

Corporate Governance Guidelines

for

the Board of Directors

CP ALL Public Company Limited

Definition

Company:	CP ALL Public Company Limited
Subsidiary company:	A limited company or a public limited company over which the Company has control, with qualifications according to the notification of the Securities and Exchange Commission
Board of Directors:	The Board of Directors of CP ALL Public Company Limited
Sub-Committee:	A sub-committee that the Board of Directors has appointed to study and screen selected issues
Corporate Governance Committee:	The sub-committee that the Board of Directors has appointed to oversee the conduct of the directors and executives in compliance with the corporate governance policy and anti-corruption policy
Nomination and Remuneration Committee:	The sub-committee that the Board of Directors has appointed to recruit and consider the compensation of directors and key executives before presenting to the Board of Directors Meeting
Audit Committee:	The sub-committee that the Board of Directors has appointed to oversee the Company's financial reporting process to ensure accurate and adequate disclosure according to reporting standards, and to ensure that the Company has a proper and adequate internal control system and internal audit system. The composition, qualifications and responsibilities of the Audit Committee shall be in compliance with the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.
Risk Management Committee:	The committee that the Executive Committee has appointed to support the Board of Directors in driving risk management activities of the management team, to assist the risk owners in indentifying risks and risk management measures, and to communicate and monitor the results of the risk management measures and related internal control.
Director:	A director of the Company, either a non-executive or executive director, who may or may not be an independent director
Independent Director:	A director who is not engaged in the day-to-day management of the Company and its subsidiaries, does not have any vested interest, has independence from management and controlling shareholders, and does not have any relations with the Company in the way that such relation may impede the person



	from having independent views. The director shall have qualifications according to the notification of the Capital Market Supervisory Board and as determined by the Board of Directors.
Employee:	An employee at the supervisory level or equivalent and lower of CP ALL Public Company Limited
Executive:	Those appointed department head or equivalent and higher of CP ALL Public Company Limited
Key executive:	Those appointed Vice President or equivalent and higher of CP ALL Public Company Limited
Stakeholders:	Persons and/or juristic persons who are related to the business operations of the Company including shareholders, executives, employees, store business partners, customers, suppliers, creditors, competitors, communities and society
Shareholder:	A shareholder of CP ALL Public Company Limited
Corporate governance support unit:	The unit that has the role and duties to support the Board of Directors and executives in governance functions, risk management, internal control, and compliance with the Company's regulations, and is independent from executives and employees in the business function. This unit also assists with development of policies, regulations and guidelines; provides advice and tools for executives of each function to identify and evaluate risks, design internal control systems and risk management measures, ensure compliance with regulations, and monitor results; as well as assists with communication, training and reporting of risk management, internal control systems and compliance with regulations to the Board of Directors, executives and related stakeholders.
Audit Office:	The unit that has independence from management and is responsible for ensuring the Board of Directors of the effectiveness of the Company's governance, risk management and internal control systems, and reviewing to ensure that the performance of various departments in the Company comply with the Company's policies and regulations, internal audit standards, and best practices related to corporate governance, risk management and internal control.
Inside information:	Information belonging to or controlled by the Company that has economic value both at present and in the future. The information is known only by limited persons and must not be disclosed to the public without permission of authorized



persons. This information includes personal information, customer and employee information, sales and marketing information, product and service information, accounting information, business plan, marketing plan, financial plan, construction plan, innovation information, product research and development information, source code, changes in operating performance, changes in financial status such as cash flow crisis and credit crisis, changes in control, changes in directors, changes in the auditor, changes in funding such as rights issue, changes in par value, divestment, issuance of bonds, options and warrants, takeovers, mergers, and material information affecting share prices which have not yet been publicly disclosed.

Conflict of interest:

Performing duties to achieve outcome according to the Company's objectives, but benefiting oneself or related persons, causing the Company not to receive full benefits or causing loss or problems for the Company. Transactions shall be on an arm's length basis.

Corporate Governance Guidelines

Objective and Scope

CP ALL Public Company Limited (the “Company”) has intent to conduct its business in adherence with the corporate governance principles and is determined to promote and develop the Company to be an effective organization by committing to operate business with transparency, fairness, responsibility to related stakeholders such as customers, employees, the government, society, communities, the environment, suppliers, creditors, competitors and shareholders.

Thus, the Company has established the Corporate Governance Guidelines, covering guidelines for related parties as follows:

- Corporate Governance Guidelines for the Board of Directors
- Corporate Governance Guidelines for Executives and Employees
- Corporate Governance Guidelines for Corporate Governance Support Units
- Corporate Governance Guidelines for Auditors

This Corporate Governance Guidelines for the Board of Directors integrates the 8 main corporate governance principles and sub-principles and the Corporate Governance Code for Listed Companies 2017 issued by the Securities and Exchange Commission. The Code was applied where suitable to the Company’s business context. This Guideline serves as practice principles for directors to act properly and appropriately to create sustainable value for the Company.

