



TURNKEY COMMUNICATION SERVICES PUBLIC COMPANY LIMITED

บริษัท เทิร์นคีย์ คอมมูนิเคชั่น เซอร์วิส จำกัด (มหาชน)

Corporate Governance

(นโยบายการกำกับดูแลกิจการที่ดี)

Turnkey Communications Services Public Company Limited ('Company') understands the importance of good corporate governance. Good corporate governance improves organizational efficiency and is vital to sustainable growth, which benefits all stakeholders, which encompasses staff, investors, shareholders, and other stakeholders. Therefore, the board of directors considers it appropriate to formalize the corporate governance policy and ensure that it addresses important issues ranging from the structure, role, responsibilities, and accountability of the directors. The policy also includes guidelines for executives on aspects such as transparency, clarity, and verifiability. This ensures that the Company is managed fairly in a way that maximizes the benefits of shareholders and other stakeholders.

In order for the Company to gain the trust of shareholders and other stakeholders and create value sustainably in accordance with the goals of the business, shareholders, capital markets, and overall society, the Company has prepared this corporate governance policy using the Listed Company Corporate Governance Framework BE 2560 (AD 2017), which was prepared as a guideline by the Securities Exchange Commission.

Corporate Governance Principle and Policy

The Board of Directors emphasizes compliance to the ideals of good corporate governance, covering 8 principles as follows:

- Principle 1 The Roles and Responsibilities of the Board of Directors
- Principle 2 Mission and Primary Objectives of the Company
- Principle 3 Fostering an Effective Board of Directors
- Principle 4 Recruiting and Developing Senior Management and HR Management
- Principle 5 Supporting Innovation and Responsible Business
- Principle 6 Risk Management and Appropriate Internal Controls
- Principle 7 Maintaining Financial Credibility and Transparency
- Principle 8 Encouraging Investor Relations and Participation

Principle 1: The Roles and Responsibilities of the Board of Directors

- Principle 1.1

The Board of Directors must understand the roles and responsibilities as persons who will supervise the firm to ensure good management. This covers:

- (1) Setting mission and objectives.
- (2) Planning strategy, execution, and resource management in order to achieve mission and objectives.

(3) Following up, evaluation, and reporting on execution.

- **Principle 1.2**

The Board of Directors must supervise the Company to ensure governance outcomes, which at least:

- (1) Allows the Company to compete and deliver good operations with long-term impact in mind.
- (2) Operate the business ethically and respect the rights of shareholders and stakeholders.
- (3) Be beneficial to society. Develop the environment or at least minimize environmental impact.
- (4) Adapt to changes.

In addition, the Board of Directors must adhere to the following principles in order to ensure good corporate governance, namely:

- 1.2.1 The Board of Directors takes into consideration the importance of ethics, society, and environment apart from financial performance.
- 1.2.2 The Board of Directors conduct themselves as role models in their supervisory capacity in order to drive a corporate culture that adheres to ethical standards.
- 1.2.3 The Board of Directors will create a policy for themselves (the directors), executives, and staff which demonstrate the principles and direction formally in writing on issues such as ethics in business operations.
- 1.2.4 The Board of Directors supervises and communicates amongst themselves and to all executives and staff the mechanism required to translate policy into reality, follow up on actual execution, and revise the policy and implementation regularly.

- **Principle 1.3**

The Board of Directors ensures that all directors and executives exercise the duty of care and duty of loyalty while ensuring compliance to the laws, restrictions, and shareholder consensus as well as policy and guidelines. This includes procedures in approving important decisions, such as investments, material transactions, inter-party transactions, acquisition or divestment of assets, dividend payments, etc.

- **Principle 1.4**

The Board of Directors must understand the roles and responsibilities of directors and clearly set the scope of work and responsibilities for the CEO and management team. This also entails monitoring the progress of the CEO and management team in accordance with the work plan.

- 1.4.1 The Board of Directors will prepare a charter or policy for supervising the business, which includes the roles and responsibilities of the directors for use as reference to the roles of all

directors. The charter must be revised at least once a year. In addition, the delineation of responsibilities between the CEO and management team must be regularly revised in accordance with the Company's direction.

- 1.4.2 The Board of Directors must understand their own scope of work and delegate the Company's management to its executives formally in writing. However, such delegation shall not mean that the directors can deny responsibility. The Board of Directors will monitor the executives to ensure that they can implement the management directives given. In addition, the responsibilities of the directors, CEO, and management team can be divided as follows:

Areas that require supervision to ensure implementation

Refers to things that the Board of Directors are directly responsible for ensuring appropriate implementation. In addition, the Board of Directors can delegate the agenda setting to the management team in the following areas, such as:

- A. Setting mission and primary objectives of the business.
- B. Creating a corporate culture that emphasizes ethics and conducting themselves as role models.
- C. Monitoring the structure and work of the Board of Directors in accordance with the mission and primary objectives in running the business efficiently.
- D. Recruiting, developing, setting compensation, and evaluating performance of the CEO.
- E. Setting compensation structure to incentive the staff and align them with the mission and primary objectives of the Company.

