



*- Unofficial Translation -*

## **Notification of TEAM Consulting Engineering and Management Public Company Limited**

**No. 45/2563(2020)**

### **Corporate Governance Policy**

---

To conform to the Corporate Governance Code for Listed Companies 2017 and related regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and to adjust the Company's good corporate governance and business ethics policy to be more suitable for the business, the Company's Board of Directors (hereinafter referred to as the "Board") in the meeting No. 5/2020 on 12 November 2020 reached the resolution to approve the adjustment of the good corporate governance and business ethics policy stipulated in the Announcement No. 36/2020 issued on 13 May 2020, which shall be repealed and **replaced with this Announcement**.

Good corporate governance is defined as the structure and processes by which companies are directed and controlled; this set of processes involves interactions among the Board, executives, employees, and shareholders. The aim is to generate benefits for all shareholders in an appropriate manner. The structure and processes should embrace and reflect the following principles.

1. Accountability – responsibility for the Company's decisions and actions and providing explanations for such decisions.

2. Responsibility – being committed to the Company's mission and operating with sufficient capacity and efficiency.

3. Equitable Treatment – treating all stakeholders in a fair and equitable manner.

4. Transparency – embracing transparency in all endeavors and allowing for inspection measures and disclosure of information to all relevant parties.

5. Creation of Long Term Value – having a vision for creating long-term organizational value addition.

6. Ethics – embracing good business ethics and a moral code of business conduct

## **Section 1**

### **The Rights of Shareholders**

The Board respects the basic rights of all shareholders and thus issues a code of fair treatment for all shareholders conforming to related laws. The code allows all shareholders to exercise their rights, which include the right to freely trade or transfer their own shares, the right to receive dividends from the Company, the right to receive corporate news and information, the right to attend shareholders' meetings, the right to vote at meetings for nominating the attendance of others , the right to nominate a director and an auditor, the right to express their opinions and investigate a director during a meeting, the right to propose in advance an agenda as well as a candidate for directorship, and so forth. The BOARD shall by all means ensure that the shareholders have received these rights and shall not commit any act that will offend or deprive them of these rights.

#### **1. Shareholders' Meetings**

The Company shall hold a general meeting of shareholders annually according to SET's regulations and in line with the SEC's guidelines for organizing a general meeting of shareholders.

1.1 The Company shall disclose its policy of supporting and encouraging all groups of shareholders to attend shareholders' meetings.

1.2 The Company shall specify the meetings' information, times and dates, venues, and agendas and reasons for each agenda in the invitation letters for general and extraordinary shareholders' meetings or in attachments to the meeting agendas.

1.3 The Company shall facilitate the shareholders in attending shareholders' meetings and casting their votes and shall not commit any act to prevent attendance at the meetings, e.g. by posing complicated or costly voting processes, or arranging meeting venues that are difficult to attend by reason of location, and so forth.

1.4 The Company shall allow shareholders to submit their inquiries about the Company ahead of the meeting dates by expressly specifying the submission procedure in the invitation letters. In addition, the Company shall also disseminate the aforementioned procedure on the Company's website.

1.5 The Company shall assist shareholders by providing a formatted letter of authorization that facilitates vote casting. At least one independent director should be nominated to serve as an alternative for their proxies.

## **2. During the Shareholders' Meetings**

2.1 The Company shall encourage the use of suitable technology for shareholders' meetings, e.g. for registration and vote counting and subsequent display of the result, as a time-saving measure and for accuracy.

2.2 All shareholders should attend shareholders' meetings at which they are allowed to ask the chairperson and different subcommittees about relevant issues.

2.3 Voting shall be conducted for each agenda item.

2.4 The Board should encourage or nominate an independent party to count and check the votes at both the general and extraordinary shareholders' meetings, disclose the results to all participants, and have the results recorded in the meetings' minutes.

2.5 The Board should support the use of ballots for certain important agendas such as a related party transaction, acquisition or disposition of an asset, in order to show transparency and allow for inspection in the case of any subsequent objection.