Principle 1:

Establish clear leadership role and responsibilities of the Board

Guidelines 1.1:

The Board shall demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the Company, and strengthen good governance, including:

- (1) defining the organization’s objectives and goals;
- (2) determining strategies and policies and allocating resources to attain the objectives and goals; and
- (3) monitoring, evaluating, and reporting on performance.

Guidelines 1.2:

To achieve sustainable value creation, the Board shall exercise its leadership role and pursue the following governance outcomes:



- (1) competitiveness and performance with long-term perspective;
- (2) ethical and responsible business;
- (3) good corporate citizenship; and
- (4) corporate resilience.

Guidelines 1.3:

The Board shall ensure that all directors and executives perform their fiduciary duties with the required responsibility, due care and loyalty; that the Company operates in accordance with applicable laws, the objectives, the articles of association of the Company, the resolutions of the Board of Directors, the resolutions of the shareholders' meetings, and established policies and guidelines; and that the Company has an approval process for important matters that complies with applicable laws, such as material investment and transactions, related party transaction, acquisition/disposal of assets and dividend payment decisions.

In performing duty with responsibility and due care, a director and an executive shall act in the similar manner as an ordinary person undertaking the like business under the similar circumstance. In addition, at the time of considering such matter, his decision shall meet the following requirements:

- (1) decision has been made with honest belief and reasonable ground that it is for the best interest of the Company;
- (2) decision has been made in reliance of information honestly believed to be sufficient; and
- (3) decision has been made without his interest, whether directly or indirectly, in such matter.

Guidelines 1.4:

The Board shall demonstrate a thorough understanding of the division of the Board and management responsibilities. The Board shall clearly define the roles and responsibilities of management and monitor management's proper performance of duties.

- (1) The Board should adopt a Board Charter that clearly sets out the roles and responsibilities of the Board. The Board should regularly review the Charter every year and regularly review the roles and responsibilities of the Board and management to ensure that it is in line with the direction of the organization.
- (2) The Board must provide written directions to management that clearly sets out management's responsibilities and must monitor management's proper performance of duties.





Matters for which the Board has primary responsibility (Matters that the Board should fully consider.)

- a. Defining objectives, goals and business model
- b. Developing culture of compliance and ethical conduct, and lead by example
- c. Strengthening an effective Board structure and practices conducive for achieving the Company's objectives and goals
- d. Ensuring suitable selection, remuneration, development and performance evaluation of the Chairman of the Executive Committee, and the Managing Director and Chief Executive Officer
- e. Ensuring appropriate compensation architecture that supports achievement of the Company's objectives and goals

Matters involving shared responsibility of the Board and management (Matters requiring joint consideration between the Board and management. Management is assigned to perform these matters and the Board closely monitors these matters and seeks regular reports from management.)

- a. Formulating and reviewing strategies, targets and annual plans
- b. Ensuring suitability and adequateness of risk management system and internal control system
- c. Clearly defining authority that is appropriate with management's responsibilities
- d. Overseeing appropriate policies and plans for resource allocation, including HR, IT, and budgeting
- e. Monitoring and evaluating financial and non-financial corporate performance
- f. Ensuring integrity of financial and non-financial information disclosures

Principle 2:

Define objectives that promote sustainable value creation

Guidelines 2.1:

The Board is responsible for defining objectives that promote sustainable value creation for the business, customers, stakeholders and society at large.

(1) The Board should ensure that the Company has clearly defined objectives that support the Company's business model. The Board should ensure company-wide communication of the objectives, in the form of the Company's vision and values that reflect good corporate governance qualities such as accountability, fairness, transparency and concern.



(2) When developing the business model for sustainable value creation for the business, stakeholders and society at large, the Board should take into consideration:

- a. The Company's environment, including changes to business conditions and opportunities, and the Company's effective use of innovation and technology
- b. The demands of customers and stakeholders
- c. The available resources, expertise and competitiveness of the Company

Guidelines 2.2:

The Board shall ensure that the Company's annual and medium-term objectives, goals, strategies and plans are consistent with the long-term objectives and goals.

(1) The Board should ensure that the Company's annual strategies and plans align with the Company's long-term objectives and goals while considering opportunities and the Company's risk appetite. The Board should ensure that the Company's medium-term (3-5 year) objectives, goals and strategies are regularly reviewed and updated as appropriate.

(2) When developing annual strategies and plans, the Board should ensure that there is analysis of the business environment, factors and risks that may affect related stakeholders throughout the value chain as well as other factors that may have impacts on achievement of the Company's objectives.

