



Corporate Governance Policy

Takuni Group Public Company Limited

Approved by the Board of Directors Meeting No. 2/2024

on February 27, 2024

Corporate Governance Policy

The Company believes that good corporate governance is crucial and contributes to the continuous growth of the Company's operations, enhancing confidence among shareholders, investors, and all stakeholders. Therefore, the Company is committed to conducting its business in accordance with the principles of good governance (Good Governance), strictly following the regulations of the law, the Securities and Exchange Commission and the Stock Exchange of Thailand. Furthermore, the Company promotes the importance of good corporate governance among executives and employees, providing them with knowledge about the principles of good governance and the Company's code of conduct for proper implementation.

The Company has established a framework for good corporate governance in line with the guidelines set by the Stock Exchange of Thailand and the principles of good governance for listed companies defined by the Securities and Exchange Commission, which are divided into 5 main categories.

1. Shareholder Rights Policy

The Company recognizes and emphasizes the equal rights of shareholders, such as the right to buy, sell, transfer securities they hold, receive dividends, various rights at shareholder meetings, express opinions, participate in making decisions on significant corporate matters like dividend allocation, election or removal of directors, approval of significant transactions affecting the Company's direction, amendments to the Memorandum of Association and Articles of Association, etc. The Company has policies to promote and facilitate the use of shareholder rights as follows:

- Dispatching meeting invitation letter along with relevant information for each agenda, informing shareholders well in advance as per relevant laws or regulations set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Company announces this information on its website before sending it to shareholders.
- For shareholders who unable to attend the meetings in person, the Company allows shareholders to delegate authority to independent directors or any individual to attend meetings on their behalf using a proxy form provided by the Company along with the meeting invitation letter.
- Before shareholder meetings, the Company opens opportunities for shareholders to submit comments, suggestions or inquiries in advance of the meeting date.
- During meetings, the Company allocates appropriate time and encourages shareholders to freely express opinions, suggestions or ask questions on various agendas before voting. The meetings will be attended by directors, executives and relevant individuals to present information and answer questions. Inquiries and comments are recorded in the meeting minutes for shareholder verification.
- The Company facilitates and encourages shareholders, including institutional investors to participate in shareholder meetings by setting convenient dates, times and locations within Bangkok and its

vicinity or where the Company's headquarters are located, considering shareholder convenience for attending meetings. The Company provides sufficient personnel or technology to facilitate document checks for each shareholder attending the meeting and provides stamp duty for convenience in managing meeting proxies.

2. Equal Treatment of Shareholders

The Company has a policy of treating and protecting the rights of all shareholders equally, especially minority shareholders. This includes facilitating minority shareholders in proposing additional meeting agendas before the meeting date, nominating individuals for board positions, assigning independent directors to look after minority shareholders' interests, who can then make suggestions, express opinions or file complaints to independent directors. These directors will consider and act appropriately on each case and avoid adding agendas not previously informed to shareholders unnecessarily, especially those requiring shareholders to study information before making decisions, etc.

Regarding the use of insider information, the Company has established policies and measures to prevent inappropriate use (Insider Trading) by related persons, including directors, executives, employees, and their spouses and underage children, who have access to such information. It prohibits disclosing internal information to outsiders or unrelated person and seeking benefits for themselves and related persons from their positions and confidential company information. It forbids insiders who are privy to internal information from trading the Company's securities within one month before the quarterly and annual financial statements are published to the public and for 24 hours after significant information disclosure (Blackout Period), including not disclosing important information to others. The Company communicates these insider trading prevention policies and measures to directors, executives and employees to ensure awareness and compliance.

The Company has stipulated that directors and executives, including their spouses and underage children, must report changes in the Company's securities holdings to the Securities and Exchange Commission (SEC) according to Section 59 of the Securities and Exchange Act of 1992. This includes buying, selling, transferring, or receiving transfers of the Company's securities. Directors and executives, along with their spouses and underage children, must report any changes in securities holdings to the SEC and the Stock Exchange of Thailand (SET) and must submit a copy of such report to the Company for record-keeping. Furthermore, the Company has established that directors and executives must report any changes in their holdings of the Company's securities according to the Company's prescribed guidelines to the Board of Directors. The Company's Board members collectively do not hold more than 25% of the Company's issued shares.

3. Role towards Stakeholders

The Company prioritizes the rights of all stakeholders, both internal, including employees and executives, and external, such as customers, partners, competitors, creditors, the government sector, communities and other related organizations. The Company acknowledges the support from various stakeholders, which enhances its competitive capabilities and profitability, contributing to the Company's long-term success.

