



## **CORPORATE GOVERNANCE POLICY**

**WHA UTILITIES AND POWER PUBLIC COMPANY LIMITED**

### **Message from the Chairman of the Board of Directors**

WHA Utilities and Power Public Company Limited realizes the significance of sustainable business operations, and thus adhere to and comply with the principles of good corporate governance, in the hope of ensuring its business prosperity and stability in the long run, giving rise to efficiency and effectiveness, promoting transparency, so as to earn trust and generate benefits to all stakeholders concerned.

In order to comply with and conform to the Corporate Governance Code for Listed Companies 2012 of the Stock Exchange of Thailand, the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission as well as the Corporate Governance Report of Thai Listed Companies: CGR Checklist 2023, the Board of Directors has established the “Corporate Governance Policy” as the key practices to support the creation of values to the business and lead to good corporate governance culture in the group companies in a sustainable manner accordingly.

Miss Jareeporn Jarukornsakul

Chairman of the Board of Directors

WHA Utilities and Power Public Company Limited

## Content

<b>Definitions</b>	.....Error! Bookmark not defined.
<b>Principle 1 Role and Responsibilities of the Board as Corporate Leader to Sustainably Create Values to the Business</b>	<b>.....2</b>
Principle 1.1 Key Role as Corporate Leader	.....2
Principle 1.2 Corporate Governance to Sustainably Create Values to the Business	.....2
Principle 1.3 Performance of Duties with Accountability and Responsibility, Duty of Care and Duty of Loyalty in the Best Interest of the Organization	.....2
Principle 1.4 Scope of Key Duties and Responsibilities of the Board of Directors	.....3
<b>Principle 2 Definition of Objectives and Main Goals of the Business for Sustainability</b>	<b>.....5</b>
Principle 2.1 Definition of Objectives and Main Goals	.....5
Principle 2.2 Business Strategies and Annual Plans in line with Objectives and Main Goals	.....5
<b>Principle 3 Strengthening of the Effectiveness of the Board of Directors</b>	<b>.....7</b>
Principle 3.1 Structure, Composition and Qualifications of Directors	.....7
Principle 3.2 Scope of Powers and Duties of the Chairman of the Board of Directors	.....9
Principle 3.3 Nomination and Selection of Directors	.....11
Principle 3.4 Directors' Remuneration	.....12
Principle 3.5 Directors' Performance of Duties and Sufficient Time Contribution	.....13
Principle 3.6 Governance of Subsidiaries, Associated Companies and Other Businesses with Substantial Investment	.....13
Principle 3.7 Performance Evaluation of the Board of Directors	.....14
Principle 3.8 Capacity Building and Knowledge Development for Directors	.....14
Principle 3.9 The Board of Directors' Meetings	.....15
<b>Principle 4 Nomination and Development of High-Ranking Executives and Personnel Management</b>	<b>18</b>
Principle 4.1 Nomination of the Chief Executive Officer and Development of High-Ranking Executives	.....18
Principle 4.2 Suitable Remuneration Structure and Performance Evaluation	.....19
Principle 4.3 Shareholders' Structure and Relationship	.....19
Principle 4.4 Personnel Skill Development	.....19

<b>Principle 5</b>	<b>Promotion of Innovation and Responsible Business Operations .....</b>	<b>21</b>
Principle 5.1	Promotion of Innovation to Create Value to the Business, Benefits to Stakeholders, with Social and Environmental Responsibility .....	21
Principle 5.2	Business Operations with Social and Environmental Responsibility .....	21
Principle 5.3	Efficient and Effective Allocation of Resources .....	23
Principle 5.4	Information Technology Management .....	23
<b>Principle 6</b>	<b>Effective Risk Management and Internal Control Systems .....</b>	<b>24</b>
Principle 6.1	Risk Management and Internal Control .....	24
Principle 6.2	Independence of the Audit Committee .....	24
Principle 6.3	Prevention of Conflicts of Interest and Report on Interest.....	25
Principle 6.4	Anti-Corruption.....	26
Principle 6.5	Complaints and Whistleblowing .....	26
<b>Principle 7</b>	<b>Financial Integrity and Disclosure.....</b>	<b>27</b>
Principle 7.1	Preparation of Financial Reports and Disclosure of Material Information .....	27
Principle 7.2	Sufficiency of Financial Liquidity and Debt-Serviceability .....	27
Principle 7.3	Financial Problem-Solving.....	28
Principle 7.4	Sustainability Report.....	28
Principle 7.5	Investor Relations.....	28
Principle 7.6	Dissemination of Information via Information Technology .....	29
<b>Principle 8</b>	<b>Shareholders' Engagement and Communications.....</b>	<b>30</b>
Principle 8.1	Shareholders' Engagement.....	30
Principle 8.2	Shareholders' Meetings.....	31
Principle 8.3	Resolutions and Minutes of the Shareholders' Meeting.....	32



## Definitions

<b>“SEC”</b>	refers to	The Securities And Exchange Commission
<b>“SET”</b>	refers to	The Stock Exchange of Thailand
<b>“the Company” or “WHAUP”</b>	refers to	WHA Utilities and Power Public Company Limited
<b>“Form 56-1 One Report”</b>	refers to	Annual Registration Statement / Annual Report as announced by the Capital Market Supervisory Board (CMSB) and/or the Securities And Exchange Commission
<b>“SEC Act”</b>	refers to	Securities and Exchange Act B.E. 2535 (1992) as amended
<b>“Office of SEC”</b>	refers to	Office of the Securities And Exchange Commission

## **Principle 1**

### **Role and Responsibilities of the Board as Corporate Leader to Sustainably Create Values to the Business**

#### **Principle 1.1 Key Role as Corporate Leader**

The Board of Directors understands and realizes its role and responsibilities as corporate leader to ensure the good corporate governance, which includes:

- (1) defining objectives and goals;
- (2) defining strategies and operating policies, and allocating major resources to achieve the objectives and goals; and
- (3) monitoring, evaluating and supervising the reporting on operating results.

#### **Principle 1.2 Corporate Governance to Sustainably Create Values to the Business**

The Board of Directors has its corporate governance policy in place to sustainably create values to the business towards successful achievements, namely:

- (1) carrying on the business to ensure its competitiveness and good operating results, primarily taking into account the creation of good values to the business in the long run in terms of not only its financial performance, but also social and environmental impact;
- (2) operating the business in compliance with the code of ethics, with respect to rights of and responsibilities towards shareholders and stakeholders;
- (3) operating the business, taking into account social contribution in parallel to social and environmental development as well as mitigation of social and environment impact;
- (4) carrying on the business to ensure its resilience under various change factors.

The Board of Directors, as leader in corporate governance, realizes the importance of creating and propelling such corporate culture that adheres to ethics, and therefore, has established the “WHA Code of Conduct and Practices” as guidelines for good corporate governance in writing for directors, executives and staff, and communicates with, provides training to and ensures the understanding of its directors, executives and staff in respect of the importance of such matter, the compliance with which will be followed up, and such policy and its compliance will be reviewed annually.

#### **Principle 1.3 Performance of Duties with Accountability and Responsibility, Duty of Care and Duty of Loyalty in the Best Interest of the Organization**

The Board of Directors has a duty to make sure that its directors and executives perform their duties with accountability and responsibility, duty of care and duty of loyalty in the best interest of the organization, as follows:

- (1) comply with the laws, its objectives, articles of association, resolutions of the Board of Directors' Meetings and resolutions of the Shareholders' Meetings, including the Company's policies;

- (2) establish adequate mechanism to ensure that the Company's operations comply with the applicable laws, its objectives, articles of association, resolutions of the Board of Directors' Meetings, resolutions of the Shareholders' Meetings, and the Company's policies, including authorization procedures for significant matters as required by law.

#### **Principle 1.4 Scope of Key Duties and Responsibilities of the Board of Directors**

The Board of Directors understands its scope of key duties and responsibilities, and clearly delegates the scope of duties and responsibilities to subcommittees, Chief Executive Officer and Management, as well as monitors to ensure the performance of their assigned duties.