Areas of joint responsibility with Management Team

Refers to things that the Board of Directors, CEO, and Management Team jointly consider with the Management Team proposing to the Board of Directors for approval with the directors ensuring alignment with the overall policy, mission, and primary objectives of the business. This includes allowing the Management Team to implement them, while the Board of Directors monitor. The Management Team will also provide progress reports regularly on the following topics.

- A. Setting and revising strategy, goals, and annual work plan.
- B. Monitoring the adequacy of risk management systems and internal controls.
- C. Setting suitable authority and responsibilities to each department within the management team.

- D. Setting framework for resource management, development plan, and budgeting, such as HR and IT management.
- E. Monitoring and performance evaluation.
- F. Ensuring financial and non-financial transparency to create credibility.

Areas that the Board should not interfere

Refers to things that the Board of Directors supervise at the policy level while delegating to the CEO. In these areas, the Management Team is primarily responsible in implementation, such as:

- A. Execution in accordance with strategy, policy, and work plan that has already been approved by the Board of Directors. The Board should allow executives to decide on procurement, staff recruitment according to the policy and monitor results rather than interfering with the decision process unless absolutely necessary.
- B. Areas that the law strictly forbids interference, such as transactions where a director is a beneficiary (self-dealing).

Principle 2: Mission and Primary Objectives of the Company in accordance with Sustainability

● **Principle 2.1**

The Board of Directors must stipulate the mission and primary objectives of the company in accordance with sustainability. These mission and primary objectives should create value for customers, stakeholders, and overall society.

2.1.1 The Board of Directors is responsible for ensuring that the Company has clear sustainability objectives that can be used to create a workable business model. They should communicate this to everyone in the Company to align them to the vision and values, the principles and purpose, or other similar concepts.

2.1.2 In achieving the mission and primary objectives, the Board of Director will outline the business model that can create value for stakeholders and overall society, while considering:

- (1) Environment and changes in various factors while using technology appropriately.
- (2) The needs of customers and stakeholders.
- (3) The readiness, skills, and competitiveness of the Company.
- (4) The original mission on which the Company was founded.
- (5) The Company's primary customers.
- (6) Ability to generate profit or compete through the Company's value proposition.

(7) The Company's long-term ability to survive given the risk and opportunities that may impact various stakeholders.

2.1.3 The Board of Director encourages corporate values linked to good corporate governance, such as accountability, integrity, transparency, due consideration of social and environmental responsibilities, etc.

2.1.4 The Board of Directors encourage communications and reflect the mission and primary objectives in their decision-making at every level of the operations until it becomes part of the corporate culture.

● Principle 2.2

The Board of Directors will monitor mission and objectives as well as medium-term and/or annual strategy of the Company according to said mission and objectives, using technology safely and appropriately.

2.2.1 The Board of Directors will supervise strategy and annual planning according to the mission and objectives of the Company, while considering prevailing environmental factors as well as the opportunities and acceptable levels of risk. They will encourage implementation or revise the mission, objectives, and medium-term (3-5 years) strategy as well in order to have confidence that the strategy and annual plan incorporates the long-term impacts and is reasonably predictable.

2.2.2 In setting strategy and annual plan, the Board of Directors will monitor and analyze various environmental and risk factors that may impact stakeholders in the value chain as well as factors that may impact the accomplishment of the Company's main objectives. In this, they will need a mechanism that helps them truly understand the needs of stakeholders.

- (1) Stipulate the method, procedures, and participation channels between the Company and stakeholders clearly in order that the Company can reach out to them for facts and truly understand needs of various groups.
- (2) Stipulate the internal and external stakeholders, including those that are individuals, groups, and organizations such as staff, investors, customers, suppliers, local communities, government agencies, and supervisory agencies.
- (3) Indicate the agendas and expectations of stakeholders in order to analyze and prioritize the various impacts to Company and stakeholders in order to address the agendas on which mutual benefit can be built on.

- 2.2.3 The Board of Directors will set objectives suitable to environment and capabilities of the Company, bearing in the mind both financial and non-financial goals. In addition, the Board of Directors must consider the risk of unethical conduct in attaining those goals.
- 2.2.4 The Board of Directors must communicate the mission and objectives through strategy and planning to the entire Company.
- 2.2.5 The Board of Directors supervises resource management and proper implementation as well as strategic feedback and annual planning, putting the responsible officers in charge of implementation supervision.

Principle 3: Fostering an Effective Board of Directors

● Principle 3.1

The Board of Directors is responsible for laying out and revising the structure of the Board in terms of composition and the ratio of independent directors to insiders in accordance with the mission and objectives laid out.

