

# **Corporate Governance Policy**

**Thai Plaspac Public Company Limited**

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## Corporate Governance Policy

The Company's Board of Directors recognizes the importance of conforming to the Corporate Governance Principles and is aware of the important role of directors, management and employees towards the business operations of the Company. Therefore, not only committing to build sustainable returns for the shareholders, the Board shall also focus on the fair treatment of all stakeholders. This policy emphasizes rights of shareholders, equal treatment to all shareholders, consideration of stakeholders' role, disclosure and transparency, responsibilities of the Board of Directors and dissemination of information to all related parties.

To provide assurance to shareholders, investors and all related parties, the Company has set a policy which covers 8 sections of key principles on good corporate governance.

### Section 1: Shareholders' Right

The Company respects the rights of all shareholders to equally obtain the Company's information accurately, completely, adequately and timely to support their decision in every matter. Therefore, the Board of Directors have adopted the following policies.

1. Disclosure of the Company's material information and necessary for shareholders shall be done through the Company's website and through the Stock Exchange of Thailand in a clear and timely manner.
2. Regarding the shareholders' meetings, all shareholders shall receive clear information relating to the meeting adequately and equally in order to review and consider prior to the meeting will take place. The Company shall release information about date, time, venue and agenda of shareholders meeting in precisely, both in Thai and English, via the Stock Exchange of Thailand system "SET Portal" and the Company's website 30 days before the meeting date.
3. For the invitation notice of the shareholders' meeting, the Company shall provide detailed information of each agenda with explanation and director's recommendation. The Company shall disseminate the meeting notice together with related documents e.g. registration form, list of documents and identifications to be presented before entering the meeting room,

registration and proxy process, proxy form, etc. The invitation notice, both in Thai and in English, shall be published in the Company's website 30 days before the meeting date while the printed copy shall be delivered to all shareholders at least 21 days before the meeting date.

4. In case that shareholder cannot attend the meeting, he/she has a right to appoint an independent director or any person to represent him/her in the meeting by signing the proxy form which is attached to the invitation notice of the meeting, or can be downloaded from the Company's website.
5. At the meeting, shareholder shall consider and vote for a resolution of each agenda in respectively. There shall not be urgently any changes in material information or any additional agenda in the shareholders' meeting. All shareholders have a right to review the Company's operation results by inquiring or making recommendations and suggestions to the Board and related management who are obliged to attend the meeting and answer all shareholders' inquiries.
6. The Company requires all directors to attend and vote in the shareholders' meeting when there are any changes in core policies of the Company and any changes in shareholder's rights, which needs decision making and approval from the shareholders' meeting.
7. The Company shall disclose to the public the voting results of each agenda in the shareholders' meeting via the Stock Exchange of Thailand system "SET Portal" and the Company's website on the next business day after the meeting date.
8. Minutes of the shareholders' meeting shall be prepared in a complete, accurate, timely and transparent manner, recording all important issues and recommendations in details for shareholders reviewing. The Company shall also record video footage of the meeting for future references. Additionally, the minutes of shareholders' meeting shall be published in the Company's website for the shareholders' consider and submitted to the Stock Exchange of Thailand within 14 days from the date of the meeting take place.
9. Right to obtain the share certificate and right to transfer ownership of the shares.
10. Right to attend and vote in the shareholders' meeting to make decision in any changes of the Company's policies and any changes of the shareholder's rights, which require approval from the shareholders' meeting.

11. Right to appoint and dismiss the Company's directors and to approve the hiring of independent auditors.
12. Right to approve directors' remuneration package and dividend payment.
13. Right to propose the agenda for the annual general shareholders' meeting according to the Company's guidelines.
14. Right to propose candidates for the director position according to the Company's guidelines.
15. All other rights permitted by law.

## **Section 2: Equitable Treatment of Shareholders**

The Company has set a policy to promote the practices to treat all shareholders, individual and institutional, local and foreign, equally and fairly, with the following details.

1. It is crucial to disclose the information and news about the Company in an accurate, complete and timely manner to all shareholders through the websites of the Company and the Stock Exchange of Thailand.
2. The Company provides options for shareholder who cannot attend the general shareholders' meeting to appoint a person or an independent director nominated by the Company to be his/her proxy to attend and vote in the meeting. Three types of proxy form, approved by Department of Business Development, Ministry of Commerce, shall be attached to the notice of the shareholders' meeting.
3. To ensure that all shareholders receive clear, accurate and adequate information on an equal basis and have sufficient time to read through all related information before the meeting, the Company shall disseminate the invitation notice of the shareholders' meeting together with the Board of Directors' comments and declaration. Moreover, the Company shall disseminate together with the related documents e.g. registration form, list of documents and identifications to be presented before entering the meeting room, registration and proxy process, proxy form, etc. The notice, both in Thai and in English, shall be published in the Company's website 30 days before the meeting date while the printed copy shall be delivered to all shareholders at least 21 days before the meeting date.
4. In the shareholders' meeting, the allocation of time for each agenda shall be done appropriately.

