to which they are exposed.

### **3. Giving and receiving benefits that may cause an influence on decision-making and anti-corruption**

3.1 Giving and receiving benefits that may cause an influence on decision-making and anti-corruption: the Company's business should be conducted correctly, honestly, and in ways that can be assured no causing neither condemnation nor notoriety.

Guidelines:

- 1) No person in the Company and in the person's family solicits or receives present, property, or other benefits from contractors, sub-contractors, customers, suppliers, or related parties who are involved with the Company's business, under no circumstances, that may affect the decision making on duty with bias or embarrassment or conflict of interest;
- 2) Refuse to ask for money, property, goods, or any benefit from anyone involved in or inducing misconduct;
- 3) Refuse to offer money, property, goods, or any benefit to anyone engaged in business in exchange for favor privileges to which you are not entitled; and
- 4) Paying for business expenses such as meals and other forms of hospitality that is directly connected to the performance of business commitments is acceptable, but such expenses must be reasonable.

#### 3.2 Giving and Receiving Gifts/ Souvenirs

Receiving and giving gifts, presents or souvenirs, according to the customs of each locality, is acceptable. At the same time, the Company does not want employees to receive gifts/souvenirs that are unusually valuable from persons involved in the business.

Guidelines

- 1) Before accepting or giving gifts/souvenirs, you should make sure that such an action does not violate the law or the Company's regulations, gifts exchanged in the normal course of business should be inexpensive and appropriate to the occasion;
- 2) Receiving gifts or assets, which should be the assets or any other benefits received in such a manner that is not against morality, or probably, are obtained from relevant persons, acquaintances. The receipt of these items should be made in a general manner, not so specific, at a fair value and are not illegal assets;



- 3) Avoid accepting or giving gifts/souvenirs in the form of cash, cheques, bonds, shares, gold, gems, real estate, or items of that nature;
- 4) Avoid accepting or giving gifts/souvenirs that could unfairly influence a decision in the performance of one's duties. If it is necessary to accept a gift/souvenir of unusually high value from someone doing business with the Company, report the matter to your superior;
- 5) Keep records of your expenses as evidence of the value of the gifts/souvenirs given, so that they can be examined later; and
- 6) If you have been assigned or permitted by your superior to assist an outside agency, you may receive money, items, or presents according to the action guidelines or standards that the agency has set.

### 3.3 Anti-Corruption

In running the business operation of the Company, all employees, staff, and executives or persons who perform their duties for the Company or Company's consultants must strictly abide by the law on anti-corruption.

No employees of the Company are allowed to offer or pay bribes considered as corruptions or any valuable thing whether directly or indirectly to, or ask, or receive from any individual or organization as well as government agencies, governmental officials, private firms, and employees of particular private firms in no case whatsoever.

## 4. Conflict of Interest

Employees and related persons should make every effort to avoid having a conflict of interest that would affect the decisions they make. In the performance of your duties, you must observe the Company's interest in compliance with laws and ethics.

Guidelines:

- 1) Avoid conducting business that would compete with or resembles the business of the Company;
- 2) Avoid having partnership or controlling ownership of a share or taking a management position in a business that competes with or resembles the business of the Company. If this cannot be avoided, immediately report the matter to your superior;
- 3) If an employee is involved in any business or event that may produce a conflict of interest with the Company, you must report the matter to your superior immediately;
- 4) Avoid seeking any benefit from information or anything else you may obtain due to your position or duties or responsibilities;



- 5) Avoid involvement in any activity that may cause a conflict of interest with the Company or any financial obligation to anyone involved in business with the Company or Company's employees; and
- 6) Avoid any work other than your duties at the Company in so far as that work may affect your responsibilities in some way.

## **5. Purchase, Procurement, and Supplier Engagement**

The Company gives precedence in the purchase and procurement which is an important procedure to determine expenses and quality of products and services the Company will implement in business operation. The procurement is to be conducted according to the Company's procedures and should be fair to all parties involved. Purchasing decisions are to be made on the basis of reasonable prices, quality, and service and should stand scrutiny if an investigation occurs, if in doubt, study the rules for procurement in greater detail or ask the unit responsible for procurement activities or one's superior before proceeding.