(3) When developing strategies and plans, the Board should promote innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations, and meet social and environmental responsibilities.

(4) In considering the approval of the Company's targets (financial and non-financial), the Board should ensure that they are suitable to the Company's business profile, and they do not cause the Company to engage in illegal or unethical conduct.

(5) The Board should ensure effective communication of the Company's objectives, goals, strategies and plans throughout the Company.

(6) The Board should ensure proper resource allocation and effective systems and controls, and monitor the implementation of the Company's strategies and plans by assigning responsible parties.

Principle 3:

Strengthen Board effectiveness



Guidelines 3.1:

The Board is responsible for determining and reviewing the Board structure, in terms of size, composition and the proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives and goals.

(1) The Board should ensure that the Board consists of directors with appropriate and necessary qualifications, knowledge, skills, experience, character traits, with an appropriate gender and age balance and diversity to achieve the Company's objectives and goals. At least one of the non-executive directors should be experienced and competent in the Company's main industry.

(2) The Board should have the proper number of directors to function effectively. The proportion between executive directors and non-executive directors should support proper checks and balances. The majority of the Board should be non-executive directors who exercise objective and independent judgment.

(3) The number and qualifications of the independent non-executive directors is in compliance with the requirements of the Company, the Securities and Exchange Commission, and the Stock Exchange of Thailand. The Board consists of a minimum of three (3) independent directors accounting for at least one third of the total number of directors.

(4) The Board should ensure that the independent directors and the entire Board can fulfill its role and responsibilities efficiently and in the best interests of the Company while exercising objective and independent judgment.

(5) The Board should explicitly disclose its Board composition diversity policy and details relating to directors in the Company's annual report and website.

Guidelines 3.2:

The Board shall select an appropriate person as the Chairman and ensure that the Board composition serves the best interests of the Company, enabling the Board to make its decisions as a result of exercising independent judgment on corporate affairs.

(1) The Chairman's roles and responsibilities are different from those of the Chief Executive Officer. The Board must clearly define the roles and responsibilities of both positions so that neither of them have unlimited authority.

(2) The Chairman is responsible for leading the Board. The Chairman's responsibilities should at least cover the following matters:

- a. Oversee, monitor and ensure that the Board efficiently carries out its duties to achieve the Company's objectives and goals
- b. Ensure that all directors contribute to the Company's ethical culture and good corporate governance



- c. Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgment in the best interest of the Company
- d. Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the Board and management

(3) The Board has established the policy that the tenure of an independent director should not exceed a cumulative term of nine (9) years, effective from the day of the Annual General Meeting of Shareholders 2018. Upon completing nine (9) years, an independent director may continue to serve on the Board, subject to approval from the shareholders' meeting.

(4) The Board should appoint relevant committees to review specific matters, to screen information, and to recommend action for Board approval.

(5) The Board should disclose the roles and responsibilities of the Board and the committees, the number of meetings and the number of directors participating in meetings in the previous year, and board and committee performance.

Guidelines 3.3:

The Board shall ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the Board.

(1) The Board should establish a Nomination and Remuneration Committee. The majority of its members and the chairman should be independent directors.

(2) The Nomination and Remuneration Committee should organize a meeting to consider the nomination criteria and process for directors, select candidates according to the set nomination process and candidates proposed by minority shareholders according to the Company's criteria, and provide recommendations to the Board of Directors before presenting to the shareholders' meeting for election and appointment as director. Shareholders should receive adequate prior notice and sufficient information about candidates up for election at the shareholders' meeting.

(3) The Nomination and Remuneration Committee should present a description of the nomination criteria and process, and the role and responsibilities of a particular appointment to the Board before nominating new directors. If the Nomination and Remuneration Committee nominates current directors, their performance should be considered.

(4) If the Board appoints any person as a consultant to the Nomination and Remuneration Committee, relevant information about that consultant should be disclosed in the annual report, including information about independence and conflicts of interest.



Guidelines 3.4:

When proposing director remuneration to the shareholders' meeting for approval, the Board shall consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, and provide incentives for the Board to lead the Company in meeting its objectives, both in the short and long term.

(1) The Board should establish a Nomination and Remuneration Committee with the majority of its members and the chairman being independent directors. The Nomination and Remuneration Committee is responsible for setting the remuneration policy and criteria.

(2) The remuneration of the Board should be consistent with the Company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. Directors who have additional roles and responsibilities, such as a member of a committee, should be entitled to additional remuneration.

