



**Charoen Pokphand Foods Public Company Limited**

**Corporate Governance and Sustainable Development Policy**

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## 1. Objective

The Company is committed to creating organizational sustainability, alongside organizational economic growth and maintaining balance in both environment and society. Therefore, the implementation of the principles and guidelines stipulated in this Policy is considered a mission of the Company's Board of Directors, executives, and employees, and its Subsidiaries, to promote widespread implementation throughout the entire organization.

## 2. Scope

This Policy applies to the Company and its non-listed Subsidiaries. However, listed Subsidiaries and its subsidiaries may adopt and adjust this Policy as necessary to align with the business context and internal management processes on the ground of geosocial conditions of each country in which they operate.

## 3. Definition

**The Company** Charoen Pokphand Foods Public Company Limited

**Subsidiaries** Subsidiary of the Company as defined by the Securities and Exchange Act, and a subsidiary that appears in the Company's financial statements, but excludes:

- (a) A subsidiary whose common shares are listed on any stock exchange.
- (b) A subsidiary of a subsidiary as described in (a).

**The Policy** Corporate Governance and Sustainable Development Policy

**Directors** Directors of the Company.

**Executives** Executives of the Company, including executives as defined by the Securities and Exchange Act.

**Employees** Employees of the Company, who receive monthly or daily wages, whether under permanent, temporary, or special contractual employment.

**Personnel** Directors, executives, and employees of the Company.



#### 4. Principle

The Company established this Corporate Governance and Sustainable Development Policy by emphasizing the Principles of Good Corporate Governance for Listed Companies 2012, published by the Stock Exchange of Thailand, and the Corporate Governance Code for Listed Companies 2017 ("CG Code"), published by the Securities and Exchange Commission, the Principles of Corporate Governance, published by the Organisation for Economic Co-operation and Development (OECD), and the corporate governance assessment guidelines of international sustainability indices. These principles mentioned have been considered along with the Company's business context to establish the Policy, in order to enhance the Company's competitiveness and build confidence for shareholders, investors, and all stakeholders. This Policy is divided into 5 Sections:

Section 1: Rights of Shareholders

Section 2: Equitable Treatment of Shareholders

Section 3: Role of Stakeholders

Section 4: Disclosure and Transparency

Section 5: Responsibilities of the Board of Directors

The Board of Directors has appointed the Corporate Governance and Sustainable Development Committee to be responsible for establishing key policies and goals related to corporate governance and sustainable development, as well as overseeing, monitoring, and evaluating the process, and reporting the progress to the Board of Directors.

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## Section 1: Rights of Shareholders

### Principle

The Board of Directors emphasizes the rights of shareholders as stipulated by law. Therefore, they support shareholders in exercising their rights appropriately and will not take any action that violates or restricts the rights of shareholders.

### Guidelines

To support shareholders in exercising their rights, the Board of Directors has established the following guidelines:

#### General Matters

1. Oversee to ensure that all shareholders have equal basic rights as stipulated by law, including the right to receive an equal share of the Company's profits, to receive sufficient information for decision-making within a reasonable timeframe, and to facilitate and encourage shareholders to attend meetings to exercise their voting rights and offer opinions/suggestions to the Company at shareholder meetings.
2. Oversee to ensure that the Company's directors do not collectively hold more than 25% of the total issued shares of the Company.
3. Ensure that the proportion of common shares held by minority shareholders (free float) is not less than the proportion stipulated by relevant laws or regulations.
4. Do not obstruct shareholders from communicating with each other.
5. In cases where shareholders enter into a Shareholders Agreement, the Company will make effort to ensure that such agreements do not significantly affect the Company or other shareholders.
6. Refrain from any actions that limit shareholders' opportunities to study publicly disclosed Company information.

#### Procedures before the Shareholders' Meeting

7. Oversee the delivery of shareholders' meeting invitations to shareholders at least 21 days before the shareholder meeting. Publish the shareholder meeting invitation on the Company's website at least 30 days before the shareholder meeting (except in cases of necessity and urgency, the Company may deliver and publish the invitation within a shorter period than specified above, but not in violation of the legally prescribed timeframe).