2.6 The chairperson of the meeting should allot an appropriate duration for each shareholder to speak and encourage shareholders to express their opinions and inquire about company-related issues.

## **3. Meeting Reports and Disclosure of the Shareholders' Meeting Resolutions**

3.1 The shareholders' meetings' minutes shall include clarification, before the meetings start, of voting procedures, the way in which the results will be disclosed, and the shareholders' rights to propose an agenda or voice queries. The minutes should also record the names of participating directors and those in absentia as well as questions, answers and

the voting results of each agenda, indicating the shareholders' reasons for agreeing, objecting, or abstaining.

3.2 The Company shall disseminate the voting results of each agenda in general and extraordinary shareholders' meetings on the Company's website.

## **Section 2**

### **Equitable Treatment of Shareholders**

In order to boost shareholder confidence that the Board and management team shall ensure proper use of their capital, which is a key factor for their decision to invest in the Company, the Board should thus promote equitable treatment of shareholders and protect their basic rights.

#### **1. The right to authorize a person to represent them at a meeting**

If a shareholder is not able to attend a meeting, he/she has the right to authorize any one of the independent directors or any other person to participate and vote in his/her name at the meeting. In this case, the shareholder must submit to the Company a completed letter of authorization to which a photocopy of his/her identity card or passport identification page, or any other official document that confirms his/her identity, is attached ahead of the meeting date.

#### **2. The right to propose an extra agenda**

Shareholders have the right to propose an extra agenda for an annual general shareholders' meeting by observing the following steps:

2.1 The shareholder completes the form for proposing an extra agenda for an annual general shareholders' meeting, providing the agenda he/she intends to propose, clarifying the reason, with concomitant and relevant information, and submits the form to the Company.

2.2 The Company shall then examine the status of the proposing shareholder with regard to the most recent book closure date. The proposed extra agenda must be an issue that relates to the Company's operations or something that significantly affects the business. Once approved by the Board, the proposed extra agenda will be added to that of the meeting with a note specifying that it has been proposed by the shareholder in question.

### **3. The right to nominate a director**

Shareholders have the right to propose a person for election as a company's director and the Company reserves the right to rule out unqualified candidates.

3.1 The qualifications of each director must meet the requirements of the Company and conform to the laws relating to a public limited company, securities and exchange, as well as good corporate governance.

3.2 Each director must have an educational background, work experience and other attributes as determined by the Company.

3.3 The directors are required to dedicate themselves to ensuring optimal benefits for the Company and attend Company meetings on a consistent basis.

3.4 Each director must not sit on the Boards of more than five registered companies.

Independent directors shall consider, screen and recommend qualified candidates for the shareholders' meetings at which participants cast their votes. If independent directors do not recommend any candidate, the shareholders' meeting will take into consideration all the proposed nominees and make a resolution. To propose a person for the position of director, shareholders are required to submit the following documents to the Company by registered post within a specified time: (1) the form for nominating a director and (2) the bio-data of the nominee together with his/her share certificate issued by a securities company or agent and signed by the nominee.

### **4. Prevention of use of inside information**

The right to use inside information is granted to relevant middle- and top-level management of the Company or department only. The financial statement, which has been inspected or double checked, shall be held by the Chief Financial Officer. Other confidential information shall be used for consultation with senior management officers only. Penalties

shall be imposed on any person related to the use of inside information that causes damage to the business; the directors and management team are required to report the SEC on their securities held in the Company.

### **5. Oversight of securities exchange**

It is Company policy that employees, executives and those who are kept informed about inside information on Company performance are prohibited from trading the Company's securities during the period from the day they are informed to the day the information is brought to public attention. In addition, they must not disseminate information that should not be disclosed, which would affect the price of the securities, especially for exchange that occurs one month before the dissemination of the financial statement. In addition, each director and executive of the Company is required by Section 59 of the Securities and Exchange Act B.E. 2535 to submit a report on changes in his/her securities held in the Company, as well as changes in his/her spouse's and minor children's securities held, to the SEC within three days after the changes and be informed of the penalties specified by the aforementioned Act. A copy of the report must be submitted to the Company on the same day the original report is submitted to the SEC.