Guidelines:

5.1 Suppliers whom the Company will purchase and procure must have action guidelines of business according to the code of ethics in their business operation of manufacturer/procurement of goods, raw materials, and services as follows:

### 1) Human Rights and Labor

- Suppliers who provide goods/raw materials and services should pay respect to human rights and treat their employees fairly according to international standards and laws;
- Suppliers who provide goods/raw materials and services must carry out their business without using forced labors and must not use any involuntary labors;
- Suppliers who provide goods/raw materials and services must carry out their business without using child labor must adhere to Child or Youth Labor Law; and
- Suppliers who provide goods/raw materials and services must hire without discrimination in employing under conditions of the race, color, gender, religion, age disabilities, and so on.

### 2) Safety, Occupational Health, and Environment

- Suppliers who provide goods/raw materials and services should take responsibility and strive to use resources effectively;
- Suppliers who provide goods/raw materials and services shall be under the occupational safety, health, and environmental regulations;
- Suppliers who provide goods/raw materials and services must be assured that there is an installation of appropriate and safe disposal and management



system of wastes, emission of air pollution and discharging of wastewater and have the examination on quality of wastewater on a regular basis; and

- Suppliers who provide goods/raw materials and services must arrange safe and hygienic workplaces for employees as well as provide appropriate and adequate personal protective equipment to employees.

### 3) Ethics and Legal Practices

- Suppliers who provide goods/raw materials and services shall operate their business ethically and shall strictly comply with the law;
- Suppliers who provide goods/raw materials and services shall operate their business without bribery in all respects;
- Suppliers who provide goods/raw materials and services shall operate their business fairly;
- Suppliers who provide goods/raw materials and services shall arrange business and accounting records and data related to the business properly and completely and can be submitted for examination upon request; and
- Suppliers who provide goods/raw materials and services shall protect the confidential information of the Company.

5.2 The Company's personnel who want to purchase/procure goods and services must be aware of the value, price, and quality. The purchase/procurement must be carried out in transparent, disclosing information to all suppliers on an equal footing, correctly, without bias and discrimination to suppliers, creating fair competition among suppliers;

5.3 In contacting suppliers, the person who is in charge must keep the relevant document, negotiation, the draft of agreements, agreements, and fulfillment to agreements, as evidence for reference according to the specified period;

5.4 On the process of procurement, it must strictly go through procedures according to the procuring regulations and selecting procedures from the work unit in charge and is in compliance with designated authority in action;

5.5 Purchase/procurement must be carried out, according to rules and regulations of the Company;

5.6 In case of procurement does not proceed according to the regulations for procurement or go through the unit responsible for procurement, you must submit a document stating the origin, the method of procurement, and the reason for this particular type of procurement to the unit responsible;

5.7 Avoid involvement in purchasing from contractors to whom you are connected, such as family members, relatives, or business entities in which you have ownership, or shares;



5.8 Avoid using the information you obtain from procurement activities for the benefit of yourself or others; and

5.9 Priority in procurement should be given to legal entities rather than persons, except in cases where special expertise is required from particular individuals or where the benefit of the Company demands it.

## **6. Transactions with the Government**

A transaction with the government must not be such as to persuade the government or government officials to do anything wrong or inappropriate. Mutual acknowledgment and building good relations, within the proper bounds, are acceptable. However, as in the case of meetings in public places, or offering congratulatory messages on public occasions or in traditional formats, and so on.

Guidelines:

- 1) Conduct yourself properly and honestly when in contact with the government officials or agencies;
- 2) Always remember that the laws, rules, and customs of each place may have diverse conditions procedures or proceeding methods;
- 3) Comply with the laws of each country or locality in matters pertaining to hiring government employees as consultants or employees of the Company. Such hiring must be transparent and appropriate.

## **7. Information and Data**

Employees and others dealing with the Company are obligated to ensure that the assets of the Company are used as wisely and effectively as possible, that they are not wasted, and that they are not used for the benefit of any individual. The Company's assets mean movable property such as office equipment, tools, and machinery and immovable property such as land and buildings. They also refer to technologies, technical knowledge, copyrighted documents, intellectual property, and confidential information belonging to the Company as well.

### **7.1 Recording, Reporting, and Storing Information**

All employees are obligated to ensure that the information involved with their work remains safe and available for reference or use whenever the Company needs it. It should not be used for any individual's benefit. Recording and reporting should be performed accurately, according to the system established.

