

Corporate Governance Policy

Phol Dhanya Public Company Limited (referred to as “the Company”) has established “Corporate Governance Policy” to be a guidance for good governance of the Company with the focuses on transparency, morality, ethics and honesty based on business ethics. In addition, it serves as best practice for the Company’s Board of Directors, executives, employees, along with its affiliates to create values and highest return to the business in a long run to achieve sustainable growth. The policy also creates trust in all groups of shareholders and stakeholders.

The Board of Directors, as a top management of the organisation, decided to establish this policy and guideline for the Board of Directors. The policy has adopted 8 main principles, sub-principles and guidelines from Corporate Governance Code (CG Code) for listed companies 2017 issued by the Securities and Exchange Commission with the purpose to be applied to the business context of companies in order for the Directors to use as a guideline to perform righteously and appropriately for the benefit of creating sustainable value for the Company.

Objectives and Scope:

The Company intends to operate the business with a good governance. It determines to support and develop the Company to become an effective organisation adhering to ethical operations with transparency and responsibility for related stakeholders such as shareholders, employees, customers, business partners, competitors, creditors, communities and society, and the environment.

The Company, therefore, has established Corporate Governance which covers guidelines for related parties as follows

- Corporate Governance for the Board of Directors
- Corporate Governance for Executives and Employees
- Corporate Governance Guidelines for Corporate Governance Support Agencies
- Corporate Governance Guidelines for the Internal Audit Department

Definition

Company/Organisation	:	Phol Dhanya Public Company
Subsidiaries	:	Company or juristic person that Phol Dhanya Public Company owns or holds more than 50% of the voting rights of that Company or juristic person, whether directly or indirectly in accordance with the announcement of the Stock Exchange of Thailand
Board of Directors	:	Board of Directors of Phol Dhanya Public Company
Sub-committee	:	Sub-committee appointed by the Board of Directors in order to help investigate and screen specific tasks.
Nomination and Remuneration Committee	:	Sub-committee appointed by the Board of Directors to consider the criteria and selection process. The duty includes determining the remuneration of Directors and senior management, screening those who have qualifications as Directors and requesting approval from the Board of Directors. The committee also proposes the appointment of senior management for approval of the Board of Directors.
Audit Committee	:	Sub-committee appointed by the Board of Directors to oversee the reports of the Company to be accurate, complete, and compliant. The committee ensures sufficient and appropriate internal control and audit. The composition, qualifications and responsibilities of the committee are in accordance with the Securities and Exchange Commission and the Stock Exchange of Thailand
Risk Management Committee	:	Sub-committee appointed by the Board of Directors to support the Board of Directors in driving the risk management of the Management team to have risk management measures at an acceptable level of the organisation. The committee's duty also includes communication and monitoring of risk management results related to business operations.
Directors	:	The Company's Directors, both executives and non-executives, who are involved in the management of the Company which may or may not be independent Directors
Independent Directors	:	Directors who are not involved in the Management of the Company and its subsidiaries, do not have financial interest, and are independent from management and controlling shareholders. An Independent Director must be a person who does not have a business relationship with the Company in a manner that could cause restrictions on independent opinions expressed and has independence qualifications according to the announcement of the Securities and Exchange Commission and as specified by the Board of Directors.

Phol Dhanya Public Company

Management	:	A group of management-level personnel who have the authority to control and supervise the management to achieve the organisation's objectives and goals
Employees	:	The Company's and its subsidiaries' employees from the level of department managers downward.
Executives	:	The top four executives, next to the Chief Executive Officer (according to the SEC definition)
Senior management	:	Persons who are holding executive positions or are at division director level of Phol Dhanya Public Company (including managing Directors of the subsidiaries)
Stakeholders	:	Individuals and / or juristic persons involved in the business operations of the Company, including Directors and executives, employees, shareholders, customers, business partners, competitors, creditors, communities and the society, environment, etc.
Shareholders	:	Shareholders of Phol Dhanya Public Company