##### **(1) Board of Directors**

The Board of Directors has a duty to comply with the laws, objectives, articles of association, resolutions of the Board of Directors' Meetings and resolutions of the Shareholders' Meetings, with integrity and due care to make sure that its operations lead towards the best interest of the shareholders and stakeholders. In this regard, the Board of Directors has established the "Board of Directors Charter" in writing which specifies the composition, scope of powers, duties and responsibilities of the Board of Directors in order to enable the directors to efficiently and transparently perform their duties. Such charter will be reviewed at least once a year.

##### **(2) Subcommittees**

The Board of Directors appointed the following subcommittees of experts in specific areas of work to have the duties to consider and screen matters, as well as propose their opinions and suggestions, as delegated by the Board of Directors prior to proposing the matters to the Board of Directors, namely:

- (2.1) Audit Committee;
- (2.2) Corporate Governance and Sustainability Development Committee;
- (2.3) Nomination and Remuneration Committee;
- (2.4) Risk Management Committee; and
- (2.5) Executive Committee.

The compositions and scopes of powers, duties and responsibilities of the subcommittees are described in the respective subcommittees' charters in writing, which will be reviewed at least once a year.

##### **(3) Scope of Powers, Duties and Responsibilities of the Board of Directors and the Management**

###### **(3.1) Key responsibilities of the Board of Directors include:**

- (a) To consider approving and/or providing opinions on significant matters relating to the Company's operations, e.g., objectives, main goals, vision, etc.;
- (b) To create corporate culture that adheres to the code of ethics, and behave themselves as a positive role model;
- (c) To ensure that the Board of Directors' structure and performance are appropriate to efficiently achieve the objectives and main goals in the business operations;



- (d) To proceed with the selection, development, remuneration and performance evaluation of the Chief Executive Officer;
  - (e) To establish the structure of remuneration as incentives for personnel to perform in line with the objectives and main goals of the organization.
- (3.2) The Board of Directors and the Management jointly have the duty to consider establishing and laying down the overall operating policy in line with the objectives and main goals in the business operations. The Board of Directors delegates its power to the Management to handle business affairs and monitor the Management to perform their assigned duties. The Management has the duty to carry on and manage the business affairs in line with such strategies, policies and work plans approved or authorized by the Board of Directors, and duly report to the Board of Directors on a regular basis, as appropriate, namely:
- (a) To set out and review strategies, goals, business plans and annual budgets;
  - (b) To establish and supervise the adequate and appropriate internal control and risk management systems;
  - (c) To delegate the power to proceed as appropriate to the Management's responsibilities, such as, the authorization of the Internal Power of Attorney, etc.;
  - (d) To set out the scope of allocation of resources, development and budgeting, e.g. policy and plan for personnel management, policy on information technology development;
  - (e) To monitor and evaluate the Management's performance of its assigned tasks in the implementation of the specified policies and plans;
  - (f) To supervise the accuracy, completeness and reliability of financial and non-financial information disclosures to the public.

The Board of Directors will supervise the policy level while the Management will proceed with the execution of the strategies, policies and work plans approved by the Board of Directors, and will be responsible for making decisions on business operations, marketing, sales, procurement, resources management, personnel management, and general administration, etc.

## **Principle 2**

### **Definition of Objectives and Main Goals of the Business for Sustainability**

#### **Principle 2.1 Definition of Objectives and Main Goals**

The Board of Directors particularly focuses on defining the objectives and main goals of the business for sustainability in line with creating values and benefits to the organization, customers, partners, staff, shareholders, stakeholders, society and the environment as a whole, so as to create corporate culture on the basis of good corporate governance.

- (1) The Board of Directors is responsible to ensure that the business has clearly and properly defined its objectives and main goals as appropriate to the economic, social and environmental conditions, so as to come up with a suitable business model, by way of corporate vision and values, or principles and purposes, which will be communicated to everyone for the purpose of driving the organization towards the same direction.
- (2) In order to achieve the objectives or main goals, the Board of Directors will consider defining such business model capable of creating values to the business, stakeholders, society and the environment altogether, taking into account:
  - (a) the environment and various change factors, including the effective use of innovation and technology;
  - (b) the requirements of customers and stakeholders;
  - (c) the business's readiness, know-how and competitiveness.
- (3) The corporate values will, in part, reflect the good corporate governance characteristics, e.g., accountability, integrity, transparency, due consideration of social and environmental responsibilities, etc.
- (4) The Board of Directors promotes communications and ensures that the objectives and main goals of the organizations are reflected in the decision-making and operations by personnel at every level as our corporate culture.

#### **Principle 2.2 Business Strategies and Annual Plans in line with Objectives and Main Goals**

The annual and medium-term business objectives, goals and strategies must be aligned with the business's objectives and main goals, by way of appropriate and safe utilization of innovation and technology.

- (1) The Board of Directors will make sure that the business strategies and annual plans must be aligned with the business's objectives and main goals, including its sustainability goals, both medium-term and long-term (3 to 5 years), taking into account the contributing factors, opportunities and the Company's risk appetite, and support the execution of strategies towards such goals to ensure that the strategies and annual plans have taken into account impact for longer term which can be reasonably foreseen.



- (2) For the purpose of developing strategies and annual plans, the Board of Directors will make sure to analyze the environment, factors (both opportunities and risks) which may affect the stakeholders concerned throughout the value chain, including such factors which may have potential impact on the achievement of the main goals, whereby there should be a mechanism to identify the stakeholders' expectations.
- (3) For the purpose of defining strategies, the Board of Directors will promote the creation and application of innovation and technology to enhance its competitiveness and respond to the stakeholders' requirements, on the basis of corporate social and environmental responsibility.
- (4) The Board of Directors should consider that the set goals are suitable for the organization's business profile and competency, in terms of both monetary and non-monetary goals, and compatible with the laws, the code of ethics and transparency.
- (5) The Board of Directors will supervise to communicate the objectives and main goals of the organization via its vision, missions and corporate values, including strategies and work plans, to the group's personnel for their information and understanding on a company-wide basis.
- (6) The Board of Directors will ensure the allocation of resources and monitor the compliance with the strategies and annual plans.

### Principle 3

#### Strengthening of the Effectiveness of the Board of Directors

##### Principle 3.1 Structure, Composition and Qualifications of Directors

The Board of Directors will determine and review the structure of the Board of Directors in respect of its composition, ratio of independent directors, appropriate number of directors for the business, and the diversity in the areas of their qualifications, expertise and experience as appropriate to and necessary for the fulfillment of the set objectives and main goals.

- (1) The structure of the Board of Directors is composed of directors and independent directors in such number and with such qualifications as prescribed by laws, including the relevant notifications of the SEC Office and the Capital Market Supervisory Board.

The Board of Directors will ensure that its members comprises directors with various qualifications in line with the Board Diversity Policy in terms of professional skills, experience, competency, characteristics, specific expertise, gender, age, nationality, citizenship as necessary to achieve the organization's objectives and main goals. In this connection, a Board Skill Matrix will be established to make sure that the overall Board of Directors possesses suitable qualifications, is capable of understanding and responding to the stakeholders' requirements, and includes at least one non-executive director with experience in the core business or industry in which the Company currently operates.

- (2) The Board of Directors will fix the number of directors as appropriate to the size, type and complexity of the business to enable it to efficiently perform its functions. The Board of Directors should comprise at least 5, but no more than 12 directors, provided that at least one half of the total number of directors must be resident in Thailand.

- (3) The Board of Directors' proportion between executive directors and non-executive directors should reflect proper checks and balances system, namely:

- (3.1) The majority of directors represents non-executive directors who are capable of independently providing opinions on the Management's performance.

- (3.2) The number of independent directors meets the rules of the SEC Office and the SET, that is, independent directors shall account for at least one-third of the total number of directors, but not less than 3 persons.

