

(Translation)

# Good Corporate Governance Policies

Thanachart Capital Public Company Limited

(Revised 2021)

The company has reviewed the good corporate governance policy to be in line with the company's structure and companies in Thanachart Group by adhering to the Principles of Good Corporate Governance for Listed Companies 2017. In this connection, the Board of Directors of Thanachart Capital Public Company Limited at its meeting No. 10/2021 held on 4 October 2021 adopted a resolution revising the Good Corporate Governance Policies.

## Preface

Thanachart Capital Public Company Limited (“the Company”), as a public company listed on the Stock Exchange of Thailand and a leading business organization, has set targets that it grows in a sustainable manner and creates long-term values for shareholders and stakeholders. The Company not only is determined to conduct its business affairs in line with the principles of good corporate governance but also attaches importance to ethics in the conduct of business affairs. They serve as a behavior framework which reflects the organization’s values. The main objectives are for the Company’s personnel at all levels to develop themselves and to recognize their responsibilities towards the performance of duties in a moral and ethical manner.

In order to achieve these objectives, the Company has established the Good Corporate Governance Policies and the Handbook of the Code of Ethics for Directors, Executives, and employees to adhere to. As well, the Company has requested member companies of Thanachart Group to apply such practice guidelines to their respective organizations in an appropriate and adequate manner. They are required not only to adhere to the morality and honesty principles but also to comply with all the related laws. In this connection, the Company reviews the policies and the Code of Ethics annually, ensuring that they are up-to-date and in line with new changes which take place.

This reviewed policy has adjusted some guidelines to be in line with the structure of Thanachart Group that has been changed at the end of 2019 by still adhering to the Principles of Good Corporate Governance for Listed Companies 2017 disclosed by The Securities and Exchange Commission

The Company is confident that management processes influenced by the good corporate governance which is on a par with the international standards will enhance the Company’s competitiveness and make it more acceptable both domestically and internationally. The acceptance will be one of the important factors not only in helping the Company achieve its business goals and enhance its economic values but also in building the confidence of shareholders, investors and all groups of stakeholders, as all of them will be treated in an equitable manner. As a result, the Company will gain the trust of all groups of stakeholders and the trust will reflect the positive images of both the Company and Thanachart Group.

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## Principles of Business Operations

### Thanachart Capital Public Company Limited

Thanachart Group has established the following principles of business operations, aiming at achieving sustainable and stable growth.

1. Compete with others in a moral and ethical manner. Also achieve healthy performance, taking into consideration both short- term and long-term impacts.
2. Conduct business affairs by respecting the rights of and accepting responsibilities towards shareholders and stakeholders.
3. Adhere to the conduct of business affairs in a socially responsible manner. Also protect the environment or reduce its negative environmental impacts.
4. Be able to adapt to new situations and environments.

### Good Corporate Governance Policies

**Principle 1: Recognize roles and responsibilities of the Company's Board of Directors as organizational leader in creating sustainable business values**

#### **Principle 1.1: Understand and recognize responsibilities as leaders**

The Company's Board of Directors independently makes their decisions. The Company provides each Director with rights and equality in making decision on various matters. The duties of the Board of Directors, the Committees, the Chief Executive Officer and the management are clearly segregated. In this connection, the Board of Directors is not responsible for managing the Company's day-to-day business operations. However, the Board has the duties as specified by the laws and are responsible for attending meetings to consider the Company's business management in line with the established agenda or others as deemed appropriate by the Chairperson. These include, among others, the following:

1. Determine or approve missions, strategies, goals, policies, business plans and budgets of the Company.
2. Oversee and monitor the management's performance regularly, ensuring that they are in line with the established goals and business plans.
3. Ensure that good internal control systems and appropriate risk management measures are put in place and implemented.

#### **Principle 1.2: Oversee creation of sustainable values to the Company**

In relation to the conduct of the Company's business affairs, the Board of Directors has established the principles of business operations together with the Good Corporate Governance Policies and the Handbook of the Code of Ethics as practice guidelines for Directors, Executives and employees to adhere to.

The Company's Directors and Executives at all levels must serve as good role models for employees in relation to the compliance of the Good Corporate Governance Policies and the Handbook of the Code of Ethics which have been established. The compliance unit, the management and the human resource department are responsible not only for sharing and clarifying the related knowledge but also for encouraging employees at all levels to rigorously adhere to the Good Corporate Governance Policies and the Handbook of the Code of Ethics in a continuous manner and making the adherence as part of corporate culture in the performance of duties. They are also required to give reports to the Nomination, Remuneration, and Corporate Governance Committee and the Board of Directors on the knowledge-sharing performance results as well as the implementation of the Good Corporate Governance Policies and the Handbook of the Code of Ethics.

In order to ensure that the Company's Good Corporate Governance Policies and the Handbook of the Code of Ethics are in line with the laws, rules and regulations of the state agencies and also with constant changes in the business environment, the Nomination, Remuneration and Corporate Governance Committee is responsible for having the policies and the handbook reviewed at least once a year.

The Company's Directors, Executives and employees at all levels are required to study, understand and strictly adhere to the Good Corporate Governance Policies and the Handbook of the Code of Ethics. They are also required to certify their compliance with both the Policies and the Handbook.

**Principle 1.3: Role of the Company's Board of Directors**

The Company's Board of Directors performs various roles including governing, overseeing and monitoring the Company's business operations, ensuring that they are in line with the strategies, objectives, goals, rules and regulations, resolutions adopted at shareholders' meetings and the Good Corporate Governance Policies. The roles must be performed in a responsible, honest, careful manner in the best interests of the Company. The Board also ensures reasonable implementation, paying attention to the events that affect the Company and its business affairs. Members of the Board must employ their abilities and dedicate themselves to the performance of their duties. Importantly, they must take full responsibility and work independently.

The Board of Directors also puts in place control systems relating to operations, financial reporting as well as compliance with policies and the regulations. In this connection, the Board appoints persons or work units responsible for monitoring the implementation of such control systems, the information of which must be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report). The persons or work units must be independent in the performance of their duties.

**Principle 1.4: Scope of duties and responsibilities**

The Company's Board of Directors draws up the Board Charter which sets out the duties and responsibilities of the Board of Directors. It serves as a reference which every Director could consult in relation to the performance of their duties. The Charter is subject to regular review at least once a year. In addition, the

segregation of the roles and duties among the Board of Directors, the Chief Executive Officer and the management must be regularly reviewed. The objective is to ensure that the segregation is in line with the organizational direction.

The Board of Directors must understand the scope of their responsibilities. They will delegate to the Chief Executive Officer and the management the authority to manage the organization. The delegation of the authority must be made in writing. However, such delegation does not abdicate the responsibilities of the Board of Directors. The Board is still responsible for ensuring that the management performs their duties as assigned.