## **Section 3**

### **Roles of Stakeholders**

The Company shall be the steward of all stakeholders, ranging from its employees, clients, business partners, shareholders/investors and creditors to surrounding communities, conforming to related laws. The Company shall commit no offence against their rights as specified in related laws or agreements. The Company shall encourage stakeholders to support its operation in accordance with their roles and duties in order to ensure smooth operation, business sustainability and fair benefits for all parties concerned. In addition, the Company shall allow stakeholders to make contact with and give suggestions and information to the Board through the independent directors or members of the audit committee.

To establish corporate and financial security as well as business sustainability, the Company shall advocate collaboration with stakeholders in the following manner.

#### Shareholders

In addition to the Rights of Shareholders as stipulated in Section 1 herein, the Company is determined to take responsibility and deliver the optimum satisfaction to all shareholders. To achieve this, the Company shall take into account the sustainable growth and shall conduct business with transparency using the reliable accounting system, and internal control & audit system.

#### Employees

The Company shall act in compliance with the employee-and-staff-related laws and standards. Employees at all levels shall be treated fairly and equitably by offering short-term and long-term remuneration that is commensurate with their knowledge and abilities based on the KPI evaluation system. A range of welfare and fringe benefits are provided to all employees together with consistent implementation of the capacity development programs to ensure their career growth. A pleasant working environment shall be arranged with the emphasis placed on the employees' safety, sanitation and good quality of life.

#### Clients

The Company shall perform in compliance with the laws and standards relating to clients, and shall treat clients with attention and responsibility. Its mandate should cover product quality, standard services, protection of clients' privacy and confidentiality, and a fair and equitable pricing structure in line with its policy.

#### Business Partners

The Company shall have the procurement procedures which are fair, transparent, and traceable and shall treat all business partners equitably. The purchase of goods and services from business partners shall comply with existing terms of trade and the Company shall act in strict consistency with mutual agreements to establish a relationship that will benefit both parties in the long term.

### Business Competitors

The Company is committed to conducting business based on fair competition by complying with rules and regulations on good practice for business competition and avoiding unethical practices to damage its competitors.

### Creditors

The Company shall treat its creditors in accordance with the laws and contracts entered into, and shall stringently observe the conditions of the loan agreements or contracts. In case of a force majeure in which the conditions in the agreements/contracts cannot be observed, and/or in case of any reason that leads to default on payment, the Company shall not conceal the facts and shall immediately inform its creditors to mutually find solutions based on reasonable grounds.

### Communities, Society, and Environment

The Company shall take appropriate responsibility for neighboring communities and society in terms of environmental stewardship, support for public benefit activities, and improvement of environmental conditions of nearby communities and society to ensure better quality of life. The Company shall also continuously build awareness of social and environmental responsibilities among personnel at all levels to promote efficient use of resources and to create the ecological balance.

## **Section 4**

### **Information Disclosure and Transparency**

The Board should ensure that all important information relevant to the Company, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and transparently and equitably through easy-to-access, trustworthy channels, in line with legal



provisions. This includes financial reports and non-financial information, which may affect the price of the Company's securities, specified in the regulations of the SEC and SET.

The quality of the Company's financial reports is vital for shareholders and outsiders to make investment decisions. The Board must be confident that all information presented in the financial reports is correct and has been audited by an independent external auditor. In addition, information about the directors shall be disclosed to deliver operational transparency. This includes information about the performance of the Board and the audit committee, e.g. the total number of meetings held and total participation of each director during the past year; the policy on remuneration for the directors and top executives; form and amount of payment for each person; and a report on the corporate governance policy and Company compliance. The aforementioned information shall be disseminated to the public via the SEC, the SET and the Company's website.