- (3.3) The qualifications of independent directors of the Company meet the requirements that are more stringent than the qualifications of independent directors under the rules of the SEC Office and the SET, as follows:

- (a) Holding no more than 0.5 percent of all voting shares of the Company, its parent company, subsidiaries, associated companies, major shareholders or controllers, inclusive of the shareholding by those related to that particular independent director;

- (b) Not being or never having been a director participating in administration, an employee, staff member, advisor who receives regular salary or a controller of the

Company, its parent company, subsidiaries, associated companies, subsidiaries of the same tier, major shareholders or of a controller of the Company, unless such status has lapsed for at least 2 years, and such prohibited characteristics exclude an event where an independent director was a civil servant or an advisor to a government agency, which is a major shareholder or a controller of the Company;

- (c) Not being a person with any blood relation or by lawful marriage, whether as a father, mother, spouse, sibling and offspring, including offspring's spouse, of another director, executive, major shareholder, controller or a person nominated as director, executive or controller of the Company or subsidiaries;
- (d) Not or never having any business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholders or controllers in such manner which may interfere with the exercise of his/her independent judgment, and not being or never having been a material shareholder or controller with business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholders or controllers, unless such status has lapsed for at least 2 years;

Such business relationship under paragraph one includes any transactions in the ordinary course of business in taking on lease or leasing out of real property, transactions relating to assets or services or granting or acceptance of financial support by way of borrowing or lending, guarantee, provision of assets as security against liabilities, including other similar circumstances, which result in the Company or the contractual party to perform an obligation to the other party, representing 3 percent of the Company's net tangible assets or THB 20 million or above, whichever is lower. The calculation of such liability follows the calculation method of the value of connected transactions under the Notification of the Capital Market Supervisory Board on Rules on Connected Transactions, *mutatis mutandis*, provided that such liability includes those arising during the period of 1 year prior to the occurrence of such business relationship with that particular person;

- (e) Not being or never having been an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholders or controllers, and not being a material shareholder, controller or partner of such audit firm where the auditor of the Company, its parent company, subsidiaries, associated companies, major shareholders or controllers is employed, unless such status has lapsed for at least 2 years;

(The term "partner" refers to any person authorized by an audit firm to sign an auditor's report on behalf of that entity.)

- (f) Not being or never having been a professional service provider, including legal consultant or financial advisor which earns more than THB 2 million of service fees per year from the Company, its parent company, subsidiaries, associated companies,



major shareholders or controllers, and not being a material shareholder, controller or partner of that professional service provider, unless such status has lapsed for at least 2 years;

(The term “partner” refers to any person authorized by a professional service provider to sign a professional service report on behalf of that entity.)

- (g) Not being a director appointed to represent the Company, a major shareholder or any shareholder which is related to a major shareholder;
- (h) Not engaging in any business identical to and in competition with that of the Company or its subsidiaries, or not being a material partner in any partnership nor being a director participating in administration, an employee, staff member, advisor who receives regular salary, or holding more than 1 percent of all voting shares of another company which engages in any business identical to and in competition with that of the Company or its subsidiaries;
- (i) Having no other characteristics which prevent him/her from independently providing an opinion on the Company’s operations;

(3.4) The independent directors will be facilitated to jointly and efficiently work with the Board of Directors and to provide their opinions independently.

- (4) The Board of Directors will disclose the Board Diversity Policy and directors’ profiles, e.g., age, gender, educational background, experience, shareholding percentage, years of office as director, and their directorship in other listed companies, in the annual report and/or Form 56-1 One Report, and on the Company’s website.

### **Principle 3.2 Scope of Powers and Duties of the Chairman of the Board of Directors**

The Board of Directors will select a qualified person as its chairman and ensure that the Board of Directors’ composition and operations facilitate the independent exercise of discretion in the decision-making.

- (1) The Chairman of the Board of Directors should be an independent director.
- (2) The Chairman of the Board of Directors and the Chief Executive Officer will have different duties and responsibilities. In this regard, the Board of Directors has clearly designated the scope of powers and duties of the Chairman of the Board of Directors and the Chief Executive Officer.
- (3) Division of Powers and Duties of the Chairman of the Board of Directors and the Chief Executive Officer

(3.1) Scope of Key Powers and Duties of the Chairman of the Board of Directors

- (a) The Chairman is responsible as the Board’s leader and as the Chairman of Board’s meeting as well as in shareholders’ meeting;
- (b) In case of equality of vote, the Chairman shall have a casting vote in the Board meeting;

- (c) To consider for the nominating and screening of appropriate persons to be appointed as the director and/or executive of the Company's subsidiaries and joint ventures and then report to the Nomination and Remuneration Committee or the Board of Directors;
- (d) To engage the directors in the promotion and creation of an ethical corporate culture and good corporate governance;
- (f) To set out the agenda of the Board of Directors' Meetings in consultation with the Chief Executive Officer, and take measures to incorporate significant matters in the agenda;
- (g) To allocate sufficient time for the Management to propose matters and for directors to thoroughly discuss significant issues, and promote directors to carefully exercise their discretion and independently express their opinions;
- (h) To promote good relationships between executive directors and non-executive directors, and between the Board of Directors and the Management.

(3.2) Key Role and Duties of the Chief Executive Officer

- (a) To determine policy, strategy, structure and management authority as well as to take responsibility for setting up the strategy and annual budget plans and proposing these to the board of directors.
- (b) To follow up, control, supervise and operate and/or manage regular tasks to comply with the policies, plans and budgets approved by the board of directors.
- (c) To be an authorized person of the Company and to operate the business to comply with the Company's objectives, articles of association, policies, rules, regulations, orders, shareholders' resolutions and/or board of director's' resolutions.
- (d) To take actions and perform duties as the representative of the Company toward third parties in related business which would be beneficial to the Company.
- (e) To consider and approve the business operation plans of each department of the Company, to approve any action of each department of the Company which is subject to the assigned table on the authority to operate business and the transactions entered into by the Company.
- (f) To give orders, issue regulations, make announcements and records in order to perform the work to be in accordance with the policies and benefits of the Company and to maintain internal regulations of the Company.
- (g) To sub-authorize and/or assign a person to take action on behalf of the Chief Executive Officer. In this regard, the sub-authorizing and/or assignment shall be under the scope of authority prescribed in the power of attorney of the Company and/or regulations, rules or orders which are specified by the board of directors and/or the Company.



- (h) To approve related party transactions for normal operation such as the sale and purchase of goods at market price, service fees at the normal rate and giving credit terms similar to general customers, etc. pursuant to the policies approved by the board of directors.
  - (i) To have authorities, duties and responsibilities to manage the Company's subsidiaries and other departments of the Company.
  - (j) To establish Anti-Corruption risk assessment in risky working processes.
  - (k) To establish encouragements and support for the Anti-Corruption Policy and communication to employees and related parties.
  - (l) To implement the Anti-Corruption Policy and framework continuously and entirely.
  - (m) To update relevant systems and measures with changes in business practice, regulations, articles and legal requirements.
  - (n) To perform other work as assigned by the board of directors on a case-by-case basis.
- (4) In addition, should the Chairman of the Board of Directors is not an independent director, the Board of Directors will promote a checks and balances system between the Board of Directors and the Management by ensuring that an independent director is appointed to jointly consider setting out the agenda of the Board of Directors' Meetings, whom may be appointed as Lead Independent Director.
- (5) The Board of Directors has a policy that independent directors shall hold their office for a consecutive term not exceeding 9 years.
- (6) The Board of Directors has appointed subcommittees to consider specific matters, screen information and provide suggestions for consideration prior to proposing to the Board of Directors for consideration and approval (as applicable). The compositions and scopes of powers, duties and responsibilities of the subcommittees are described in their respective charters.
- (7) The Board of Directors will disclose such information concerning roles and duties of the Board of Directors and subcommittees, the number of meetings, the number of each director's attendances to the meetings in the preceding year, and reports on the subcommittees' performance, as required by the applicable laws or rules.

### **Principle 3.3 Nomination and Selection of Directors**

The Board of Directors will ensure that the nomination and selection procedures are transparent and clear in order to recruit qualified directors in line with the strategies on business operations and the defined composition.

- (1) The Board of Directors has appointed a Nomination and Remuneration Committee to be in charge of nominating eligible candidates for appointment as the Company's directors.
- (2) The Nomination and Remuneration Committee will consider the nomination criteria and procedures by taking into account candidates' profiles in order to recruit directors with such qualifications, professional skills, knowledge, expertise in accordance with the Board Diversity Policy, and the Board Skill Matrix, and propose its opinions to the Board of Directors prior to proposing such nominations to the

Shareholders' Meeting for consideration and appointment of directors (as the case may be). In this respect, the shareholders will be provided with sufficient information regarding the nominated candidates in support of their decision-making.