- 3.1.1 The Board of Directors is responsible for ensuring the diversity of skills, experience, capabilities, and specialty of various directors in order to ensure that the Board has the best fit, abilities, and understanding of and interaction to stakeholders. This includes at least one director who has ample business or industry experience specific to the Company.
- 3.1.2 The Board of Directors determines the size of the Board that is suitable for efficient functioning. The size of the Board can range from 5 to 12 people.
- 3.1.3 The Board of Directors must have a ratio of independent directors to insiders that provides the right balance, and:
- A. The majority of the directors must not be executives, so that they can express opinions about the Management team independently.
 - B. The independent directors must have a profile and ability according to the independent director guidelines set forth by the SEC and SET (Stock Exchange of Thailand). They are to ensure these independent directors function effectively and express their opinions independently with the other directors.
- 3.1.4 The Board of Directors must disclose the methodology by which the directors are chosen based on diversity such as age, education, experience, shareholding, years served on the board, and board membership in other companies on the Company's website.

- Principle 3.2

The Board of Directors will select a suitable person for the role of Chairman and ensure that the composition and functioning of the Board facilitates proper discretion and independent decision-making.

3.2.1 The Chairman must be an independent director.

3.2.2 The Chairman and CEO will have different roles and responsibilities. The Board delineates the roles and responsibilities of the Chairman and CEO clearly in order that one can not unduly influence the other. The Company must not have the same person holding both the Chairman and CEO positions.

3.2.3 The Chairman is the leader of the Board of Directors and has the following roles:

- (1) Directing, monitoring, and supervising to ensure that the Board is functioning efficiently and in accordance with the mission and objectives of the Company.
- (2) Supervising to ensure that the directors create an ethical corporate culture with good corporate governance.
- (3) Setting the agenda of board meetings in discussion with the CEO and having procedures in place to ensure all important matters are incorporated into these meetings agendas.
- (4) Provide sufficient time for the Management Team to propose agendas and for the Directors to debate and discuss comprehensively on those agendas. The Chairman must also encourage directors to use due diligence and express opinions independently.
- (5) Create good rapport between executive and non-executive directors.

3.2.4 The Board of Directors will set policy such that independent directors will not serve for more than 9 consecutive years from their first appointment. In the event that they wish to serve after that period, the Board must have reasonable justification.

3.2.5 In order for important agendas to be considered in careful detail, the Board of Directors will appoint sub-committees for specific areas in order to discuss specific matters, distill information, and propose evaluation criteria prior to the main board's consideration.

3.2.6 The Board of Directors will disclose the roles and responsibilities of the Board of Directors and the sub-committees, meeting frequency, and number of times each director attended such meetings in the past as well as evaluation report for various sub-committees.

- Principle 3.3

3.3.1 The Board of Directors will arrange meetings to consider the criteria in selecting highly qualified directors who have the appropriate knowledge and skills by looking at their past experience prior to proposing them in the shareholders' meeting. In addition, the Company will relay adequate information to shareholders about the candidates so they can make informed decisions.

3.3.2 The Board of Directors must study the selection criteria for new directors prior to the end of any existing director's term. In the event that an existing director is proposed for term renewal, the Board must also consider the impact on the said director's performance.

3.3.3 In the event that the Board appoints an advisor for the selection and compensation setting of directors, the profile of the Advisor must also be in the annual report. This extends to their independence and must ensure the Advisor has no conflict of interests.

- Principle 3.4

In proposing director compensation for shareholder approval, the Board must consider a compensation structure and level that is suitable to incentivize directors to pursue both short-term and long-term goals.

3.4.1 Director compensation must be aligned with the strategy and long-term goals of the Company as well as the director's experience, accountability, and responsibilities, including benefits of including specific directors into the Board. This bears in mind the existing compensation level in the industry.

3.4.2 Shareholders will approve the compensation structure and level both in financial and non-financial terms. The Board of Directors will consider an appropriate level and format of the compensation, such as regular salary or meeting stipends, performance-based compensation (such as bonus or one-time awards) which are linked to shareholder value creation but is not excessive to the extent that it shifts the focus to short-term performance.

3.4.3 The Board of Directors discloses the policy and criteria in setting compensation which reflects the roles and responsibilities of each director as well as the format and level of said compensation. In this, the level of compensation for both directors of the Company and its subsidiaries must also be disclosed.

- Principle 3.5

The Board of Directors is responsible for monitoring individual directors to ensure they function and allocate their time accordingly.

- 3.5.1 The Board must be confident they understand their roles and that the Company has appropriate mechanism in supporting performance of their role.
- 3.5.2 The Board will determine the criteria for directors who hold positions in other companies by specifying the maximum number of boards (at listed companies) that directors can sit on as well as the nature of those companies' business.
- 3.5.3 The Board must disclose all board participation in other companies of the directors.
- 3.5.4 If a director holds board or executive positions that are in conflict with the Company's interests (both directly and indirectly) or could use the Company's information for their personal benefit, the Board must ensure adequate safeguards and must disclose these issues to shareholders appropriately.
- 3.5.5 Ensure that a majority of the board participates in the meeting (except in critical exceptions) and that the board meets at least annually.

- Principle 3.6

The Board of Directors creates criteria and framework in monitoring the policy and operations of the Company's subsidiaries or other firms where the Company may have material investments.