Corporate Governance policies and guidelines

Board of Directors must follow the following principles

Principle 1: Realise the role and responsibility of the Board of Directors as the organisation leaders that create sustainable value for the business

Guideline 1.1

The Board of Directors must understand the role and realise the responsibility as leaders that must supervise the organisation to have good management. This includes:

- (1) Define the objectives and goals
- (2) Set operational strategies and policies as well as allocate important resources to achieve objectives and goals
- (3) Monitor, evaluate, and oversee performance reporting

Guideline 1.2

Supervise the business leading to sustainable value creation for the business that covers the following at the minimum

- (1) Be able to compete and have good operating results taking into account long-term effects
- (2) Conduct an ethical business, respect the rights and be responsible to shareholders and stakeholders
- (3) Benefit to the society and develop or reduce negative impacts on the environment
- (4) Be able to adapt according to changing factors

Guideline 1.3

The Board of Directors has a duty to ensure that all Directors and executives perform their duties with duty of care and duty of loyalty to the organisation and to ensure that operations are in accordance with the laws, regulations, and resolutions of the shareholders' meeting.

Establish business ethics policy and/or code of conduct for directors, executives and employees with guidelines to promote practice, including regular monitoring of practice.

By performing duties responsibly and carefully, Directors and Executives must act in the same manner as a reasonable business operator under the same circumstances and, at the time of the decision, must have complete characteristics as follow

- (1) Act in good faith, reasonable and for the best interest of the Company
- (2) Act based on sufficient information and
- (3) Act without direct or indirect interests

Guideline 1.4

The Board of Directors should understand the scope of duties and responsibilities of the Board and clearly specify the scope of assignment of duties and responsibilities to the Chief Executive Officer and the management as well as following up and supervising the Chief Executive Officer and the management to perform their duties as assigned by

- (1) Establish a Board Charter that specifies the duties and responsibilities of the Board in order to be a guideline for the performance of duties of all Directors and review the said charter annually. The review should also include a review of the separation of duties of the Board of Directors and the Management regularly in order to comply with the direction of the organisation.
- (2) Assign the authority to conduct the business to the Management in writing and oversee the Management to perform duties as assigned.

Matters that the Board of Director should oversee *(The Board of Directors is the key undertaker for appropriate operation)*

- A. Defining main objectives and goals of business operation
- B. Creating an ethical organisational culture including behaving as a role model
- C. Supervising the structure and practice of the Board of Directors to be appropriate in achieving the main objectives and goals of the business operation with efficiency
- D. Recruiting, developing, and remunerating and evaluating performance of the Chief Executive Officer
- E. Establishing remuneration structures that motivate personnel to work in accordance with the organisation's main objectives and goals

Matters that the Board of Directors works with the Management *(The Board of Directors and the Management consider and assign the Management to proceed in accordance with the policy and work plan approved by the Board of Directors. The Board of Directors monitors the progress periodically)*

- A. Determining and reviewing annual strategies, goals, plans
- B. Overseeing the appropriateness of the risk management system and internal control
- C. Determining the Management's appropriate operational authority and responsibilities
- D. Determining the framework for resource allocation, development and budgets, such as human resource management policy and plan, and information technology policy
- E. Monitoring and evaluating performances
- F. Ensuring that the disclosure of financial and non-financial information is reliable.

Principle 2: Determine objectives and key policies for sustainable business***Guideline 2.1***

Define or ensure the main objectives and goals of the Company to be sustainable and consistent with creating value for the organisation, customers, stakeholders and society as a whole

- (1) Take the responsibility to ensure that the Company has the main objectives or goals that are clear, appropriate and can be used as the main idea in determining the business model and can be communicated to everyone in the organisation to move in the same direction, by creating vision and shared value of the organisation that reflect the characteristics of good corporate governance such as responsible for own action, fairness, transparency and attention
- (2) Define business model that can create values to the organisation, stakeholders and the society as a whole at the same time while considering the following
 - A. The environment and changing factors as well as appropriately adopting innovations and technology
 - B. The needs of the customers and stakeholders
 - C. Readiness, expertise and competitiveness of the Company