The invitation should be in both Thai and English, with following information included:

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- 7.1 Date, time, venue, and clear agenda items. Also, attendance criteria and methods for attending the meeting, voting scores to approve each agenda item, along with sufficient reasons and opinions from the Board of Directors on the proposed matters, for shareholders to make independent decisions on the agenda items proposed by the Board of Directors, and to protect their own interests and the Company's overall interests. In case of a meeting held via electronic platform, the Company will state details, time, procedures of meeting, and procedure of preparation of shareholder's documents, in order to register, verify identity, or advance proxy submission to the Company.
- 7.2 Summarized information of each proposed director, such as age, educational background, work experience, number of directorships held in other companies, criteria and methods of selection, type of director proposed, and in the case of being proposed for re-appointment as a director for another term, include attendance at meetings in the past year and the date of initial appointment as a Company director, etc. Shareholders will consider these on the agenda item for appointment of directors.
- 7.3 Name of the auditor proposed for appointment, the firm they belong to, the auditor's experience and competence, including the auditor's independence, and the auditor's fees, for the consideration of shareholders on the agenda item for auditor appointment.
- 7.4 Dividend payment policy approved by the Board of Directors, the proposed dividend amount and rate, along with other supporting information, for the consideration of shareholders on the agenda item for dividend payment.
8. Provide an opportunity for shareholders to submit questions related to the agenda items to the Board of Directors in advance before the meeting date.

#### **Procedures on the Shareholders' Meeting Date**

9. Hold the shareholders' meeting at a venue convenient for shareholders to attend or hold the meeting via electronic platform in accordance with the criteria and methods prescribed by law.
  10. Provide sufficient personnel and technology to verify documents of each shareholder attending the meeting. This will facilitate shareholders in fully exercising their rights to attend and vote. Also, vote counting and display of results, to ensure the meeting can proceed quickly and resolutions are accurate and precise.
  11. Promote and encourage all Company's directors and executives to attend shareholder meetings to answer various questions from shareholders.
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12. Assign an inspector to reevaluate vote count for the shareholder meeting.
13. Before the start of the shareholder meeting, the Chairman of the meeting or an assigned person shall explain the meeting rules, procedures, and voting methods.
14. During the meeting, the Chairman of the meeting or an assigned person must inform attendees of the information and reasons for decision-making on the proposed matters, as well as state the voting scores for passing each agenda item.
15. Vote by ballot for each agenda item that requires a resolution of the meeting, unless the shareholder has already cast their vote in advance through a proxy form.
16. For director appointment agenda item, vote for each proposed director separately.
17. Give opportunities for shareholders to ask, express opinions, and offer suggestions freely and appropriately according to the agenda items.

#### **Procedures after the Shareholders' Meeting Date**

18. Disclose the resolutions of the shareholder meeting along with the voting results on the day following the shareholder meeting. Announce the resolution as a news release through the Stock Exchange of Thailand's disclosure system and publish it on the Company's website.
19. Complete and publish the shareholder meeting minutes generally through the Company's website within 14 days after the date of the shareholder meeting. The resolutions of the meeting should be recorded clearly in the minutes, including the number of approvals, disapprovals, or abstentions for each agenda item.

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## Section 2: Equitable Treatment of Shareholders

### Principle

All shareholders of the Company must be treated equally and fairly, accordingly to their basic rights. Therefore, the Company has policies and guidelines to oversee the use of the Company's insider information for personal or improper benefit, which may cause damage to all shareholders. The Company also has processes to organize shareholder meetings that provide equal treatment for all shareholders.

### Guidelines

To ensure that all shareholders receive equal treatment and protection of their basic rights, the Board of Directors has established the following guidelines:

#### Use of Insider Information

1. Establish a policy on the use of insider information and securities trading to ensure that material information affecting the price or value of securities is publicly disclosed accurately, without violating relevant laws and regulations. The policy shall be adhered to by all directors, executives, employees, and workers. Moreover, the policy shall cover methods for managing insider information, the nature of insider information to be disclosed, and methods used for disclosing insider information.
2. Create a list of members who can access insider information of projects containing material information which are not yet disclosed to the stock exchange. All those mentioned members must strictly comply with policies and regulations related to the use of insider information.
3. All directors, executives, and all individuals with access to insider information shall prepare and submit the Company's securities holdings and trading report within specified timeframe. The Company Secretary shall report changes in securities holdings of directors and executives to the Board of Directors' meeting quarterly. Also, report changes in securities holdings of individuals with access to insider information to the Executive Board meeting quarterly. Additionally, specify periods which trading of the Company's securities is prohibited: (1) from the day following the end of the quarter until the date the Company has fully disclosed its operating results for that quarter; (2) from the start date of a project with material information not yet disclosed to the stock exchange until the project end date; and (3) in other cases, the Company Secretary Office will inform the prohibited trading periods for securities on a case-by-case basis.

In cases where a director or executive intends to trade the Company's securities, they shall inform the transaction details to the Board of Directors, or a person designated by the Board of Directors at least 1 business day in advance of the transaction date.