Shareholders : The Company is committed to being a good representative of its shareholders by operating the business to maximize shareholder satisfaction. This involves considering the long-term growth of the Company's value through consistent and favorable returns, along with transparent and reliable information disclosure. The Company is aware of the business risks and regularly reviews measures to prevent and mitigate these risks.

Customers : The Company is committed to achieving high customer satisfaction and fostering relationships based on mutual benefits by offering quality products and services. It is prepared to address customer complaints promptly. Furthermore, the Company is responsible for ensuring customers receive high-quality products and services at reasonable prices, presenting and disseminating complete and accurate information about its products and services. It also provides the effective advice on the use of products and surveys customer needs and satisfaction to use this information for business development aligned with customer demands. Moreover, the Company is dedicated to adhering to contracts, agreements, or conditions transparently, equitably and fairly with customers.

The Company has a policy to protect customer confidential information according to the Personal Data Protection Act and prioritizes keeping customer data confidential, not using such information for its own benefit. It has established channels and processes for systematically handling customer complaints regarding personal data.

Partners : The Company considers equality in business operations and mutual benefits with partners according to trade conditions and in compliance with all laws. The Company's procurement of goods and services from partners is based on commercial conditions and adherence to contracts with partners.

The Company has policies and practices for sourcing and selecting partners/business partners to ensure that the selection process is systematic, fair, transparent and supports partners/business partners who

operate ethically, with social and environmental responsibility and does not engage in transactions with individuals or legal entities involved in illegal activities, corruption or fraudulent behavior.

Competitors : The Company supports and promotes a policy of free and fair competition within the framework of good competition rules, ethics and in compliance with the law.

Creditors : The Company strictly adheres to the terms, conditions, and financial obligations specified in contracts with all creditors accurately and completely by

- Ensuring the Company complies with loan agreement conditions, guarantee conditions, capital management and not concealing Company's true financial status from creditors.
- In case there is a suspicion of an event that could affect creditors, such as financial instability or potential default, the Company will promptly take actions to resolve the issue.

Employees : The Company has policies and measures to promote the development of employees' abilities to their fullest potential, ensuring fair and equal employment and termination conditions without discrimination, covering disabled individuals and those with fewer opportunities. The Company provides a work environment and hygiene that is healthy and safe and it allows employees to form groups for negotiating rights and benefits through the human resources department.

The Company has established clear and tangible policies and practices regarding employee compensation and benefits, consistent with the Company's performance in both the short and long term.

The Company has policies and practices for compensation and benefits aligned with the Company's short-term performance, such as salaries, bonuses, provident funds and long-term performance rewards to motivate employees. This includes defining performance indicators aligned with the Company's long-term performance and promoting savings channels and financial security for employees.

The Board has established policies and criteria for compensating top management, assigning the Nomination and Remuneration Committee to determine compensation policies and other benefits, including compensation rates and other benefits for Company directors and top management. This includes compensation for directors, salaries,

allowances, bonuses and other related benefit options with clear, transparent criteria for the Board's approval, according to the scope of authority, responsibilities and accountability of the Nomination and Remuneration Committee set by the Board of Directors.

Government Sector : The Company prioritizes strict adherence to the laws and regulations of relevant authorities. The Company is fully aware of the role, duties and responsibilities of government agencies and regulator in relation to its operations. Therefore, the Company is committed and cooperative in complying with all applicable laws, regulations and directives related to its business operations. Additionally, the Company assigns internal auditors to review operations to ensure they align with operational manuals and related standards and regularly reports review outcomes to the Audit Committee.

Community : The Company places high importance on environmental concerns, safety, occupational health and community responsibility. It ensures the highest efficiency in environmental and safety management, promotes energy conservation campaigns and fosters a sense of social responsibility among all employees. Additionally, it supports community and societal activities, focusing on the development of society, community and the environment.

Environment : The Company places utmost importance on environmental stewardship and social responsibility. It supports and promotes the efficient use of resources for maximum benefit, mindful of the environmental impact. This commitment is formalized in the Company's policy on the environment, safety, occupational health and workplace conditions. Additionally, it promotes education and training for employees regarding environmental issues, occupational health, safety and workplace conditions.

The Company has established a Safety and Occupational Health department to support and foster environmental and safety activities in the workplace. The Company prioritizes safety management, occupational health and environmental conditions in the workplace to meet international standards. It systematically promotes safety awareness among employers and employees and supports cooperation with governmental organizations and private entities.

The Company is committed to conducting its business responsibly towards the environment, guided by the following principles:

- Manage operations with the goal of preventing environmental impacts in compliance with legal requirements.
- Continuously develop and review operational processes to align with international standards and evaluate performance.
- Instill and promote environmental responsibility among employees and stakeholders.
- Seek opportunities for learning and sharing experiences from operations with other organizations for continuous improvement.