Guideline 2.2

Supervise to ensure that the objectives and goals as well as the Company's medium- and/or long-term strategies are in line with achieving the organisation's main objectives and goals by appropriately and safely adopting new innovations and technology

- (1) Supervise the formulation of annual strategies and plans to be in accordance with the Company's main objectives and goals by considering the surrounding factors of the Company at the time which also includes the opportunities and acceptable riskiness. Support the development or revision of 3-5 years medium-term objectives, goals and strategies to ensure that the annual strategies and plans are taking into the account the effects in a longer term and can reasonably be predicted.
- (2) Ensure that there is an analysis of environment, factors and other risks that can impact the stakeholders in the supply chain and including other factors that may affect the achievement of the Company's main goals in determining the annual strategies and plans.
- (3) Supervise the communication of objectives and goals through strategies and plan throughout the organisation.
- (4) Monitoring and ensuring implementation of strategies and reporting the performance to the board on a quarterly basis, as well as providing useful suggestions to the management.

Principle 3: Strengthen Board Effectiveness***Guideline 3.1***

Responsible for determining and reviewing the Board structure, both in terms of composition and appropriate proportion of Independent Directors that are necessary to lead the organisation to the determined main objectives and goals.

- (1) Ensure that the Board of Directors consists of Directors with diverse qualifications; those in terms of skills, experience, ability and specific characteristics as well as gender and age that are needed to achieve the main objectives and goals of the organisation. In addition, the Board also ensures that there must be at least one non-executive director with experience in the main business in which the Company operates
- (2) There should be an appropriate number of Directors that are able to perform duties efficiently, an appropriate proportion between executive and non-executive Directors to balance the power. The majority of the members should be non-executive Directors who can independently express opinions on the performance of the Management
- (3) The number of Directors and the qualifications of the independent Directors must be in accordance with the regulations of issued by Securities and Exchange Commission and the Stock Exchange of Thailand. There proportion of independent Directors must be at least one third of the total Directors but no less than 3 persons.
- (4) Ensure that independent Directors are able to work efficiently with the Board and can express opinions independently.

Guideline 3.2

Consider and select the suitable person to be the Chairperson of the Board as well as ensure that composition and operation of the Board facilitate the discretion of independent decisions

- (1) The Chairperson and the Chief Executive Officer have different responsibilities. The Board must clearly specify the authority and duty to prevent any person from holding unlimited power.
- (2) The Chairperson is the leader of the Board of Directors whose duties, at least, cover the following matters
 - A. Supervise and monitor to ensure that the Board of Directors perform duties efficiently and achieve the main objectives and goals of the organisation.
 - B. Ensure that all Directors are cooperating in fostering an ethical organisational culture and good corporate governance
 - C. Allocate sufficient time for the Management to propose the matter and enough time for the Directors to carefully discuss the important issues as well as encourage the Directors to exercise discretion and give independent opinions
 - D. Strengthen good relations between executive and non-executive Directors and between the Board and the Management
- (3) The Board appoints a sub-committee to carefully consider information and the details and propose guidelines for consideration before proposing to the Board for approval

- (4) Ensure the disclosure of information on the roles and duties of the Board and sub-committee including the number of meetings and number of times each member of the Board has attended the meeting in the previous year as well as report the performance results of every sub-committee

Guideline 3.3

Supervise the sorting and the selection processes of Directors to be transparent and clear to ensure the qualifications of the Board members are in accordance with the specified components

- (1) Appoint Nomination and Remuneration Committee in which majority of the members and the chairperson are independent Directors
- (2) Nomination and Remuneration Committee arranges a meeting to consider the criteria and procedures for the recruiting of suitable persons for the position of Directors including selection of candidates in accordance with the specified recruitment process and the candidates nominated by the minority shareholders in accordance with the criteria specified by the Company. The Committee then proposes opinions to the Board of Directors for consideration before proposing to the shareholders' meeting to appoint Directors. The shareholders must have sufficient information about the nominated candidate for decision making.
- (3) Nomination and Remuneration Committee reviews criteria and methods for nominating Directors to suggest to the Board of Directors prior to the selection of the Directors whose term is expired. In the case that the Nomination Committee nominates the same director, the performance of the said director should be considered in the decision process.
- (4) In the event that the Board appoints any person to be an advisor of the Nomination and Remuneration Committee, the advisor's information must be disclosed in the Annual Report including the independence or no conflict of interest.