### **Protection of Minority Shareholder Rights**

4. Before the shareholder meeting, give opportunities for minority shareholders to propose additional agenda items, and to nominate suitable individuals to appoint as Company directors. Publish the criteria, submission channels, and acceptance period for shareholders via the Company's website.
5. Provide proxy forms that allow shareholders to specify their voting direction. Using the form, shareholders can appoint another person to attend the meeting on their behalf in case they are unable to attend in person. At least one independent director will be nominated in the invitation letter to the meeting as an option for shareholders to appoint as their proxy to attend the shareholder meeting.
6. Documents, evidence, instructions and procedures for proxy appointment should be specified in the meeting invitation. By doing so, shareholders can prepare the required documents correctly and avoid potential issues for the proxy's attendance. The criteria, methods, and conditions for proxy appointment shall be established under legal requirements, with no provisions intentionally set to cause difficulty for shareholders in appointing a proxy.
7. Oversee to ensure that no executive shareholder adds agenda items without prior notice. Adding agenda items procedures for executive shareholders should be the same as general shareholders' procedure.
8. Grant shareholders the right to cast votes on a one-share-one-vote rule.
9. Establish Conflicts of Interest policy to ensure that shareholders are entering transactions with clear guideline, careful, rational, and independent consideration within a framework of good ethics, primarily for the benefit of the Company and shareholders as a whole.
10. Directors and executives as defined by the Securities and Exchange Commission have a duty to report their interest disclosures according to the criteria and methods stipulated by the Board of Directors. The reports shall be submitted to the Chairman of the Board of Directors and the Chairman of the Audit Committee within the timeframe stipulated by law.
11. For disclosure of Related Parties Transaction, the Company will clearly disclose information regarding the name, relationship of the related person, the pricing policy, the value of the transaction, and the Board of Directors' opinion on the transactions to shareholders.



12. Related Parties Transaction requires approval from the shareholder meeting. If the Company enters into any Related Parties Transaction, shareholders entitled to vote on such agenda item shall not include the portion of shares held by interested shareholders and related persons according to relevant announcements of the regulatory authority.

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### Section 3: Role of Stakeholders

#### Principle

The Company has various stakeholders, including shareholders, employees, customers, business partners, competitors, creditors, communities and society, government agencies, and media. The Company shall treat all stakeholders fairly, accordingly to their legal rights and existing agreements with the Company. In case of damage, the Company will provide appropriate remedies for all parties.

#### Guidelines

1. Establish compensation measures in cases where stakeholders suffer from damage due to the Company's violation of their legal rights.
2. Provide an opportunity to report or complaints about legal violations or breaches of the Code of Conduct through independent directors and the audit committee. Also, establish whistleblowers protection measures.
3. Establish processes to handle reported cases, including verifying information and reporting significant impacts to the Board of Directors.
4. Provide channels for stakeholders to report or complain about violations of rights, along with contact information for assigned persons.
5. Establish policies or principles or requirements related to the Code of Conduct, as follows:
  - Conflicts of Interest Policy
  - Anti-Corruption Policy
  - Gift Policy
  - Sustainable Development Policy
  - Sustainable Sourcing Policy and Supplier Guideline Principle
  - Human Rights Policy
  - Whistleblowing Policy
  - Personal Data Protection Policy
  - Safety, Occupational Health, Environment, and Energy Vision, Mission, and Policy
  - Information Security Policy and Standards

- Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Policy
6. Communicate and encourage that the Company's main objectives and goals are reflected in the decisions and operations of Personnel at all levels, to become part of the organizational culture.

To ensure that all stakeholders are treated fairly according to their existing rights and agreements with the Company, the Board of Directors has established the following guidelines:

### **Role towards Shareholders**

The Board of Directors is appointed by shareholders to represent them in overseeing the management to ensure shareholders receive appropriate returns, maintaining good environmental balance and comprehensive social care, for the sustainable growth of the organization. The following guidelines have been established:

- Establish an efficient and competent personnel recruitment process for appointing Company directors, by designating a Remuneration and Nomination Committee to assist in this function.
- Ensure the disclosure of sufficient, transparent, and reliable information to shareholders for investment purposes, including both financial reports and other matters. Assign the Investor Relations Office and the Company Secretary Office as the main communicator to the Company's investors and shareholders.