(3) The Nomination and Remuneration Committee is responsible for considering the appropriate remuneration criteria, structure, level and pay components (both cash-based and non-cash compensation) for directors, the appropriateness of each pay component, both in terms of fixed rates and remuneration paid according to the Company's performance. The remuneration should reflect the values that the Company creates for shareholders taking a long-term perspective on Company performance, and the pay level should not be too high so as to avoid the Board excessively focusing on the Company's short-term results. The remuneration for directors is presented to the Board for endorsement before presenting to the shareholders' meeting for approval.

(4) The Board should disclose the directors' remuneration policy that reflects the duties and responsibilities of each individual, including the pay components and level received by each director.

(5) If the Board appoints any person to consult with the Nomination and Remuneration Committee, that consultant's information should be disclosed in the annual report, including information regarding independence and any conflicts of interest.

Guidelines 3.5:

The Board is responsible for ensuring that all directors are properly accountable for their duties, responsibilities and (in-) actions, and allocate sufficient time to discharge their duties and responsibilities effectively.

(1) The Board should ensure that is a mechanism to support directors in understanding their roles and responsibilities, and the time commitment expected from them.



(2) The Board should set and publicly disclose criteria limiting the number of director positions directors can hold simultaneously in other companies, and should consider the effectiveness of directors who hold multiple board seats. The number of companies of which a person can simultaneously be a director should not exceed five (5) listed companies. The Board should ensure reporting and public disclosure of directors assuming or holding positions at other companies.

(3) The Board should ensure that the Company's policies prohibit and prevent a director from creating a conflict of interest with the Company, including by using the Company's assets, information or opportunities for his or her own benefit, as a result of having or taking a director or management position, or having or creating vested interests, both directly and indirectly, in other companies. Information about a director's other directorships and positions should be reported to shareholders, as appropriate.

(4) Each director should attend not less than 75 percent of all Board meetings in any whole financial reporting year.

Guidelines 3.6:

The Board is responsible for ensuring that the Company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.

(1) The Board is responsible for ensuring that the Company's governance framework and policies extend to its subsidiaries, including written policies relating to:

- a. The authority to appoint subsidiary directors, executives, or others with controlling power. Generally, the Board should have the authority to appoint those persons, except that for smaller operating subsidiaries, the Board may delegate this authority to the Chairman of the Executive Committee.
- b. The duties and responsibilities of subsidiary directors, executives and others with controlling power according to (a.) above. The Company's appointed representative should perform his/her duties in accordance with the subsidiary's policy.
- c. The subsidiary's internal control systems are effective and that all transactions comply with relevant laws and standards.
- d. The integrity and timely disclosure of the material information of the subsidiary, including its financial information, related party transactions, acquisition and disposition of assets and other important transactions, capital increases or decreases, and termination of a subsidiary.

(2) For businesses that the Company has or plans to hold a significant investment in (such as between 20 percent and 50 percent of shares with voting rights), other than subsidiaries, the Board should ensure that shareholder agreements or other agreements are in place to enable



the Company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions. This is to ensure that the Company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards.

Guidelines 3.7:

The Board is responsible for conducting a formal annual performance evaluation of the Board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the Board.

(1) The Board's, committee's and individual directors' performance evaluation should be conducted at least once a year to facilitate consideration and improvement of the Board's performance and effectiveness and resolution of any problems. Assessment criteria and process for the Board's, committees' and directors' performance should be systematically set in advance.

(2) The annual assessment of the performance of the Board and committees as a whole and on an individual director level should be based on self-evaluation. The criteria, process, and results of the evaluation should be disclosed in the annual report.

(3) The Company may appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment.

(4) The evaluation results should be used for ensuring that the directors collectively possess the right combination of knowledge, skills, and experience.

Guidelines 3.8:

The Board is responsible for ensuring that the Board and each individual director understand their roles and responsibilities, the nature of the business, the Company's operations, relevant laws and standards, and other applicable obligations. The Board should support all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on the Board and Board committees.

(1) The Board should ensure that newly appointed directors receive a formal and proper induction and all information relevant to their responsibilities and performing their duties,

including details about the Company's objectives, goals, vision, mission, values, the nature of the business, and the Company's operations.

(2) The Board should ensure that directors regularly receive sufficient and continuous training and knowledge development.





(3) The Board should have knowledge and understanding of relevant laws, regulations and standards, risk factors, and the Company's business environment. The Board should receive accurate, timely and clear information, including timely and regular updates.

(4) The Board should disclose in the annual report training and knowledge development of the Board.

Guidelines 3.9:

The Board shall ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The Board should appoint a Company Secretary with necessary qualifications, knowledge, skills, and experience to support the Board in performing its duties.

(1) The Board's meeting schedule and agenda should be set in advance and each director should receive sufficient notice to ensure attendance.