**Principle 2: Define main objectives and goals of the business, which foster sustainability**

**Principle 2.1: Main objectives and goals concerned with looking after stakeholder**

According to the Company, stakeholders include the following:

- |                                     |                                   |
|-------------------------------------|-----------------------------------|
| 1. Shareholders                     | 6. Customers and trading partners |
| 2. Lenders                          | 7. Auditors                       |
| 3. The Company's Board of Directors | 8. Competitors                    |
| 4. The Company's Executives         | 9. Society and environment        |
| 5. The Company's employees          | 10. The Public Sector             |

The Company's Board of Directors will ensure fairness to all groups of stakeholders by doing the following:

1. In the conduct of its business affairs, the Company will strictly comply with all the laws concerned. As well, its business affairs must give rise to good impacts on the society and the public sector in various areas which include economy, culture, tradition and the environment.
2. The Company determines remuneration for shareholders, Directors, Executives and employees, ensuring that the remuneration is appropriate and fair.
3. The Company provides customers with quality, honest and fair services, for which it charges appropriate fees.
4. The Company is responsible towards customers and trading partners through service delivery. For examples, its services meet good professional standards and it maintains confidentiality of customers and trading partners. As well, it establishes a complaint handling unit.
5. The Company does business with trading partners in an honest manner and does not take advantage of them. Importantly, the Company complies with the conditions of the agreements which have been reached.

6. The Company conducts its business affairs and competes with competitors in a transparent manner and by following the established rules. It will not compete to such an extent that there is a negative impact on the business as a whole.
7. The Company discloses the information about its transactions in line with the standards and regulations imposed by the state agencies concerned, in order to comply with transparency requirements.
8. The Company encourages employees to acquire knowledge about the environment and support their participants in various social and environmental responsibility activities.
9. The Company adopts a clear policy of neither violating human rights nor committing any act which could be construed as infringement of intellectual property rights or copyrights under different forms, whether directly or indirectly.

**Principle 2.2: Define main objectives and goals of the business, which foster sustainability**

The Company's Board of Directors oversees and ensures that the organization's medium-term and/or annual objectives and goals as well as strategies are in line with the organization's main objectives and goals by:

1. Not only taking into consideration the organization's surrounding factors, opportunities and the acceptable level of risks but also analyzing the environment, various factors and risks which may affect the stakeholders concerned. Also putting in place mechanisms for understanding the real needs of the stakeholders.
2. Supporting the formulation or review of the objectives, goals and strategies for the medium term (3-5 years).
3. Not only overseeing and fostering innovation but also applying technology to enhance competitiveness and to meet stakeholder needs in an appropriate and safe manner, always bearing in mind the Company's social and environmental responsibility.
4. Setting both monetary and non-monetary goals which are appropriate to the business environment and business potential. Being aware of the risks arising from setting the goals which may lead to illegal or unethical behavior.
5. Overseeing and ensuring the propagation of information about the objectives and goals via the strategies and plans across the organization.
6. Overseeing and ensuring appropriate allocation of resources and appropriate operational control. Also monitoring the implementation of the annual strategies and business plans.

### **Principle 3: Enhance effectiveness of the Board of Directors**

#### **Principle 3.1: Specify and review the structures of the Board of Directors and other committees**

The Company's Board of Directors is responsible for specifying and reviewing the structures of the Board of Directors in terms of size, composition, and appropriate proportion of Independent Directors. The Board is also responsible for ensuring that it is comprised of Directors with diverse qualifications in terms of skills, experiences, abilities and specific characteristics, as well as gender and age, which are necessary for achieving the organization's key objectives and goals. In this connection, the Board of Directors prepares a board skills matrix which shows the knowledge and expertise of all the Directors. The purpose is to ensure that the Board of Directors as a whole has the right mix of appropriate qualifications which enable it to understand and cater to stakeholder needs.

**The following are the details related to the Board of Directors' composition, duties, responsibilities and appointment methods.**

#### **Number of Directors and proportion**

The number of the Company's Directors shall be in line with the legal requirements and the principles of good corporate governance, with the proportion of Executive Directors to Non-executive Directors (including Independent Directors) being appropriate. In addition, the proportion of shares held by each group of shareholders shall be taken into consideration in a fair manner. The objective is to ensure that the Directors are able to consider and give opinions on business matters in an adequately independent manner. In this connection, the Board of Directors shall disclose the composition of the Board of Directors as well as the information about each Director in the Annual Registration Statement/Annual Report (56-1 One Report). and also on its website.

In addition, the Board of Directors specifies that the number of Executive Directors shall not exceed one half of the total number of Directors. As well, no less than one-third of the total number of Directors but at least 3 Directors shall be Independent Directors. Importantly, they must be independent from the management and must not have any interests in or any relationship with the Company's businesses. The number of Independent Directors shall also be in fair proportion to the investments made by each group of shareholders.

#### **Qualifications of Directors**

1. Directors must have knowledge, skills and experience in diverse fields, which could contribute to the Company's conduct of business affairs. In addition, they must possess useful specialized expertise in line with the Company's business strategies. In addition, the Board must consist of at least one Independent or Non-executive Director, regardless of gender, who has work experience related to the Company's businesses.

2. Directors do not possess any of the prohibited characteristics prescribed by applicable laws and regulations.
3. Additional qualifications required for each of the following types of Directors:

#### **Executive Directors**

Being a director who holds an executive position and a Director who is responsible for any action in the manner of management and this shall include a director with the power to bind sign. Unless it can show that it is a sign of binding according to the transaction approved by the Board of Directors and is a joint signing with other directors

#### **Independent Directors**

- Independent Directors shall hold no more than 0.5% of the total number of voting shares of the Company.
- Independent Directors shall not hold the directorship continuously for more than 9 years.
- Independent Directors possess the qualifications in line with rules established by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission or other state agencies concerned.
- Independent Directors do not possess any characteristics which are against the Capital Market Supervisory Board's criteria for Independent Directors.

#### **Other committees, composition, duties and responsibilities as well as appointments**

The Company's Board of Directors establishes other committees responsible for studying, screening and overseeing the following work areas:

##### **1. Executive Committee**

The Executive Committee consists of Executive Directors, Directors who represent major shareholders or outside directors. Of the Directors, one will serve as the Chairperson of the Executive Committee with the Chief Executive Officer being an ex officio Director. In this connection, the Executive Committee is authorized to control and oversee the Company's businesses in line with the assignments given by the Board of Directors. As well, the Committee required to directly report its performance to the Board of Directors.

##### **2. Audit Committee**

The Audit Committee consists of at least 3 Directors whose qualifications being in line with the requirements imposed by the regulatory agencies. Performing its duties in a fully independent manner and reporting directly to the Board of Directors, the Committee serves as the Board of Directors' key tool for overseeing and ensuring that the business operations management not only has appropriate standards and transparency but also complies with the regulations of the state agencies as well as those of the Company. The objectives are to put in place effective internal control as well as reliable reporting systems, which are of benefit to all the parties concerned and shareholders.

### 3. **Nomination, Remuneration and Corporate Governance Committee**

The Nomination, Remuneration and Corporate Governance Committee is composed of at least 3 Non-executive Directors. Importantly, most of the committee members should be Independent Directors. In this connection, the chairperson of the Committee shall be an independent director with power and duties as specified by the Company's Board of Directors. The roles and responsibilities of the Committee which reports directly to the Board of Directors are specified in the Charter of the Nomination, Remuneration and Corporate Governance Committee. In case the Board of Directors appoints any person to serve as an advisor of the Nomination, Remuneration and Corporate Governance Committee, the information about the advisor as well as his or her independence and declaration of no conflict of interest shall be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).

### 4. **Risk Oversight Committee**

The Risk Oversight Committee is comprised of Directors and Executives, with Non-executive Directors or advisors accounting for no less than one half of the Committee and its Chairperson being Non-executive Director. The Committee is responsible for proposing the risk management policy for the Company and Thanachart Group to the Board of Directors for approval. The Committee is also responsible for overseeing the management's implementation of the policy and sending a report to the Company's Board of Directors regularly. In addition, the Committee reviews the risk management system and assesses its effectiveness at least once a year or when a significant change occurs. The Committee also pays attention to early warning signals and reports on irregularities, the information of which shall be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).