### **Role towards Employees**

The Company believes that a strong business foundation stems from employees within the organization who possess knowledge, competence, and expertise, coupled with an awareness of the importance of their roles, duties, and self-worth. If employees succeed in their work and achieve their goals, the Company's business would also succeed and achieve its goals. These can happen when the Company treats everyone with respect and fairness. Therefore, the following guidelines for treating employees have been established:

- Establish a Code of Conduct for directors, executives, and employees at all levels as a standard for conducting business and a guideline for consistent conduct, under applicable laws, rules, regulations, and related stipulations of each country, Company policies and guidelines, as well as the highest ethical standards. In this regard, all employees must sign to acknowledge and commit to uphold and comply with the Code of Conduct.
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The current Code of Conduct includes:

- Business Operations Principles
  - Vision, Mission, and Organizational Values
  - Compliance with the Code of Conduct is divided into 4 Sections: Ethics, Quality, Personnel, and Assets.
  - Compliance with laws and regulations, both in Thailand and overseas.
  - Oversight of compliance, covering both the whistleblowing or complaint process and penalties.
- Establish a Human Resource Management Policy, which covers personnel management and fair, equal, polite, respectful, and opportunity-providing treatment of employees at all levels, including building morale and encouragement for employees. In this regard, the Company has provided a communication channel between the Chief Executive Officer and employees via the Intranet system. The channel's purpose is for the Chief Executive Officer to communicate the organization's policies, vision, and goals to employees. Additionally, it would serve as a channel for employees to send comments, suggestions, or complaints directly to the Chief Executive Officer for prompt fact verification, without disclosing the informant's name to the public.
  - Promote equal and fair treatment among employees, free from discrimination and direct or indirect violation of personal rights and freedoms.
  - Promote equal opportunities, diversity of Personnel, and coexistence, to ensure the Company has a work environment that encompasses differences in origin, education, gender or gender identity, sexual orientation, race, nationality, work style and ideas, religion, age, generation, and disability, as well as upholding and complying with labor laws.
  - Respect all employees' dignity and personal rights. Keep employees' personal information confidential, by specifically designating individuals with access rights to such information as necessary and appropriate, in accordance with the Code of Conduct and personal data protection laws.
  - Promote a learning organization, value employees, and provide opportunities to develop employees' professional capabilities, so they can work fully for the organization, along with encouraging employees to cooperate with each other.
  - Establish a compensation and benefits policy based on the fundamental principle that the compensation and welfare provided must be appropriate and comparable to other entrepreneurs from the same industry in the

country. Also, it must be relevant to each employee's performance which reflects the Company's performance in both short and long term.

- Provide long-term savings programs for retirement or employee benefits, to incentivize performance and retain Personnel with the Company in the long term.

### **Role towards Customers**

The Company has always prioritized quality and safety in all its products and services. This commitment is not limited to the Company's production chain but covers the entire value chain wherever the Company operates, meaning throughout the product lifecycle from upstream to downstream, or from the source of raw materials to consumers worldwide, with international production standards and strict quality control, in accordance with the Company's Quality Policy and Product Traceability Policy. As well as fostering innovation and dedicating the Company to research and development at every stage of operations to efficiently produce food products that align with consumer satisfaction and behavior. Additionally, the Company must conduct sales and marketing responsibly and honestly. To this end, the Company has established guidelines for fair and responsible treatment of customers as follows:

- In cases where products and services are found not to meet specified quality criteria or are likely to fall below standard, which may affect safety and the Company's credibility, relevant Personnel must immediately inform their supervisor for resolution or product recall. Such recalls must comply with or exceed the legal requirements of each country.
  - All business units must prioritize resolving complaints. Executives must review complaint management information quarterly.
  - Relevant Personnel shall participate in communicating with customers through various up-to-date channels, raising awareness and understanding of the quality and production standards throughout the Company's value chain, ensuring quality and a sustainable management system.
  - Report product safety and quality issues to the Company's Food Regulatory Office.
  - Relevant Personnel shall treat customers with care, offer products and services honestly, with accurate and complete information for customers' decisions. Also, they shall aim to build long-term relationships that are accepted by customers, in compliance with laws and business ethics.
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- For sales promotions, advertising, and any communication on behalf of the Company, Personnel must not provide misleading information or information that could cause misunderstanding. They must explain facts and relevant information honestly and transparently. Moreover, they shall comply with applicable laws and regulations in each country, taking into account cultural and traditional sensitivities in different countries.
- Establish a system to control and maintain the confidentiality of customer information, treating it as Company confidential information.
- Establish a Call Center to receive feedback and complaints about the Company's products. Upon receiving such matters, relevant departments must promptly investigate and provide remedies.