- 3.6.1 The Board of Directors should set policy for monitoring subsidiaries, including:
 - (1) The rank of the person who can be directors, executives, or authorized supervisor of subsidiaries. The Board of Director will be responsible for appointing them except for cases where the subsidiary is classified as a small operating arm of the Company, in which case the appointment can be done by the CEO.
 - (2) Specifying the roles and responsibilities of the Company's representative according to (1) and ensure that the representative follows the policies of the subsidiary. In the event that the subsidiary has other shareholders, the Company must endeavor to align the interests of the subsidiary to those of the Company.
 - (3) Internal controls at the subsidiary must be suitable and air-tight enough to comply with the law and related regulations.
 - (4) Disclosure of financial and operating information for related persons, acquisition and divestment of assets, and other important items such as capital raising, capital reduction, dissolution of subsidiaries, etc.

3.6.2 If the Company is making substantial investments such as those with 20-50% voting rights or the size of the investment being substantial to the Company, the Board must write out a Shareholders' Agreement or other contracts that clarify the authority and participation in decision-making for important items. They must also monitor the investment's performance so as to incorporate that into the Company's financials according to the standards in a timely manner.

- **Principle 3.7**

The Board of Directors will evaluate the performance of the entire board as well as on individual directors to consider achievements, problems, and roadblocks in each year in order to better improve their work in various ways.

- **Principle 3.8**

The Board of Directors will supervise itself as well as individual directors in order to better understand the business model and governing laws while encouraging all directors to continuously develop their skills and work-related knowledge.

3.8.1 The Board of Directors must ensure that newly appointed directors receive advice and information that is useful in performing their role . This includes understanding the Company's purpose, mission, primary objectives, vision, corporate culture, business model, and direction.

3.8.2 The Board of Directors must provide training and continuous development.

3.8.3 The Board of Directors must study laws and regulations, standards, risk factors, and environmental issues related to the business and be constantly updated on changes in these factors.

3.8.4 The Board of Directors must disclose information related to provide training and continuous development in the annual report.

- **Principle 3.9**

The Board of Directors must ensure that its work is completed properly with access to required information. The company secretary must have knowledge and experience suitable in supporting the work of the Board.

3.9.1 The Board of Directors must schedule the meeting and its agenda in advance , so that directors can make time to attend the meetings.

3.9.2 The number of meetings must be appropriate to the roles and responsibilities of the directors and the Company's business model and must happen at least 4 times a year.

- 3.9.3 The Board of Directors must have a procedures whereby individual directors can propose agendas. The Management Team should also feel free to propose agendas useful for the meeting.
- 3.9.4 Supporting documents must be submitted 7 days in advance of the meeting. However, in urgent cases crucial to the benefit of the Company, a special meeting can be summoned at an earlier date by other means.
- 3.9.5 The Board of Directors should encourage the CEO to invite top executives to join the board meetings in order to better provide on-the-ground details related to existing problems, as well as gain acquaintance with these top executives as part of succession planning.
- 3.9.6 The Board should access more information from the CEO, company secretary, or other designated executives under the stipulated policy. If necessary, the Board must seek independent opinion from external specialists at the expense of the Company.
- 3.9.7 The Board should set policies for non-executive directors to discuss amongst themselves before discussing their areas of mutual interest. Executive directors should not be present in these breakout sessions, though the CEO will be informed of the consensus of such discussions.
- 3.9.8 The Board will specify qualifications and experience of the Company secretary, who must be able to provide various legal and regulatory advice that the Board requires in preparing board meeting documents. The secretary will also coordinate implementation according to the board consensus. Apart from this, the Board will disclose the qualifications and experience of the Company secretary on the corporate website.
- 3.9.9 The Company secretary must continuously train and develop their knowledge to enhance their work, and this includes joining certified programs.

Principle 4: Recruiting and Developing Senior Management and HR Management

- Principle 4.1

The Board of Directors ensure the proper selection and development of CEO and top management in terms of knowledge, skills, and characteristics that is required to drive the Company towards its objectives.

- 4.1.1 The Board of Directors will consider and delegate the Nomination and Compensation Committee to develop guidelines and criteria for selecting the right person to be CEO.

4.1.2 The Nomination and Compensation Committee ensures that the CEO is leading the top management team properly. At least, one director or this Committee will assist the CEO in selecting, appointing, and approving members of this top management team.

4.1.3 The Board of Directors must ensure a proper succession plan for the CEO and top executives.

4.1.4 The Board of Directors must encourage training and personal development of the CEO and top executives, so that their knowledge and experience can be used in their daily work.

- **Principle 4.2**

The Board of Directors will follow the advice of the Nomination and Compensation Committee in setting the proper compensation structure.

4.2.1 The Board will follow the advice of the Nomination and Compensation Committee in setting compensation that incentivizes executives and staff at every level to work in accordance to the mission and primary objectives of the Company as well as the Company's long-term benefit.

4.2.2 The Board will evaluate the performance evaluation criteria, approve compensation structure of senior management, and follow up with the CEO to ensure alignment to that criteria.

- **Principle 4.3**

The Board of Directors must understand the shareholder structure and their impact on management and business operations.