Human Rights Violation : The Company has a policy against involvement in human rights violations. It mandates that all directors, executives and employees respect international human rights principles as follows:

- The Company supports employees' rights to exercise their citizenship rights legitimately under the constitution and law.
- The Company will protect employees' personal data, such as biographies, health histories, work histories, etc. Disclosure or transfer of an employee's personal data to the public is permissible only with the employee's consent. Violations are considered disciplinary offenses unless carried out according to company regulations or law.
- The Company does not support businesses that violate international human rights principles and corruption.
- All employees must not engage in any actions that violate or threaten others based on race, gender, religion, age, physical and mental disabilities.
- Respect for human rights is paramount, without discrimination due to similarities or differences in race, religion, gender, age, education, status, including respect for individual freedom and the protection of personal data.

Infringement of Intellectual Property : The Company has a policy against infringing on others' intellectual property. It mandates that everyone must not infringe upon the intellectual property or copyrights of others. Any work or data belonging to external parties brought into or used within the Company must be reviewed to ensure it does not violate others' intellectual property rights.

- Work produced in the course of duties is considered the Company's intellectual property.
- Upon termination of employment, employees must return all intellectual property to the Company, including works, inventions, etc., regardless of the storage format.
- Employees using the Company's computers must use software according to the copyright owner's license and only software authorized by the Company to prevent intellectual property infringement issues.

The Company has an anti-corruption policy that opposes bribery for the Company's business benefit. It involves a process for assessing risks from corruption within the organization, including practices for oversight and control to prevent and monitor corruption risks. The Company provides training for employees to understand the Company's anti-corruption policies and practices.

Furthermore, the Board has established a Whistle Blower Policy to enable all stakeholders to report on the Company's management, corruption, misconduct by executives and management-level employees and rights violations. The Board ensures there are channels through which stakeholders can report to the Board via designated person for each channel. The Company will proceed with the complaints according to the subsequent procedures. Whistleblowers are assured protection and confidentiality for their information and sources.

Personal Data Protection Policies and Practices : The Company recognizes the right to privacy of individuals associated with the Company group and ensures comprehensive legal protection of personal data rights. Therefore, the Company has formulated and announced a personal data protection policy and practices for the group, making it widely known through the Company's website to inform stakeholders.

4. Disclosure and Transparency

The Board of Directors is committed to accurate, complete and transparent disclosure of both financial and general information according to the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other significant information that impacts the Company's stock price. The Company disseminates information to shareholders, investors and the public through various channels such as the Stock Exchange of Thailand's information system, the Company's website and newspapers, etc., ensuring equal access for all shareholders.

For Investor Relations, the responsibility is assigned to the Chief Executive Officer and the Chief Financial Officer or their delegates to communicate with the public, including shareholders, investors, analysts, and related parties, through available contact channels including phone, email and the Company's website.

The Company's Board is aware that both financial and non-financial information significantly influences investment decisions and stakeholders. The Audit Committee is tasked with reviewing the quality of financial reports and internal control systems, including ensuring adequate disclosure in the financial statement notes and reporting to the Board. Moreover, the Board has a policy on disclosing the Company's information accurately, completely, truthfully, consistently and timely, following the Stock Exchange of Thailand's requirements.

To comply with Section 89/14 of the Securities and Exchange Act 1992 and the Capital Market Supervisory Board's Notification TorJor 2/2552, which mandates the monitoring of the interests of directors and executives or related persons that pertain to the Company's or its subsidiaries' management, the Board of Directors and executives are required to report such interests according to the criteria and procedures established by the Company's Board.

The Company's Board has established policies, criteria and procedures for reporting such interests to prevent conflicts of interest and ensure that directors and executives are aware and comply with these guidelines. Furthermore, the Company commits to participating in the Stock Exchange of Thailand's Opportunity Day and organizing Analyst Meetings to present, answer inquiries and exchange opinions regarding the Company's quarterly and annual performance.

Additionally, the Company discloses news reported to the Stock Exchange of Thailand and press releases, including media coverage on its website. This ensures that investors or any external parties can access the latest news and information at any time.

5. Responsibilities of the Board

5.1 Board Structure

The Company's Board of Directors consists of qualified individuals with knowledge, skills and experience beneficial to the Company. The Board plays a crucial role in establishing policies, objectives, business plans and budgets, ensuring that management actions align with set policies effectively and efficiently. A Nomination and Remuneration Committee has been appointed to define criteria and procedures for nominating Company directors for Board consideration and approval, as well as ensuring the Board's size and composition are appropriate to the Company's scope of work and adapt to changing environments. The Board should consist of individuals with suitable knowledge, skills, and diverse experiences.