## **Section 5**

### **Responsibilities of the Board of Directors**

The Board shall consist of directors with diverse qualifications, which include skills, experience and expertise that are useful to the Company. The directors have independence in making decisions for the best interests of the Company and shareholders and play vital roles in establishing Company policy, monitoring the operations of the executives and evaluating corporate performance based on the set criteria. The Board constitutes nine directors, comprising two executives, four non-executives and three independent directors. The number of the independent directors, which is one-third of the total directors, provides an appropriate balance. The audit committee shall comprise three independent members who each have office terms of three years. Their roles and authorities are clearly specified in the Audit Committee Charter.

Each independent director shall not take office for more than nine consecutive years from the day of appointment. In case there is a need to designate an independent director to occupy a position for a longer term, the Board is required to deliberate such necessity.

The Board shall not approve its own remuneration. The process of setting senior officers' remuneration should be transparent and approval shall be given by shareholders, who take into consideration the scope of responsibility of each director to ensure said remuneration is appropriate and high enough to retain qualified directors. The remuneration should also fall in the same range as that of directors of other companies in the same sector.

All directors should understand their roles and responsibilities in their capacities as directors of the Company and be ready to express their ideas independently; they must always keep abreast of the business world. They are required to perform their duties in good faith, with due diligence and care, in the best interest of the Company and in a fair manner for all shareholders. They should commit themselves to their responsibilities and attend all Board meetings, except for valid exemptions.

In addition, the Board shall disclose sufficient information to shareholders, investors and all relevant parties. The disclosed information, which includes financial, performance and other related reports as well as information that will affect the price of the Company's securities, should be correct, complete, transparent, comprehensive and updated, according to corporate governance principles. Information should be disseminated for their decision-making through multiple channels including by post, via SET and SEC media and on the Company's website, after common stocks have been registered on the stock exchange.

#### Structure of the Board

The Board consists of nine directors, of which one-third, or three directors, are independent, to maintain the balance of power within the Board. The qualifications of the independent directors should conform to the requirements set by the SEC. Their names, qualifications, scope of roles and responsibilities, and the nomination procedure for their recruitment shall be described in the article "Corporate Management Structure".

Regarding the directors' same positions in other organizations, the Company has a policy that each director should not sit on the directorates of more than five registered

companies. The office term of the Board directors has yet to be set, but their terms will be considered based on their skills and capability.

The Company also has a policy that the Chief Executive Officer shall not be a director or executive of more than five companies, regardless of whether being listed on the SET or not and whether in the country or other countries. The Chief Executive Officer shall report to the Board each time of being a director or executive in other company.

In addition, the Company has a policy that the chairman of the Board (“Chairman”) shall not be the same person as the chief executive officer (“CEO”) to ensure unambiguous and transparent operations. The roles, responsibilities and authority of the Chairman are clearly specified and the qualifications and office term of each director will be disclosed in the annual registration statement (Form 56-1).

#### Duties and Responsibilities of the Board of Directors

The Company’s Board of Directors shall have responsibilities to shareholders in regard to business operation and supervision in compliance with the determined targets and directions to ensure the utmost benefits to the shareholders. The Board of Directors shall also follow the good business ethics, taking into consideration the interests of all stakeholders. Particularly, the Board of Directors shall satisfy their fiduciary duties, including discharge of duties to ensure compliance with laws, objectives, articles of association, and resolutions of the Company’s annual general meetings of shareholders. The Board of Directors shall perform duties in good faith with due diligence and care, and shall disclose information to the shareholders in a complete, accurate and transparent manner.

#### Roles and Duties of the Chairman of the Board

1. Supervise and monitor the operations of the Board and other committees to ensure they perform duties in an efficient manner and meet the corporate objectives and main targets.
2. Promote and support the Board to fully perform duties and partake in encouraging creation of the organizational culture which embraces good corporate governance and business ethics.
3. Call and preside over the Board of Directors’ meetings and the shareholders’ meetings in accordance with the Company’s articles of association.

4. Cast a vote in case of a tie of votes in the Board of Director's meeting.
5. Determine, together with the Chief Executive Officer, the Board of Directors' meeting agenda and ensure the important matters are included in the meeting agenda.
6. Allocate sufficient time for the management to propose matters for consideration and for the directors to carefully discuss important issues. Encourage the directors to exercise their discretion to consider the matters and express opinions independently.
7. Promote good relationships between executive directors and non-executive directors and between directors and the management.