5. It is the Company's policy to encourage director who has or may have an interest in any agenda to refrain himself from discussion and decision making for resolution of such agenda.
6. To prevent insider information trading, the Company has set the following policy:
  - Do not use or disclose the Company's information, except normal business information or public information, for personal interest or other person's interest or to bring about any damages to the Company.
  - All directors and executives are required to report holdings of the Company's securities when first appointed to the position by filings the 59-1 form (Report of securities holding) to the Securities and Exchange Commission (SEC) within 30 business days from the date of appointment; and to report any purchase, sale or transfer of the Company's securities by filing to the SEC the 59 2 form (Report of changes in securities holding) within three business days from the date of the change. The Company also has a policy to encourage all directors and executives to voluntarily inform the Board about the securities trading at least one day prior to trading date.
  - Conflict of interests. The Company has a connected transaction policy which stipulates that all connected transactions incurred by directors and executives must be treated in the same way as external parties and must be disclosed to comply with the regulatory requirements to avoid any conflict of interests.
  - The Company encourage its directors and executives to voluntarily do not trade the Company securities during the one-month period prior to the announcement of quarterly and annual financial statements; and do not use inside information for trading of the Company securities.

### **Section 3: Role of Stakeholders**

The Company is aware and recognizes the rights of all groups of stakeholders, internal and external. Mainly Internal stakeholders are shareholders and employees while external stakeholders include customers, suppliers, creditors, competitors, public sectors, public offices and communities. The company has received supports from various stakeholders to strengthen its competitive

advantages and profitability, generating long-term value of the Company. Therefore, in addition to the below policy, the Company has also announced the Whistleblower Policy to provide channels for all stakeholders to file complaints or report any suspicious incidents of misconduct or corruption. Provided that there is the Policy includes complaint procedure and protection of the whistleblower as the followings:

### **Shareholders**

The Company realizes that shareholders are the Company's owners while the Company has a duty to build long-term economic value added for the shareholders. So, its directors, management and employees are obliged to follow the below guidelines.

1. Perform his/her duties with integrity and make every decision in according to the professional principles with careful, realize and fair consideration of all groups of shareholders, major and minor and for the best interests of the Shareholders as a whole.
2. Present reports of the Company's operating result, financial status, financial and accounting statements and others consistently, completely and accurately.
3. Notify all shareholders equally the information about future trends of the Company, both negative and positive, based on possibilities, sufficient data and adequate rationale.
4. It is prohibited for all employees to use or disclose any non-public information for benefits of their own or other related persons, or for any course of actions which may pose a conflict of interest with the Company.
5. The Company shall not take any actions which violate or deprive the shareholder rights, i.e. failure to submit material information or documents to the shareholders prior to the shareholders' meeting, adding important agenda or changing material information without advanced notifications to shareholders before the shareholders' meeting.
6. The Company shall encourage shareholders to use their rights in matters such as the right to nominate candidate for director position, the right to express their opinions and ask crucial questions relating to the meeting agenda.

### **Employees**

The Company believes that, to achieve our business goals, employees is one of the most valuable resource and they deserve favorable treatments. Therefore, the Company shall treat its employees fairly and equally in all aspects, career opportunities, compensation, promotion, transfer as well as

versatile training and development plan. To be able to grow and expand its business in the future, the Company has set a policy to promote and support the development of all employees. All employees shall be treated equally with respect for human rights, good and safe working environment, proper and fair compensation and benefits in accordance with their responsibilities, duties and position.

### **Customers**

The Company is well-aware of the importance of its customers and has set the following policy regarding customer treatments.

1. Customer shall be treated with courtesy and enthusiasm. Employee should be ready to welcome customers and to provide sincere, attentive service with care. Like serving the close relatives, customer service must be prompt, accurate and trustworthy.
2. Maintain customer confidentiality and never misuse it for personal or other related person's interests.
3. Provide accurate, adequate and timely information relating to the Company's services to all customers, without exaggerated advertisement which may mislead customers about the quality or any service conditions.
4. Give advice about the Company's services and related processes efficiently with the intention to maximize customer benefit.

### **Business Partners and Creditors**

The Company is committed to treating its business partners and/or creditors fairly, honestly without taking any advantages of the relationship. The Company and its subsidiaries believe in conducting business with integrity, transparency and fairness in order to achieve maximum pay-off for both sides. The business partners must not bring discredit to the Company's reputation and must comply with the law, morality and ethics, customs and traditions. Purchasing of goods and related process must be transparent and auditable. Any situations that pose a conflict of interest should be avoided and any trade negotiations should be based on business relationship. Following are related guidelines.

1. Do not demand, or receive, or offer any payment or benefit of any dishonest dealing with business partners and/or creditors.
2. If there is any information of bribery, demanding or receiving or offering benefit of dishonest dealing, such information must be disclosed to the related business partners and/or creditors for investigation and resolution in a fair and timely manner.
3. All terms and conditions of the agreement shall be strictly followed. If any conditions cannot be complied, responsible person must inform the creditors in advance in order to jointly find solutions.

The process of selecting suppliers: The Company's policy requires at least 3 companies to join the bidding process. The Company will select supplier who offer reasonable prices and meet the specifications of the product or service that the Company's requirements.