Currently, the Company's Board has seven members, including two executive directors and five non-executive directors, with three independent directors constituting more than one-third of the total Board. This composition ensures a balance in decision-making on various matters. Additionally, the Company has established six subcommittees: the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee, the Anti-Corruption Committee and the Sustainability and Social Activities Committee. Each subcommittee has clearly defined scopes of authority, duties and responsibilities. Importantly, the Chairman of the Board is not the same person as the Chief Executive Officer, separating policy setting and oversight from day-to-day management.

According to the Company's Articles of Association, at the Annual General Meeting of shareholders, directors must resign at a rate of one-third. If the number of directors to be rotated does not divide evenly into thirds, the number closest to one-third shall resign. For the first and second years after the Company's

registration, the directors who will resign shall be determined by drawing lots. In subsequent years, the longest-serving directors shall resign. However, directors who resign may be re-elected.

The Company has a Company Secretary responsible for managing Board of Directors and shareholder meetings and provide basic advice on various regulations that the Board must know and follow. This includes overseeing Board activities and ensuring compliance with Board resolutions.

5.2 Roles, Duties and Responsibilities of the Board

The Board has a responsibility to shareholders regarding the Company's business operations, establishing policies and directions for the Company's operations. It also oversees management to ensure objectives and strategies are achieved for the long-term benefit of shareholders within the legal and ethical business framework. Simultaneously, it considers the interests of all stakeholders. The Board has set policies on the number of listed companies a director can serve and the minimum quorum for Board meeting resolutions as follows:

- A director is allowed to hold positions in no more than five listed companies, with no exceptions.
- At the time of voting in Board meetings, there must be at least two-thirds of the total number of directors present.

Corporate Governance Policy

The Company has documented a corporate governance policy to be approved by the Board. A corporate governance manual has been created as a guideline for directors, executives and employees to follow this policy. The Board ensures this policy is reviewed annually.

Code of Conduct

The Company has a policy to conduct business transparently, ethically, and responsibly towards stakeholders, as well as society and the environment. A Code of Conduct has been formalized in writing to serve as a guideline for the Company's Board, management and employees. The Company will announce and strictly enforce this Code of Conduct for all employees to acknowledge and adhere to.

Policy and Practices on Conflict of Interest Prevention

The Company has a policy to carefully consider and eliminate conflicts of interest with honesty, integrity, reasonableness and independence within the framework of good ethics, prioritizing the Company's interest. It is mandated that persons involved or related to the considered transactions disclose their interests and those of related parties to the Company, abstain from the decision-making process and not have the authority to approve such transactions.

The Company has policies for conducting related transactions and transactions with potential conflicts of interest in compliance with laws, regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. These transactions will be disclosed in the annual report.

Internal Control

The Company prioritizes establishing a robust internal control system. It has developed manuals and procedures for operations in written form, which specify the segregation of duties and responsibilities, operational authority of personnel and management in various matters, asset management, transaction approvals, financial accounting and data recording. The roles of operators, supervisors and evaluators are separated to ensure a balance and appropriate checks between them.

The Company appoints internal auditors to review the management system and assess the effectiveness of the internal control system. This is to ensure that the audited units have adequate, appropriate and effective risk management and internal controls. The results of these audits are reported to the Audit Committee.

5.3 Board of Directors Meeting

The Company will organize Board of Directors Meeting regularly, at least quarterly, with additional special meetings as necessary. A meeting schedule is set in advance for each year, with clear agendas planned and documents distributed at least five business days before the Board of Directors Meeting to allow sufficient time for review. Exceptions are made only in urgent cases. Directors are required to attend all meetings unless prevented by compelling reasons. Meeting minutes and related documents are recorded and stored for future reference and verification.

During discussions, the Company's Chairman of the Board, who presides over the meetings, allows directors to freely express their opinions. For some agenda items, top management related to the matter may be invited to provide additional useful information and directly communicate policies for effective implementation.

Every year, non-executive directors hold separate meetings to discuss various management issues of interest without the presence of the management team.

5.4 Compensation

5.4.1 Compensation of the Board of Directors

The Company's shareholders' meeting approves the compensation for the Board of Directors and various sub-committees. The Company sets the criteria and compensation for directors and executives based on knowledge, skills, duties, responsibilities, experience and industry standards, ensuring the rates are appropriate to retain talent for the long term. Additionally, the Company presents directors' compensation for approval at the shareholders' meeting and discloses this information as required by the Securities and Exchange Commission.

5.4.2 Compensation for Senior Executives

The Company's Board, in conjunction with the Nomination and Compensation Committee, evaluates the performance of senior executives based on the Company's business performance, execution of policies from the Board, and the overall economic and social environment. The Nomination and Compensation Committee uses this information to determine appropriate compensation for the short and long term for senior executives, which is then proposed to the Board, considering data from the current year and historical comparisons on various factors.