- (3) For the purpose of nominating directors due to retire by rotation, the Nomination and Remuneration Committee will review the nomination criteria and procedures in order to provide suggestions to the Board of Directors. Should the Nomination and Remuneration Committee nominate the existing directors, their performance shall also be taken into consideration.
- (4) In the event where any person is appointed as advisor to the Nomination and Remuneration Committee in order to provide consultation and suggestions on the above arrangements, such advisor's information will be disclosed in the annual report and/or Form 56-1 One Report, including his/her independence or no conflict of interest.

#### **Principle 3.4 Directors' Remuneration**

The Shareholders' Meeting is empowered to consider approving the structure and rates of directors' remuneration. Therefore, for the purpose of proposing directors' remuneration to the Shareholders' Meeting, the Board of Directors will consider the structure and rates of such remuneration as appropriate for their workloads and responsibilities, and as an incentive for the Board of Directors to lead the organization towards both short-term and long-term goals.

- (1) The Board of Directors has appointed a Nomination and Remuneration Committee to be in charge of considering the policy and criteria for determination of directors' remuneration.
- (2) Directors' remuneration must be consistent with the Company's strategies and long-term goals, experience, functions, scope of role, accountability and responsibility, including contribution expected of each director. Directors assigned with extra duties and responsibilities (e.g., subcommittees) will be entitled to more remuneration as appropriate relative to the level of the same industry and similar size.
- (3) The shareholders will approve the structure and rates of directors' remuneration of all kind (whether monetary or non-monetary). The Board of Directors has a duty to consider proposing appropriate remuneration, both fixed remuneration ( e.g., regular remuneration, meeting allowances) and performance-based remuneration (e.g., bonus), based on the value generated by the Company to the shareholders, business nature and conditions, as well as the industry.
- (4) The Board of Directors will disclose the policy and criteria on determination of directors' remuneration, which reflect directors' functions and responsibilities, including the form and amount of remuneration.
- (5) In the event where any person is appointed as advisor to the Nomination and Remuneration Committee in order to provide consultation and suggestions on the above arrangements, such advisor's information will be disclosed in the annual report and/or Form 56-1 One Report, including his/her independence or no conflict of interest.



### **Principle 3.5 Directors' Performance of Duties and Sufficient Time Contribution**

The Board of Directors will ensure that all directors are duly responsible for the performance of duties with sufficient time contribution.

- (1) The Board of Directors has a mechanism to encourage directors to understand their own duties.
- (2) The Board of Directors sets out criteria to restrict their directorship in other listed companies not exceeding 5 companies to ensure that directors can sufficiently contribute their time to perform the duties in the Company, and report and disclose their directorship in the annual report and/or Form 56-1 One Report.
- (3) In the event where directors hold directorship or executive positions or have an interest, whether directly or indirectly, in other businesses which are in conflict with or may use the opportunity or information of the Company for personal gain, the Board of Directors will sufficiently take preventive measures and report such circumstances to the shareholders for information as appropriate.

The Company's directors and executives have a duty to report their interests and related persons in accordance with the rules and procedures for report on interests as required by the Board of Directors to prevent any potential conflict of interest, and are prohibited from considering and approving such transactions to be executed by the Company in which they have an interest.

- (4) The Board of Directors has a policy to encourage each director to attend not less than 75 percent of all meetings of the Board of Directors held each year.

### **Principle 3.6 Governance of Subsidiaries, Associated Companies and Other Businesses with Substantial Investment**

The Board of Directors will provide a framework and mechanism to oversee policies and operations of subsidiaries, associated companies and other businesses with substantial investment as appropriate for the business and will monitor to ensure the same understanding.

The policy on governance of subsidiaries, associated companies and other businesses with substantial investment covers the following criteria:

- (1) to set out the criteria for consideration and appointment of directors and/or executives of subsidiaries, subject to the Company's criteria and policies, contractual obligations (if any) and applicable laws;
- (2) to define the scope of duties and responsibilities of the Company's representatives under (1) and have the Company's representatives ensure the compliance with subsidiaries' policies, and in case any subsidiary has other investors, the Company's representatives will use their best efforts to perform their duties in the interest of the subsidiary and in line with the Company's policy;
- (3) to ensure that the internal control systems of subsidiaries are suitable, sufficient and prudent and that all transactions are executed in compliance with the applicable laws and rules;
- (4) to disclose the financial position and operating results, connected transactions, transactions on

acquisition or disposition of assets, other significant transactions, e.g., capital increase, capital decrease, dissolution of subsidiaries, etc.

In case of substantial investment in other businesses, namely, by way of holding of at least 20 percent, but not exceeding 50 percent of voting shares, and the amount of investment or potential additional investment which is substantial to the Company, and if necessary, the Board of Directors will have a shareholders' agreement or other agreement executed in the interest of clarity in terms of the managerial power and the participation in decision-making on significant matters, monitoring of operating results, which will be used as information in the preparation of the Company's financial statements according to standards and in a timely manner.

### **Principle 3.7      Performance Evaluation of the Board of Directors**

The Board of Directors will annually evaluate the performance of duties by the Board of Directors, subcommittees and individual directors. The evaluation results will be used for further improvement of their performance of duties.

- (1) The performance of the Board of Directors and subcommittees will be evaluated at least once a year in order for them to jointly consider the performance and issues for further improvement, whereby the basis and criteria for comparison of their performance will be specified.
- (2) The performance evaluation must at least involve self-evaluation or may also include cross-evaluation as appropriate, and the criteria, procedures and overall evaluation results will be disclosed in the annual report and/or Form 56-1 One Report.
- (3) The Board of Directors may also consider engaging an external advisor to assist in setting out guidelines and providing suggestions in the performance evaluation of the Board of Directors, which will be disclosed in the annual report and/or Form 56-1 One Report accordingly.
- (4) The performance evaluation results of the Board of Directors and subcommittees will be used in support of the consideration of the suitability of their compositions.

### **Principle 3.8      Capacity Building and Knowledge Development for Directors**

The Board of Directors will supervise the respective directors to have knowledge and understanding in respect of their roles and duties, nature of business operations, and the laws applicable to business operations, and encourage all directors to regularly develop their skills and knowledge in the performance of duties as directors.

- (1) The Board of Directors will make sure that new directors will be given an orientation and information helpful to the performance of duties, and understand the objectives, goals, vision, missions, values and nature of business, and direction of business operations, through new director orientation on business overview, operational direction, and other useful information in the performance of duties for new directors, etc.
- (2) The Board of Directors will provide directors with ongoing development of essential knowledge by promoting and supporting directors and high-ranking executives to attend useful seminars and training courses depending on the scope of responsibilities and duties assigned to the respective directors and high-ranking executives.



- (3) The Board of Directors will support and encourage all directors to improve their understanding in respect of laws, rules, risk factors and the environment relevant to the business operations, and provide them with up-to-date information on a regular basis.
- (4) The Board of Directors will disclose information on ongoing training and knowledge development of the Board of Directors in the annual report and/or Form 56-1 One Report.

**Principle 3.9 The Board of Directors' Meetings**

The Board of Directors will make sure that its operations proceed properly, have access to necessary information, and have a company secretary who is knowledgeable and experienced as necessary and appropriate in support of the Board of Directors' operations.

**(1) Schedule and Number of the Meetings**

The Board of Directors will hold its Meetings at least once every quarter and not less than 6 meetings for each fiscal year. The Meetings and significant agenda of the Meetings will be scheduled in advance for the entire year in order to enable directors to make themselves available and attend the Meetings. The number of the Meetings will be scheduled as appropriate to the duties and responsibilities of the Board of Directors as well as the nature of the Company's business operations.