Guidelines:

- 1) Record and report information accurately and honestly, according to the facts;





- 2) Recording of information should be done in accordance with the guidelines formulated by the Company and with all government laws, such as those pertaining to taxation and accounting standard, etc;
- 3) Storage of information should be done within the proper period of time, in accordance with the guidelines formulated by the Company and under the law. It should be done carefully, and so as to facilitate easy access;
- 4) Important documents and confidential information should be guarded by special procedures set up for each level or type of information;
- 5) When the period for storage of information or documents has expired, responsible persons should ensure that the data or documents are destroyed in the manner appropriate for each type of information; and
- 6) Those who are responsible for disclosing financial statements, environmental reports, and other matters that need to be reported to state agencies or outside individuals must be certain that those reports or disclosures are accurate.

## 7.2 Use and Protection of Electronic Data

Electronic data, electronic equipment, and information technologies are valuable assets of the Company retained for conducting business more effectively. In the use of such assets, employees must follow relevant policies and rules and are obliged to protect and preserve them from theft, infringement, or disclosure without permission.

Guidelines:

- 1) Use electronic data, electronic equipment, and information technologies for the benefit of the Company only;
- 2) The Company promotes its employees to use the internet and intranet for the sake of working instead of using the data/information in ways that are inappropriate and immoral to traditions, and cultures or violate the law;
- 3) Employees must perform their work by a genuine computer program with copyright and avoid installing and/or using illegal computer programs without copyright in the office premise;
- 4) Use electronic data, electronic equipment, and information technologies in ways that do not violate the law;
- 5) Avoid using these assets for your personal use or for any purpose of benefits related to politics;
- 6) Avoid using electronic data, electronic equipment, and information technologies for access to inappropriate, immoral, or unfamiliar websites that may not be secure;

- 7) Protect the Company's electronic equipment and information technologies from unauthorized usage;
- 8) Store access codes to the Company's information system and block third-party accesses to them;
- 9) Use the information as effectively and efficiently as possible; and
- 10) The Company has the right to inspect electronic data, electronic equipment, and information technologies, such as the transfer and storage of data, without seeking permission;

### 7.3 Use and Protection of Intellectual Property

The Company regards intellectual property including patents, petty patents, copyrights, trademarks, trade secrets, and other corporate knowledge or information as valuable assets belonging to the Company. Employees must strictly protect and look after the Company's intellectual properties from unauthorized use or disclosure.

Guidelines:

- 1) The Company promotes its employees in the organization to do studying and research. The performance of the duties is the copyright of that person unless that particular study or research is assigned by the Company or using the Company's data or is obtained from the Company's knowledge, in this case, the Company has the right in that research work;
- 2) Anything derived from an employee's performance on the job is to be regarded as the property of the Company unless the Company clearly states that the intellectual property produced belongs to its inventor, creator, researcher, or any other person;
- 3) Employees must take care of their works to ensure that reports, information, formulas, statistics, programs, techniques, processes, and facts representing the intellectual property of the Company are not stolen, violated, or disclosed by anyone other than those authorized in writing by the Company;
- 4) Avoid copying, altering, or doing anything to the Company's intellectual property for personal gain or the benefit of anyone unless authorized to do so;
- 5) Terms of contracts or legal documents concerning rights to intellectual property should be clear. When uncertain or in doubt, you should consult with an expert in intellectual property at the Company;
- 6) Employees must respect and avoid violating the intellectual property rights of others;
- 7) Employees are obliged to cooperate and assist in maintaining and protecting the intellectual property rights of the Company;

- 8) Examine the rights of information kept or brought to the Company that belongs to outside persons in order to minimize the possibility of violating another person's intellectual property rights;
- 9) Employees are obliged to report to a superior when they observe any actions that they believe to be, or will lead to a violation, or conflict over the Company's intellectual property rights; and
- 10) When no longer as an employee of the Company, you must surrender all intellectual property, including inventions, information, reports, statistics, formulas, programs, methods, processes to the Company no matter in what form they exist.

## **8. Marketing Communication**

Marketing communication such as advertising, public relations, and product and service exhibitions, must represent reality and be in compliance with the environment, and must be fair to all parties involved.

Guidelines:

- 1) Marketing communication must be truthful and fair to all related parties;
- 2) Avoid marketing messages that contain direct comparisons with rival's products or services;
- 3) Avoid suggesting messages that could lead to social conflict, such regarding as the nation, religion, and the monarchy, as well as politics, beliefs, international relations, gender issues, and matters that contradict good morals and cultures; and
- 4) Review and examine corporate trends in marketing on a regular basis.