5.5 Development of Directors and Executives

The Company supports its Board of Directors and executives participating in seminars and courses beneficial for their performance and continuous development. In the event of changes in directors or executives, the Company provides relevant documents and information for the new directors' or executives' duties, including participation in beneficial seminars and courses for such new directors or executives.

5.5.1 Orientation for New Directors

The Company has established guidelines for preparing new directors to perform their duties. This includes arranging meetings and discussions between new directors and the full board, as well as the Chief Executive Officer, to ensure new Directors understand the Company's expectations regarding their role, responsibilities, and policies, as well as the business operations of the Company. They are also briefed on the legal responsibilities of directors, relevant laws, regulations, and best practices in corporate governance. Additionally, the orientation aims to enhance their knowledge and understanding of the Company's business and operations, including visits to various business units. This preparation helps new directors become acquainted with and ready to perform their duties immediately.

5.6 Setting the Vision and Mission

The Board of Directors collaboratively establishes the Company's vision and mission to ensure that executives and employees share a common understanding and work towards the same goals. The vision, mission and strategies of the Company are reviewed annually and the Board oversees the implementation of these strategies.

5.7 Performance Evaluation

5.7.1 Evaluation of the Board's Performance

The Board of Directors conducts an annual performance evaluation, both individually and as a whole, using criteria and processes in line with the guidelines provided by the Stock Exchange of Thailand.

Format of Performance Evaluation of Directors

The Board of Directors of the Company organizes the evaluation of its performance in two formats: (1) the collective performance evaluation of the Board as a whole and (2) the individual performance evaluation of each Board member. The evaluation covers a total of six categories, as follows:

1. Structure and Qualifications of the Board
2. Roles, Duties, and Responsibilities of the Board
3. Board Meetings
4. Performance of Duties by Directors
5. Relationship with Management
6. Self-Development of Directors and Development of Executives

Director Performance Evaluation Process

The Board of Directors is responsible for approving the evaluation of the Board's performance, assessing duties and responsibilities over the past year in accordance with good corporate governance principles.

Process for Evaluating the Performance of the Board as a Whole

1. The Board of Directors conducts an annual performance evaluation of the Board as a whole at least once a year.
2. The Company Secretary summarizes and presents the results of the Board's performance evaluation to the Board of Directors.
3. The Board of Directors reviews the performance evaluation results and considers ways to improve the performance efficiency of the Board as a whole.

Process for Individual Performance Evaluation (Self-assessment)

1. Each director evaluates their own performance individually at least once a year.
2. The Company Secretary summarizes and presents the results of the individual performance evaluations to the Board of Directors.
3. The Board of Directors reviews the individual performance evaluation results and considers ways to improve each director's performance efficiency individually.

5.7.2 Evaluation of Sub-committee Performance

Sub-committees perform annual duty assessments for each committee using criteria and guidelines set by the Stock Exchange of Thailand. The evaluation process mirrors that used for the Board of Directors' performance evaluations.

5.7.3 Evaluation of the Chief Executive Officer's Performance

The Board of Directors annually evaluates the performance of the Chief Executive Officer using business and management criteria and processes.

Process for Evaluating the Performance of the Chief Executive Officer

The Nomination and Remuneration Committee initially reviews and evaluates the performance of the Chief Executive Officer, based on their duties and management effectiveness using specific business and management criteria. The results are then presented to the Board of Directors for further evaluation and approval of the CEO's performance.

Evaluation Criteria for the Chief Executive Officer's Performance

The Nomination and Remuneration Committee, along with the Board of Directors, evaluates the CEO's performance based on predetermined and agreed performance indicators or achievements. Key factors considered in the evaluation include the Company's performance, management abilities, and sustainability initiatives. Once the Board of Directors approves the evaluation results, the Chairman of the Board or a delegate, notifies the CEO of their performance assessment.

5.8 Roles and Responsibilities of the Chairman of the Board

The roles and duties of the Chairman of the Board are as follows, according to the Company's bylaws:

- Call meetings of the Board.
- Lead the Board meetings as chairman, making appropriate decisions when necessary to resolve matters.
- Encourage and support the participation of all directors in the Board's activities.
- Promote the evaluation of the Board's performance for continuous improvement.
- Coordinate and enhance the work between directors and the Chief Executive Officer efficiently and effectively.
- Delegate responsibilities to various sub-committees.