**(2) Meeting Agenda, Notice and Supporting Documents**

The Board of Directors will hold its Meetings in compliance with the laws, articles of association and applicable rules, clearly set out the agenda of its Meetings, which may include special agenda items as necessary. Each director, including the Management, will be given an opportunity to propose such matters useful to the Company to be included in the agenda. In this regard, the Chairman of the Board of Directors or the company secretary as assigned by the Chairman of the Board of Directors will send the notice of the meeting and supporting documents (in hard copy and/or electronic form) to all directors prior to the date of the meeting as required by the articles of association, subject to the legal requirements, in order for the Board of Directors to receive and have time to review the documents before the date of the meeting. In this respect, the supporting documents of the meeting should be sent to the Board of Directors at least 5 business days prior to the date of the meeting at the latest, except in case of necessity and urgency.

**(3) Conduct of the Meeting, Quorum, Presentation and Minutes of the Meeting**

(3.1) The quorum of the Board of Directors' Meetings will be as specified in the articles of association and applicable laws. Nevertheless, the Board of Directors encourages that the quorum at the time of passing any resolution at the Meeting requires the presence of not less than two-thirds of all directors.

(3.2) The Board of Directors encourages the Chief Executive Officer to invite high-ranking executives or persons concerned with any particular agenda item proposed to attend the Meeting in order to answer questions and provide additional information for their direct



involvement, so as to afford the Board of Directors an opportunity to get to know the high-ranking executives in support of the consideration of the succession plan.

(3.3) The Board of Directors has access to essential and additional information from the Chief Executive Officer, the company secretary or other high-ranking executives who have been authorized within the scope of the policies, and if necessary, the Board of Directors may obtain an independent opinion from external advisor or professional at the Company's expense.

(3.4) After the meeting, the Board of Directors assigns the company secretary to prepare the minutes of the meeting in writing to be proposed to the Board of Directors for consideration.

(4) Meetings of the Non-Executive Directors

The Board of Directors will hold the non-executive directors' meeting at least once a year in order to allow them to discuss among themselves as necessary on various managerial issues that need attention without the Management's presence, and the results of the meeting will be reported to the Chief Executive Officer.

(5) Company Secretary

(5.1) The Board of Directors will appoint a company secretary by taking into consideration his/her qualifications and experience suitable to provide suggestions regarding the laws and rules which the Board of Directors must be aware of, arrange for supporting documents for the Board of Directors' Meetings, material documents and activities of the Board of Directors, and coordinate to ensure compliance with resolutions of the Board of Directors' Meetings. The Board of Directors will disclose the company secretary's qualifications and experience in the annual report and/or Form 56-1 One Report and on the Company's website.

(5.2) The company secretary must perform his/her duties with responsibility, due care and integrity, and comply with the laws, objectives, articles of association, resolutions of the Board of Directors' Meetings and resolutions of the Shareholders' Meetings.

To comply with the applicable laws, the company secretary will have the following duties and responsibilities:

(a) to prepare and keep the Company's documents as follows:

- Directors' Register;
- Notices and Minutes of the Board of Directors' Meetings;
- Notices and Minutes of the Shareholders' Meetings;
- Annual Reports;

(b) to keep such reports on interests filed by directors or executives, and deliver a copy of such reports on interests under Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) filed by the Company's directors and executives, to the Chairman of the Board of Directors and the Chairman of the Audit Committee for

information within 7 business days from the date of the Company's receipt of such reports;

- (c) to proceed with the Board of Directors' Meetings and the Shareholders' Meetings;
  - (d) to provide advice regarding such rules and regulations which the Board of Directors and executives should be aware of;
  - (e) to perform any other acts as required by the Capital Market Supervisory Board and/or as authorized by the Board of Directors.
- (5.3) The Board of Directors supports and encourages the company secretary to regularly attend training and develop his/her knowledge which will be beneficial to the performance of duties, particularly, the company secretary must attend such training in a certified program for company secretary, e.g., Thai Institute of Directors (IOD) or Thai Listed Companies Association, etc.
- (5.4) In the event where the company secretary vacates office or becomes unable to perform his/her duties, the Board of Directors may appoint a new company secretary within 90 days from the date of the existing company secretary's vacancy or inability to perform as such, and during such period, the Board of Directors is empowered to assign any director to perform such function instead.

## **Principle 4**

### **Nomination and Development of High-Ranking Executives and Personnel Management**

#### **Principle 4.1 Nomination of the Chief Executive Officer and Development of High-Ranking Executives**

The Board of Directors will ensure the nomination and development of the Chief Executive Officer and high-ranking executives who are knowledgeable, skilled, experienced and possess such attributes necessary for propelling the organization towards its goals.

The Board of Directors has authorized the Nomination and Remuneration Committee to consider the criteria and procedures for nomination of candidates with eligible qualifications for the position of Chief Executive Officer as follows.

##### **Nomination Procedure**

- (1) The Nomination and Remuneration Committee will consider the suitable persons, which the nomination can be from 2 sources: inside and outside the company.
- (2) For nomination of CEO, the Nomination and Remuneration Committee will use one of the nomination methods, i.e. searching from persons with knowledge, abilities, and experiences suitable for the Company or from nominations proposed from the Company's Board of Directors or high-level executives.
- (3) After the selection of the suitable person, the Nomination and Remuneration Committee will propose such person name to the Board of Directors' meeting for further appointment.

##### **Nomination Criteria**

- (1) Having knowledge, competency, skill, and experience of company management and experience in operating both of Utilities Business and Power Business including professional and specific skill to be in line with the Company's business strategy without gender discrimination, age, race, etc.
- (2) Having leadership, vision, ethic, good attitude to company as well as time to devote themselves to company.
- (3) Having work transparency experience and not being on Blacklist from any Organization including the Securities and Exchange Commission or have been sentenced to any crime including must have no prohibited characteristics, as prescribed by the law.

To ensure the business continuity, the Board of Directors authorizes the Nomination and Remuneration Committee to consider making a succession plan for the Chief Executive Officer, and report the execution of the succession plan to the Board of Directors for information.

In addition, the Board of Directors promotes and encourages the Chief Executive Officer and high-ranking executives to attend training, and develop and improve their knowledge and experience beneficial to their performance.



#### **Principle 4.2     Suitable Remuneration Structure and Performance Evaluation**

The Board of Directors will ensure that the suitable remuneration structure and performance evaluation are set out.

- (1) The Board of Directors has a policy to set out the remuneration structure as incentives for the Chief Executive Officer, high-ranking executives and other personnel at all operating levels to be in line with the organization's objectives and main goals, and the business's long-term benefits, including:
  - (1.1) the consideration of suitability of the remuneration structure in the form of salary, short-term and long-term operating results;
  - (1.2) the policy on remuneration, taking into account various key factors, e.g., remuneration relatively comparable to the industry level, business performance, etc.;
  - (1.3) the policy on criteria for evaluation and communications for acknowledgment.
- (2) The Board of Directors has authorized the Nomination and Remuneration Committee to consider setting out the criteria for remuneration and performance evaluation of the Chief Executive Officer, which will be proposed to the Board of Directors for consideration and approval. The evaluation criteria should incentivize the Chief Executive Officer to manage the business towards the objectives, main goals, strategies and for the long-term benefits of the business. The Chief Executive Officer will be informed of the evaluation criteria and the performance evaluation on a yearly basis. The Chairman of the Board of Directors or the Chairman of the Nomination and Remuneration Committee as authorized by the Chairman of the Board of Directors will communicate the evaluation results, including such issues to be improved, to the Chief Executive Officer for information.
- (3) The Board of Directors has authorized the Nomination and Remuneration Committee to consider and propose the remuneration policy and structure of high-ranking executives to the Board of Directors.

#### **Principle 4.3     Shareholders' Structure and Relationship**

The Board of Directors has a policy to ensure the understanding of the shareholders' structure and relationship which may affect the business management and the power to control and manage the business operations, so as not to impede the performance of duties by the Board of Directors, and will ensure proper disclosure of information which may affect the business supervision.

#### **Principle 4.4     Personnel Skill Development**

The Board of Directors will monitor the personnel management and development to ensure the suitability in terms of manpower, knowledge, skills, experience and incentives.

- (1) The Board of Directors will proceed with human resource management towards the organization's direction and strategies, and ensure that the personnel at all levels are knowledgeable, competent, properly incentivized and fairly treated in order to retain the organization's talented personnel.