4.3.1 The Board must understand the shareholder structure and relationship which may be in the form of a family business, regardless of whether this is formalized, shareholder agreement, or policy of the parent Company which may impact the management of the Company.

4.3.2 The Board must ensure that 4.3.1 is not an obstacle to the working of the Board itself, such as the selection of suitable successor.

4.3.3 The Board must disclose various information that may impact the Company's management.

- **Principle 4.4**

The Board of Directors will monitor the management and HR development to ensure knowledgeable, skilled, and highly motivated staff.

4.4.1 The Board will ensure alignment of HR management with direction and strategy of the Company. Staff at all levels of knowledge, capability, and motivation will be treated fairly for the purpose of retaining capable staff within the Company.

4.4.2 The Board will arrange for provident funds and other measures to take care of employees, so that they may have any funds for retirement. This includes encouraging staff to have knowledge on financial management and help them select the plan that best fits their age and risk profile.

Principle 5: Operating Business Responsibly

- Principle 5.1

The Board of Directors will emphasize and support business value creation while benefiting stakeholders and upholding responsibility towards society and environment.

5.1.1 The Board will foster the creation of corporate culture and encourage the Management Team to revise strategy, development plan, and progress evaluation.

5.1.2 The Board will encourage operations which benefit the ever-changing environment, which may include the business model, design concept, product development, R&D, and process re-engineering as well as supplier collaboration.

In addition, the above mentioned operations must benefit customers, suppliers, society, and environment and not lead to inappropriate behavior or unethical business practices.

- Principle 5.2

The Board of Directors will monitor the Management Team to ensure socially and environmentally responsible business operations is reflected in the Operation Plan so as to give confidence to all parties within the Company that it is aligned to mission, primary objectives, and strategies.

5.2.1 The Board will ensure that the Company operates business ethically and in a socially and environmentally responsible manner and not violating the rights of any stakeholders in order that the Company can achieve its mission and primary objectives in a sustainable manner by setting a comprehensive Business Ethics Policy.

(1) Responsibility towards Staff and Employees. In general, comply with laws and related standards, treating staff and employees fairly with respect to human rights, such as fair compensation, providing suitable benefits as required by law, taking care of health and safety at work, training, development, and providing career path as well as opportunity for skills improvement.

(2) Responsibility towards Customers. In general, comply with laws and related standards regarding health, safety, fairness, customer confidentiality, after-sales service throughout the life of the product and services, following up on customer satisfaction feedback to further developing future offerings. In addition, advertising, PR, and sales

promotion must be done responsibly so as not to create misunderstanding for the customer or utilizing that misunderstanding.

- (3) Responsibility towards Suppliers. In general, adhere to fair procurement procedures and contracts. This includes helping developing knowledge, capability, and standards of production. Guide and supervise suppliers, so they show respect for human rights and treat their own workers fairly, are socially and environmentally responsible, and have proper inspection and supplier evaluation in order to sustainably develop the business.
- (4) Responsibility towards Community. In order to bring knowledge and experience to develop projects, there must be follow-up and progress evaluation to ensure long-term success.
- (5) Responsibility towards Environment. Protect, minimize, and manage negative environmental impact, such as use of energy, water, renewable resources, emissions of waste and greenhouse gases.
- (6) Fair competition. Operate business transparently and refrain from unfair competition.
- (7) Anti-corruption. In general, follow the laws and related standards and disclosing publicly the Company's principles on anti-corruption measures with the Company joining multilateral anti-corruption agencies and supporting other companies and suppliers and publicizing the Company's anti-corruption stand through these agencies.

- **Principle 5.3**

The Board of Directors will monitor and allocate resources efficiently and effectively in order to achieve the Company's mission and primary objectives.

5.3.1 The Board must be cognizant of resource allocation and that the use of one resource may potentially impact other resources.

5.3.2 The Board must be aware that different business models can impact resources differently. They must still maintain ethical standards and be responsible while creating sustainable value to the Company.

Finally, there are at least four resources that the Company has to be aware of, namely financial capital, human capital, social and relationship capital, and natural capital.

- **Principle 5.4**

The Board of Directors must create a framework for managing IT (information technology) at the corporate level and ensure that it maximizes business opportunity, develops operations, and enhances risk management in order for the Company to fulfill its mission and primary objectives.

5.4.1 The Board will create a policy for managing and allocating IT resources which encompasses providing adequate resource for the business and measures to be taken in cases where there are inadequate IT resources.

5.4.2 The Board will oversee risk management with regards to IT facilities.

5.4.3 The Board must create a policy and standard to protect IT systems.

This includes supervising and managing IT facilities at the corporate level, including:

- (1) The Company must follow laws, regulations, restrictions, and standards with regards to IT usage.
- (2) The Company must maintain data confidentiality, integrity, and availability, not use the data inappropriately, or change the data without prior permission.
- (3) The Company must consider IT risk management and have risk management standards such as Business Continuity Management, Incident Management, and Asset Management, etc.
- (4) The Company must allocate IT resources and provide guidelines and prioritization for IT plans to align with strategy, business impact, urgency, budget, human capital requirements, and business model.