Guideline 3.4

When proposing remuneration for the Board of Directors for the approval of shareholders, the Board should consider the remuneration structure and the remuneration rate of the Board that is appropriate to the level of responsibility, and ensure that the remuneration motivates the Board to lead the organisation according to both short-term and long-term goals.

- (1) Appoint Nomination and Remuneration Committee in which majority of the members and the chairperson are independent Directors to perform the duty of determining the remuneration policy and criteria.
- (2) Directors' remuneration should be consistent with the Company's short and long-term strategy and goals, experience, duties, scope of roles and responsibilities, including the expected benefits of each director; Directors who are assigned additional duties and responsibilities, such as being a member of a sub-committee, should receive appropriate additional remuneration.

- (3) Nomination and Remuneration Committee considers the appropriate criteria and form of remuneration for Directors; both monetary and non-monetary forms, a fixed rate compensation and compensation based on the Company's performance by considering with the value that the Company creates for shareholders. However, the rate should not be so high that results in focusing only on the short-term performance. The Committee proposes for the Board of Directors' approval before proposing to the shareholders' meeting for approval
- (4) Disclose policies and criteria for determining remuneration for Directors that reflect their duties and responsibilities, including forms and amount of compensation
- (5) The information of any person to be an advisor to the Nomination and Compensation Committee should be disclosed in the annual report, including independence or no conflict of interest.

Guideline 3.5***Supervise all Directors to be responsible for performing duties and allocating sufficient time.***

- (1) Ensure that there is a mechanism to support the Directors to understand their roles and responsibilities
- (2) Determine the criteria for Directors holding positions in other companies by taking into consideration the work efficiency of the Directors who are holding positions in many companies. In order to ensure that the director is able to devote sufficient time to perform the duties in the Company, the number of listed companies that each director can hold positions in are limited to no more than 5 companies including the Company. In addition, there must be a report on Directors' positions in other companies and that information must be disclosed. For the position of director at other companies of the top management to be approved by the Board of Directors.
- (3) Ensure that the Company has adequate preventive measures and make announcement to shareholders as appropriate, in the event that a director is a director or an executive or having direct or indirect interests in other conflicting businesses or can take an advantage of or use information of the Company for their own benefits.
- (4) Each director should attend at least 75% of the total Board meetings held during the year. On average, the entire board of directors should attend at least 80% of the board meetings in the past year.

Guideline 3.6***Supervise the formulation of the framework and mechanism to oversee the policies and operations of subsidiaries and other businesses that the Company has significantly invested at appropriate level for each business***

- (1) Determine Corporate governance policy for the subsidiaries including
 - A. Appoint a person to be a director, executive or controlling person in a subsidiary in writing. Generally, the appointment should be done by the Board of Directors, except that the subsidiary is a small Company and is also one of the Operating Arms of the Company, the Board may assign the appointment duty to the Chief Executive Officer.

- B. Define the scope of duties and responsibilities of the person representing the Company in (A) and have the representative of the Company supervise the implementation in accordance with the policy of the parent Company.
 - C. Disclose the information of financial status and operating results, transaction with related parties, acquisition or disposition of assets, other important transactions, capital increase, capital reduction, dissolution of subsidiaries etc.
- (2) In the case of significant investment in other businesses, such as holding 20% but not 50% stake and the amount of investment or potential investment is significant to the Company, if necessary, the Board of Directors should supervise a meeting for Shareholder's Agreement or other agreements to clarify the matter regarding the management power and participation in important decisions. Monitor the operation performance to be used as information for the preparation of the Company's financial statements in accordance with standards and timeframe.