(2) The number of Board meetings should be appropriate to the obligations and responsibilities of the Board and nature of the business, but the Board should meet at least six times per financial year.

(3) The Board should have a mechanism that allows each Board member and management to propose the inclusion of relevant items on the meeting agenda.

(4) Meeting documents should be sent to each director at least seven (7) days before the meeting.

(5) The Board should encourage the Chairman of the Executive Committee and the Managing Director and Chief Executive Officer to invite key executives to attend Board meetings to present details on the agenda items related to matters that they are directly responsible for, and to allow the Board to gain familiarity with key executives and assist succession planning.

(6) The Board should have access to accurate, relevant, timely and clear information required for their respective roles from the Chairman of the Executive Committee, Managing Director and Chief Executive Officer, Company Secretary, or designated executive. If necessary to discharge their responsibilities, the Board may seek independent professional advice at the Company's expense.

(7) Non-executive directors should be able to meet, as necessary at least once a year, among themselves without the management team to debate their concerns and report the outcome of their meeting to the Chairman of the Executive Committee.

(8) The Board should appoint a Company Secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements, preparing Board meetings and other important documents, supporting Board activities, and coordinating the





implementation of Board resolutions. The qualifications and experience of the Company Secretary should be disclosed in the Company's annual report and website.

(9) The Company Secretary should receive ongoing training and education relevant to performing his/her duties, especially certified programs.

Principle 4:

Ensure effective CEO and people management

Guidelines 4.1:

The Board shall ensure that a proper mechanism is in place for the nomination and development of key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its goals.

(1) The Board should ensure that appropriate key executives are appointed by considering the criteria and procedures for nomination and appointment of key executives or by endorsing the persons that the Chief Executive Officer proposes to be key executives.

(2) The Board should ensure that succession plans for key executives are in place.

(3) The Board should promote and support continuous development and education of key executives that is relevant to their roles.

(4) The Board should establish clear policies and guidelines for the Chairman of the Executive Board and the Managing Director and Chief Executive Officer serving or wishing to serve as a director in other companies. The policies should set out permissible appointments and the permissible number of companies in which they are allowed to simultaneously serve as a director.

Guidelines 4.2:

The Board shall ensure that an appropriate compensation structure is in place that can incentivize key executives to act in support of the Company's objectives and goals, and fosters long-term sustainable value creation. The Board must also ensure that there is

appropriate performance evaluation. The Board should delegate the Nomination and Remuneration Committee to consider the compensation criteria and structure for key executives and to present recommendations to the Board for approval.

Guidelines 4.3:

The Board shall ensure that the Company has effective human resources management and development programs to ensure that the Company has adequate staffing and appropriately knowledgeable, skilled and experienced employees. The Board should ensure that the





Company establishes a provident fund or other retirement plan such as the Employee Joint Investment Program (EJIP).

Principle 5:

Nurture innovation and responsible business

Guidelines 5.1:

The Board should prioritize and promote innovation that creates value for the Company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the Company.

(1) The Board should prioritize and promote a corporate culture that embraces innovation and ensure management's inclusion of innovation in corporate strategy, operational development planning, and operation monitoring.

(2) The Board should nurture innovation that enhances long-term value creation for the business in a changing environment. Such innovation may include designing innovative business models, products and services, promoting research, improving production and operation processes, and collaborating with partners.

Guidelines 5.2:

The Board shall ensure that management conducts business with social and environmental responsibility which is reflected in the Company's operations plan. This is to ensure that every department and function in the Company adopts the Company's objectives, goals and strategies.

(1) The Board should encourage management to ensure that the Company's operations reflect the company-wide implementation of high ethical, social and environmental standards and ensure that appropriate company-wide policies and procedures are implemented to further the Company's objectives and goals in support of sustainable value creation. Policies and procedures for running the business fairly and respecting and adhering to stakeholders' rights should at least cover:

- a. Responsibility to employees and workers at least by adhering to applicable laws and standards and providing fair treatment and respect for human rights, including a fair level of remuneration and other benefits, a level of welfare that is not less than the legal limit (but can be over the legal limit where appropriate), health care, non-discrimination and safety in the workplace, access to relevant training, potential skills development and advancement.
- b. Responsibilities to customers at least by adhering to applicable laws and standards, considering impact on health, safety of products and services,



customer information security, sales conduct, after-sales service throughout the lifespan of products and services, and following up on customer satisfaction measurements to improve the quality of products and services. In addition, advertising and public relations should promote responsible consumption and must be done responsibly, avoiding taking advantage of or misleading customers, or causing misunderstanding about the products and services offered by the Company.