### **Role towards Business Partners**

The Company works with business partners to deliver products and services to customers. Therefore, the Company has a responsibility to ensure that those involved in the supply chain operate according to the Company's ethical standards and quality requirements, in accordance with the following guidelines:

- Relevant Personnel are responsible for building understanding, communicating principles, providing information, advice, and necessary training to business partners regarding the requirements and commitments that business partners must continuously and consistently comply with, as stipulated in the business partner requirements in the Sustainable Sourcing Policy and Supplier Guideline Principle.
  - If there is a suspicion that a business partner is not complying with established quality standards, Personnel must report to their supervisor and inform the Corporate Compliance Office, or report through the designated department and channels as per the Whistleblowing Policy.
  - Personnel must conduct business while treating all partners equally and fairly. Respecting and considering partners the same as business associates of the Company.
  - Business partners selections must base on the principle of maximizing the Company's benefit and conducted without bias.
  - Personnel must not accept any benefits from prospective business partners that could lead to bias in decision-making.
  - Establish a control system to prevent the illegal disclosure or use of business partners' confidential information in business operations.
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### **Role towards Competitors**

The Company believes that fair competition benefits entrepreneurs, business partners, and consumers. Therefore, the Company complies with competition law in all businesses. Thus, the Board of Directors has established guidelines for fair and responsible conduct towards competitors as follows:

- Employees representing the Company must inform trade associations or industry associations of which the Company is a member about the Company's stance on fair trade competition.
- Employees representing the Company must not enter into any agreements with competitors or partners that involve the following:
  - Fix prices or any trade conditions, whether directly or indirectly.
  - Restrict the quantity of goods or services that each business will produce, purchase, sell, or provide.
  - Joint bidding or bid rigging.
  - Defining areas where each business will sell or purchase goods or services in.
  - Reducing the quality of goods or services below what has been previously produced or provided.
  - Appointing a sole distributor that leads to reduced competition or monopoly.
- In cases where personnel are unsure whether any action constitutes illegal trade restrictions, consult the Company's Legal Office
- Establish a control system to prevent any illegal actions in obtaining or using trade secrets of competitors.
- Do not intentionally damage the reputation of competitors by making defamatory accusations.
- Do not take any actions that exploit competitors unfairly.

### **Role towards Creditors**

The Board of Directors has established guidelines for fair and responsible treatment of creditors as follows:

- Establish a control system to strictly ensure compliance with obligations to creditors, as well as emphasizing the Company's reputation.
- Clearly and fairly define trade terms and conditions, such as guarantees and procedures in case of default.

### **Role towards Communities and Society**

The Company emphasizes the value and importance of natural resources and environment, which are fundamental starting factors for integrated agro-industrial and food business operations. Therefore, the Company has continuously placed great emphasis on responsible resource utilization and mitigating environmental impacts from its business operations. Moreover, the Company is also committed to caring for animal welfare and protecting the environment throughout the value chain.

The Company's commitment to sustainable resource management is integrated into production process management, water management, energy management, waste management, chemical usage and management, transportation, packaging, and greenhouse gas emissions, adhering to the principle of increasing operational efficiency alongside increasing eco-efficiency.

Furthermore, the Company is committed to conducting business based on correct and appropriate principles and paying attention to animal welfare, which directly impact food quality and safety, and is a key component of Responsible Farming and Food Production, in accordance with the Company's Animal Welfare Policy.

- Monitor and comply with both national and local laws, rules and regulations in every country where the Company operates.
- All Personnel should use resources efficiently by applying the 4Rs: Reduce, Reuse, Recycle, and Replenish in managing water, energy, and waste.
- In case personnel observed any abnormalities that may affect the Company, employees, community, and the environment in the workplace. They must immediately report to their supervisor
- Personnel shall engage in promoting and encouraging business partners to operate in accordance with the Company's Sustainable Sourcing Policy and Supplier Guideline Principle.
- Disclose operational information transparently and provide opportunities for communities and relevant stakeholders to express opinions on issues that may affect the community.

### **Role towards Government Agencies**

The Company will strictly comply with laws, rules, and regulations. Also, cooperate in supporting government projects, and provide full assistance in emergency situations.



### **Role towards Media**

The Company will maintain good relationships and treat all media equally by providing accurate and up-to-date information to the public, in order to ensure the media's understanding of key issues.

## Section 4: Disclosure and Transparency

### Principle

The Board of Directors is responsible for ensuring that the financial reporting system and the disclosure of important information are accurate, sufficient, timely, and adhere to relevant rules, standards, and guidelines, through accessible channels.

### Guidelines

To ensure that important information related to the Company is fully, transparently, and timely disclosed, the Board of Directors has established the following guidelines:

#### Disclosure of Information

1. Disclose information transparently, timely, through accessible channels, with equality, ensuring accuracy, not misleading, sufficient for investors' decisions, and not violating regulatory agencies' disclosure regulations.
2. Disclose information on the Company's website in both Thai and English in a timely manner, in addition to information published according to established criteria and through channels of the Securities and Exchange Commission or the Stock Exchange of Thailand.
3. Assign the Investor Relations Office to publish the Company's financial and general information to shareholders, securities analysts, and the Company's investors, and to serve as a channel for shareholders and interested investors to communicate with the Company. Additionally, the Investor Relations Office is responsible for regular meetings with investors and securities analysts to present the Company's operating results.