Guideline 3.7

Conduct annual performance appraisal of the Board, sub-committees and each individual director in which the evaluation results should be used for future improvement of duties

- (1) The Board and sub-committees should evaluate the performance at least once a year for the Board members to jointly discuss the results and problems in order to make improvement with the specified norms as criteria for comparison.
- (2) Self-assessment method is used for both as team and individual. The criteria, procedures and overall result are to be disclosed in the Annual Report.
- (3) The Board may consider appointing external advisor to assist in determining the directions and suggesting the issues regarding the performance appraisal of the Board of Directors.
- (4) The Board appraisal will be used in consideration of the suitability of the Board composition.

Guideline 3.8

Supervise the Board and each member to understand the roles, duties, nature of business and the law related to the business operations as well as encourage all the Directors to regularly enhance skills and knowledge for their duty performance

- (1) Ensure that the newly appointed director will be given advised and have useful information for performing duties which includes the understanding of the objectives, main goals, vision, mission, corporate value as well as the nature of the business and business direction of the Company
- (2) Ensure that Directors receive ongoing training and necessary knowledge
- (3) Directors should understand laws, rules, standards, risks, and the environment related to business operations as well as regularly receiving updated information.
- (4) Require the continuous disclosure of training and knowledge development of the Board in the Annual Report.

Guideline 3.9

Ensure that the Board's operations are in order and have access to necessary information as well as having a Company secretary with necessary and appropriate knowledge and experience to support the operations of the Board

- (1) Arrange the Board meeting schedule and agenda in advance so that the Directors can manage their time and attend the meeting
- (2) The number of Board meetings must be considered to be appropriate to the Board's duties and responsibilities and the nature of the Company's business operations, but not less than 6 times a year. In addition, the Management is required to report the performance to the Board in the month that the meeting is not held so that the Board can oversee the operations of the Management continuously and in a timely manner.
- (3) Ensure that there is a mechanism allows each director, including the Management, to have freedom when proposing matters that are beneficial to the Company into the agenda of the meeting
- (4) Supporting documents are sent to the Directors at least 7 days prior to the meeting date.
- (5) Encourage the Chief Executive Officer to invite top management team to join the Board meeting to provide more detailed information as they are directly related to the problem, and to have an opportunity to get to know senior executives for consideration of succession plans.
- (6) Additional necessary information is accessible, within the specified policy scope, from the Chief Executive Officer, the Company secretary or other assigned executives, and if necessary, the Board may provide independent opinions from external advisors or professionals which will be considered as the Company's expense.
- (7) It is a policy for the non-executive Directors to have the opportunity of arranging a meeting among themselves, as necessary, at least once a year to discuss various interested management issues without the Management team and report the meeting results to the Chief Executive Officer.
- (8) Determine qualifications and experience of the suitable Company secretary that will perform duties in providing advice regarding various laws and regulations that the Directors must know, managing supporting documents for the Board meeting including important documents and activities of the Board, coordinating for the implementation of the resolution of the Board of Directors and disclosing of qualifications and experience of the Company secretary in the Annual Report and on the Company website.
- (9) The Company secretary is required to have ongoing training and knowledge development, especially with Certified Program, that will be useful for the duties.

Principle 4: Recruitment and development of senior management and human resource management***Guideline 4.1***

Ensure that recruitment and development of senior management to have the knowledge, skills, experience, and qualifications necessary to drive the organisation to its goals.

- (1) Monitor and ensure that there is a suitable senior management team by considering or appointing the Nomination and Remuneration Committee to determine criteria and procedures for recruitment and appointment of suitable persons for the position of senior management.
- (2) Ensure that there is a succession plan prepared for the succession of senior management positions.
- (3) Promote and encourage senior management to receiving training and development in order to increase the knowledge and experience that will be beneficial to the operation.
- (4) Clearly specify policies and procedures to senior management for taking a position of director at other companies, for both the type of director positions and the number of companies that can hold positions.