#### Nomination and Structure of the Audit Committee

The audit committee shall be designated by the Board and should have qualifications commensurate with the laws relating to securities and exchange as well as the announcements, rules and regulations of the SET. It should constitute at least three members, one of which must be a specialist in finance and accounting. The office term of the audit committee is three years after the day of designation or as specified by the Board. When the term finishes and the Board has yet to decide on a new committee, the audit committee shall be authorized to continue with its duties until the Board or the shareholders' meeting reaches a resolution on appointing a new audit committee. One of the members of the committee shall be appointed chairman.

#### Nomination and Structure of the Risk Management Committee

The Risk Management Committee members must be directors of the Company, executives of the Company, employees of the Company and/or persons with appropriate qualifications appointed by the Board of Directors. The Board of Directors will appoint the number of the Risk Management Committee members as considered appropriate, and will appoint one member as Chairman of the Risk Management Committee.

### Nomination and Structure of the Nomination and Remuneration Committee

The nomination and remuneration committee shall constitute at least three members, all of whom are designated by the Board. The majority should be independent and non-executive. One of the committee members shall be appointed chairman.

### Nomination and Structure of the Executive Board

The Executive Committee members must be directors of the Company, executives of the Company, employees of the Company, and/or persons with appropriate qualifications appointed by the Board of Directors. The Board of Directors will appoint the number of the Executive Committee members as considered appropriate, and will appoint one member as Chairman of the Executive Committee.

### Code of Business Practices

The Board shall backstop the formulation of code of business practices for all directors, executives and employees. This is regarded as a common duty and responsibility; these practices must be strictly adhered to for the optimal benefits of all stakeholders and to assure clients of the Company's probity, which will contribute to sustainable growth of the business.

### Risk Management Policy

The Board shall establish a risk management policy for the entire organization. The plan shall include relevant processes, risk identification, risk assessment, risk monitoring and control, and the formulation of risk management standards to ensure consistent and efficient risk management within the organization.

### Guidelines for Determining Remuneration of Directors and Top Executives

The Board shall consider and determine directors' and top executives' remuneration according to the scope of their duties and responsibilities, their individual performance and the Company's overall turnover. Their remuneration shall fall in the same ranges as those in related markets or industries and be approved by shareholders.

### Office Terms

The office terms of directors shall correspond to the Company's regulations, which require that, at the annual general shareholders' meeting, one-third of the directors, or if their number is not a multiple of three, then the number nearest to one-third must retire from the office.

### A retiring director is eligible for re-election.

The directors to retire from the office in the first and second years after registration of the conversion to a public limited company shall be selected by means of drawing lots. In subsequent years, the directors who have held office for the longest period of time shall retire.

### Directors' Self-assessment

The performance of the Board shall be assessed both collectively and individually at least once a year, which will allow them to jointly consider their work and ways to seek solutions to problems and improvement if warranted. This is a means to enhance their co-performance.

### Development of Directors and Executives

An orientation program for new directors shall be provided so that they have knowledge and correct understanding about the Company's business and related regulations. The Board shall encourage all directors, top executives and the Company's Secretary to attend training on corporate governance, be they internal programs or programs offered by other institutions such as the SET, the SEC and the Thai Institute of Directors (IOD), on a consistent basis.

### Succession Plan

The Board shall establish a policy and criteria for the selection of a succeeding executive and succession in the event of an unexpected incident or the retirement of an executive. The selection procedure should be transparent and primarily based on knowledge, skills and ability, experience and integrity.

### Orientation for New Directors

General information about the Company, i.e. organizational structure, the executives, type of business and operations, core products and services, corporate regulations, related laws and regulations of the SEC and SET, shall be provided for new directors to analyze and develop correct understanding about the Company as well as their roles and responsibilities as directors or independent directors.

#### Meetings of Non-executive Directors

The Company shall allow non-executive directors to hold meetings among themselves, as deemed appropriate, to provide them with opportunities to discuss and deliberate on different problems affecting the Company and make recommendations for further development of the business.