## Section 5: Responsibilities of the Board of Directors

### Principle

The Board of Directors plays a crucial role in overseeing the Company's operations. An appropriate Board of Directors' structure and clear responsibilities are essential for effective performance. Furthermore, individuals appointed as Company directors must be honest in their duties, possess vision, capability, and experience, and must dedicate their time to the Company to fully perform their duties with independent decision-making, for the maximum benefit of the Company and shareholders. In addition, to enhance the efficiency of the Board of Directors' performance, various sub-committees must be established to assist in oversight, study, and screening work as necessary.

### Guidelines

To ensure that the Board of Directors' structure is appropriate for the Company's business operations, and to clarify the framework, powers and responsibilities of the Board of Directors, which will benefit the efficiency of the Board's performance, the Board of Directors has established the following guidelines:

#### Board of Directors Structure

##### 1. Composition of the Board of Directors

1.1 The Board of Directors must consist of at least 5 members. At least one-third of the total directors being independent directors, but not less than 3 persons. Additionally, the Chairman of the Board must not hold a position as chairman or member of any sub-committee and must not be the same person as the Chief Executive Officer.

In cases where the Chairman of the Board is not an independent director, the Company will appoint a Chairman of the Independent Director to represent the independent directors in consideration of matters, including setting meeting agendas.

1.2 The structure of the Board of Directors comprises directors with diverse qualifications in terms of skills, experience, and specific competencies beneficial to the Company (such as related businesses and risk management, etc.), race, nationality, and gender. The composition of the Board of Directors, including the number of years each director has served on the Company's board, will be disclosed in the annual report and on the Company's website.

1.3 The composition of the Board of Directors must include at least 1 female independent director.

## 2. Qualifications of Directors

### 2.1 Company Directors

2.1.1 All Company directors must be qualified and without any prohibited characteristics as stipulated by the Public Limited Companies Act, the Securities and Exchange Act, and the regulatory agencies' announcements. In the case of independent directors, they must also meet the qualifications stipulated by the Capital Market Supervisory Board.

2.1.2 All Company directors must have business and relevant industry experience. To ensure overall benefit to the Company, they must understand business challenges, have the ability to perform efficiently, create competitive advantage in the industry, and offer beneficial perspectives on significant risks.

2.1.3 Each Company director shall hold directorships in no more than 5 public listed companies, without exception.

2.1.4 Company directors must not have been employees or partners of an external audit firm used by the Company within the past 2 years.

2.1.5 Company directors who are also executives shall hold directorships in no more than 2 other public listed companies.

2.1.6 In cases where any Company director holds a position as a director or executive in another company, that director must report directorship information to the Company, as it constitutes an interest that must be reported as stipulated.

### 2.2 Additional Qualifications for Independent Directors

2.2.1 The qualifications of independent directors must meet the minimum criteria stipulated by regulatory agencies, and additional criteria may be specified to align with the Company's characteristics.

In cases where an independent director holds shares in the Company, its parent company, Subsidiaries, associated companies, legal entities that are major shareholders or have control over the Company, the number of shares held must not exceed 0.5% of the total voting shares of each such legal entity, including shares held by Related Persons of that independent director.

2.2.2 Independent directors are independent from the management and major shareholders of the Company.

2.2.3 Each independent director shall hold directorships in no more than 5 public listed companies.

### **Nomination of the Board of Directors**

1. The Compensation and Nomination Committee shall nominate individuals suitable for the Company's directorship. Those nominated shall possess Board Skills Matrix and provide diversity in the Board, as these are additional factors to propose such individuals to the Board of Directors' meeting for consideration and appointment (in case a directorship becomes vacant for reasons other than rotation) or to propose to the shareholder meeting. The Company also provides an opportunity for shareholders to participate in nominating suitable individuals for directorships according to the criteria established.
2. The Company has specified the qualifications of the desired directors to align with the Company's business strategy. The Company may recruit suitable individuals through Professional Search Firm or from external institutions' Director Pools.

### **Directors' Term of Office**

1. At every Annual General Meeting, one-third of the directors who have served the longest shall retire. If the number of directors cannot be divided equally into three parts, the number closest to one-third shall retire. Directors retiring by rotation may be nominated to the shareholder meeting for consideration and re-appointment.
2. In cases where a directorship becomes vacant for reasons other than rotation, the Board of Directors shall select a person with qualifications and no prohibited characteristics under the law to fill the vacancy, unless the remaining term of the director is less than two months. The newly appointed director shall serve only for the remainder of the term of the director they replace. Such appointment must be approved by a resolution of the Board of Directors with no less than three-fourths of the remaining directors' votes.
3. Each independent director may serve as an independent director for a maximum of 9 consecutive years.