- (2) The Board of Directors will establish a provident fund to encourage personnel's savings sufficient to support their retirement plan, and promote them to have knowledge and understanding in terms of financial management, selection of investment policy in line with their age ranges, risk levels, etc.



## **Principle 5**

### **Promotion of Innovation and Responsible Business Operations**

#### **Principle 5.1      Promotion of Innovation to Create Value to the Business, Benefits to Stakeholders, with Social and Environmental Responsibility**

The Board of Directors emphasizes and promotes the creation of innovation to create value to the business in parallel to creating the benefits to all stakeholders, with social and environmental responsibility.

- (1)      The Board of Directors focuses on creating corporate culture which promotes innovation and ensures that the Management incorporates the same as part of its review of strategies, planning for operational development and improvement, and monitoring of operating results.
- (2)      The Board of Directors promotes the creation of innovation for value added to the business under the changing circumstances, in terms of business model, concept, perspective in the design and development of products and services, research, improvement of production and work processes, including collaboration with partners to generate mutual benefits for the business, customers, partners, society and the environment, provided that such innovation must not support any inappropriate, illegal or unethical conduct.

#### **Principle 5.2      Business Operations with Social and Environmental Responsibility**

The Board of Directors will ensure that the Management carries on the business with social and environmental responsibility, which must be reflected in the operational plan, so as to make sure that all departments of the organization proceed in compliance with the objectives, main goals and strategies of the business.

In view of the roles of stakeholders, the Board of Directors will provide a mechanism to ensure that the business operations are ethical and socially and environmentally responsible without violating the stakeholders' rights, as guidelines for every department in the organization to achieve the objectives and main goals in a sustainable manner, comprising the following policies:

##### **(1)      Responsibility to Staff and Employees**

To comply with the applicable laws and standards, and fairly treat staff and employees on the basis of equality, non-discrimination, and respect for human rights, by way of determination of fair remuneration and other benefits, provision of welfare in accordance with the laws or above as appropriate, occupational health and safety, training on knowledge, skill development and promotion of advancement, including the opportunity for skill development in other areas of work.

##### **(2)      Responsibility to Customers**

To comply with the applicable laws and standards, and take into account health, safety, fairness, security of customers' information, after-sale services throughout the life cycle of products and services, follow-up on customers' satisfaction for development and improvement of products and services,

including advertisements, public relations and sales conduct which must be responsibly carried out without giving rise to misunderstanding or taking advantage of customers' misunderstanding.

(3) Responsibility to Partners

To have a procurement process and fair contract terms or conditions, provide know-how, develop skills and upgrade the production capacity and service standards, explain and encourage partners to respect human rights and fairly treat their own labors, be socially and environmentally responsible, promote anti-corruption practices, including monitoring, reviewing and evaluating partners for sustainable development of their business operations.

(4) Responsibility to Creditors

To strictly comply with contracts or conditions as mutually agreed upon, including contingent obligations and liabilities, and in case of failure to comply with any conditions or default on the performance of obligations, such occurrence must promptly be reported to the relevant creditor without concealing any facts, so as to jointly consider finding justifiable solutions. In this connection, the Company will operate its business efficiently and effectively for sustainable growth and financial stability to assure the creditors' confidence.

(5) Responsibility to Community and Society

To apply its business know-how and experience to develop projects for the benefits of communities with concrete results, and monitor and evaluate the development and success thereof in the long run.

(6) Responsibility to the Environment

To prevent, minimize, manage and ensure that the Company will not produce or cause any negative impact on the environment, which includes the use of raw materials, consumption of energy (for production, transportation or in offices), use of water supply, use of renewable resources, preservation and restoration of biodiversity affected by its business operations, disposal and management of waste produced by its business operations, greenhouse gas emissions, etc.

(7) Government Agencies and Regulatory Bodies

To strictly comply with the laws, rules, requirements and regulations of the relevant government agencies and regulatory bodies.

(8) Fair Competition

To openly and transparently operate its business without causing any unfair competitive advantage.

(9) Anti-Corruption

To comply with the applicable laws and standards, establish and announce a policy on anti-corruption to the public, and, perhaps, apply for participation in the private sector collective action coalition against corruption, including support for other companies and partners to be aware of the significance and proceed with anti-corruption as well as encourage them to join the coalition.



### **Principle 5.3      Efficient and Effective Allocation of Resources**

The Board of Directors will ensure that the Management efficiently and effectively allocates and manages resources, taking into account impact and development of resources throughout the value chain in order to sustainably achieve the objectives and main goals.

- (1) The Board of Directors recognizes the necessity of resources required, namely financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital, and realizes that the utilization of each respective type of resources may affect one another, and different business models may give rise to different impacts on resources. Therefore, for the purpose of selecting a business model, the Board of Directors will take into account such impact and optimization of resources on the basis of ethics, responsibility and sustainable value to the business.
- (2) The Board of Directors will make sure that for the purpose of achieving the business's objectives and main goals, the Management reviews, improves and maintains the efficient and effective utilization of resources, always taking into consideration changes in internal and external factors.

### **Principle 5.4      Information Technology Management**

The Board of Directors will provide a framework for supervision and management of information technology at the organization level in line with the business requirements, and use such information technology to enhance its business opportunities and operational development, risk management, so as to achieve the business's objectives and main goals.

- (1) The Board of Directors will provide a policy for allocation and management of information technology resources to cover the allocation of adequate resources for business operations, and provide guidelines for such event where resources are not sufficiently allocated as required, so as to make sure that:
  - The organization has complied with the laws, regulations, requirements and standards applicable to the use of information technology;
  - The organization has an information security system to maintain confidentiality, integrity and availability of information as well as prevention of misuse of information or unauthorized change of information;
  - The organization has considered such risks on information technology and provided measures for management of risks in various aspects, such as, business continuity management, information technology incident management, information technology asset management, etc.;
  - The organization has considered the allocation and management of information technology resources and set out the criteria and factors to prioritize the information technology plan, e.g., suitability of strategies, impact on business operations, urgency of utilization, information technology budgets and human resources, and compatibility with business model, etc.
- (2) The Board of Directors will supervise the corporate risk management to cover information technology risk management.
- (3) The Board of Directors will establish the information system security policy and measures.



## **Principle 6**

### **Effective Risk Management and Internal Control Systems**

#### **Principle 6.1 Risk Management and Internal Control**

The Board of Directors will ensure that the Company has the risk management and internal control systems to enable it to achieve the objectives effectively, and comply with the applicable laws and standards.

- (1) The Board of Directors understands key risks of the business and approves the risk appetite.
- (2) The Board of Directors considers approving the risk management policy in line with the objectives, main goals, strategies and risk appetite of the business which will be used as a framework for risk management for everyone in the organization in the same direction. In this regard, the Board of Directors emphasizes the early warning alerts and ensure the regular review and update of the risk management policy.
- (3) The Board of Directors will ensure that the Company identifies and manages key risks in its business operations, both external and internal factors which may prevent the Company from achieving its objectives, e.g., strategic risk, operational risk, emerging risk or sustainability risk (ESG risk), etc.
- (4) The Board of Directors will ensure that the Company has assessed impact and tentative occurrence of the identified risks in order to prioritize such risks and come up with risk management procedures as appropriate to the business, and regularly monitor and assess the effectiveness of the risk management.
- (5) The Board of Directors has delegated the above duties to the Risk Management Committee to consider screening such matters prior to submission to the Board of Directors for consideration.
- (6) The Board of Directors has a duty to oversee the business operations in compliance with the applicable laws and standards, both at the local and international levels.
- (7) The consideration of the assessment results of the internal control and risk management systems includes the assessment of the internal control and risk management systems of subsidiaries and associated companies.

#### **Principle 6.2 Independence of the Audit Committee**

The Board of Directors has appointed an Audit Committee to perform its duties efficiently and independently.