### **Section 6**

#### **Business Ethics**

The Company shall ensure that all employees act in accordance with the following good business ethics:

1. Company personnel shall perform their duties with honesty and responsibility to civil society, comply with business ethics' laws, and be morally committed to contributing to each other, local communities, civil society, and environmental welfare.

2. Company personnel shall treat clients, in terms of goods and services, in a fair manner and without discrimination.

3. The Company shall prescribe and comply with operational standards and efficient control systems. Company personnel shall operate, to the best of their knowledge and ability, in a judicious manner based on sufficient information and legitimate references. They should also strictly adhere to related regulations.

4. Company personnel shall not disclose clients' information that they acquire through business dealings, which should be kept confidential, conforming to related laws.

5. The Company shall provide clients with proper channels through which they can file any complaint concerning Company goods and services.

6. The Company shall provide correct and complete information about its goods and services.

7. The Company shall follow all agreements and requirements it has made with clients on a fair basis. If the Company is unable to meet any agreement or requirement, it shall promptly notify the client in question in order to jointly find a solution.

#### Professional Ethics and Code of Conduct for Executives and Employees

The Company stipulates the following professional ethics and code of conduct for executives and employees.

##### **1. Code of Conduct for Executives**

"Executives" refer to the CEO, the first four executive officers second in rank to the CEO, and all officers whose ranks are equivalent to the fourth executive officer after the CEO. In addition to the code of conduct for employees, the executives must also observe the code of conduct for executives to ensure that they act with probity and manifest good leadership, which can be followed by other employees at all levels in the organization.

##### 1.1 Treatment of Shareholders

Executives shall perform their duties with honesty, prudence, due attention, and proactive vision. Executives shall not take advantage for themselves or their associates from corporate information that has yet to be disclosed to the public, shall not disclose confidential Company information, and shall not commit any act which would lead to conflict of interest.

##### 1.2 Treatment of Employees

Executives shall treat all employees with respect, in a fair and equitable manner, and without bias. Executives shall encourage employees to develop their capacities and operational efficiency; executives shall promote personnel's precise understanding about the



code of conduct for employees. An appropriate welfare program should be provided. In addition, executives shall listen to and potentially accept employees' ideas and suggestions with rationality.

### 1.3 Treatment of Clients

Executives shall treat clients strictly in accordance with the guidelines for good business practices prescribed by the Company.

### 1.4 Treatment of Business Partners

Executives shall treat the Company's business partners in a fair manner and shall neither request nor accept any unethical benefits from business partners. In the event of imminent failure to meet the business partners' requirements, executives must notify them in advance and jointly seek a solution.

### 1.5 Treatment of Business Competitors

Executives shall treat the Company's business competitors in line with the rules of competition and shall not use any unethical means to acquire competitors' confidential information.

### 1.6 Treatment of Society and the Environment

Executives shall comply or ensure compliance with related laws and regulations; display social responsibility; provide general assistance, cooperation, and support, and volunteer for public benefit activities.

## **2. Code of Conduct for Employees**

To promote good and efficient operations, all employees should observe the following code of conduct.

2.1 Employees shall perform their duties with honesty, diligence, and perseverance and shall be consistent in their efforts to improve operational efficiency in the interest of themselves and the Company

2.2 Employees shall rigorously observe Company's regulations.

2.3 Employees shall respect their supervisors and follow their supervisors' orders that conform to the Company's policy and regulations.

2.4 Employees shall value teamwork and support each other. They should be willing to assist others and do nothing that could generate conflict and subsequent damage to other persons and the Company.

2.5 Employees shall respect the rights and dignity of their co-workers and shall not disclose information about their co-workers' work and privacy or slander their co-workers and the Company.

2.6 Employees should avoid receiving gratuities that jeopardize their present or future operations. If such instances are unavoidable, they are required to notify their supervisors immediately.

2.7 Employees shall treat clients and business partners courteously, in an honest and equitable manner.

2.8 Employees shall strictly maintain the confidentiality of information entrusted to them by clients and business partners.