Principle 6: Proper Risk Management and Internal Controls

- Principle 6.1

The Board of Directors will ensure that the Company has proper risk management systems and internal controls in place in order to achieve its mission effectively as well as compliance to laws and related standards.

6.1.1 The Board must understand the key risk factors of the Company and approve acceptable risk levels.

6.1.2 The Board must consider and approve risk management policies in line with the Company's primary objectives, strategy, and acceptable risk levels so that the proper risk framework can align everyone in the Company. In addition, the Board should emphasize red flags in advance and revise such policies regularly.

6.1.3 The Board must specify acceptable levels of risk by considering both internal and external factors that may impact the specified objectives. In addition, the primary risks that the Board must emphasize can be divided into strategic risks, operational risks, financial risks, and compliance risk.

- 6.1.4 The Board must ensure that the Company has evaluated the impact and opportunities linked to acceptable risk levels and specify proper ways of measuring risks.
- 6.1.5 The Board shall delegate the Audit Committee to check 6.1.1. to 6.1.4. before proposing to the Board.
- 6.1.6 The Board shall follow up and evaluate risk management effectiveness regularly.
- 6.1.7 The Board has a duty to ensure that the Company complies with the law and related standards (both domestic and international).
- 6.1.8 In case the Company has subsidiaries or affiliates (between 20% to 50% of voting rights), the Board must incorporate their risk management evaluation as part of the considerations in 6.1.1. to 6.1.7. as well.

- **Principle 6.2**

The Board of Directors will appoint an Audit Committee that can function efficiently and independently.

- 6.2.1 The Board will appoint an Audit Committee of at least 3 people, and its member can only be independent directors who have qualifications and roles according to the guidelines of the SEC and SET.
- 6.2.2 The Board will specify the role of the Audit Committee in writing with at least the roles stipulated in the Audit Committee Charter.
- 6.2.3 The Board will ensure that the Company has the tools and mechanism for the Audit Committee to access information necessary to perform its role, such as facilitating the Audit Committee in calling those linked to the information, discussing with Auditors, or seeking independent opinion from specialists to support the audit process.
- 6.2.4 The Board will ensure the internal auditors (individual or group) has the independence in developing and evaluating the efficiency of risk management and internal audits and also disclose the results of such inspection in the annual report.
- 6.2.5 The Board must express adequate opinion regarding Risk Management and Internal Controls within the annual report.

- **Principle 6.3**

The Board of Directors will follow up and resolve conflict of interests that may arise between the Company and the Management Team, the Board itself, or major shareholders as well as protect against inappropriate use of resources, information, and opportunity of the Company for inter-related party transactions.

6.3.1 The Board must ensure that there is adequate data security standards, which includes safeguards on data confidentiality, integrity, availability as well as price-sensitive information. Apart from this, the Board must ensure that director, senior executives, and staff as well as related external parties such as legal advisors and financial advisors (FA) also comply to data security standards.

6.3.2 The Board will ensure that there is follow-up and monitoring on conflict of interests and addressing such issues in a transparent disclosure according to the law and in line with the Company's benefit and general shareholders. In this, the person with conflict of interest must be excluded from specific decisions.

6.3.3 The Board must ensure that directors issue a report on conflict of interests in board meetings and keep this on the record. The Board will indicate that directors with conflict of interests can not express independent opinions on certain matters and exclude them from such agendas pertaining to their conflict.

- **Principle 6.4**

The Board of Directors will specify clear policies and guidelines to counter corruption and communicate this to all levels of the Company and external parties for real implementation. This includes encouraging cooperation with the law and regulation in all matters.

- **Principle 6.5**

The Board of Directors must ensure that there is a proper channel for whistle blowing or lodging complaints on corporate misconduct.

6.5.1 The Board will oversee procedures for complaints by stakeholders and multiple convenient channels for lodging complaints. These channels must also be disclosed on the corporate website or annual report.

6.5.2 The Board will set clear policy and guidelines for whistle blowing via corporate email, independent directors, or Audit Committee director, and there must also be procedures for verifying the information, acting on it, and reporting to the Board.

6.5.3 The Board must have proper procedures to protect well-intended whistle blowers.

Principle 7: Maintaining Financial Credibility and Information Disclosure

- **Principle 7.1**

The Board of Directors is responsible for overseeing proper financial reporting and disclosure of various important information in a timely and accurate manner in accordance with regulations, standards, and related guidelines.