### **Roles, Duties, and Responsibilities of the Board of Directors and Sub-Committees**

The Board of Directors is responsible for overseeing management's performance in accordance with the goals, strategies, and plans approved by the Board of Directors, to achieve maximum benefit for the Company and all

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stakeholders. The Board of Directors shall delegate powers and responsibilities for daily management to the Chief Executive Officer, which are clearly separated from the powers and duties of the Chairman of the Board. The roles, duties, and responsibilities of the Board of Directors are as follows:

- 1.1 Perform duties in accordance with the law, objectives, and the Company's regulations, including resolutions of shareholder meetings, with responsibility, caution, and integrity.
- 1.2 Establish key policies for business operations, financial policies, fundraising, capital management, risk management, information technology resources allocation and management, and oversee management's efficiency and effective implementation of such policies.
- 1.3 Consider and approve the Company's vision and mission, and ensure they are reviewed every fiscal year.
- 1.4 Consider and approve business goals, strategies, and plans, and ensure they are reviewed every fiscal year. Moreover, oversee the implementation of the Company's strategies and monitor performance against established plans.
- 1.5 Consider and approve any items that fall out of the Chief Executive Officer's authority delegated by the Board of Directors, or items that require approval from the Board of Directors or a shareholder meeting of the Company as stipulated by relevant laws, articles of association, or Company regulations.
- 1.6 Establish internal control systems for operations, financial reporting, and compliance with laws, regulations, policies, and rules of the Company. Assign the Internal Audit Office the responsibility of auditing compliance with internal control systems and reporting to the Audit Committee. The Board of Directors will regularly review the risk management system, assessing the adequacy and appropriateness of internal control systems annually, reviewing key systems and providing comments in the annual report at least once a year.
- 1.7 Promote and utilize innovation and technology to raise competitive capability, while remaining committed to social and environmental responsibility, and oversee management's integration of these aspects into strategy review.
- 1.8 Evaluate the performance in accordance with the Corporate Governance and Sustainable Development Policy and review the policy at least once a year.
- 1.9 Appoint the Chief Executive Officer and oversee their performance in accordance with the Company's Corporate Governance and Sustainable Development Policy, within the scope of authority delegated by

the Board of Directors. Also, evaluate the Chief Executive Officer's performance annually to support the determination of the Chief Executive Officer's remuneration.

- 1.10 Appoint directors or executives to serve as directors in Subsidiaries to oversee the operations of those Subsidiaries to achieve the objectives of investment in them.
- 1.11 Appoint a Company Secretary to be responsible for matters as prescribed by law.
- 1.12 Appoint the Audit Committee, Executive Committee, and other sub-committees such as the Remuneration and Nomination Committee, etc., to assist the Board of Directors in overseeing corporate governance to achieve the determined objectives. The members of sub-committees shall mostly consist of independent directors, with the chairman of each sub-committee being an independent director.
- 1.13 Establish a director and executive development plan and a succession plan.

In addition, the Board of Directors may establish sub-committees to assist in specific areas to enhance the efficiency of the Board's performance. At least the following shall be appointed: (1) Audit Committee, responsible for audit, internal control, and risk management; (2) Corporate Governance and Sustainable Development Committee, responsible for matters related to corporate governance and sustainable development, strategies, goals, and guidelines; (3) Remuneration and Nomination Committee, responsible for reviewing the Board of Directors' structure, nominating suitable individuals for directorships, and reviewing director remuneration; and (4) an Executive Committee, responsible for monitoring operations and overseeing management's performance in accordance with the policies and the Board of Directors' business objectives efficiently and effectively. Each sub-committee shall have roles, duties, and responsibilities as defined in its respective charter.

### **Board of Directors' Meetings**

1. The Board of Directors shall hold at least 6 meetings per year. Meeting dates will be scheduled annually in advance. However, scheduled meeting dates may change if necessary. All directors will be informed of such schedules and are obligated to regularly attend Board of Directors meetings. In cases where a director cannot attend a meeting, they must inform the Company Secretary of the reason prior to that meeting. The Company Secretary shall inform that absent director of the meeting's results.
2. The Chief Executive Officer, the Chief Financial Officer and the Company Secretary, shall evaluate matters to be included in the Board of Directors' meeting agenda before proposing them to the Chairman of the Board and

the Chairman of the Independent Director (if any) for approval. Each director has right to propose matters beneficial to the Company to be included in the meeting agenda.