2.9 Employees shall promptly report to their supervisors about any issue that would affect the business or tarnish the Company's reputation.

2.10 Employees shall maintain and protect the Company's interest and assets, ensure efficient utilization of its assets, and prevent wasteful use and untimely deterioration of the same.

### **Penalties**

In the event that an executive officer or employee behaves in a manner that is perceived to cause a conflict of interest within the Company, investigation shall be conducted in line with corporate structure and related regulations. Initial investigation and consideration shall be made within that work unit; the conclusion shall then be reported to the executive officers and related units for final judgement of innocence or guilt and subsequent penalization in the case of the latter. If the conflict of interest is critical and causes damaging consequences that go far beyond the authority of the management of that work unit to judge,

the case should be brought to the attention of the Company's executive officers for absolute judgement.

#### **Disciplinary Actions**

1. Verbal warning
2. Written warning
3. Unpaid suspension for five working days
4. Dismissal

### **Section 7**

#### **Important Policies and Compliance Monitoring**

##### **1. Internal Control and Audit System Policy**

The Company shall implement an efficient and effective internal control and audit system. It is the duty and direct responsibility of the Board and executive officers to ensure proper implementation and maintenance of the system and to regularly monitor its efficiency for good protection of shareholders' capital and the Company's assets. The internal control system shall include financial control, oversight of operations to ensure compliance with related laws and regulations, and risk management. The system shall ensure that the Company is achieving set objectives and goals by delivering financial reports that confirm:

1. Company personnel are complying with corporate policy, regulations, and working procedures as well as related laws.
2. The Company's assets remain extant, well controlled, and maintained.
3. The Company is operating at optimum efficiency and using available resources judiciously.
4. The Company's strategic objectives are being achieved effectively.

## **Internal Control**

The Company shall promote a systematic, independent internal audit system, which oversees operations at all levels and reports performance to the audit committee. The audit committee is mandated to provide advice, inspect, and assess the internal control performance of the risk management system; it shall ensure that the internal control system, risk management system, and corporate governance procedure are proceeding satisfactorily.

### **2. Risk Management Policy**

The Company shall establish a risk management policy for systematic implementation throughout the organization. A risk management committee shall be mandated to manage different risks induced by external factors as well as internal administration and operation, provide risk management guidelines to ensure that risks are kept at acceptable levels, disseminate the importance of risk management to employees and organize workshops on risk management for them. The Company's risk management procedure is described below:

#### **2.1 Stipulating the Risk Management Policy and Criteria**

The risk management policy, objectives, scope, responsibilities, criteria, and procedures are stipulated in line with the Company's strategies, goals, plans, and directives. The risk management policy and criteria will be reviewed annually in conjunction with the business plan so that they harmonize.

#### **2.2 Risk Identification**

Risks that may impact on the achievement of objectives and goals will be identified. They may be internal or external factors related to the environment, laws, financing, the information system, the decision support system, investors' satisfaction, capital management, human resources, corporate image and prestige, and the security system. The Company shall manage such risks by prioritizing them before implementation of the control system. Risks prioritized as "high" or "very high" level will be addressed first.

### **2.3 Risk Analysis**

Risks will be analyzed and prioritized to assess the level of risk after assessing the available control procedure. If the risk remains high or very high, risk management measures will be immediately specified by the executive officers responsible. If the risk is assessed at medium or low levels, the management measures will be undertaken by the authority at the divisional level. Amendments can also be introduced in the operational process.

### **2.4 Risk Management**

Risk management is the identification of plans to manage risks in accordance with the assessed risk levels. There are different methods of risk management, from risk control risk transfer, risk avoidance, risk exploitation to risk acceptance.

### **2.5 Evaluation and Review**

This step follows after implementation of risk management plans to evaluate them. The risk management committee will be responsible for evaluation and reporting to executive officers and the audit committee.