### **Banks, Financial Institutions, Creditors**

The Company is committed to treating the bank, financial institution, its creditor and guarantor with honesty; and to repayment of loans and interest on time. The Company set strategies of working capital management to ensure that the Company shall not be in any difficulties in repayment to the bank, financial institution, its creditors and guarantor. The Company shall also strictly comply with all terms & conditions specified in the loan agreements and the other agreements.

### **Competitors**

The Company has a policy to treat all competitors with integrity, not breaching confidentiality or revealing trade secrets of competitors obtained in an illegal or deceptive way. Following are guidelines of the policy.

1. Abide by the rules of ethical competition
2. Do not seek for confidential information or trade secrets of competitors by using illegal or inappropriate methods.
3. Do not discredit competitors by any negative accusation
4. The Company supports and promotes free and fair competition.

## **Community and Societies**

The Company's policy is to conduct business that benefits the economy and society by adhering to practices of a good citizen who fully complies with laws and regulations. The Company commits to developing, promoting and leveraging the quality of life in the society and the communities in which the company is located, along with the growth of the company

## **Section 4: Disclosure and Transparency**

The Company has a policy to disclose financial information and other business relating information as well as the Company's operation results which is truthful, complete, adequate, consistent and timely. The information should reflect the actual financial status and operating performance, and the future of the Company's business. By publishing such information on the company's website, both in English and Thai, and disseminating through press releases and media of the Stock Exchange of Thailand, all shareholders and other stakeholders shall receive the Company's information thoroughly and equally. Additionally, the Company shall consistently improve and change the method and practice of information disclosure to comply with the existing regulatory requirements from the Stock Exchange of Thailand and the Securities and Exchange Commission.

## **Section 5: Board of Directors' Responsibilities**

The Board is responsible to shareholders regarding the Company's business operation and corporate governance to achieve its goals in the direction which brings maximum benefits to shareholders, taking into account the interests of all stakeholders. The Board has a duty to comply with the law, the Company's Objectives, its Articles of Association and the resolutions of the shareholders' meeting. The Board shall perform its duties with integrity and honest and shall vigilantly protect the interest of shareholders and other stakeholders in both short term and long term. In order to ensure that the Company's operation will be aligned with the given direction and brings maximum benefits to shareholders and all stakeholders, the Board shall oversee the creation and development of the Company's vision, mission, goal, policy, business direction, strategic operating plan and annualized budgeting. The Board shall share its opinions to clarify and create mutual understanding of business overview in prior to approval and shall monitor the administration

to achieve to the set goals by adhering to the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission.

### **Board of Directors' Structure and the Meeting quorum**

The Company's Board of Directors is composed of directors who are competent, knowledgeable with various fields of experience. With the main responsibility to consider and make decision in key issues relating to the management of the Company, all directors are free to express their idea in the meeting and to vote for resolution of each agenda with the purpose to ensure that the management and operation of the Company are rightful, efficient and transparent.

According to the Article of Associations of the Company, the Board of Directors consists of at least 5 persons of which not less than one-half (1/2) of the directors shall reside in Thailand. Provided that at least 3 persons or not less than one-third (1/3) of total directors shall be the Independent Directors.

At least 2/3 of the total member of the Board must be presented to form a quorum at the time of the Board passing a resolution.

### **Role and Responsibilities of the Board of Directors**

The Board of Directors has the authorized, duties, and responsibilities to manage the Company and the subsidiaries in accordance with the relevant law, the objectives and the Company's Articles of Association as well as all legitimate resolutions of the shareholders' meetings as follow:

1. Perform their duties accordance with the laws, Securities and Exchange Act, the Company's objectives, and the Company Articles of Association as well as the resolutions of the Board of Director and the shareholders' meeting with the responsibilities, duty of care, duty of loyalty, and the utmost benefit of the Company and the shareholders.
2. Determine the Company's policies, business directions, vision, mission, values, and strategies
3. Determine the Company's annual plan and budget, as well as considering and reviewing to be accordance with the plan

4. Determine short-term and long-term remuneration structure and welfare for the employees in all level
5. Appoint the management to ensure that the accounting systems, financial reports, and accounting audit are accountable, as well as ensuring that the Company has an appropriate internal audit control system
6. Consider and approve the acquisition and disposal of an asset and investment
7. Consider, approve and provide an opinion on the connected transactions of the Company and its subsidiaries and ensure the compliance with the relevant laws
8. Prevent a conflict of interests among the stakeholders of the Company
9. Establish the risk management policy and framework, to continually review and evaluate the policy and framework.
10. Evaluate the performance of the Board of Directors annually, both group evaluation and individual evaluation in order to use as a guideline to review their duties and responsibilities
11. Delegate one or more directors or other persons to perform any task on behalf of the Board of Directors, However, such delegation shall not be the authorization or sub-authorization that allows the director or any designated person, who has a conflict of interests or a conflict of any kinds with the Company or its subsidiaries to approve the transactions
12. Appoint sub-committee to assist and monitor the management systems and the internal control to ensure that compliance with the policies such the Audit Committees, Nomination and Remuneration Committees, Risk Management Committees, and the Corporate Governance Committees and assign to the annual performance evaluation and review the duties and responsibilities in the charter of all committees.
13. Arrange the good corporate governance policy in form of the code, and adopt it in an efficiency in order to ensure the Company take responsibility to all stakeholders with fairness basis
14. Directors should attend the training course to improve their skill which relevant with the Company business accordance with the Company's human resource development policy
15. Newly appointed directors should attend the orientation to guideline the Company overview such a Company's structure, Articles of Association, Objectives, Director code of ethics, directors' handbook, and the Company policies as well as the corporate governance policy.
16. Consider and alter the authorized directors signing on behalf of the Company

17. Consider and appoint Executive and Corporate Secretary with the qualification as defined by the Securities and Exchange Commission or the Capital Market Supervisory Board, as well as decide the compensation of those.