### **Principle 3.2: Selection of the Chairperson of the Board of Directors**

The Company's Board of Directors has established the rules for nominating and considering Independent or Non-executive Directors who are not involved in managing the Company's business operations, and have the qualifications appropriate for holding office as the Board's Chairperson. In this connection, the Chairperson shall oversee the Board of Directors' composition and implementation, ensuring that the latter are conducive to the exercise of discretion and independent judgment.

#### **Roles of Chairperson**

1. The Chairperson is not involved in the Company's day-to-day management activities.
2. The Chairperson exercises leadership in ensuring that the Board of Directors' performance of duties is efficient, in the best interest of the Company and being independent from the management.

3. The Chairperson is responsible for considering and approving agenda items which are proposed by the Chief Executive Officer and have been approved by the Chairperson of the Executive Committee. The objective is to ensure that the agenda items are in line with the Board of Directors' duties and responsibilities. As well, each Director is provided with an opportunity to propose matters useful for the Company as agenda items.
4. The Chairperson allocates not only adequate time for the management to propose agenda items but also as much time as possible for all the Directors to consider and discuss key points in a careful manner. Importantly, the Chairperson encourages the Board of Directors to exercise great discretion and give opinions in an independent manner.
5. The Chairperson of the Board of Directors shall not be the same person as the Chief Executive Officer. This information shall be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report). and on the Company's website.
6. The Chairperson of the Board of Directors shall not serve as Chairpersons or members of other committees. The objective is to ensure that other committees are able to carry out their duties in a truly independent manner.
7. The Chairperson oversees and ensures the Board of Directors' adherence to the principles of good corporate governance as well as the Handbook of the Code of Ethics.
8. The Chairperson fosters good relations not only between Executive Directors and Non-executive Directors but also between the Board of Directors and the management.

**Principle 3.3: Nomination and selection of Directors**

The Company's Board of Directors oversees and looks after the nomination and selection of Directors, ensuring that the related process is transparent and clear. The objective is to have the Directors who have the qualifications in line with the Board composition requirements which have been established. In this connection, the Board of Directors has established the rules for nominating and selecting the Directors. As well, the clear guidelines for practice have been announced. Importantly, the Board of Directors has established the Nomination, Remuneration and Corporate Governance Committee. Most of the Committee members and its Chairperson are Independent Directors. In this connection, their roles and duties are specified in this policy and the Charter of the Nomination, Remuneration and Corporate Governance Committee.

The Director tenure shall be in compliance with the laws and regulations as well as this policy. In proposing the names of Directors retiring by rotation to shareholders for re-election, in addition to the guidelines for nominating Directors, the Board of Directors shall take into account the retiring Directors' knowledge, ability, past performance, age and independence in expressing opinions in line with the roles and duties and type of each Director.

**Principle 3.4: Remuneration of Directors**

In proposing the pay structure and remuneration rates applicable to the Company's Board of Directors and other committees to shareholders for approval, the Board of Directors shall take into consideration the pay structure and remuneration rates which not only are appropriate to the responsibilities but also motivate the Directors to help the organization to achieve both short- and long-term goals. In considering the remuneration for the Board of Directors and other committees, the Nomination, Remuneration and Corporate Governance Committee shall be the one responsible for the consideration by following the following guidelines:

1. The pay structure of the Board of Directors should be in line with the Company's long-term strategies and goals, taking into account not only the current risks and those risks which may arise in the future but also the experience, duties, the scope of roles, accountability and responsibility as well as the benefits expected to be received by each Director. The Directors who are assigned additional duties and responsibilities such as being members of other committees should receive appropriate additional remuneration, taking into account the level of practice of a comparable nature in the same industry.
2. Shareholders shall be responsible for approving the pay structure and remuneration rates for the Board of Directors and other committees in the form of both monetary and non-monetary remuneration. In this connection, the Board of Directors shall consider the appropriateness of each form of remuneration.

**Principle 3.5: Performance of duties and time allocation**

The Company's Board of Directors should oversee all the Directors, ensuring that they have responsibility for carrying out duties and allotting adequate time.

1. Directors carry out duties with responsibility and to the best of their ability while being fair not only to the organization and shareholders but also to the Company's Executives, employees and personnel.
2. Directors shall not hold jobs in more than 5 other companies listed domestically or abroad. In this connection, holding of a position in any other companies must not violate the requirements or regulations of the other regulatory agencies concerned. As well, the Company must be notified of the appointment within 7 days after the Executive is appointed or assumes the position.
3. Directors shall not hold office as Director in any other company which operates a business of the same nature as and competing with the Company, regardless of whether it is for personal benefit or for the benefit of other parties, unless the shareholders' meeting is notified before the appointment. In this connection, the Nomination, Remuneration and Corporate Governance Committee which has the responsibility for nominating Director candidates for shareholders' consideration and election, shall examine and ensure that those candidates do not hold office as director in or operate a business of the same nature as and competing with the Company.

4. Directors, Executives or related persons are allowed to enter into a usual transaction in the ordinary course of business with the Company or member companies of Thanachart Group, provided that the transaction is under the same commercial terms as those an ordinary person would agree with any general party under the similar circumstances, on the basis of commercial negotiation and without any influence, except for the transactions prohibited by the laws or the notifications or directives issued by the state agencies.
5. Directors are responsible for participating in all meetings of the Board of Directors, except when necessary. In this connection, the Director who will be absent at a meeting is required to inform the chairperson of the Board of Directors or the corporate secretary of the absence in advance. Each Director is required to attend at least 75% of all Board meetings held each year.
6. Directors' roles and duties include consideration of agenda items brought to the attention of their meetings. To the best of their ability, they shall join others in asking questions and expressing opinions which are useful at the meetings. The discussion includes issues relating to good corporate governance.
7. Directors are responsible for overseeing the corporate governance of the Company and member companies of Thanachart Group, ensuring that it is appropriate to the structure, nature of business and the risks.

**Principle 3.6: Governing and looking after subsidiaries and associate companies**

The Company's Board of Directors is responsible for governing and looking after subsidiaries in order to safeguard the Company's interests in them. In this connection, the Board of Directors shall consider the appropriateness and appoint a person as director or managing director in TMBThanachart Bank (or other names changed later). For other companies, either it is a subsidiary or any other company that the Company have the power to take part in making decisions on policies related to the company's financial and operation but not up to the level of having control over such policies, the Board of Directors shall assign the Executive Committee to consider appointing persons to serve as directors or persons with power in management of these companies, except in case they are small and serve as its operating arms, the Company shall assign the Chief Executive Officer to make the appointments.

The persons who have been appointed as directors, executives or persons with power in management in the subsidiaries shall be responsible for looking after the business operations of the subsidiaries, ensuring not only that the subsidiaries put in place internal control systems which are watertight and adequate but also that the execution of transactions is in compliance with the laws as well as the related rules and regulations. In addition, the appointees shall ensure that the subsidiaries report and disclose information about their operational performance and key transactions in a complete and adequate manner to the Company.

If significant investments in other businesses, such as the investments with the minority interest in associate companies being from 20% of outstanding shares to not more than 50%, and the related investment amounts

or the expected additional investments are expected to be substantial, in case it is considered necessary, the Company's Board of Directors shall arrange for the Company to enter into shareholders' agreements or other contracts. The objective is to clarify the Company's power in management and its participation in key matters as well as its monitoring of the operational performance. The agreements can also be used as information for preparing the Company's financial statements in a standardized and timely manner.