- 7.1.1 The Board will ensure that officers responsible for preparing and disclosing information have the right knowledge, skills, and experience and that there are adequate number of such officers. Such officers include the CFO, Controller, internal auditor, company secretary, and IR (investor relations) officer.
- 7.1.2 In expressing opinions related to information disclosure, the Board must consider factors related to financial reporting, such as:
- (1) Evaluating the adequacy of internal controls.
 - (2) Auditor's opinion in financial reports and Auditor's notes on internal controls and other observations made by the Auditor through other channels, if any.
 - (3) Opinion of internal auditors.
 - (4) The alignment of mission, primary objectives, strategy, and Company policy.
- 7.1.3 The Board will oversee information disclosure, including annual reports, Form 56-1, which should reflect financial position and operations adequately, and providing the MD&A (Management Discussion and Analysis) on a quarterly basis. The purpose is to allow investors to better understand information and changes to the Company's financial position and operations in each quarter in addition to just numbers in financial statements.
- 7.1.4 In disclosing related party transactions linked to individual directors, the particular director must ensure that the disclosure is accurate. This includes the director's shareholder group and his group's Shareholders' Agreement.

- **Principle 7.2**

The Board of Directors will ensure that there is enough liquidity to satisfy debt obligations.

- 7.2.1 The Board will oversee the Management Team to ensure that there is monitoring and evaluation of the Company's financial position and regular feedback to the Board, with both the Board and Management Team working quickly together when red flags emerge regarding the Company's financial position and debt service sufficiency.
- 7.2.2 In authorizing any transaction or expressing opinions to seek Shareholder's approval, the Board must consider such transactions carefully and ensure that they do not negatively impact the Company's financial position or debt service sufficiency.

- **Principle 7.3**

In cases where the Company faces a financial crisis or is at risk of facing financial problems, the Board must ensure that the Company has a solution or some mechanism to resolve the financial problem. Additionally, they must take into consideration other stakeholders.

- 7.3.1 In cases where the Company may not be able to satisfy its debt obligations or has financial problems, the Board must monitor the situation closely and ensure that the Company operates cautiously and follows rules regarding information disclosure.
- 7.3.2 The Board must ensure that the Company has appropriate plans in place to resolve financial problems taking in consideration fairness to various stakeholders, including creditors. They must also follow up on progress from the Management Team regularly.
- 7.3.3 The Board must ensure that in evaluating any decision related to solving the financial problem, the method must proceed logically.

- **Principle 7.4**

The Board of Directors will consider a suitable sustainability report.

- 7.4.1 The Board must consider the suitable information disclosure, legal compliance, ethical compliance, anti-corruption policies, and treatment of staff and other stakeholders, which extends to fair treatment, respect for human rights, and social and environmental responsibility based on domestic and international reporting standards. Additionally, this information must be disclosed in annual report or compiled into a separate report depending on the Company's situation.
- 7.4.2 The Board must consider information disclosure as an important issue and reflect this in the sustainable value creation process.

- **Principle 7.5**

The Board of Directors must ensure that the Management Team appoints Investor Relations (IR) officer to interface with shareholders and other stakeholders such as investors and analysts in a suitable, equitable, and timely manner.

- 7.5.1 The Board must prepare a communication policy and disclosure policy to ensure proper communications and disclosure to outsiders in a suitable, equitable, and timely manner via appropriate channels while protecting confidential information and price-sensitive information. All of this must also be communicated throughout the Company as part of the policy.
- 7.5.2 The Board must appoint officers responsible for relaying information to outsiders, and such officers must be suitable for the role, understand the Company's mission, primary objectives, values, and be able to communicate effectively.
- 7.5.3 The Board must ensure that the Management Team provide direction to and support the investor relations function such as setting procedures regarding information disclosure, a

policy of distributing internal information, specifying clearly the roles and responsibilities of investor relations to facilitate efficient communications.

● **Principle 7.6**

The Board of Directors will encourage the use of IT (information technology) in distributing information.

7.6.1 Apart from distributing information according to the guidelines and through the SET, the Board should consider publicizing both Thai and English information via other channels, such as corporate website on a regular basis, and ensuring that the information is up-to-date.

In this, the minimum information that should be publicized includes:

- (1) Vision and values of the Company
- (2) Nature of the Company's business
- (3) Names of directors and key executives
- (4) Financial statements and current information about financial position and operating results of the previous year.
- (5) Form 56-1 and annual report in downloadable format.
- (6) Other information or presentation for analysts, fund managers, and media.
- (7) Shareholder structure, both direct and indirect.
- (8) Group structure, which includes subsidiaries, affiliates, and SPEs or SPVs (special purpose enterprises, special purpose vehicles)
- (9) Major shareholders, both direct and indirect, who control more than 5% of all outstanding voting shares.
- (10) Direct and indirect shareholdings of directors, major shareholders, and top executives.
- (11) Invitation to shareholders' meetings and AGMs (Annual General Meeting)
- (12) Corporate rules according to documents of incorporation.
- (13) The Company's Anti-Corruption Policy and Guidelines, Data security policy, and Risk Management Policy.
- (14) Charter stating responsibility, qualifications, tenure of the Board of Directors including which issues must be approved by the Board, Charter, or roles and responsibilities and tenure of the Audit Committee and the Nomination and Compensation Committee.
- (15) Ethics in operating the business.

(16) Contact information for complaints or individuals such as IR, Company secretary, such as names, phone number, or email.

Principle 8: Fostering Shareholder Communication and Participation

● Principle 8.1

The Board of Directors should ensure that shareholders have a say in the Company's major decisions.