### **Role and Responsibilities of the Chairman**

1. To be Leader of the Board of Directors and to be the Chairman over the Board of Directors' Meeting
  - 1.1. Conduct the Board Meeting in compliance with the law, the Company's Articles of Association and the Meeting agenda
  - 1.2. Promote and allocate sufficient time for each Board member to discuss and share their idea deliberately and to exercise their proper discretion for the best interest of all stakeholders
  - 1.3. Conclude the meeting resolution and actions plan to be taken after the meeting in a clear and decisive manner
2. Preside over the Shareholders meeting and conduct the meeting in compliance with the law, the Company's Articles of Association and follow the sequence of the agenda with proper allocation of time while providing an opportunity for shareholders to equally share their opinions and for directors and executives to respond to shareholder's questions properly and transparently
3. Promote the Board of Directors to be a role model in practicing good corporate governance, Anti-fraud and Anti-corruption policy and the Company's Code of Conducts
4. Strengthen good relationship between Board members and management team and support the president and his management team to carry out their duties in accordance with the Company's policies
5. Supervise the disclosure of information and transparent management especially when there is a conflict of interest
6. Ensuring membership of the Board has proper structure and composition
7. Ensuring efficient and effective performance of the Board of Directors, each committee and individual directors
8. Supervise the annual performance evaluation of the Board of Directors, individual directors, the Chairman himself, and all committees in order to improve effectiveness of the Board and

committees and enhance knowledge and competencies of individual Board and committee members

### **Approval Authority of the Board**

The Board of Directors has authority to approve the Company's activities to the extent of the duties prescribed by law, the Company's Articles of Association, Board of Directors Charter and the resolution of the shareholders' meeting. This includes the formulation and review of vision; operational strategies; operation master plan; risk management policy; annual budget and business plans; medium-term business plan; performance based operational goals; monitoring and evaluation of operation plans and capital expenditure; merger and acquisition of business; division of business and; participation in joint venture.

### **Term of Office of the Directors**

One-third or the proportion closest to one-third of all directors shall vacate office at each of the Annual General Meeting of Shareholders. In the first and second year after the Company was listed, a lot drawing shall be adopted. In the later years, directors holding the longest terms shall vacate office first. Any director vacating office on due term can be re-elected.

Apart from retirement upon the expiration of the term of office, the Directors shall vacate upon:

1. death;
2. resignation;
3. dispossession of qualification or possession of disqualification under the laws;
4. the meeting of shareholders resolving to remove any director prior to the expiration of his term of office with votes not less than three-fourths of number of shareholder attending the meeting and having the right to vote and the total number of shares being of not less than one half of number of shares held by shareholders attending the meeting and having the right to vote;
5. the court issuing an order to remove.

### **The Board of Directors' Meeting**

1. Regular Board of Directors meeting will be held no less than 4 times per year and special meetings will be called as necessary. A schedule of the regular meetings will be fixed in advance for the whole year
2. Chairman of the Board of Directors and Chairman of the Executive Committee shall supervises and endorse the meeting agenda
3. Corporate Secretary is responsible for deliver meeting invitations together with meeting agenda and supporting document to each Board member for review at least 7 days before the meeting will take place
4. During the Board meeting, a director who has a conflict of interest in the agenda shall leave the meeting room during the discussion of, and the vote on, the transaction
5. At least 2/3 of the total member of the Board must be presented to form a quorum at the time of the Board passing a resolution.

### **Qualification of Independent Directors**

1. Holding no more than 1% of total voting shares including the shareholding of persons related to the independent directors
2. Not currently be or never been the Company's executive director, worker, employee, salaried consultant, or controlling parties. Exception: It has been at least two years after the person has held the position.
3. Not by blood or legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.
4. Not currently having or never had any relations with the company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the company. Exception: It has been at least two years after the person has held the position.

5. Not currently being or never been the company's auditor. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm. Exception: It has been at least two years after the person has held the position.
6. Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the company with a fee more than THB 2 million per year. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position.
7. Not currently a director appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholder.
8. Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.
9. Not under any conditions that may impede the person from having independent views towards the company's operations.

#### **Term of Officer of the Independent Directors**

The tenure of an independent director of the Company should not exceed a cumulative term of 9 years from the first day of service. Upon completing 9 years, an independent director may continue to serve on the Board of Directors, subject to the Board of Directors' rigorous review of his/her continued independence.