- c. Responsibilities to business partners by engaging in and expecting fair procurement and contracting, including fair contract or agreement conditions, providing access to training, developing potential and enhancing production and service standards in line with applicable laws and standards, and expecting and supervising business partners to respect human rights, social and environmental responsibilities, and treat their employees and workers fairly including ensuring that business partners have implemented sustainable and values-based business policies and procedures.
- d. Responsibilities to the community by applying business knowledge and experience to develop and follow up on the success of projects that can concretely add value to the community while respecting community interests.
- e. Responsibilities to the environment by preventing, reducing and managing negative impact on the environment from all aspects of the Company's operations, including in the context of raw material use, energy use, water use, renewable resources use, waste management, and greenhouse gas emissions.
- f. Fair competition by promoting ethical business conduct and not using anti-competitive practices to gain or protect a market position.
- g. Anti-fraud and corruption by ensuring that the Company complies with applicable anti-fraud and corruption laws and standards, and implements, announces and reports on anti-fraud and corruption policies and practices to the public, including on its participation in private sector anti-corruption initiatives and certification programs.

Guidelines 5.3:

The Board shall ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives and goals in support of ethical, responsible, and overall sustainable value creation.

Guidelines 5.4:

The Board shall establish a framework for governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives and goals.



(1) The Board should ensure that the Company has an IT resource allocation policy that ensures adequate and optimal investment in and allocation of IT resources.

(2) The Board should ensure that the Company's risk management includes IT risk management. The Company's governance of enterprise IT should cover compliance with relevant IT laws and standards; IT risk mitigation policies, plans and measures; and proper allocation and management of IT resources, including criteria to identify IT priorities.

(3) The Board should ensure that IT security policies and procedures are in place, including an information security system to safeguard against unauthorized access to information, and measures to maintain the integrity of relevant data and ensure availability of critical data.

Principle 6:

Strengthen effective risk management and internal control

Guidelines 6.1:

The Board should ensure that the Company has effective and appropriate risk management and internal control systems that are aligned with the Company's objectives and comply with applicable laws and standards.

(1) The Board should be aware of and understand the nature and scope of the Company's principal and substantial risks and should approve the risk appetite of the Company.

(2) The Board should consider and approve risk management policies that are consistent with the Company's objectives, goals, strategies and risk appetite. The risk management policies should support identification and prioritization of early warning signals of material risks. The risk management policies should be reviewed annually.

(3) The Board should ensure that the Company's principal and substantial risks are identified through consideration of internal and external factors, by giving priority to strategic, operational, financial and compliance risks.

(4) The Board should ensure that the impact and likelihood of identified risks are assessed and prioritized, and that suitable risk mitigation strategies and plans are in place. Risk response examples are tolerate, treat, terminate and transfer.

(5) The Board may assign the Risk Management Committee or the Audit Committee to assist the Board in its oversight functions related to No. (1) – (4).

(6) The Board should regularly monitor the effectiveness of the Company's risk management.

(7) The Board has to ensure and monitor that the Company complies with relevant and applicable laws and standards, whether domestic or international.





(8) In assessing the effectiveness of the Company's internal controls and risk management, the Board should consider the results of internal controls and risk management at its subsidiaries and businesses in which it has a significant investment (between 20 percent to 50 percent of shares with voting rights).

Guidelines 6.2:

The Board shall establish an Audit Committee that can act effectively and independently.

(1) The Board shall establish an Audit Committee that comprises at least three directors, all of whom must be independent directors, with required qualifications, and comply with applicable legal requirements of the Company, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

(2) The Board should clearly set out in writing the Audit Committee's duties and responsibilities, and include at least the following:

- a. Review the Company's financial reports for accuracy and completeness.
- b. Review the Company's internal control and internal audit systems to ensure that they are suitable and effective.
- c. Review the Company's operations to ensure compliance with the securities and exchange law, all relevant and applicable laws and standards.
- d. Review internal auditor's independence, and approve the appointment and termination of the head of the internal audit function. Outsourcing of the internal audit function has to be reviewed for independence and approved by the Audit Committee.
- e. Review, select, and recommend to the Board for nomination and shareholder approval an independent party to be the Company's external auditor, consider and recommend the auditor's remuneration, and hold a meeting with the external auditor without the presence of management at least once a year.
- f. Review related party transactions and other transactions that may create conflicts of interest, to ensure that they comply with applicable laws, are reasonable, and carried out in the best interest of the Company.
- g. Review the Company's compliance with the private sector's anti-corruption and certification programs, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool.
- h. Review the risk management process including strategic, operational, financial, compliance, social, environmental, economic and tax risks
- i. The Audit Committee shall express its opinion on the adequacy of the Company's internal control and risk management systems, and disclose its opinion in the Company's annual report.