8.1.1 The Board will emphasize key legal issues and issues that may impact the Company's operations that have been considered and approved by shareholders, and such issues should be recorded as Shareholders' Meeting agendas.

8.1.2 The Board will encourage shareholder participation in:

(1) allowing minority shareholders to add agendas in advance of the Shareholders' Meeting with the Board considering such inclusion. If the Board rejects the agenda, they must clarify the reason behind such rejection.

(2) Guidelines by which minority shareholders can nominate a new director. In addition, the Board must announce such guidelines in advance.

8.1.3 The Board must ensure that the invitation to Shareholders' Meeting is accurate, complete, and sufficient for shareholders to use in exercising their rights.

8.1.4 The Board must ensure that the invitation to Shareholders' Meeting and attachments are publicized on the corporate website 14 days in advance of the actual meeting.

8.1.5 The Board must provide an opportunity for shareholders to submit their questions in advance and provide guidelines for such advance submissions, publicizing it via the corporate website as well.

8.1.6 The invitation and related attachments must be recorded in an English version and distributed at the same time as the Thai version. In addition, the invitation documents must include:

- (1) date, time, and venue of the Shareholders' Meeting
- (2) Agendas of the meeting, which includes agendas for approval which can be subdivided into different issues such as agendas related to the directors such as director elections, approval of director compensation.
- (3) Objectives, rationale, and opinion of the directors pertaining to each agenda including:
 - A. Approval of dividend payments – Dividend policy, payout ratio (as well as justification and supporting figures). In the case of dividend non-payment, reasons why dividends are not paid.

- B. Agenda related to director appointment – age, education, work experience, number of corporate boards the director sits on, criteria and method of nomination, type of director being nominated. In the case of incumbent directors running for a new term, indicate attendance in past meetings and first date of appointment as director.
- C. Agenda related to director compensation – policy and guidelines for setting compensation for each director as well as breakdown by type (financial compensation and non-financial benefits).
- D. Agendas related to appointment of auditors – name of auditor, firm, work experience, independence, auditing and other fees.

(4) Proxy form using the format required by the Ministry of Commerce.

(5) Various supporting information related to the Meeting such as voting process, vote counting process, voting rights of different types of shareholders, number of proxies assigned to independent directors, documents that must be presented for proxy voting prior to the meeting, and map of meeting venue, etc.

- **Principle 8.2**

The Board of Directors must ensure that the Meeting proceeds smoothly, transparently, efficiently, and allows the Shareholders to exercise their rights.

8.2.1 The Board shall set date, time, and venue emphasizing the convenience of shareholder participation such as suitable time for the meeting, adequate time for discussion, venue that is easy to reach, etc.

8.2.2 The Board will ensure that the Meeting would not create undue burden for the Shareholders, such as not requiring them to show more than the proxy statement and supporting information than required by regulators.

8.2.3 The Board will utilize technology in the Shareholders' Meeting. This includes Shareholder registration, vote counting, and results display to ensure that the meeting proceeds smoothly, quickly, accurately, and precisely.

8.2.4 The Chairman of the Board will preside over the meeting as Chairman in the Shareholder's Meeting and will ensure it follows the law and related regulations, the Company's own time allocation for each agenda, and open up for Shareholders' opinions and questions related to the Company.

- 8.2.5 In order for the Shareholder to decide on important issues, the directors, as participants and shareholders, will not encourage adding agendas that have not been submitted in advance, especially those that require time to study prior to deciding.
- 8.2.6 Encourage all directors and related executives to join the meeting, so that the shareholders can address the questions to related person.
- 8.2.7 Prior to the meeting, the Company shall notify the number and percentages of votes represented by the participants of the meeting and break it down into in-person and proxy votes. They shall also detail the procedures of the meeting, voting, and vote counting process.
- 8.2.8 In the event of multiple agendas, the Chairman will arrange for voting process for each agenda separately, such as director nomination.
- 8.2.9 The Board will encourage the use of voting ballots and encourage independent directors to count the ballots in the meeting, breaking down the results of the vote into Approve, Reject, and Abstain. In each agenda, the Agenda must be recorded in the Shareholders' Meeting Memo.

● **Principle 8.3**

The Board of Directors must inform and record all shareholders' meeting agenda accurately and completely.

- 8.3.1 The Board will ensure that the agendas of Shareholders' Meeting and vote counting is reported within the next working day via the SET system or the corporate website.
- 8.3.2 The Company must submit Shareholders' Meeting Memo to the SET within 14 days of the Shareholders' Meeting.
- 8.3.3 The Board must ensure that the Memo contains, in the minimum, the following information.
- (1) Name of directors and executives attending the meeting and ratio of directors attending and not attending the meeting.
 - (2) Voting and ballot counting process, results of the meeting and vote count (Approve, Reject, Abstain) in each agenda.
 - (3) Questions and answers during the meeting including the name and surname of both the questioner and person replying.

.....
(Mr. Kittisak Amornchairojkul)
Chairman of the Board