## **9. Transactions between the Company and Third Parties**

Transactions with third parties must be conducted properly and according to the conditions agreed upon, in a forthright manner. Avoid transactions that might cause trouble or loss to third parties.

Guidelines:

- 1) Each transaction should take into consideration market values and prices. There should be no bias or any obstruction in doing business by means that are immoral or illegal;
- 2) Avoid transactions that might be detrimental to the reputation of the Company, even if such transactions offer business advantages; and
- 3) The Company forbids using the name of the Company, its Board of Directors, the management, or any employee in conducting any transaction not related to the Company, even if it has no direct impact on the Company.



## 10. Trade Competition

The Company is committed to competing in fair business competition, taking into account ethical trade practices and laws governing competition in every country where the Company conducts business with.

Guidelines:

- 1) The Company's business is conducted on a free competition basis. The business operation, therefore, will base on fair competition, no incrimination, no discredit on competitor on no ground of data and facts;
- 2) The Company supports the cooperation with business competitors if such cooperation will benefit the consumers;
- 3) Avoid any kind of agreement with competitors or person that will reduce or limit fair competition in business; and
- 4) In case of the Company is a market leader for a particular type of product, the Company must not use its dominant power in such a way that is unfair in the business.

## 11. Treatment of Customers and Consumers

The Company considers utmost customers' satisfaction as the precedence. Customers are buyers of goods and services from the Company as well as consumers who use the Company's goods and services at fair prices with quality, which the Company is responsible to customers and consumers.

Guidelines:

- 1) The Company is committed to developing products and services to meet customers' and consumers' requirements on a regular basis. Employees must work dedicatedly to accommodate every customers' requirements at a reasonable price, be timely to the situation, provide good quality and fully responsible to customers and does not limit the rights of consumers and offer fair conditions to consumers;
- 2) The Company will not conduct any fraudulent action or make others believe in the quality of goods and services of the Company; and
- 3) The Company is committed to developing safe products and services. Consumers' safety is the most important. Products must have the instruction of product, monitoring general safety in the business premise, campaign and training staff on safety for consumers strictly.

## 12. Doing Business Abroad

Any company business operation abroad, be it establishing a company, plant, office branch, agent, or dealer; importing or export, or engaging in a joint venture; must be done according



to the laws and rules applicable in that country. Any such transaction must also take into account the circumstance, customs, traditions, and culture of each locality.

Guidelines:

- 1) Before traveling to another country, study its customs, traditions, culture, and relevant laws. Examples are the laws related to importing and exporting, taxation, international trade, immigration, and so on;
- 2) Obey the laws and conduct yourself as a good citizen in each locality, insofar as that does not conflict with the Company's code of ethics;
- 3) Abide by local laws that apply to hire workers;
- 4) Regularly examine and review the transactions that occur;
- 5) Report all information and documents relevant to imports and exports to the person responsible for imports and exports;
- 6) Obey the laws that apply to international trade in any country where the Company has business;
- 7) Consult with your superior or the Company's legal counsel when you notice transactions that conflict with the local culture or laws or laws of international trade; and
- 8) Constantly report operations to your superior.

### **13. Anti-Laundering Measures**

The Company complies with all guidelines and laws pertaining to the suppression of money laundering. The Company will not accept transfers or conversions of assets or support such actions insofar as they are related to criminal activities and will prevent anyone using the Company as a channel or instrument for the dispersion or concealment of illegally obtained assets.

Guidelines:

- 1) Before engaging in a transaction, find out how and from where the contract partner obtained his/her money;
- 2) If you notice an unusual transaction, immediately report it to your superior; and
- 3) If in doubt, consult with the Company's legal counsel.

### **14. Charity and Contributions**

The Company has set up clear guidelines for charity and contributions based on transparency, its regulations, and laws to ensure an ethical approach to the public interest or objectives of the charity.

Guidelines:



- 1) In regard to donations for charitable purposes, such donations must be on behalf of the Company to trustworthy or certified organizations, which is carried out transparently and pursuant to the Company's regulations and applicable laws. In addition, it must also be tracked and monitored to ensure that such donations are made truly for public interest and/or objectives of donations;
- 2) To offer contributions must be conducted with the purpose to promote the businesses and/or the good image of the Company; and
- 3) A clear delegation of authority has been set up to transparently carry out charity and contributions.