#### **Company Secretary**

The Company Secretary is responsible as specified in Section 89/15 and 89/16 of the Securities and Exchange Act. (No,4) B.E. 2551 which was effective on August 31, 2008 with responsibilities, careful, and honesty as well as compliance with the law, the Company's objectives, Articles of Association, Board resolution, and shareholders' meeting resolution. The duties of the company secretary as follow:

1. Prepare and maintain the followed documents'
  - a. Directors' registrars
  - b. Invitation letter and Minutes of the Board of Directors' Meeting, Annual Report
  - c. Shareholders' Meeting Minutes and Invitation letter
2. Maintain reports of interest reported by directors or executives and submit a copy of the report of interest under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within 7 working days from the date the company received the report
3. Perform other tasks as announced by the Capital Market Supervisory Board
4. Provide basic advice to directors in matters relating to securities laws and regulations as well as the regulations of the company and follow up to ensure the correct and consistent practice Including reporting significant changes to the Board of Directors
5. Arrange for shareholders' meetings and board meetings according to the law Company regulations and good practices
6. Prepare the minutes of the shareholders' meeting and the minutes of the Board of Directors' meeting and follow up to ensure compliance with the resolution of the meeting
7. Prepare and maintain the registration of directors, Annual report, Invitation letter to the shareholders' meeting, Notice of the Board of Directors Meeting
8. Maintain reports of interest prepared by directors and executives and reports as required by law
9. Ensure that the subsidiaries comply with laws and regulations
10. Ensure the disclosure of information and information reports to regulatory agencies in compliance with laws and regulations
11. Provide timely disclosure of information necessary to the Securities and Exchange Commission and the Stock Exchange of Thailand (Both Thai and English)
12. Assist the Board of Directors Including the initial consultation and suggestions Related to the law, regulation, corporate governance and good practices related to the Board of Directors and sub-committees
13. Supporting directors to ensure that directors have the sufficient information and knowledge to

perform their duties efficiently and report in the annual report

14. Develop the knowledge related to perform company secretary duties

### **Sub-Committees**

The Board of Directors has established committee i.e. Audit Committees, Nomination and Remuneration Committees, Risk Management Committees, and Corporate Governance Committees to perform their duties of their specific affairs and propose related issued for the Board to consider or endorse. The Board has approved the charter of each committee which set the duties and responsibilities of the committee and shall be published on the Company's website. The detail of each committee is followed;

#### **1. Audit Committee**

Audit Committee is established with the objectives to provide the assistant to the Board of Directors in fulfilling its oversight responsibility relating to the accuracy of the Company's financial statement, the efficiency of the internal control, and the compliance with law, regulations and the code of conduct in order to promote its Good Corporate Governance. The Committee also has a duty to review the Company's risk management and to prepare the audit committee report in the annual report.

Audit Committee comprises of at least three (3) independent directors and at least one (1) member shall be financially literate or shall have background in accounting or finance sufficiently enough to perform the duty of reviewing the accuracy of the Company's financial statements. Chairman of the Audit Committee shall be appointed by the Board of Directors or by the voting of all members of the Audit Committee.

#### **Role and Responsibilities of Audit Committee**

1. To review and ensure that the Company's financial report is proper and with adequate disclosure in accordance with the generally accepted accounting standards, including the assurance that quarterly and annual financial reports are accurate, complete, and justifiable before the submission to the Board of Directors for approval.
2. To review and ensure that the Company has an appropriate and efficient internal control system and to annually assess the results of the internal control.

3. To ensure that the Company has complied with the securities laws and regulations of the SEC and the SET or other laws relating to the business of the Company.
4. To select and recommend to the Board of Directors the appointment of the external auditor and suggest remuneration for approval in the annual general meeting of the shareholders' meeting and to meet with the external auditor without participation of the management at least once a year.
5. To terminate the external auditor, if there are conflict of interest or effect to the Company.
6. To ensure a common understanding between the Board of Directors, the external auditor, and the internal auditor.
7. To review and disclose related party transactions or any conflict of interests as stipulated by the corresponding regulations, Company's Articles of Association, Securities and Exchange Commission Act, or the notification of the SET and disclose in the annual report.
8. To prepare a report of the Audit Committee's activities as may be required in line with SET regulation.
9. To review and revise the Audit Committee charter to properly align with the Securities and Exchange Act and the SET's regulations and guidelines
10. To consider, review, and approve the internal audit plan
11. To ensure that the internal audit department addressed all essential business control functions, proposes solutions and opinions to the management, and monitors the execution of the proposed solutions within the provided time period
12. To report the Audit Committees' operation result to the Board of Directors
13. To be empowered to call for opinions or attendance at the meeting or provision of any related documents, as the Audit Committee may deem relevant or necessary, from the management or any related staff.
14. To seek counsel from independent professionals from varying fields when deemed necessary on the expense of the Company.

15. To do any other functions as may be designated by the Board of Directors
16. To evaluate the annual performance for possible improvement

## **2. Nomination and Remuneration Committee**

Nomination and Remuneration Committee is established with the objectives to comply with the Good Corporate Governance, the duties are mainly the consideration and determination the remuneration package of the directors, committees, and the executive management and propose for the Board of Directors before asking for the approval from the shareholders.

Nomination and Remuneration Committee comprises of at least three (3) directors and at least one-third (1/3) of the Nomination and Remuneration Committee must be independent directors and the Chairman must also be the independent director.