**Principle 3.7: Performance appraisal**

The Company's Board of Directors and other committees carry out their own performance appraisal at least once a year. The objective is for the Board of Directors to jointly consider the performance and problems in order to resolve them later. As well, the appraisal results will be used for considering the appropriateness of the Board of Directors' composition.

The Company has disclosed the rules, procedures as well as performance appraisal results of the Board of Directors as a whole or individually by using Self-Evaluation method in the Annual Registration Statement/Annual Report (56-1 One Report). The Board of Directors may also consider using Cross-Evaluation method.

The Board of Directors may consider hiring external consultants to assist in establishing guidelines and proposing key points to be used for the performance appraisal of the Board of Directors at least every 3 years. The information about such implementation shall be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).

**Principle 3.8: Enhancing skills and knowledge**

The Company's Board of Directors oversees the Directors, ensuring that each of them has knowledge and understanding about their roles and responsibilities, nature of business operations, and the laws related to the business operations. The Board of Directors also encourages all Directors to regularly enhance their skills and knowledge useful for the performance of their duties as Directors. In this connection, the Directors are required to attend training courses or seminars in order to broaden their knowledge in the performance of their duties. The information of which has to be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).

The Board of Directors ensures that a person appointed as a new director will be given advice and provided useful information on one's duties. This includes an understanding of the objectives, main targets, visions, missions, corporate values, as well as the nature of the business and business practices of the entity.

**Principle 3.9: Board of Directors' performance of duties**

The Company's Board of Directors ensures orderly performance of its duties and ability to access necessary information. As well, the Board of Directors is supported by the Company's secretary who has knowledge and experience necessary and appropriate for supporting the Board of Directors' performance of duties.

1. The management shall send important information to the Company's Board of Directors at least 5 days before the meeting date. In case the Board of Directors needs additional documentation, they could request the documentation from the Chief Executive Officer or the corporate secretary. Moreover, in case it is deemed necessary, the Board of Directors may make an arrangement for obtaining independent opinions from external consultants or professional advisors. The expenses for the related services shall be borne by the Company.
2. The Company establishes the schedules and agenda of various committees' meetings for each year in advance. In this connection, the Company shall notify each Director of the schedules so that they will be able to allocate time for attending the meetings as follows:
  - 2.1 The Board of Directors shall meet at least 6 times a year.
  - 2.2 The Executive Committee shall meet at least 6 times a year.
  - 2.3 The Audit Committee shall meet at least 6 times a year.
  - 2.4 The Nomination, Remuneration and Corporate Governance Committee shall meet at least 4 times a year.
  - 2.5 The Risk Oversight Committee shall meet at least 6 times a year.
  - 2.6 How often other Committees shall meet will be left to the discretion of each Committee's Chairperson.
3. The number of Directors attending Committee meetings, which constitutes a quorum, shall be in line with the announcement or Charter issued by each Committee. As regards the Board of Directors' meetings, no less than two-thirds of all its members shall constitute a quorum.
4. The Company's Board of Directors encourages the Chief Executive Officer to invite management from the level of executive vice president or an equivalent position called something else ("High-ranking Executives") to attend the Board of Directors' meetings so that the Executives could give additional details necessary for the Board's consideration. This also provides the Board with an opportunity to get to know the high-ranking Executives. The knowledge could be used later when the Board develops the succession plan.
5. The Board arranges for the preparation of the minutes of its meetings, ensuring that the minutes include all agenda items.
6. The Board of Directors shall organize at least one meeting annually for its Non-executive Directors without the participation of any members of the management. The results of the meeting shall be notified to the Chief Executive Officer.

7. The Board of Directors appoints a company secretary who has knowledge and experience necessary and appropriate for supporting the Board of Directors' performance of duties. The corporate secretary shall continuously attend training courses to broaden knowledge in relation to laws, accounting or the performance of company secretary's duties.
8. The company secretary shall undergo continuous training which is useful for performing his or her duties. Moreover, in case there is a certified program available, the corporate secretary should attend such program as well.

**Principle 4: Nominate and develop high-ranking Executives as well as human resource development**

**Principle 4.1: Nominate and develop high-ranking Executives**

The Company's Board of Directors makes arrangements for recruitment and development of the Chief Executive Officer and high-ranking Executives with knowledge, skills, experiences and characteristics necessary for driving the organization forward and helping it achieve the established goals. The related details are as follows:

1. The Board of Directors takes into consideration or assigns the Nomination, Remuneration and Corporate Governance Committee to consider the guidelines and methods for identifying candidates who have appropriate qualifications to serve as the Chief Executive Officer and high-ranking Executives.
2. The Board of Directors oversees the Chief Executive Officer, ensuring that he or she is supported by an appropriate team of high-ranking Executives. At least, the Nomination, Remuneration and Corporate Governance Committee cooperates with the Chief Executive Officer in considering the guidelines and methods for identifying and appointing the persons proposed by the Chief Executive Officer as high-ranking Executives.
3. The Board of Directors puts in place a system for identifying and nominating appropriate candidates as key Executives at all levels. The nomination of high-ranking Executives shall follow a nomination procedure which takes into consideration candidates from both within and outside Thanachart Group. The Board of Directors also puts in place an Executive development program while developing a succession plan.
4. The Board of Directors gives support to and encourages the Chief Executive Officer and high-ranking Executives to attend training courses for the purpose of enhancing their knowledge and experience useful for the performance of their duties.
5. The Chief Executive Officer, or advisor must not hold jobs in more than 5 other companies listed domestically or abroad.

High-ranking or senior Executive of the Company who will take up directorship in another company (except the company which is owned by their immediate family member), which does not consume too much time in the performance of duties must receive the Executive Committee's approval before

taking up the directorship. As regards, the Chief Executive Officer who will take up directorship in another company (except the company which is owned by his or her immediate family member) which does not consume too much time in the performance of duties, the Chief Executive Officer must receive the Board of Directors' approval before taking up the directorship.

In this connection, holding of a position in any other companies must not violate the requirements or regulations of the other regulatory agencies concerned. As well, the Company must be notified of the appointment within 7 days after the Executive is appointed or assumes the position.

#### **Roles of the Chief Executive Officer**

1. The Chief Executive Officer's roles include duties and responsibilities relating to management of the Company's businesses and operations within the scope of the duties and authority assigned by the Company's Board of Directors and the Executive Committee respectively.
2. The Chief Executive Officer oversees the performance of employees at all levels, ensuring that they carry out duties in line with the policies established by the Board of Directors and the Executive Committee respectively.

#### **Roles of the top executive of the department**

1. The roles of high-ranking or senior Executives include duties and responsibilities relating to implementation of the policies and strategies, as well as risk management framework and remuneration determination. As well, high-ranking or senior Executives strictly adhere to the Company's principles of good corporate governance.
2. High-ranking or senior Executives are responsible not only for determination of work processes and work systems as well as enterprise-wide and specific risk management but also for maintaining the Company's risks at the levels which are appropriate and acceptable. In addition, they are responsible for regularly reviewing the risk management processes and systems as well as the risk limits.
3. High-ranking or senior Executives are responsible for cultivating a risk intelligent culture. As well, they ensure that employees are aware of and understand the risk management policies and strategies.
4. High-ranking or senior Executives are responsible for reporting risk status in line with the requirements imposed by the compliance unit and the Company.
5. High-ranking or senior Executives are responsible for determining appropriate and clear structure, duties and responsibilities of employees under their supervision or employees who have to report to them.
6. High-ranking or senior Executives put in place employees with adequate knowledge and ability to carry out duties related to risk management and internal control. In addition, they assist the Board of Directors in ensuring that high-ranking Executives are suitably qualified and able to manage the Company's businesses.