5.9 Development of a Succession Plan for the Organization's Top Executives

The Company's Board of Directors has established policies and guidelines for developing a succession plan for the organization's top executive position (Chief Executive Officer). This policy aims to prepare and establish a selection system for personnel who will formally take over the CEO position. The recruitment process considers candidates both from within and outside the organization, depending on the situation, whether it is for forward planning or emergency circumstances. The Nomination and Remuneration Committee is tasked with conducting this process and proposing candidates to the Company's Board of Directors for approval.

5.10 Sub-Committees

The Board of Directors has established the following sub-committees to assist in the oversight of the Company's operations:

- Audit Committee
- Nomination and Remuneration Committee
- Executive Committee
- Risk Management Committee
- Anti-Corruption Committee
- Sustainability and Social Activities Committee

5.11 Recruitment and appointment of directors, independent directors and top management

The Board of Directors has appointed a Nomination and Remuneration Committee to handle the recruitment and propose the appointment of directors and top management to the Board.

In selecting and recruiting directors, the Board focuses on transparency in the recruitment and selection process, utilizing a director pool to recruit new directors. Additionally, the Company allows minority shareholders the right to propose suitable candidates for director positions.

To ensure effective and efficient corporate management, the selection of individuals to serve as directors is based on a thorough evaluation of their knowledge, skills, expertise, and experience relevant to the role, ensuring they meet all legal qualifications as determined by the Nomination and Remuneration Committee and the Board of Directors. This process also prioritizes board diversity to enhance the effectiveness, multi-dimensional perspectives and professionalism of the Company's management.

The Nomination and Remuneration Committee selects and screens individuals with the appropriate qualifications to become directors of the Company. Candidates are chosen for their qualifications and expertise from a variety of professions and considered based on the skills currently lacking in the Board. The selection process does not discriminate by gender and seeks individuals with leadership qualities, a broad vision, moral and ethical integrity and a transparent work history without any blemishes. Candidates must not have any disqualifications as prescribed by laws regarding public limited companies and announcements from the Securities and Exchange Commission. Furthermore, candidates should be able to express independent opinions and meet relevant criteria. They must possess knowledge, experience and specific abilities beneficial and suitable for the Company's business operations. They should bring new perspectives to the Board and be willing to dedicate time and effort to enhance the Company's governance, leading to a stronger and more progressive Board. These candidates will then be proposed to the Board of Directors for consideration.

1) Recruitment of Company Directors

The appointment of Company directors must be approved by the shareholders' meeting unless the director's position becomes vacant for reasons other than the expiration of their term. In such cases, the Company's Board of Directors will consider and approve an individual to fill the vacancy. This individual will serve only for the remaining term of the director being replaced.

In practice, the selection of individuals to serve as Company directors can be conducted by the Nomination and Remuneration Committee and/or the Board of Directors, and/or through nominations made by shareholders for consideration and approval at the shareholders' meeting. Regardless of the method of appointment, the individual must possess the necessary qualifications, knowledge, abilities and experience relevant to the role and must fully meet the qualifications without having any disqualifications as specified by the laws governing public limited companies and the announcements of the Securities and Exchange Commission.

Recruitment Process Considerations

After the Nomination and Remuneration Committee has identified potential candidates for the Board, the Board proceeds with screening based on established Board criteria and the following conditions:

- Evaluate the suitability of the candidates' knowledge, experience and specific skills beneficial to the Company, especially those with experience in the Company's primary business or industry. This is to ensure the Board composition meets the specified criteria, facilitated by creating a Board Skill Matrix. This approach aligns director recruitment with the Company's business direction.
- Verify that the candidates meet the qualifications as per laws and regulations set by the regulatory bodies, such as the Securities and Exchange Act 1992.
- Consider the time commitment of the directors. For re-nominated directors, their performance during their previous term should be considered, along with the appropriate number of Board positions each director can hold, taking into account the nature and condition of the business to ensure their performance does not diminish.
- Compile a list of candidates who have been screened by the Nomination and Remuneration Committee, complete with qualifications and reasons for selection, in order of preference for the Board of Directors to review.

2) Recruitment of Independent Directors

The Company recognizes the importance of an independent board, which functions to monitor and ensure the transparency of the executive board's actions within an appropriate internal control system, in compliance with laws and regulations of relevant authorities. This enhances the Company's operational efficiency. Candidates for independent directors must possess qualifications, knowledge, abilities, and experience in various fields. The Company has established criteria for selecting independent directors. The Nomination and Compensation Committee will search for and propose candidates with suitable qualifications

to the Company's Board of Directors for consideration. Once a candidate is selected, their name is proposed to the shareholders' meeting for appointment, following the Company's bylaws. Independent director must meet the following qualifications:

(1) Hold no more than 0.5% of the total voting shares of the Company, its parent company, subsidiaries, affiliates, or any legal entity that may have a conflict of interest, including shares held by related persons. This requirement is stricter than the minimum standard set by the Securities and Exchange Commission (SEC), which allows independent directors to hold up to 1% of the total voting shares of the Company, its parent, affiliates, or related companies, including shares held by related persons.