### **Roles and Responsibilities of the Nomination and Remuneration Committee**

1. To consider the succession plan for executive and top executive
  - 1.1. To recruit person who is suitability to be nominated for Chief Executive Officer, Managing Director and top executive by following the relevant law.
  - 1.2. To define the criterions for recruitment person who is suitability to be nominated for Chief Executive Officer, Managing Director and top executive.
2. The criterions need to accord with the relevant law and requirements and also the person need to have a qualification that relevant to the law and the requirements of Stock Exchange of Thailand.
  - 2.1. The Nomination and Remuneration Committee has a duty for consideration the remuneration as follow:
  - 2.2. To present the remuneration of committee and sub-committee to the Board of Director for approval and present to the shareholder meeting for approval.
3. To present the remuneration of top executive to the Board of Director for acknowledgement.
4. To consider the remuneration of executive, apart from no.3 , to the Board of Director for approval and pass to the managing director for operation.

5. All sub-committee have a duty to make a self-assessment in both individual and group evaluation and report to Board of Director in order to disclose in annual report.
6. Chairman of sub-committee has a duty to make a self-assessment report in order to present to the Board of Director and disclose in annual report.
7. Making a sub-committee's performance report, following by the regulation of Stock Exchange of Thailand, for disclosing in annual report
8. Regularly review the charter of sub-committee in order to appropriate and relate with the Securities and Exchange and also the regulation of Stock Exchange of Thailand.
9. Reporting the performance report of sub-committee to the Board of Director at least 2 times per year
10. Annually evaluate the performance report of sub-committee for the purpose of improvement process

### **3. Risk Management Committee**

Risk Management Committee is established with the objectives to provide the assistant the Board of Directors to manage the risk e.g. financial risk, trading risk, and exchange rate risk by determining the risk management framework and policies as well as follow the result and propose to the Board of Director to consider and mitigate the risks.

Risk Management Committee comprises of three (3) directors and shall be appointed by the Board of Directors

#### **Role and Responsibilities of the Risk Committee**

1. To set up the risk management policy and framework in order to relate with the company's sustainability target and strategy between top executive and director.
2. To follow up the significant risk of organization and improve the risk management framework including with the risk identification and evaluation process.
3. To evaluated and approve the appropriate risk management plan for practicing throughout the organization
4. To follow up the strategy and major practicing risk management. According with the analysis and estimation the situation expecting to be a cause of risk and effect to the company's operation

and also report to the director

5. To provide the risk management advisory for the operation
6. To create the risk awareness throughout the organization by encouraging and motivation the risk management to be a culture of organization.
7. To manipulate the risk management handbook consisting of up-to-date evaluation and management standard of risk management
8. To communicate with audit committee for the significant risk in order to connect with internal control.
9. To report the company's risk and risk management to the Board of Director at least twice a year
10. All sub-committee have a duty to make a self-assessment in both individual and group for evaluation and report to Board of Directors in order to disclose in annual report
11. Chairman of sub-committee has a duty to make a self-assessment report in order to present to the Board of Director and disclose in annual report
12. Making a sub-committee's performance report, following by the regulation of Stock Exchange of Thailand, for disclosing in annual report.
13. To review the charter of sub-committee in order to appropriate and relate with the Securities and Exchange and also the regulation of Stock Exchange of Thailand
14. To report the performance report of sub-committee to the Board of Director at least twice a year.
15. To evaluate the performance report of sub-committee for the purpose of improvement process.

#### **4. Corporate Governance Committee**

Corporate Governance Committee is established with the objectives to comply with the Good Corporate Governance of the public company standard which was evaluated by the external institution and report the result and suggestion to the Board of Directors to determine the relevant policies.

Corporate Governance Committee comprised of the directors and the corporate secretary totally three (3) member and shall be appointed by the Board of Directors.

### **Role and Responsibilities of Corporate Governance Committee**

1. To set up the Corporate Governance Committee policy for Board of Director to approve and put into practice. Including following the policy behavior and also continuously and appropriately review the policy.
2. To assign to have an annually performance evaluation for Chairman of board of director, committee in both individual and as a whole and also sub-committee.
3. To build a reliability of Corporate Governance process by having a rightful financial statement, following the law and ethic as well as having a good relationship with customers, supplier and stakeholders.
4. To Build a reliability of Corporate Governance process by having a suitable protection and reducing conflicts of interest process in order to get the most beneficial for company and shareholder.
5. All sub-committee have a duty to make a self-assessment in both individual and group for evaluation and report to Board of Director in order to disclose in annual report
6. Chairman of subcommittee has a duty to make a self-assessment report in order to present to the Board of Director and disclose in annual report
7. To make a sub-committee's performance report, following by the regulation of Stock Exchange of Thailand, for disclosing in annual report
8. To review the charter of sub-committee in order to appropriate and relate with the Securities and Exchange and also the regulation of Stock Exchange of Thailand
9. To report the performance report of sub-committee to the Board of Director at least twice a year
10. To evaluate the performance report of sub-committee annually for the purpose of improvement process

### **Performance Evaluate of the Board**

The Board of Directors shall perform self-evaluation of the Board performance on annual basis so that the directors have an opportunity to review the achievements, issues and obstacles during the year which shall enhance the effectiveness of the Board. The Company has designed the “Board self-evaluation form” by using the principles of good corporate governance guided by the Stock Exchange of Thailand.