**Principle 4.2: Remuneration structure and performance appraisal**

The Company's Board of Directors oversees the establishment of a remuneration structure and a performance appraisal system which are appropriate, taking into consideration the current risks and those which may arise in the future.

1. In determining remuneration for Executives at the levels of high-ranking Executives, the Chief Executive Officer will be responsible for submitting a proposal to the Nomination, Remuneration and Corporate Governance Committee.
2. The appraisal of the performance as well as the determination of remuneration and employment terms of high-ranking Executives and the Chief Executive Officer shall follow the proposals made by the Nomination, Remuneration and Corporate Governance Committee.
3. The Nomination, Remuneration and Corporate Governance Committee is responsible for establishing guidelines for appraising the annual performance of high-ranking Executives and the Chief Executive Officer. The performance appraisal outcomes will be used for determining the remuneration of Vice Presidents and also the Chief Executive Officer, taking into account the benchmarks in concrete terms, which have been agreed upon in advance with the Chief Executive Officer. The appraisal will also take into account the financial performance and also performance related to the implementation of the long-term strategies in line with the objectives, as well as executive development, among others. The Board of Directors shall give their feedback to the above performance appraisal outcomes. In this connection, the Board of Directors may assign the Chairperson to consider and communicate the outcomes to Chief Executive Officer.
4. Employees receive remuneration in line with the guidelines and policies established by the Board of Directors in the best interests of the Company. In this connection, the remuneration levels in the form of salaries, bonuses as well as long-term incentives must be in line with the performance of each employee, taking into account the current risks, those which may arise in the future and the Company's sustainability.
5. The Company's Board of Directors oversees and ensures the establishment of the guidelines and factors to be used for performance appraisal across the organization.

**Principle 4.3: Shareholder structure and relationship**

The Company's Board of Directors conducts a study aiming to understand the shareholder structure and relationship. In case there are agreements of family shareholders, whether in writing or not, agreements of shareholders, or policies of the holding company, which have impacts on the power in management of the business operations, the Board of Directors ensures that the information about the various agreements which have impacts on the control of the business is disclosed to the public.

#### **Principle 4.4: Human resource development**

The Company's Board of Directors monitors and oversees the management and the development of human resources, ensuring that they are developed in line with the organization's direction and strategies. The objective is to provide employees at all levels with knowledge, ability, skills, experience and appropriate motivation. In addition, the Board of Directors ensures that employees are treated fairly so that the organization is able to retain capable employees.

The Company's Board of Directors makes an arrangement for the establishment of a provident fund. The objective is to ensure that employees have enough savings for retirement. In addition, the Board of Directors encourages employees to acquire knowledge and understanding of financial management and the selection of the investment policy which corresponds with the stage of their life cycle and their level of risk tolerance.

#### **Principle 4.5: Disciplinary Considerations**

The Company has established the disciplinary criteria for employees, management, and directors by establishing a committee to consider disciplinary offenses In accordance with the regulations set by the Company

### **Principle 5: Stimulate innovation and conduct business affairs responsibly**

#### **Principle 5.1: Create innovation**

The Company's Board of Directors pays attention to and support creation of innovation which not only adds value to businesses but also is of benefit to customers or the parties concerned. The Board of Directors also has responsibility towards society and environment. The related details are as follows:

1. The Board of Director places emphasis on cultivating a culture of innovation and encourages the management to take into consideration the innovation culture cultivation when they review strategies, develop plans for streamlining business operations and monitoring performance.
2. The Board of Directors fosters creation of innovation with an aim to add values to businesses, taking into account constant changes in the environment which encompasses adoption of business models, designing perspectives, development of products and services, research and work processes as well as cooperation with trading partners.

#### **Principle 5.2: Responsibility towards society and environment**

The Company's Board of Directors monitors the implementation of the management and ensures that the management not only conducts business affairs in an ethical manner with responsibility towards society and environment but also avoids infringing the rights of stakeholders. The operational plans which reflect the ethical and responsible conduct of business affairs and the avoidance of infringement shall serve as guidelines for ensuring that all the concerned parties in the organization act in line with the main objectives and goals as

well as the business strategies for achieving sustainability. In this connection, the principle will cover the following areas:

1. Responsibility towards personnel and employees

The Company complies with the related laws and standards. It not only treats its personnel and employees in a fair manner but also respects human rights. Among others are fair determination of remuneration and other benefits as well as provision of welfare benefits which are at least equal to the levels imposed by the law or at higher levels as deemed appropriate. Also noteworthy are the workplace health and safety as well as training activities aiming at broadening the knowledge, enhancing potential and supporting career advancement of personnel and employees. In addition, the Company provides personnel and employees with opportunities to develop their skills in other work areas.

2. Responsibility towards customers

The Company complies with the related laws and standards. It pays attention to fairness, customer confidentiality, after-sales services, and assessment of customer satisfaction for improving products and services, as well as advertisement, public relations and sales promotion activities which have to be implemented in a responsible manner in order to prevent misunderstandings or avoid taking advantage over customers' misunderstandings.

3. Responsibility towards trading partners

The Company puts in place procurement and hiring processes, ensuring that the terms and conditions of the related contracts or agreements are fair. The Company also assists its trading partners in broadening their knowledge, enhancing their potential and making the quality of their services on a par with the established standards. It also gives clarifications and ensures that its trading partners respect human rights and treat their own labor fairly with responsibility towards society and environment. As well, the Company monitors and appraises the performance of its trading partners for the purpose of developing sustainable business relationships with them.

4. Responsibility towards communities

The Company makes use of its business knowledge and experiences in developing projects which can provide communities with benefits in concrete terms. In this connection, it monitors and assesses the progress of the projects and the long-term achievements.

5. Responsibility towards environment

The Company prevents, reduces, and manages negative impacts on the environment. It ensures that it will not produce or cause adverse environmental impacts. Emphasis is placed on use of energy and water, resource recycling, as well as release and management of wastes caused by business operations and greenhouse gas emissions, among others.

6. Fair competition

The Company conducts its business affairs in a transparent manner and avoids gaining unfair competitive advantages over its competitors.

7. Anti-fraud and anti-corruption

The Company complies with the related laws and standards. The Company and the member companies of Thanachart Group have become members of Thailand's Private Sector Collective Action Coalition against Corruption (CAC). The Boards of Directors of the Company and the member companies of Thanachart Financial Conglomerate have adopted the anti-corruption policy and anti-corruption measures as well as guidelines on whistleblowing, the information of which is made available on the Company's website.

**Principle 5.3: Resource management**

The Company's Board of Directors monitors the implementation of the management and ensures that the management allocates and manages the available resources in an efficient and effective manner. In this connection, the Board of Directors also takes into consideration impacts and resource development across the value chain. The objective is to enable the Company to achieve its main objectives and goals in a sustainable manner. The related details are as follows:

1. The Board of Directors recognizes the necessity of the resources to be used. As well, the Board recognizes that using each type of resource will have impacts on one another.
2. The Board of Directors recognizes that different business models create different impacts. As a result, the Board of Directors takes into consideration the impacts and values created by using the resources, still bearing in mind the Code of Ethics and social responsibility as well as the creation of values to the organization in a sustainable manner.
3. The Board of Directors oversees the management and ensures that, in achieving the organization's main objectives and goals, the management regularly reviews, develops and uses resources in an efficient and effective manner by taking into account of changes in internal and external factors.