(2) Not be a director involved in management, an employee, staff, regular advisor, or person having authority to control the Company, its parent company, subsidiaries, affiliates, or equivalent entities or any legal entity that may have a conflict of interest, both currently and within the last 2 years before the appointment.

(3) Have no blood or legal registration relationships that would constitute as being the parent, spouse, sibling, and child, including the spouse of such child, with any executives, major shareholders, persons having controlling authority, or individuals being proposed as executives or having controlling authority of the Company or its subsidiaries.

(4) Business Relationships with the Company can be divided as follows:

(a) Types of Relationships

- Professional service relationships:
 - Type of relationship: Auditor, other professional service providers such as legal advisors, financial advisors, property appraisers, etc.
 - Threshold of significance for non-independence
 - For auditors: Prohibited in all cases.
 - For other professional service providers: Transactions exceeding 2 million Baht per year.
- Commercial/business relationships (following the same guidelines as the regulations concerning related-party transactions of the Stock Exchange):
 - Type of relationship: Covers all types of business transactions, including normal business transactions, property leasing/renting, asset/service transactions, and financial support given or received.
 - Threshold of significance for non-independence: Transaction value \geq 20 million Baht or \geq 3% of the NTA of the Company, whichever is lower. In evaluating the transaction value, include transactions that occurred within 6 months prior to this transaction.

(b) In cases where there are relationships as described in (a) with legal entities, individuals considered non-independent include major shareholders, directors (except in the case of independent directors/audit committee members), and executives or partners of that legal entity.

(c) The period during which relationships as described in (a) and (b) are prohibited: Currently and for 2 years prior to the appointment.

(d) Exceptions: In cases of necessity and appropriateness, which do not occur regularly and continuously, independent directors/audit committee members may exceed the established significance threshold of relationships while in office, provided they receive prior approval from the Company's Board of Directors. The decision must be unanimous. Furthermore, the Company's Board of Directors must disclose such relationships of the director in the securities offering document (filing), annual report of the Company, and if the Company proposes that the independent director/audit committee member serve another term, the Company's Board of Directors must disclose information about such relationships in the invitation to the shareholders' meeting for the election of directors.

(5) Not being a director appointed to represent the directors of the Company, major shareholders, or shareholders who are related to the Company's major shareholders.

(6) Having no other characteristics that would impair their ability to make independent judgments.

(7) Independent directors who meet the qualifications of (1)-(6) may be assigned by the Company's Board of Directors to make decisions concerning the operations of the Company, its parent company, subsidiaries, affiliates, or equivalent entities or any legal entity that may have a conflict of interest. These decisions should be made collectively.

3) Recruitment of Senior Executives

The Nomination and Remuneration Committee will consider the following criteria before proposing to the Board of Directors for the appointment of senior executives:

- Have leadership experience and demonstrate high leadership qualities.
- Be recognized by relevant business organizations.
- Have no conflicts of interest with the Company.

5.12 Policy on the Number of Listed Companies in which Directors Serve

- To ensure that each director can fully dedicate their time to performing their duties in the Company, the Company has set a limit on the number of positions a director can hold in companies listed on the Stock Exchange of Thailand to no more than five companies, with no exceptions.

5.13 Policy on the CEO Serving as a Director in Other Companies

- Holding director positions in other companies excessively may impact the effectiveness of the CEO's performance. Therefore, the Company has established a policy regarding the CEO holding director positions in other companies to ensure the Company benefits maximally from the CEO being able to dedicate their time and perform their duties effectively, as follows:
 1. The CEO may serve as a director within the Company and its subsidiaries.
 2. The CEO may hold director positions in other companies that do not compete or have similar business operations as the Company or its group.

3. For director positions in other companies that are competitive or similar to the business operations of the Company or its group, the matter must be presented to the Audit Committee for review and recommendation before seeking approval from the Board of Directors prior to accepting the position

5.14 Meeting and Voting

- A Board of Directors meeting must have at least half of the total number of directors present to constitute a quorum.
- If the Chairman of the Board is not present or unable to perform their duties, the Vice-Chairman, if any, shall preside over the meeting. If there is no Vice-Chairman, or the Vice-Chairman is unable to perform their duties, the directors present at the meeting shall elect one among themselves to chair the meeting.
- All resolutions of the Board meeting shall be passed by a majority vote of the directors present at the meeting.
- Each director has one vote, except for directors who have an interest in any matter being discussed; these directors are not entitled to vote on that matter. In the event of a tie, the Chairperson of the meeting shall have a casting vote.
- The minimum number of directors required to form a quorum for the Board of Directors to pass a resolution at a meeting shall be two-thirds of the total number of directors.