### **Remuneration of Member of the Board and sub-Committees**

The Company shall decide proper remunerations of members of the Board and Committee Member based on the comparison with director's remuneration by the leading listed companies and other companies in the same industry with the consideration of the Company performance as well. All directors' remunerations in the Board and of each Committee must be approved by the shareholders' meeting.

### **Section 6: Connected Transactions**

The Company has recognized the importance of undertaking business transactions transparently and only for the benefit of the Company. Therefore, the Company sets a policy to focus on preventing transactions which may lead to a conflict of interest, connected transactions and intercompany transactions, with following details.

1. Management and all employees must strictly follow the Company's Code of Conduct to build the reliable and trustworthy reputation of the Company among all stakeholders. Dissemination of the Code of Conduct must be done regularly to ensure same understanding and same practice among all employees.
2. Directors and management must notify the Company of any relationship or connected transaction which may lead to a conflict of interest.
3. Connected transactions must be reported to the Audit Committee to consider and give their opinion before proposing for approval to the Board or to the shareholders' meeting. The process must be complied with the principle of corporate governance and the regulatory requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission.
4. To review and consider the connected transactions, the Company may appoint independent appraiser or independent financial advisor (as the case may be) to give the opinion in the material connected transactions.
5. To enter into any connected transaction, the Company will set the price and conditions based on the arm's length method to ensure fair, reasonable and highest benefit to the Company.
6. Directors or management who have an interest in the connected transaction shall not approve or vote for resolution of such transaction and its related matters.

## **Section 7: Anti-Corruption and whistle blower policy**

**Corruption** means a behavior in which one performs or refuses to perform the assigned duties or misuses ones position or power to dishonestly or unlawfully seek any types of personal interests such as offering or accepting bribery, proposing an offering, promising or agreeing to give, demanding or accepting money, assets or other inappropriate benefits from government officers, government sectors, private sectors or any other related parties so that such person could proceed or disregard his/her function in order to acquire the business or achieve any improper benefits in business transactions with the exception of the cases in which it is permitted by law, regulation, statement, standard, custom or business tradition.

### **1. Roles and Responsibilities**

- 1.1. The Board of Directors is responsible for determining the policy and ensuring that an effective system existed in supporting anti-corruption within the organization to ensure that anti-corruption mindset has been developed and cultivated as part of the Company's culture among every member of the organization.
- 1.2. The Audit Committee is responsible for revising financial and accounting reports, internal control system, internal audit system and risk management system to ensure they are appropriate and effective, including overseeing any whistleblowing concerning an act of corruption committed by any member within the organization, participating in the investigation procedure and reporting to the Board of Directors in order jointly seek proper disciplinary action or solution.
- 1.3. Corporate Governance Committee is responsible for giving advice and monitoring corporate compliance with the defined Corporate Governance Policy, Code of Business Ethics as well as Anti-Corruption Policy and related measures.
- 1.4. Risk Management Committee is responsible for conducting risk assessment relating to corruptions, including determining preventive measures to minimize corruption-related

risks which shall further be presented to the Audit Committee and Corporate Governance Committee.

- 1.5. The Executive Committee, Managing Director and the Management are responsible for implementing the defined Anti-Corruption Policy by determining an effective system for supporting such policy as well as communicating with the employees and related parties, including reviewing the appropriateness of the system and related measures to ensure they are consistent with the current changes in business, regulation, standard and law.

## **2. Anti-Corruption Policy and Related Practice**

The Company shall not tolerate any forms of corruption and shall be applicable to all businesses and transactions in every country worldwide and every relevant function. The Board of Directors, the Management and employees of Thai Plaspac Public Company Limited including subsidiaries must strictly comply with the defined Anti-Corruption Policy and are prohibited from being involved with any forms of corruption either directly or indirectly.

- 2.1. No staff shall behave in a way which demonstrates clear intention of committing an act of corruption, offering or accepting bribery from government or private sectors or relevant stakeholders in order to acquire or maintain the business or competitive advantages or for personal interests or interests of any related parties.
- 2.2. No staff shall be negligent or ignorant toward any act of corruption involved directly with the Company and must notify their supervisors or responsible person and provide full cooperation during investigation.
- 2.3. The Company shall ensure fairness and protection of all staffs that deny or report corruption cases to Company as specified in the Protection Policy for appellants or whistleblowers.
- 2.4. Any act of corruption shall be considered as equivalent to misconduct against the Company's Code of Conduct and shall be liable to disciplinary actions as per the

Company's rules and regulation. Legal punishment may also be enforced if such act is a legal violation.

- 2.5. The Company recognizes the importance of communicating and building knowledge and understanding among those involved in or affected by the Company's business operations regarding compliance with the defined Anti-Corruption Policy
- 2.6. The Company constantly ensures that appropriate and efficient audit procedure and internal control system existed within the organization in order to prevent corruptions.
- 2.7. The Company has developed human resource management system which clearly demonstrates its commitment in fighting against corruptions starting from recruitment, training, performance evaluation to remuneration and promotion processes.
- 2.8. To stress the attention on processes which incur high risk of corruption, the Board of Directors, the Management and employees of every level must conform carefully in the following course of actions:

#### 2.8.1. Political Contributions

Political contributions mean to give support in a form of money, items and/or participate in certain activities, including encouraging the employees to be involved in political activities on behalf of the Company in order to acquire business advantages.