**Principle 5.4: Information technology management**

The Company's Board of Directors arranges for the establishment of the framework for information technology management and governance at the organizational level, ensuring that they are line with the organization's needs. In addition, the Board of Directors ensures that the information technology will be used not only for increasing business opportunities but also for developing business operations and risk management. The objective is to enable the Company to achieve its main objectives and goals.

1. The Board of Directors arranges for the establishment of the policy on allocation and management of information technology resources. The policy includes the allocation of adequate information

technology resources for business operations. As well, the Board of Directors adopts guidelines for addressing problems in case adequate resources could not be allocated as required.

2. The Board of Directors ensures that the organization's risk management includes the management of information technology risks.
3. The Board of Directors arranges for the establishment of the policy and measures on information technology security.

## **Principle 6: Enhancing effectiveness of risk management and internal control systems**

### **Principle 6.1: Risk management and internal control**

The Company's Board of Directors oversees and looks after Thanachart Group, ensuring that they establish a good risk governance framework. The framework consists of audit processes, internal control systems, risk management, and corporate governance which are adequate and suitable to the business environment. Importantly, the Board of Directors ensures that the member companies of the conglomerate pay attention to the cultivation of a risk intelligent culture.

#### **Risk management**

The Company recognizes the importance of risks in different areas, which may have impacts on the Company's business operations. As a result, it has established the Risk Management Department responsible for the following:

1. Formulating plans which aims to put in place risk management systems for all areas of the Company's business.
2. Overseeing and looking after risk assessment development and preparation of reports on details of various risks.
3. Coordinating with various work units, ensuring that the risks are managed in an efficient manner.
4. Studying new techniques of assessing and managing risks.

In addition, the Company has a risk management policy. They serve the Company's risks. In addition, the company has adopted a risk management policy. To serve as as guidelines for managing the Company and companies in the Thanachart Group.

#### **Internal control**

The Company puts in place internal control and internal audit systems. The objective is for the Company to have adequate internal control. The related details are as follows:

1. The Company not only clearly describes duties and responsibilities as well as the scope of approval authority but also puts in place adequate and appropriate control systems.
2. The Company establishes an appropriate system of checks and balances. In particular, it puts in place verification processes complete for each step and key operational processes, as well as clear segregation of duties and responsibilities. It also establishes an internal audit unit responsible for

controlling, overseeing and checking. Being independent, this unit is able to carry out its responsibilities in an effective manner. The unit also clearly describes the duties and responsibilities of each work unit and establishes a system for reporting any conduct which does not comply with the laws or the Company's internal rules and regulations. In this connection, the internal audit unit shall report directly to the Audit Committee and the Board of Directors. Importantly, the Company reviews the appropriateness of the system of checks and balances as well as the segregation of the duties and responsibilities of various work units or persons in a regular manner.

3. The Company ensures that various work units including business units, control units, and operations units have appropriate resources and personnel with knowledge, ability and experience suitable for performing their duties. In addition, the Company puts the position and status of the head of each unit in order of importance, ensuring that the position and status are high enough so that they can carry out their duties in an effective manner.
4. The Company controls and keeps financial accounts of all the Company's transactions. It puts in place financial accounting and reporting systems which give information about the Company's financial position, performance and risks in an accurate and timely manner.
5. The Company puts in place control systems which are adequate and appropriate for looking after and protecting the Company's work areas and assets, as well as the right to access key work areas as well as the right to access important assets.

**Principle 6.2: Audit Committee**

The Company's Board of Directors has established the Audit Committee which can carry out their duties in an efficient and independent manner.

The Board of Directors or the Audit Committee shall give their opinions on the adequacy of the internal control systems as well as the risk management systems in the Annual Registration Statement/Annual Report (56-1 One Report). In addition, they place emphasis on reviewing the key systems related to internal control and risk management regularly or at least once a year.

**Principle 6.3: Conflicts of interest**

The Company has established the principle for employees, Executives, Directors and the parties concerned to avoid pursuing one's own interests or the interests of other groups of people. The related details are as follows:

1. The Company has established guidelines for employees, Executives, Directors and the parties concerned on avoiding committing any act which will give them undue benefits other than those given normally or in line with the Company's conditions
2. The Company has established guidelines for employees, executives and directors on not participating in the decision making on the transaction in which they have a conflict of interest.

3. The Company establishes guidelines for keeping insider information and preventing its use. Such guidelines have been disseminated to all the parties concerned in writing. In this connection, the Company requires all parties in the organization to adhere to the guidelines and also discloses them in the Annual Registration Statement/Annual Report (56-1 One Report).
4. The Company establishes guidelines for executing transactions with related parties, taking into account available information and actual principles which are rational, with their prices being the same as those of transactions executed with normal customers.
5. The Company establishes guidelines prohibiting employees, Executives and Directors from accepting other benefits from parties related to the matters which have to be discussed or decided upon.
6. The Company requires the Board of Directors to be informed of related-party transactions and conflict of interest transactions. Importantly, it requires the Board of Directors to be careful in considering these transactions every time and to comply with the regulations of the Company's regulatory agencies.
7. The Company requires the Board of Directors to disclose related-party transactions and conflict of interest transactions in the Annual Report and also in the Annual Registration Statement (Form 56-1).
8. The Company requires its Directors and Executives as well as the parties concerned to report their transactions of the Company shares in line with the legal requirements. In this connection, they are required to send the reports to the corporate secretary who will present the reports to the Board of Directors at their next meeting. As well, the reports shall be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).
9. The Company's Directors who have a conflict of interest in any agenda item are required to give a report on the conflict of interest and not to participate in the discussion of the agenda item. The objective is to enable other Directors to discuss and adopt resolutions in an independent manner.
10. Directors are assigned with the responsibility of preparing conflict of interest disclosure forms. As well, they are required to disclose their personal information such as information about the shareholders who belong to their group, ensuring that the information is complete and accurate.

**Principle 6.4: Anti-fraud and anti-corruption**

In the conduct of business affairs, the Company adopts the important principle of not supporting businesses, groups of people or persons participating in or supporting direct or indirect pursuit of undue advantages by abusing one's authority. In this connection, the Company has put in place clear guidelines for supporting and cooperating with both the public and private sectors. In addition, the Boards of Directors of the Company and the member companies of Thanachart Group have approved anti-corruption policies and anti-corruption measures. The Company has also established guidelines for whistleblowers, the information of which is made available on the Company's website. Importantly, the Company has established guidelines for checking and assessing the progress achieved in the implementation of the anti-corruption policy. the Company and the

member companies of Thanachart Financial Conglomerate have become members of Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

**Principle 6.5: Complaint channels**

The Company's Board of Directors oversees business operations and ensures that the Company puts in place a mechanism for receiving complaints or taking actions in case a whistleblower exposes misconduct occurring within the organization. As well, the Board of Directors discloses the processes and channels for receiving complaints on the Company's website or Annual Registration Statement/Annual Report (56-1 One Report). The related details are as follows:

1. The Board of Directors makes available convenient channels for receiving complaints from stakeholders through the Company's website, written notifications, letters, and telephones, among others. In this connection, With complaints management and report to the relevant agencies or committees.
2. The Board of Directors has adopted a clear policy and guidelines for whistleblowers. In particular, the Board of Directors makes an arrangement that whistleblowers may notify the Company of the misconduct via its website. Or they may directly notify the Chief Executive Officer, the head of audit, or supervisors of the misconduct. In case it involves high-ranking Executives or Directors, they may directly notify the Chairperson of the Audit Committee. As well, the Board of Directors has put in place processes for checking information about business operations, which will be reported to the Board of Directors.
3. The Company has adopted a policy of protecting whistleblowers who expose fraud or corruption. As well, it has put in place appropriate processes for resolving complaints.