3. The Company Secretary is responsible for providing advice on laws and regulations that the Board of Directors must be aware of, overseeing the Board of Directors' activities, and coordinating compliance with Board of Directors' resolutions, preparing meeting documents with important information. The document shall be sent to directors at least 5 business days prior to the meeting date, to let the directors to fully consider the agenda items.
4. At each meeting, the executive directly responsible for the proposed agenda item for consideration shall report on that item, to give directors an opportunity to become acquainted with the executive for succession planning. All directors can freely discuss, exchange opinions, and make decisions. Moreover, additional information may be requested from the Chief Executive Officer, Company Secretary, or other assigned executives, or advice may be sought from independent advisors as appropriate.
5. The minimum quorum for the Board of Directors' meeting at the time of voting on each agenda item must be no less than two-thirds of the total number of directors.

In cases where any director has an interest in the agenda item being considered, that director must immediately disclose the details of such interest to the Board of Directors and shall not participate in voting on that agenda item. In such cases, the total number of directors for counting the minimum quorum as mentioned in the preceding paragraph shall mean the total number of directors who do not have an interest in that specific agenda item.

6. Directors who are not executives may meet to discuss Company management matters among themselves as necessary without management present. After that, they shall report the meeting results to the Board of Directors' meeting.
7. The Chairman of the Board should allocate sufficient time for management's proposals and for thorough discussion by all directors on the proposed matters, and encourage careful discretion. All directors should pay attention to every matter brought to the meeting, including corporate governance matters.
8. Each director must attend at least 75% of the total meetings each year.

**Board of Directors' Performance Evaluation**

1. The Board of Directors delegates the Remuneration and Nomination Committee to evaluate the performance of the Board of Directors annually and report the evaluation results to the Board of Directors. Also, disclose the process and criteria for the evaluation of the entire Board in the annual report.
2. Evaluate directors' individual performance. Disclose the process and criteria for the evaluation in the annual report.
3. Evaluate sub-committees' performance. Report the evaluation results to the Board of Directors at least once a year.
4. The Board of Directors may use external consultants to assist in defining guidelines and suggestions for the performance evaluation of the Board.

**Directors and Executives' Remuneration**

1. Director's remuneration shall be in accordance with the criteria stipulated by the Remuneration and Nomination Committee.
2. Executive's remuneration shall be in accordance with the criteria stipulated by the Executive Committee, except for the remuneration of the Chief Executive Officer, which shall be determined by the Board of Directors.

**Directors and Executives' Development**

1. Upon assuming the Company's directorship, each director will receive important information about the Company, articles of association specifying the scope of powers, duties, and responsibilities of the Board of Directors, information regarding laws, regulations, and conditions for being a director of a publicly listed company, and other information related to the Company's business operations.

For directors who have not yet undergone training in director-related courses, the Company will arrange such directors to attend courses provided by the Thai Institute of Directors Association (IOD) to gain knowledge on the following:

- (1) The role of a director and legal liabilities
  - (2) Guidelines to performing directorial duties in accordance with regulations and best practices of the Stock Exchange of Thailand and the Securities and Exchange Commission, and Principles of Corporate Governance.
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2. Provide continuous training and knowledge sharing for directors regarding the nature of the business, the Company's business operations guidelines, knowledge of related industries, regulations, knowledge of corporate governance and development for sustainable growth, to enhance knowledge and understanding for performing directorial duties. Training and knowledge sharing may be conducted internally within the Company, or by using external institutions. Site visits can be arranged as appropriate.
3. Executive development shall be in accordance with the executive development plan and the succession plan. The Chief Executive Officer shall report on the implementation of such plans to the Executive Committee annually.
4. Provide continuous training and knowledge sharing for executives regarding governance, regulations, and matters related to development for sustainable growth, to enhance knowledge and understanding for performing duties. Training and knowledge sharing may be conducted internally within the Company or by using external institutions.

#### **Executives' Term of Office**

1. In cases where the Chief Executive Officer or an executive holds a directorship in another company, apart from those delegated by the Company, they must report about such directorship to the Company as prescribed by law. However, the Chief Executive Officer or executives are not permitted to hold the position of Chief Executive Officer of another company, unless delegated by the Company.
2. Executives of the Company must not have been employees or partners of an external auditing firm used by the Company within the past 2 years.



## **5. Penalty**

In the case that employee engage in any action that violates or does not comply with this Policy, whether directly or indirectly, the personnel (as applicable) will be subject to disciplinary action in accordance with the Company's work rules or other relevant regulations, as well as penalties as defined by law.

## **6. Policy revision**

The Company Secretary Office shall review this Policy annually or at other appropriate intervals if it is determined that this Policy is no longer suitable for the business operations of the Company. The Company Secretary Office shall then present the reviewed and revised Policy to the Corporate Governance and Sustainable Development Committee for consideration before submitting it to the Board of Directors for approval and implementation.

## **7. Effective Date**

This Corporate Governance and Sustainable Development Policy was approved by the Board of Directors and effective on December 12, 2023.

Announced on December 12, 2023.