#### **15. Policy on Related Party Transactions or Connected Party Transactions**

The Company has established a clear policy on related party transactions or connected transactions for the Company and its subsidiaries based on related regulatory requirements and also by taking the interests of the Company into account. Moreover, such transactions must be entered into with a general party in a similar circumstance.

Guidelines:

- 1) The related party transaction or connected transaction between the Company and its subsidiaries shall comply with the regulations prescribed by the Securities and Exchange Act B.E. 2535 (including any amendments thereto), the Capital Market Supervisory Board and/or the Securities and Exchange Commission, and the Stock Exchange of Thailand;
- 2) With respect to other related party transactions or connected transactions, the Company shall propose a transaction to the Audit Committee for consideration as to whether the proposed transaction is reasonable, and the price is appropriate. In case of the Audit Committee does not have relevant expertise to consider the proposed transaction, the Company shall arrange for an expert, such as the independent auditor or appraiser, to provide an opinion on the proposed transaction for further consideration of the Board of Directors or the shareholders, as the case may be. A person with potential conflicts of interest or who has interests in the proposed transaction shall not be allowed to consider and approve the proposed transaction, in order to ensure that the transaction will not constitute a transfer or loss of benefits on the part of the Company and that it will be primarily in the best interests of the Company and shareholders;
- 3) The Company shall disclose the related party transactions in the note to the audited financial statements, and in the annual registration statement (Form 56-1). Upon entering into such transaction, the Company shall verify and monitor such transaction to ensure that the interested person will not be involved in the decision-making to enter into the related party transaction;



## 16. Confidentiality and Insider Information Policy

The Company has determined both the use of insider information policy and the information disclosure policy to release information to the public accurately, completely, in time, legitimately and equitably. The policy also prohibits directors, management, and employees from exploiting insider information for personal gain.

Guidelines:

- 1) Directors, management, and employees should maintain insider information and sensitive documents that could lead to undue exploitation for themselves or others;
- 2) The Company imposes on current and former directors, management, and employees of the Company and its subsidiaries to maintain the confidentiality of all secrets and/or insider information of the Company, its subsidiaries, its business partners, and their subsidiaries, which they have known in the course of their performing duties. The secrets and/or inside information of the Company, its subsidiaries, and its business partners and their subsidiaries shall not be used for the benefit of other companies and third parties;
- 3) Directors, management, and employees of the Company and its subsidiaries shall not use any insider information, which has not been disclosed to the public, to illegally seek benefits, or disclose such insider information to third parties for their personal gain or for the benefit of others, regardless of whether or not they gain benefits in return;
- 4) The Company requires that the directors, management, and employees holding a management position at the division manager level and above in the Finance and Account Division, and all relevant persons who are assumed to know or possess insider information under the Securities and Exchange Act, or are aware of material insider information that will affect the price or value of the securities, be prohibited from trading, making trade offers to trade the securities, soliciting others to trade or make trade offers to trade the securities of the Company (whether directly or indirectly), during the period prior to the disclosure of the Company's financial statements or information relating to its financial position and status to the public, or the embargo period. That is a one-month period prior to the date on which the Company discloses the operating and financial performance, and at least 24 hours after the release to resume trading. Directors and management are prohibited from disclosing any material insider information to third parties; and
- 5) The Company imposes on the directors, management, and employees of the Company and its subsidiaries a duty to comply with the policies on the use of insider information, information disclosure, and the guidelines prescribed by the Securities and Exchange Act and all other relevant rules and regulations.



## 4 | Compliance Monitoring and Review





## Compliance Monitoring and Review

The Company requires all directors, executives, and employees, as their roles and responsibilities, to understand and strictly comply with the policies specified in the Corporate Governance Handbook, which is not optional and cannot be referred for not knowing the specified guidelines. All of them must sign an acknowledgment and compliance form to ensure that they read the handbook, and accept to comply with the specified principles and practices.

Executives at all levels have to supervise and monitor, taking it as a serious matter, their subordinates at each department to acknowledge, understand, and follow the Corporate Governance Handbook strictly. If a director, an executive, or an employee violates this code of conduct or agrees with their subordinates to break any regulations specified in the handbook, he/she will be disciplined, notified of the termination of employment, liable for damage, including any other liability otherwise provided by law.

The Board of Directors has specified the review of the Corporate Governance Handbook on a yearly basis in order to ensure compliance with applicable laws, related regulations, and business agility and resilience in facing new challenges.