5.15 Oversight of Subsidiaries and Joint Ventures

The Company has policies and mechanisms to oversee the management of its subsidiaries and joint ventures to safeguard the Company's investment interests. This involves appointing individuals as representatives of the Company to serve as directors, executives, or persons with controlling authority in these entities. The guidelines are as follows:

- The Executive Committee is responsible for considering and appointing, as well as transferring, individuals to represent the Company as directors and executives in subsidiaries and joint ventures. These decisions are made based on suitability within the Company's framework and guidelines.
- The Board of Directors ensures that subsidiaries/joint ventures have appropriate and strict internal control systems and mechanisms for reviewing their operational systems. This involves allowing the internal audit team, independent directors, or the Audit Committee, or assigned individuals, direct access to information and requiring them to report the results of their reviews to the Audit Committee/Board of Directors. This ensures that subsidiaries/joint ventures, over which the Company has management control, consistently follow established operational systems.
- The Board of Directors monitors subsidiaries/joint ventures to disclose information on related-party transactions, acquisition or disposal of significant assets, and/or any other significant transactions. It also ensures compliance with policies on the governance of subsidiaries and joint ventures, through their respective boards or executives.

5.16 Oversight of Insider Information Use

To ensure transparency and prevent the exploitation of undisclosed company insider information for personal gain, as well as to avoid accusations related to the appropriateness of insider securities trading, the Company has established policies and practices for preventing the misuse of insider information. These measures are designed to oversee and prevent directors, executives, and employees from using the Company's insider information for personal benefit, as follows:

- Directors, executives, and employees of the Company must maintain confidentiality and not disclose or use internal company information for personal gain or the benefit of others, directly or indirectly. They must also refrain from buying, selling, transferring, or receiving transfers of company securities using confidential or inside information or engaging in any legal transactions using such information that could harm the Company.

- Educate directors and various executives about their duty to report their securities holdings, as well as those of their spouses and minor children, to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand, as per Section 59, with penalties under Section 275 of the Securities and Exchange Act 1992.

- Require directors and executives to report any changes in their securities holdings to the SEC as per Section 59 of the Securities and Exchange Act 1992, and send a copy of this report to the Company on the same day it is submitted to the SEC. Furthermore, directors and executives must report changes in their securities holdings according to the Company's defined criteria to the Board of Directors.

- The Company will circulate a notification to executives that those with access to inside information affecting securities price changes must refrain from trading company securities during the 1-month period before the publication of quarterly and annual financial statements and for 24 hours after significant information is disclosed (Blackout Period) and must not disclose significant information to others. Policies and measures to prevent improper use of inside information will be communicated to directors, executives and employees for compliance.

If these regulations are violated, the Company will take disciplinary actions appropriate to the intent and damage caused by the act, including issuing warnings, cutting wages, temporary suspension, or termination of employment.

5.17 Promoting Innovation and Responsible Business Practices

- The Board of Directors prioritizes and supports the creation of innovations that add value to the business while benefiting customers or stakeholders and being responsible towards society and the environment.

- The Board oversees the management's responsibility to conduct business in a socially and environmentally responsible manner, reflected in the operation plan, ensuring all organizational activities align with the objectives, main goals, and strategic plans of the business.

- The Board ensures management allocates and manages resources efficiently and effectively, considering impacts and developing resources along the value chain to achieve sustainable objectives and main goals.

- The Board establishes frameworks for governance and management of enterprise-level information technology that align with business needs, including ensuring the use of information technology to enhance business opportunities, operational development, and risk management, allowing the business to achieve its objectives and main goals.

5.18 Use of Information Technology

The Company has policies and practices regarding the use of information technology as follows:

1. Avoid the use of illegal internet sites or those that violate ethical standards and refrain from disseminating information or news from such sites to others.

2. Avoid sending electronic mail (e-mail) that could hinder the Company's operations, annoy others, violate the Company's policies, break the law, or breach ethical standards.

3. Employees with special rights to access others' e-mail content may only do so with approval from an authorized person.

4. Unauthorized access to the content of someone else's e-mail is considered a violation.

5.19 Data and Information System Security (IT Security)

The Company has established policies and practices for data and information system security (IT Security) as follows:

1. Implement screening processes and assign specific access rights to individuals whose roles necessitate the operation and distribution of various types of information.

2. Schedule regular audits of system operations, supported by system personnel responsible for overseeing, controlling, and addressing any issues that may arise, as well as for the continuous development of hardware and software systems.

3. Install security systems and devices for threat prevention, such as firewalls, and for ongoing surveillance and monitoring.