(3) The Board should ensure that procedures are established that allow the Audit Committee to fulfill its duties and responsibilities, including by having access to management, employees and staff, external auditor, professional advisers, and information relevant and necessary to perform their duties.

(4) The Board should ensure the designation of an internal auditor or establish an independent internal audit function that is responsible for reviewing and improving the effectiveness of the risk management and internal control systems, and reporting review results to the Audit Committee. The result of the internal audit review must be disclosed in the Company's annual report.

Guidelines 6.3:

The Board shall monitor and manage conflicts of interest that might occur between the Company, management, directors, and shareholders. The Board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

(1) The Board should establish an information security system, including appropriate policies and procedures, to protect confidentiality, integrity, and availability of business information, including market-sensitive information. The Board should monitor the implementation of

the information security policies and procedures and the adherence to confidentiality requirements by insiders, including directors, executives, employees, and professional advisers, such as legal or financial advisers.

(2) The Board should ensure management and monitoring of conflict of interest situations and transactions. The Board should adopt an ethics and conflicts of interest policy consistent with applicable laws and standards (including fiduciary duties), and establish clear guidelines and procedures for disclosure and decision-making in conflict of interest situations. For example, any party who has a vested interest in a particular transaction, should disclose that interest, and not be involved in the decision-making.

(3) The Board should set requirements for all directors to report conflicts of interest in relation to any meeting agenda item at least before consideration of the matter at the meeting and record the reported conflict of interest in the meeting minutes. The Board should also ensure that all directors that have a conflict of interest in relation to an agenda item abstain from being present for discussion of or voting on that agenda item.

(4) The Board has stipulated that all directors and executives must file the Report of Changes in Securities Holding, submit the report to the Board every quarter, and disclose the information in the annual report.





Guidelines 6.4:

The Board shall establish a clear anti-corruption policy and practices (including communication and staff training), and strive to extend its anti-corruption efforts to stakeholders. The Board should ensure company-wide awareness and implementation of the Company's anti-corruption policy and practices, and compliance with applicable laws and standards.

Guidelines 6.5:

The Board shall establish a mechanism for handling complaints and whistleblowing.

(1) The Board should oversee that an effective mechanism is in place to record, track, resolve, and report complaints and feedback. The Board should ensure the availability of convenient complaint channels (more than one), and that stakeholders are made aware through the Company's website or annual report of all channels available for complaints.

(2) The Board should ensure that the Company has a clear whistleblowing policy and procedure, including designated whistleblowing channels for reporting of suspected wrongdoing, such as through the Company's website, designated directors, the Corporate Governance Committee or the Audit Committee. The Board should ensure proper and effective handling of whistleblowing complaints, including the investigation, any remedial action, and reporting to the Board.

(3) The Board should ensure that whistleblowers are protected from retaliation as a result of their good faith whistleblowing activities.

Principle 7:

Ensure disclosure and financial integrity

Guidelines 7.1:

The Board must ensure the integrity of the Company's financial reporting system and that accurate, sufficient and timely disclosure of all material information regarding the Company is made consistent with related regulations, standards and guidelines.

(1) The Board should ensure that any person involved in the preparation and disclosure of any information of the Company has relevant knowledge, skills and experience, and that sufficient resources, including staffing, are allocated.

(2) The Board should consider all relevant factors when approving information disclosures, especially for periodic financial disclosures:

- a. The evaluation results of the adequacy of the internal control system.





- b. The external auditor's opinions on financial reporting, observations on the internal control system, and any other observations through other channels.
- c. The Audit Committee's opinions.
- d. Consistency with the Company's objectives, goals, strategies and policies.

(3) The Board should ensure that information disclosures (including financial statements, annual reports, and Form 56-1) reflect the Company's financial status and performance accurately and fairly. The Board should promote the inclusion of the Management Discussion and Analysis (MD&A) in quarterly financial reports.

Guidelines 7.2:

The Board shall monitor the Company's financial liquidity and solvency.

(1) The Board should ensure that management regularly monitors, evaluates and reports on the Company's financial status. The Board and management must ensure that any threats to the Company's financial liquidity and solvency are promptly addressed and remedied.

(2) The Board must ensure that it does not consciously approve any transactions or propose any transactions for shareholder approval which could negatively affect business continuity, financial liquidity, and solvency.

Guidelines 7.3:

The Board shall ensure that risks to the financial position of the Company or financial difficulties are promptly identified, managed and mitigated, and that the Company's governance framework provides for the consideration of stakeholder rights.

(1) The Board should closely monitor and ensure that management conducts business prudently and complies with disclosure requirements in the event of financial risk or difficulties.

(2) The Board should ensure that the Company has sound financial mitigation plans that consider stakeholder rights including creditor rights. The Board should monitor management's handling of financial risk or difficulties and seek regular reports.