- (1) The Audit Committee is composed of at least 3 members, all of whom must be independent directors and have such qualifications and duties as prescribed by the relevant rules of the SEC Office and the SET.
- (2) The duties and responsibilities of the Audit Committee are described in writing in the "Audit Committee Charter," which include the following duties:
  - to review the accuracy and completeness of the business's financial reports;
  - to review the suitability and effectiveness of the business's internal control and audit systems;

- to review the business's compliance with the applicable laws and standards;
  - to consider the independence of the internal audit unit and approve the appointment, transfer and termination of the internal audit unit head;
  - to consider selecting and nominating an independent candidate to be appointed as the auditor and proposing such auditor's fee, and discuss with the auditor, without the Management's presence, at least once a year;
  - to consider connected transactions or transactions with a potential conflict of interest to make sure that they comply with the applicable laws and that they are justifiable and in the best interest of the Company;
  - to review the accuracy of reference documents and self-evaluation forms on anti-corruption measures of the Company subject to Thailand's private sector collective action coalition against corruption.
- (3) The Board of Directors will ensure that the Company has a mechanism or tools to enable the Audit Committee to have access to such information necessary for the performance of its assigned duties, e.g., by facilitating the Audit Committee to call upon any persons concerned to provide information, discussing with the auditor or seeking an independent opinion from any other professional advisor in support of its consideration.
- (4) The Board of Directors will establish an independent internal audit unit to be in charge of improving and reviewing the efficiency of the risk management and internal control systems, and reporting to the Audit Committee, whereby such review report will be disclosed in the annual report and/or Form 56-1 One Report.
- (5) The Audit Committee must provide an opinion on the adequacy of the risk management and internal control systems, which will be disclosed in the annual report and/or Form 56-1 One Report.

### **Principle 6.3 Prevention of Conflicts of Interest and Report on Interest**

The Board of Director will monitor and manage any potential conflicts of interest between the Company and the Management, the Board of Directors or shareholders, and prevent any misuse of property, information and opportunities of the Company as well as execution of any improper transactions with the Company's related parties.

- (1) The Board of Directors will provide an information security system, which includes such policy and procedures for confidentiality, integrity and availability, as well as management of market sensitive information. Moreover, the Board of Directors will cause the directors, high-ranking executives and staff as well as third parties concerned, e.g., legal consultants, financial advisors, to also comply with such information security system.
- (2) The Board of Directors will arrange for management and monitoring of transactions with potential conflicts of interest by setting out a policy on conflicts of interest to prevent directors, executives and staff, including parties concerned, from seeking personal gain in conflict with the Company's interest,

and avoid any acts which may give rise to conflicts of interest. In addition, those who are related to or connected with any transactions to be considered must inform the Company of such relationship or connection with such transactions, and must not participate in the decision-making and have no authority to approve such transactions.

- (3) The Board of Directors requires the directors to report on their interests, at least before considering any agenda items in which they have an interest, and record the same in the minutes of the Board of Directors' Meeting. The Board of Directors will require such director who has a substantial interest which may prevent such director from providing an independent opinion to refrain from participating in the Meeting to consider such agenda item.

#### **Principle 6.4 Anti-Corruption**

The Board of Directors will establish a clear anti-corruption policy and practices, which will be communicated to every level of the organization and third parties for further adoption and compliance.

The Board of Directors will arrange for an anti-corruption program or guidelines, and support such activities which promote and cultivate staff's compliance with the applicable laws, regulations and requirements.

#### **Principle 6.5 Complaints and Whistleblowing**

The Board of Directors will establish a mechanism for handling complaints and whistleblowing by setting out clear steps, procedures, protection of informants, storage of information, confidentiality, including more than 1 convenient channel for complaints and whistleblowing. The channels for complaints or whistleblowing will be disclosed on the Company's website, and in the annual report and/or Form 56-1 One Report.



## **Principle 7**

### **Financial Integrity and Disclosure**

#### **Principle 7.1 Preparation of Financial Reports and Disclosure of Material Information**

The Board of Directors is responsible for ensuring that the financial reporting and disclosure systems are accurate, sufficient and timely in compliance with the applicable rules, standards and practices, as follows:

- (1) to ensure that the personnel involved in the preparation and disclosure of information are properly knowledgeable, skilled and experienced for such duties and responsibilities, and are adequate in number, whereby such personnel refer to the Chief Financial Officer, accountant, internal auditor, company secretary and investor relations personnel;
- (2) to ensure the disclosure of information to shareholders and stakeholders as necessary and appropriate on a regular basis, in compliance with the laws, taking into account the relevant factors, both financial and non-financial information, via various channels which are generally and equally accessible, provided that such financial report will consider the following factors:
  - the assessment results of the adequacy of the internal control system;
  - the auditor's opinion in the financial report, and observations of the auditor on the internal control system, including the auditor's observations through other channels (if any);
  - the Audit Committee's opinions;
  - the compatibility with the Company's objectives, main goals, strategies and policies.
- (3) The Board of Directors will ensure that the disclosure of information, including financial statements, annual reports and Form 56-1 and/or Form 56-1 One Report, sufficiently reflects the financial position and operating results, and require the Management Discussion and Analysis (MD&A) to be prepared in support of the disclosure of quarterly financial statements, in order for investors to be informed of and better understand changes to the Company's financial position and operating results in each quarter as opposed to merely relying on the figures in the financial statements.
- (4) In case of disclosure of any information related to a particular director, such director will ensure that the disclosure of his/her information is accurate and complete.

#### **Principle 7.2 Sufficiency of Financial Liquidity and Debt-Serviceability**

The Board of Directors will monitor the sufficiency of the financial liquidity and debt-serviceability.

- (1) The Board of Directors will ensure that the Management monitors and assesses the business's financial position and reports the same to the Board of Directors on a regular basis. The Board of Directors and the Management will jointly find solutions as soon as possible should there be any indicator of issues regarding its financial liquidity and debt-serviceability.

- (2) For the purpose of approving any transactions or proposing any opinions to the Shareholders' Meeting for approval, the Board of Directors will make sure that the execution of such transactions will not affect the business continuity, financial liquidity or debt-serviceability.

### **Principle 7.3 Financial Problem-Solving**

Should the business encounter or be likely to encounter any financial problem, the Board of Directors will make sure that the business has a plan or any other mechanism to solve such financial problem, taking into account the stakeholders' rights.

- (1) Should the business be likely unable to service its debts or have any financial problem, the Board of Directors will closely monitor and cause the business to operate with due care and comply with the requirement of disclosure of information.

Samples of such indicators that the business is likely to encounter financial problems include (1) ongoing loss; (2) poor cash flow; (3) incomplete financial information; (4) lack of proper accounting system; (5) lack of cash flow and budget forecasts; (6) lack of business plan; (7) liabilities greater than assets; (8) problems with inventory distribution and debt collection, etc.

- (2) The Board of Directors will cause the business to develop a financial problem-solving plan, taking into account fairness to stakeholders, including creditors, and monitor the problem-solving, whereby the Management will regularly report on the status thereof.
- (3) The Board of Directors will make sure that the Company's decisions on financial problem-solving by any means are justifiable.

### **Principle 7.4 Sustainability Report**

The Board of Directors will prepare the sustainability report as appropriate.

- (1) The Board of Directors will consider the suitability for disclosure of information on compliance with the laws, the code of conduct and practices, the anti-corruption policy, treatment of staff and stakeholders, including fair treatment and respect for human rights, as well as the social and environmental responsibility, subject to the reporting framework which is locally or internationally accepted, as appropriate for the business.
- (2) The Board of Directors will oversee the disclosure of information on significant matters which reflect such practices towards creation of value to sustainable business.

### **Principle 7.5 Investor Relations**

The Board of Directors will cause the Management to set up an Investor Relations unit to communicate and publicize information and updates beneficial to shareholders, investors, analysts and concerned parties as appropriate, in an equal and timely manner.

- (1) The Board of Directors has a policy to communicate and disclose information to third parties properly, equally and timely via appropriate channels, safeguard confidential information and price sensitive



information, and communicate to ensure the same understanding throughout the organization for the purpose of compliance with such policy, namely:

- to communicate such information on the Company's financial position to shareholders, analysts and concerned parties via a variety of channels as appropriate to the circumstances, e.g., the analysts' meetings, the Opportunity Day of the SET, or press releases, etc.
  - to communicate and disclose information on Investor Relations via the Company's website, e.g., financial information, securities prices, highlight reports, information for shareholders, contact information and contact channels with the Investor Relations, etc.
- (2) The Board of Directors will require the Management to appoint a responsible person specifically authorized to provide information to third parties, who must be qualified for such functions, understand the Company's business, including its objectives, main goals, corporate values, with good communication skills with the capital market.
- (3) The Board of Directors will ensure that the Management sets the direction for and support the Investor Relations' activities, e.g., by way of a procedure for provision of information, a policy on price sensitive information management, and clearly designates the duties and responsibilities of the Investor Relations unit to ensure an efficient communication and disclosure of information.