**Principle 7: Maintain financial credibility and information disclosure**

**Principle 7.1: Information disclosure and transparency**

The Company's Board of Directors ensures that all groups of stakeholders are treated equitably. The Board of Directors is responsible for financial reporting and for disclosing information in a correct, transparent and timely manner. In this connection, the Company shall disseminate news, data and information of the business in compliance with the legal requirements as well as the regulations of the Company's regulatory agencies. The information to be disseminated must be screened by the responsible persons, ensuring that the information is complete, accurate and adequate for investors' decision-making. The disclosure of the information must be approved by the Company's authorized persons. Confidential information about the Company, its customers or trading partners shall not be disclosed to any parties who are not involved, unless the disclosure is approved or must comply with the law. The Company shall not disclose exaggerated information in order to prevent misunderstandings of material issues. In this connection, the information disclosure could be separately grouped as follows:

## 1. Types of disclosed information

- 1.1 Disclosure of performance, statements of financial position and statements of comprehensive income (including all reviewed and audited statements), as well as Management's Discussion and Analysis (MD&A) which accompanies quarterly financial statements, the objectives of which are for investors to have the information and to better understand the changes to the Company's financial position and business operations in each quarter in addition to only financial numbers shown on the financial statements.
- 1.2 The Board of Directors' responsibility statement together with the auditor's report in the Annual Registration Statement/Annual Report (56-1 One Report).
- 1.3 Summary reports on the good corporate governance policies, the code of ethics, and the risk management policy which have been approved by the Company's Board of Directors as well as the results obtained from implementing those policies. The reports are made available through various channels including the Company's Annual Registration Statement/Annual Report (56-1 One Report) and website, among others.
- 1.4 Policy on remuneration for Directors and high-ranking Executives, which reflects burdens, duties and responsibilities of each person. The policy also covers both the forms and characteristics of the remuneration. In this connection, the disclosed remuneration amounts shall also include the remuneration which each Director receives from serving as Director of subsidiaries.
- 1.5 Roles and duties of the Board of Directors and other committees, number of their meetings and the meeting attendance record of each Director over the past year as well as opinions on the Board of Directors' performance of duties and their participation in training activities and professional development programs in a continuous manner, the information to be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).
- 1.6 Audit fees and other fees related to services given by the auditor.
- 1.7 Information of the Company in compliance not only with the requirements, conditions and methods related to information disclosure, which are issued by the Stock Exchange of Thailand as guidelines, but also with the legal requirements such as disclosure of the Company's acquisition or disposal of assets, related-party transaction, and change in the Company's registered capital, among others.
- 1.8 Disclosure of the qualifications and experience of the head of internal audit and the head of compliance in the Annual Registration Statement/Annual Report (56-1 One Report) and on the Company's website.
- 1.9 Disclosure of the qualifications and experience of the corporate secretary in the Annual Registration Statement/Annual Report (56-1 One Report) and on the Company's website.
- 1.10 Disclosure of other information

**2. Channels for dissemination of information include the following:**

- 2.1 The Stock Exchange of Thailand:
- Quarterly Management's Discussion and Analysis: MD&A
  - Annual Registration Statement/Annual Report (56-1 One Report)
  - Quarterly Financial Statement of the Company
  - Resolutions of the Board of Directors, resolutions of the shareholders' meetings, and other news and information
- 2.2 The Office of the Securities and Exchange Commission: The Annual Registration Statement/Annual Report (56-1 One Report) and Prospectus
- 2.3 The Department of Business Development, Commerce Ministry: the Company's information
- 2.4 The Company's website: [www.thanachart.co.th](http://www.thanachart.co.th):
3. Mass media, printing media and other media: quarterly operating results, statements of important event, and others
  4. Quarterly Analyst Meeting
  5. Company visits/one-on-one meetings
  6. Local and overseas roadshow/conference events
  7. Dispatch of news notifications by mail.

**Principle 7.2: Financial liquidity**

The Company's Board of Directors monitors the Company's financial liquidity adequacy and ability to repay debts. The related details are as follows:

1. The Board of Directors ensures that the management monitors and assesses the financial position and sends a report to the Board regularly. The Board of Directors and the management will jointly find solutions promptly if there are signs indicating problems relating to liquidity and the ability to repay debts.
2. In approving any transaction or giving opinions on a transaction for approval by the meeting of shareholders, the Board of Directors ensures that the execution of the transaction will not affect the Company's business continuity in terms of financial liquidity or the ability to repay debts.

**Principle 7.3: Guidelines for addressing financial problems**

The Company's Board of Directors develops plans or any other mechanisms which could address financial problems in the event that the business is faced with financial problems or is expected to encounter problems, taking into account the rights of stakeholders.

1. In the event that the business is expected to be unable to repay debts or encounters financial problems, the Board of Directors shall monitor the situation closely. The Board shall also ensure that

business affairs are conducted in a careful manner and that the Company complies with the requirements related to information disclosure.

2. The Board of Directors develops plans for addressing the financial problems, taking into account the fairness to stakeholders and lenders. As well, the Board of Directors shall monitor the progress towards solutions of the problems and require the management to send it a status report regularly.
3. As regards the solutions to the Company's financial problems, the Board of Directors ensures that any decision to be made must be a rational one, regardless of any methods to be adopted.

**Principle 7.4: Sustainability reports**

The Company's Board of Directors takes into consideration the preparation of sustainability reports as deemed appropriate.

1. The Board of Directors takes into consideration the appropriateness of information disclosure, compliance with the laws, compliance with the good corporate governance policies, the code of ethics, the anti-corruption policy, the treatment of employees and stakeholders, and the fair treatment and respect for human rights as well as responsibility towards society and environment bearing in mind the reporting framework which is acceptable domestically and internationally. The information is disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).
2. The Board of Directors oversees the disclosure of the important information. This information reflects the practices which will bring about the creation of values for businesses in a sustainable manner.

**Principle 7.5: Investor Relations**

The Company requires the establishment of the "Investor Relations department" which serves as a center responsible for communicating with institutional investors, shareholders, analysts and the public sector by coordinating with high-ranking Executives and work units within the Company.

The Chief Executive Officer, Chief Financial Officer, corporate secretary and head of Investor Relations department have been assigned as persons responsible for disclosing any information about the Company and its subsidiaries. In this connection, they can assign any person to disclose on their behalf the information only about the work under the authorized person.

**Principle 8: Promote participation of and communication with shareholders**

**Principle 8.1: Encourage shareholders to participate in decision making on important matters**

1. Shareholders have equal rights to participation in meetings. In this connection, the Company shall inform shareholders of the rules of procedure used in the conduct of meetings, which include voting rights by type of shares, voting steps, expression of opinions, and receipt of information about the Company's financial position and performance.