(3) The Board should ensure that any actions to improve the Company's financial position are reasonable and made for a proper purpose.

Guidelines 7.4:

The Board shall ensure sustainability reporting, as appropriate. The Board should report data on the Company's compliance and ethical performance (including anti-corruption performance), its treatment of employees and other stakeholders (including fair treatment





and respect for human rights), and social and environmental responsibilities, using a report framework that is proportionate to the Company's size and complexity and meets domestic and international standards. The Board should ensure that the Company's sustainability reporting reflects material corporate practices that support sustainable value creation.

Guidelines 7.5:

The Board shall ensure that management establishes a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders such as analysts and potential investors. The Board should establish a communication and disclosure policy to assist the Company in meeting its disclosure obligations and to ensure that all information relevant and material to the Company's shareholders, the market and third parties is disclosed in an appropriate, equal, and timely manner, using appropriate channels, while protecting the Company's sensitive and confidential information. The Board should ensure company-wide communication and implementation of the Company's communication and disclosure policy.

Guidelines 7.6:

The Board shall ensure the effective use of information technology in disseminating information in compliance with applicable requirements and through the Stock Exchange of Thailand. The Board should consider regularly disclosing relevant and current information in both Thai and in English through other channels, such as the Company's website.

Principle 8:

Ensure engagement and communication with shareholders

Guidelines 8.1:

The Board shall ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

(1) The Board should ensure that significant corporate decisions are considered and/or approved by the shareholders pursuant to applicable legal requirements. Matters that require shareholder approval should be included in the agenda for the shareholders' meeting and shareholders should be provided sufficient notice thereof.

(2) The Board should support participation of all shareholders through reasonable measures, including:

- a. Establishing criteria that allow minority shareholders to propose agenda items for shareholders' meetings prior to the meeting. The Board should



consider shareholders' proposals to be included in the agenda, and if the Board rejects a proposal, the reasons should be given at the meeting.

- b. Establishing criteria for minority shareholders to nominate persons to serve as directors of the Company. The Board should ensure that measures and criteria are established and promptly disclosed to ensure shareholder engagement and participation.

(3) The Board should ensure that the notice of the shareholders' meeting is accurate, complete, and sufficiently in advance for the shareholders to exercise their rights.

(4) The Board should ensure that the Company arranges for the notice of the shareholders' meeting and related papers to be sent to shareholders at least 21 days before the meeting and posted on the Company's website at least 30 days before the meeting.

(5) Shareholders should be allowed to submit questions prior to the meeting. The Board should therefore ensure that there are clear criteria and a process for shareholders to submit questions. The criteria should be posted on the Company's website.

(6) The notice of the shareholders' meeting and related papers should be fully translated into English and published at the same time as the Thai version.

(7) The Board should encourage shareholders to use the proxy form, and propose at least one independent director to act as proxy for shareholders.

Guidelines 8.2:

The Board shall ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

(1) The Board should set the date, time, and place of the meeting by considering the interests of shareholders.

(2) The Board should ensure that the Company does not through its meeting attendance requirements or prerequisites prevent attendance by or places an undue burden on shareholders, including as a result of identification requirements that exceed applicable legal and regulatory requirements.

(3) In the interest of speed, transparency and accountability, the Board should promote the use of information technology to facilitate the shareholders' meetings, including for registration and vote counting.

(4) The Chairman of the Board is the Chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the Company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing



opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.

(5) To ensure the right of shareholders to participate in the Company's decision-making process in relation to significant corporate matters by participating and voting at shareholder's meetings on the basis of sufficient notice and information, directors who are shareholder should not be allowed to add items to the meeting agenda that have not been duly notified in advance.

(6) All directors and relevant executives should attend the meeting to answer questions from shareholders on company-related matters.

(7) The attending shareholders should be informed of the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods before the start of the meeting.

(8) There should not be any bundling of several items into the same resolution. For example, the appointment of each director should be voted on and recorded as separate resolution.

(9) The Board should promote the use of ballots for voting on resolutions proposed at the shareholders' meeting and designate an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "for", "against" and "abstain" votes. The voting results for each proposed resolution should be included in the minutes of the meeting.

Guidelines 8.3:

The Board shall ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

(1) The Board should ensure that the Company discloses the results of voting on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and through the Company's website by the next business day.

(2) The Board should ensure that the minutes of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.

(3) The Board should ensure that the Company promptly prepares the minutes of the shareholders' meeting, including the following information:

- a. attendance of directors, executives, and the proportion of attending directors;
- b. voting and vote counting methods, meeting resolutions, and voting results ("for", "against", and "abstain") for each proposed resolution; and
- c. questions asked and answers provided during the meeting.