#### **Principle 7.6 Dissemination of Information via Information Technology**

The Board of Directors promotes the use of information technology not only to disseminate information as required by the rules and channels of the SET, but also to disclose information in Thai and English via other channels, such as, the Company's website, and keep the same up-to-date, including the following information:

- vision, missions and corporate values;
- nature of business operations of the Company;
- lists of the Board of Directors and high-ranking executives;
- financial statements, report on financial position, operating results, management discussion and analysis (MD&A), both current and previous versions;
- Form 56-1, annual reports and/or Form 56-1 One Reports available for download;
- any other information or documents presented by the Company to analysts, fund managers or the media;
- shareholding structure and the company group structure
- group of major shareholders;
- notices of the shareholders' meetings
- articles of association, memorandum of association;
- corporate governance policy, and key policies or charters, e.g., Board of Directors Charter, all subcommittees' charters, code of conduct, etc.;
- code of conduct and practices;
- contact information of whistleblowing, Investor Relations, and company secretary.



## **Principle 8**

### **Shareholders' Engagement and Communications**

The Company recognizes and focuses on the rights of shareholders to be informed of the Company's information and updates accurately, completely, sufficiently, timely and equally, including their rights to attend shareholders' meetings and participate in the decision-making on significant matters, e.g., appointment or removal of directors, determination of directors' remuneration, appointment or removal of the auditor and determination of the auditor's fee, declaration of dividends, determination or amendment of the articles of association and the memorandum of association, capital decrease or increase, and approval of special transactions as required by laws, etc. In addition, the Company also takes into account the equitable treatment for shareholders and protection of their rights.

The Board of Directors will have a policy and procedure for holding Shareholders' Meetings of the Company to promote and facilitate every group of shareholders to exercise their rights, and respect the equitable treatment for shareholders, as follows:

#### **Principle 8.1 Shareholders' Engagement**

The Board of Directors will make sure that shareholders are engaged in the decision-making on significant matters of the Company, as follows:

- (1) to oversee significant matters in terms of both legal issues and issues which may affect the Company's business direction to be considered and/or approved by the Shareholders' Meeting, by incorporating such significant matters in the agenda of the Shareholders' Meeting;
- (2) to promote the equitable treatment for shareholders, whereby the Company will allow the minority shareholders to propose agenda items and/or nominate candidates for election as directors ahead of an annual ordinary general meeting of shareholders, and send their questions in advance, via the channels and under the criteria as announced by the Company;
- (3) to ensure that the notice of the Shareholders' Meeting contain accurate, complete and sufficient information for shareholders' exercise of their rights, i.e.,
  - (3.1) to send the notice of the Shareholders' Meeting, together with a complete set of related documents, to shareholders at least 21 days prior to the date of the meeting, and disseminate the same on the Company's website for at least 28 days before the date of the meeting, and subject to the timeframe as required by laws;
  - (3.2) to allow shareholders to send their questions relating to the Company in advance before the date of the meeting via the channels and subject to the criteria for submission of questions in advance, as published on the Company's website.
  - (3.3) to prepare and publish the notice of the Shareholders' Meeting and related documents in Thai and English, comprising the following particulars:
    - date, time and place of the Shareholders' Meeting;

- agenda of the meeting, which must be identified as agenda items for information or for approval, and must be clearly proposed in separate matters;
- purpose or rationale, and opinions of the Board of Directors on the respective agenda items proposed;
- proxy forms as prescribed by the Ministry of Commerce, whereby at least one independent director's profile must be provided for shareholders to grant proxy to attend the meeting and vote on their behalf;
- other supporting information, namely, voting procedures, vote counting and announcement, voting rights of the respective classes of shares, profile(s) of independent director(s) nominated as shareholders' proxy, documents required to be presented by shareholders before attending the meeting, proxy supporting documents, and map of the meeting place, etc.

## **Principle 8.2 Shareholders' Meetings**

The Board of Directors will ensure that the Shareholders' Meeting is conducted properly, transparently and efficiently to facilitate shareholders to exercise their rights, as follows:

- (1) to schedule the date, time and place of the meeting, taking into account the shareholders' convenience to attend the meeting, e.g., proper and sufficient time for discussion, convenient place of the meeting for commuting, or electronic meeting for convenience, etc.;
- (2) to prevent any acts which may restrict the rights to attend the meeting or impose an unreasonable burden on shareholders, and should any shareholders be unable to attend the meeting, the Company should allow the shareholders to grant proxy to an independent director or any person to attend the meeting on their behalf by using one of the proxy forms provided by the Company with the notice of the meeting;
- (3) to promote the use of technology in the Shareholders' Meeting in respect of shareholders' registration, vote counting and display, in order to facilitate the conduct of the meeting rapidly, accurately and precisely;
- (4) to have the Chairman of the Board of Directors preside over and conduct the Shareholders' Meeting in compliance with the applicable laws, rules and the Company's articles of association, allocate time for each agenda item as appropriate, and allow shareholders to express their opinions and ask questions to the meeting on matters related to the Company;
- (5) to engage shareholders in the decision-making on significant matters by conducting the Shareholders' Meeting in the order of the agenda as stated in the notice of the Shareholders' Meeting, whereby directors as participants and shareholders do not encourage any unnecessary addition of agenda item which is not duly predetermined, particularly such significant agenda item in which shareholders need to take some time to study information before making their decisions;



- (6) The Board of Directors has a policy to have all directors the Chief Executive Officer and high-ranking executives concerned attend the meeting in order for shareholders to ask questions on various issues;
- (7) Before the meeting is called to order, shareholders will be informed of the number and percentage of shareholders present at the meeting in person and by proxy, meeting procedures, voting and vote counting procedures;
- (8) In case of any particular agenda item which contains various matters, the chairman of the meeting will arrange for separate voting for the respective matters, for instance, in the agenda item for appointment of directors, shareholders may exercise their voting rights to appoint directors individually, and the voting results will be announced on an individual basis, etc.;
- (9) to encourage the use of voting cards and have an independent individual (e.g., a retail shareholder, legal consultant or independent auditor) count the votes and present the results of votes for, against and abstention on each agenda item to the meeting, which will be recorded in the minutes of the meeting accordingly.

### **Principle 8.3 Resolutions and Minutes of the Shareholders' Meeting**

The Board of Directors will ensure that the disclosure of resolutions of the Shareholders' Meeting and the preparation of the minutes of the Shareholders' Meeting are accurate and complete.

- (1) The Board of Directors will cause the Company to disclose such resolutions of the Shareholders' Meeting and the voting results within the next business day via the SET News Portal and on the Company's website.
- (2) The Board of Directors requires the Company to deliver a copy of the minutes of the Shareholders' Meeting to the SET and relevant authorities within 14 days from the date of the Shareholders' Meeting or as required by laws or relevant authorities.
- (3) The Board of Directors will ensure that the minutes of the Shareholders' Meeting contain complete information, which at least includes the following:
  - list of names and positions of directors and executives present at the meeting and the percentage of directors' attendance/absence;
  - voting and vote counting procedures, resolutions of the meeting, voting results (for, against and abstention), including the number of votes for the respective agenda items;
  - questions and answers at the meeting, including full names of those who asked and answered the questions.



The Policy of Corporate Governance,

is considered and endorsed by the Corporate Governance and Sustainable Development Committee Meeting No. 3/2022 on 28 October 2022, and

is considered and approved by the Board of Directors Meeting No. 9/2022 on 11 November 2022.

[Signature]

(Miss Jareeporn Jarukornsakul)

Chairman of the Board of Directors

Note: This document is the translation of the official charter for case of understanding only.