- The Company's Board of Directors ensures disclosure of the policy to support or encourage all groups of shareholders including institutional shareholders, to participate in the meetings of shareholders.
2. The Company holds shareholders' yearly meeting called "ordinary general meeting" within four months after the end of the Company's accounting year. Other shareholders' meetings which are held as deemed necessary, as the case may be, are called "extraordinary general meetings."
  3. The Company shall send to the Stock Exchange of Thailand a notice of the annual general meeting together with the meeting agenda as well as the Board of Directors' opinions, both Thai and English, prior to the meeting date. In this connection, the Company shall assign Thailand Securities Depository Company (TSD) serving as the Company's share registrar to send the information to shareholders within the timeframe established by the law. As well, the Company shall make available the information on the Company's website at least 30 days before the meeting date.

**Principle 8.2: Meetings of shareholders**

1. In holding shareholders' meetings, the Company determines the rights of shareholders over the following matters:
  - 1.1 The right of shareholders in proposing the name of candidate for appointment as the Company's Director. In this connection, the Company develops a method for minority shareholders to propose the name of such candidate through the Nomination, Remuneration and Corporate Governance Committee at least 3 months before the meeting date. For consideration, the proposal must be accompanied with supporting information about the candidate's qualifications and agreement on the proposal.
  - 1.2 Every shareholder is entitled to attend and vote at each meeting. They can participate in the meeting and cast their vote on each agenda item, except in that a shareholder has a conflict of interest in any agenda item and the law requires that they are prohibited from participating in and casting their vote on the related agenda item at the meeting.
  - 1.3 The Company shall ensure disclosure of adequate information about the Company to shareholders for their decision making at each meeting. For example, the notice of the meeting shall give rationale behind each agenda item together with supporting information adequate for decision making, minutes of the previous meeting, and an Annual Registration Statement/Annual Report (56-1 One Report) which has been prepared in line with the guidelines issued by the Stock Exchange of Thailand and the Office of the Securities Exchange Commission.
  - 1.4 The right to appoint or remove Directors individually.
  - 1.5 The right to appoint auditors.
  - 1.6 Shareholders can appoint other person as a proxy to participate and cast votes at a meeting on their behalf, using the proxy form in the format specified by the law. As well, the Board of

Directors encourages shareholders to use the proxy form in the format that enables them to decide the direction of their voting. In addition, the Board of Directors proposes at least one Independent Director as an alternative proxy which could be appointed by shareholders.

- 1.7 Shareholders can check their shareholding status on the book closure date at the Company or Thailand Securities Depository Company Limited.
2. In relation to meetings of shareholders, the Company has a policy of requiring all members of the Board of Directors to participate in each meeting of shareholders. In this connection, shareholders can ask questions to various Committee Chairpersons about related matters. As well, the Company makes available facilities and amenities for shareholders at every meeting. Emphasis is placed on enabling shareholders to participate in the meeting. The objective is to ensure equitable treatment of shareholders.

### **2.1 Venue of shareholders' meeting**

In holding each meeting of shareholders, the Company shall hold it at a place in Bangkok which its headquarters are located in. The venue must be large enough to accommodate all attended shareholders. In this connection, the Company must make available all the necessary facilities and amenities, accessibility, modern business environment and modern equipment for the meeting, such as audio visual equipment, microphones, and stationeries.

The Company shall use new technology at the meeting of shareholders in shareholder registration, vote counting and showing of voting results for the purpose of making the meeting procedures efficient, correct and accurate.

In case of meeting of shareholders via electronic media, the Company will use the meeting control system that meets the standards required by the regulatory agencies.

### **2.2 Appropriate date and time**

Apart from the legal timeframe requirement, in determining the date and time for the meeting of shareholders, the Company shall take into consideration the appropriate time period. For example, the meeting shall not be held during a festival or a long weekend, among others. The Chairperson at the meeting shall also allocate appropriate time for shareholders and encourage them to express opinions and ask questions about matters relating to the Company.

### **2.3 Voting**

- 1) The Company shall arrange for voting for each agenda item. As well, voting must be arranged separately for each sub-item in case there are several sub-items under an agenda item, such as the agenda item regarding the election of Directors.
- 2) The Company shall prepare ballots to be used for voting at each meeting except for the shareholders' meeting through electronic media, voting will be in accordance with item 1)
- 3) Vote counts must be done in a clear, transparent, verifiable manner. In this connection, the Company shall separate vote counting methods as follows:

- Counting votes from the proxy forms submitted to the Company before commencement of the meeting.
  - Counting votes collected from the participants at the meeting.
- 4) The Chairperson of the meeting shall be responsible for reporting the results of the vote counts based on the proxy forms submitted before the meeting, plus the results of the vote counts of shareholders present at the meeting. The Chairperson shall notify the meeting of the results.
  - 5) The Company shall arrange for an independent person to observe or check vote counts at the meeting of shareholders. The Company shall notify the meeting of the information and also disclose it in the minutes of the meeting.

#### **2.4 Meeting Agenda**

- 1) The Company makes available an explanation and rationale for each agenda item or resolution to be adopted, as specified in the notice of the shareholders' meeting or in the supporting documentation for agenda items. The Company avoids any action which limits opportunities for shareholders to study its information.
- 2) The Company establishes rules for minority shareholders to propose additional agenda items in a clear manner before the date of the shareholders' meeting. The objective is to demonstrate the fairness and transparency as to whether the additional agenda items proposed by minority shareholders could be considered for inclusion.

#### **2.5 Submission of questions in advance**

The Company requires shareholders to submit their questions before the meeting date. In this connection, the Company shall inform shareholders of the requirement together with the notice of the shareholders' meeting. In addition, the Company makes available on its website the rules governing the submission of questions in advance.

### **Principle 8.3: Preparation of the minutes of the shareholders' meeting and disclosure of meeting resolutions**

The Company's Board of Directors ensures that the resolutions adopted at the meeting of shareholders and the minutes of the meeting are prepared in an accurate and complete manner.

#### **1. Preparation and disclosure of the minutes of the shareholders' meeting**

- 1.1 The Company makes an arrangement for the production of minutes after the closure of each meeting. The minutes shall include the number of shareholders participating in the meeting in person and the number of shareholders who appoint a proxy to attend the meeting on their behalf, as well as the number of shareholders, the number of their respective shares and the

proportion of the number of shares held by the participating shareholders in comparison to the number of the fully paid-up shares.

- 1.2 The minutes of the shareholders' meeting must be produced and completed within 14 days after the meeting. In this connection, the minutes shall include the names of the Directors attending the meeting and the names of those who are absent. The minutes shall include the voting procedures and the methods for showing vote counts, of which the Company informs shareholders before the commencement of the meeting, in addition to provision of opportunities to shareholders for raising issues or asking questions. The minutes also include the questions and answers, details of deliberations, discussion points, and opinions of the shareholders as well as the results of vote counts for each agenda item which include the number in favor, the number against and the number of abstention. In this connection, shareholders can read or download the details of minutes of the shareholders' meeting on the Company's website.
- 1.3 The Company shall disclose to the public the voting results of each agenda item at the shareholders' meeting on the Company's website next day right after the meeting.
2. The Company shall keep the documentation related to the shareholders' meeting and file them by using an appropriate classification system so that shareholders can check and verify them.
3. Shareholders are equitably entitled to share in the Company's profits in form of dividends.
4. In addition to the above-mentioned, shareholders will receive various rights in accordance with the provisions of the law.