The following guideline of practice has therefore been developed:

- 1) The Company shall operate its business with political neutrality by avoid supporting or acting in favor of any political party in particular.
- 2) The Company shall not provide financial support or items to any political parties, politicians or candidates of any political party to gain business benefits.
- 3) All employees shall have the right to participate in political activities as stated in the Constitution of Thailand but shall not make any claims of being the Company's staff or use the Company's assets, equipment or tools for the benefits of their political activities. Employees involved in any political

activities must make sure that their actions will not mislead others to think that the Company is assisting or acting in favor of any political parties.

#### 2.8.2. Donation and Sponsorships

- 1) Donation in a form financial aid or others such as knowledge or time sharing, etc. can be carried out by the Company as part of corporate social activity, including public relations and building good organizational image without expecting any business benefits.
- 2) Sponsorship either in a form of money or property for any activity or project must be transparent and in compliance with stipulated laws and must only identify the name of the Company. All sponsorships must be approved according to the Company's regulation and must not have a hidden purpose of commercial advantages by confirming that such transaction shall not be claimed as bribery.

All sponsorships must be given to support only those activities with business goals or for the Company's good image and can be done in various forms such as sponsorship for cultural activities, social and environmental activities or education and sports activities.

#### 2.8.3. Gift and Entertainment

The Company recognizes that building good relationship with business alliance is essential to driving continuous business success for the Company. Hence, following guideline of practice has been developed:

- 1) The directors, executives and employees of the Company are allowed to offer gifts and entertainment to business alliance under the following conditions:
  - I. Such act must not be done in a manner which aims to influence or reward any persons in order to gain inappropriate or hidden benefits or assistance.

- II. Must abide by relevant laws, including regulations and requirements specified by the Company.
  - III. Must be given in the name of the Company only and transparently.
  - IV. Must be of appropriate type and value. For instance, no gifts or entertainment should be given to government officials, employees or relevant agencies during bidding process.
  - V. Appropriate for the situation. For instance, gifts can be given during special holiday season as it is customary.
- 2) The Board of Directors, the Management and employees of the Company are allowed to accept gifts or any other benefits given as part of special holiday season or traditional practice as long as the value of the gift does not exceed 3,000 Baht and must not be in cash or cash equivalents such as gift voucher. In the event it is unavoidable to accept such gift or benefit, the receiver must immediately notify their supervisor and prepare a gift acceptance and handover report to be submitted to the Company's Administrative and Secretary Office in order to be used in rewarding the employees on special holiday seasons or making public donation as deemed appropriate.

### **3. Measures and Communication Channels for Whistleblowing/Complaints**

The Company has determined measures for whistleblowing or raising complaints concerning any misconduct done by any director, executive or employee within the organization that is in violation of the laws, Code of Business Ethics or any behavior that may lead to corruptions. Various channels of communication have been provided so that the employees and stakeholders can conveniently and appropriately report incidents or raise complaints with the Company. The whistleblower or complainant must notify the details of the incident or complaint including their contact address and phone number through the provided channel.

3.1. The Company has arranged several communication channels for whistleblowing / complaints concerning corruption as follow:

- Postal mail

Secretary Center

Thai Plaspac Public Company Limited

4<sup>th</sup>, floor Thai Plaspac Public Company Limited, No.77 Soi Thian Thaley 30, Bang Khun Thian-Chay Thaley Road, Tha Kham, Bang Khun Thian, Bangkok, 10150.

- Email:

Secretary Center: [Secretary@tpacpackaging.com](mailto:Secretary@tpacpackaging.com)

Compliance: [ethics@tpacpackaging.com](mailto:ethics@tpacpackaging.com)

- Company's website: [www.tpacpackaging.com](http://www.tpacpackaging.com)

- Suggestion / comments / complaints box available within the Company.

## **Section 8: Human Rights**

### **Human Rights Policy**

The Company has a policy and standards that prohibit violating human rights, and everyone working for the Company is expected to uphold these principles. Following by

1. Treat employees with respect for their rights and duties, and the Company will recruit people directly, rather than using contractors, to work on all aspects of its production.
2. Encourage adherence to the preservation of human rights. Avoid engaging in practices that violate human rights, such as forced labor and child labor.
3. Support democracy and promote staff in exercising their right to vote.
4. Openly demonstrate to partners and stakeholders regarding to intention to human rights policy.

### **Labor Equitable Treatment**

The Company defines policies and follows them because we value our employees as a valuable resource.

1. Employment and Labor Relations fair and lawful employment contracts and a welfare committee have been established, in addition to considering employees regardless of gender, age, or nationality to take care the welfare of the workforce.
2. The Company places a high priority on workplace safety and conditions. At all levels, exercise caution and carry out your responsibilities correctly in line with safety guidelines. Providing yearly trainings to expand employee's knowledge, along with yearly physicals for all workers.
3. Handle every employee equally no discrimination of gender, education level, or nationality according to the Company policies that have been authorized by the Department of Labor.