## **3. Information Disclosure Policy**

The Board is mandated to disclose both financial and other information in a complete, reliable, and timely manner to ensure that all shareholders receive relevant information equitably. The Company's information must be carefully prepared, and be clear, concise, easy to understand, and transparent. Such information, both positive and negative, must be disclosed on a regular basis; it must be ensured that no opacity occurs. A unit will be assigned for disseminating beneficial information to shareholders, investors, and related parties.

## **4. Accounting and Finance Policy**

The Company gives importance to complete and clear accounting and financial reports that are submitted to executive officers, shareholders, government agencies, and related parties in an honest manner, and on a timely basis. In this regard, employees at all levels must follow accounting, financial, and internal auditing procedures; the Company's accounting and financial regulations; and generally accepted accounting principles as described hereunder:

#### **4.1 Recording Accuracy**

All Company transaction records must be complete, accurate, and traceable; no restrictions or exceptions in this context are permitted. These records must conform with generally accepted accounting standards or related laws and must be logged properly. Complete and appropriate supporting documents for all business transactions must be available.

#### **4.2 Accounting and Financial Records**

All types of Company accounting and financial records must be accurate and clear; they must contain precise information. Important information must be appropriately disclosed in accordance with generally accepted standards and the Company's accounting and financial regulations. All employees must be aware of the need for accuracy in the Company's accounting and financial records. This is a mutual responsibility of the Board, executive officers, and employees in all stages of business transactions.

#### **5. Regulatory Compliance Policy**

Company personnel at all levels must comply with related regulations and laws, both locally and/or internationally. Careful check and review must be conducted before implementing anything that may be governed by related laws. Inspection must be made by responsible persons to ensure regulatory compliance.

#### **6. Information Technology Policy**

It is the Company's policy that all employees and operators must use information technologies efficiently; they must (1) not violate related laws and acts, (2) conform with rules laid down by the same, and (3) observe adequate safety standards. Such technologies encompass the information network interface, operation and data processing software, computer and connection equipment, as well as the Company's data files. For the benefits and effectiveness of the Company's business, the following regulations are stipulated:

6.1 Information technologies shall be adopted in all aspects of work. Human resource development shall be organized to ensure updated knowledge and capacity.

6.2 Employees must use information technologies for promotion of Company business and not for personal interest or for unethical purposes.

6.3 Data recorded in and disseminated through information systems will be the responsibility of the owner to ensure that the data are not illegal or infringe on third party rights.

6.4 Legal, licensed, and standard software programs are adopted.

6.5 Before adopting any information technologies, approval must be obtained from the appropriate supervisor and regulations must be followed.

6.6 In order to ensure that the Company's business can operate without interruption, owners of the data must protect the information technology system and relevant data from interference by a third party, from cybercrime, or from being undermined.

6.7 The Company's authorized information technology personnel are mandated to oversee that all employees rigorously comply with relevant regulations.

## **7. Compliance Monitoring Policy**

It is the duty and responsibility of the Board, executive officers, and all employees to aware of, understand, and rigorously comply with the policies and procedures as set out in this document.

It is deemed a significant Company business ethic that executive officers of all levels must prevent any violation of good corporate governance principles. Directors, executive officers, and employees who violate such principles will be sanctioned. In the case of a violation of public rules, regulations, and laws, the Company will refer the case to related government offices for due process.

If any employee witnesses any illegal acts and/or violations of the good governance principles as stipulated in this document, he or she should file a complaint to the chairman of the board, chairman of the audit committee, president, or executive directors. The Company shall conduct the investigation without disclosing the informant's name in order to protect him or her from any repercussions.

## **Section 8**

### **Anti-corruption Policy**

1. Taking or receiving graft in any form, both directly and indirectly, for personal gain, is strictly prohibited.

2. Illegal transactions with related government officers, other persons or organizations, directly or indirectly, is strictly prohibited.

3. Donations or financial support for any persons or organizations, which may be a conduit for bribery, are strictly prohibited.

4. Any direct or indirect financial support or benefits for political parties, groups, or persons in order to receive business or personal/partner's benefits are strictly prohibited.

This Corporate Governance Policy becomes effective on 13 November 2020.

Mr. Sanit Rangnoi

Chairman of the Board of Directors