Guideline 4.2

Ensure that there is a determination for appropriate structure of remuneration and appraisal

- (1) Determine remuneration structure that motivates for the company's employees in accordance with the main objectives and goals of the organisation, both in the short long-term benefits, an appropriate evaluation and fair assessment.
- (2) Assign the Nomination and Compensation Committee to consider the criteria for performance appraisal and the form of remuneration for senior management and propose the matter to the Board of Directors for approval of the senior management remuneration structure.

Guideline 4.3

Monitor and supervise the management and development of human resource to have the appropriate number, knowledge, skills, experience, motivation and be treated fairly in order to retain the talented personnel of the organisation by supervising the establishment of a provident fund or other mechanism to ensure that employees have sufficient savings to support retirement, including encouraging employees to have knowledge and understanding in money management, choosing investment policies that are consistent with the age range, risk level or to ensure that there is a life path investment policy.

Principle 5: Promote innovation and responsible business practices***Guideline 5.1***

Emphasise and support innovation that creates value to the business while creating benefits to the customers or stakeholders at the same time and be responsible for society and environment.

- (1) Emphasise in creating an organization culture that promotes innovation and oversee the Management to take it as a part of the strategy review, development and operation improvement plan and performance monitoring under the standard of quality management system and environment.
- (2) Promote innovation to add value to the business according to the changing environmental conditions which may cover the business model, the perspective in developing products and services, research, work process improvement and cooperation with partners.

Guideline 5.2

Supervise the Management to conduct business ethically, has social and environmental responsibility and are reflected in the action plan to ensure that operations are carried out in accordance with the objectives, key goals and strategic plans of the organisation.

- (1) Ensure that there is a mechanism that ensures that the Company operates ethically, has social and environmental responsibility, not violating the rights of stakeholders in order to create a guideline for all parts of the organisation to achieve the objectives, the main goals that are sustainable by determining policies or guidelines which should at least cover the following matters
 - A. Responsibility to staff and employees by acting in accordance with the relevant laws and standards and treating staff and employees fairly and respecting human rights, such as determining compensation and other benefits that are fair, providing welfare that is not less than that required by law or more depending on the appropriate level, health care and work safety, training for knowledge, capability development and promotion of progress including giving employees the opportunity to improve their skills in other areas.
 - B. Responsibility to customers by complying with relevant laws and standards and taking into account health, safety, fairness, protecting customers information, after sales service throughout the life of products and services, monitoring customer satisfaction for product and service development which includes advertising, public relations and sales promotion. All must act responsibly and does not cause misunderstanding or take advantage of customers' misunderstandings.
 - C. Responsibility to business partners by having fair procurement process, establish criteria for selecting partners and contract conditions or agreements, helping to educate, develop the potential and upgrade the ability to offer products and services to meet standards, explaining and ensuring that business partners respect human rights and

- treat their workers fairly and have corporate social and environmental responsibility, including monitoring and evaluating business partners for sustainable business development.
- D. Responsibility to the community by bringing business knowledge and experience to develop projects that bring concrete benefit the community and monitoring and measuring progress and long-term success.
 - E. Responsibility to the environment by preventing, reducing, managing and ensuring that the Company does not create or cause a negative impact on the environment which covers the use of raw materials, energy usage, water usage, renewable resources usage, the release and management of waste caused by business operations, greenhouse gas emissions, etc.
 - F. Fair competition by conducting business openly and transparently and not create unfair competitive advantage.
 - G. Anti-corruption by complying with relevant laws and standards, establishing and announcing anti-corruption policies to the public and join the network of anti-fraud and corruption.

Guideline 5.3

Monitor and manage the allocation and management of resources to be efficient and effective by considering the impact and resource development throughout the supply chain in order to be able to achieve the main objectives and goals while still being based on ethics and having responsibility and creating sustainable value for the organisation.

Guideline 5.4

Supervise and manage enterprise information technology that is consistent with business needs as well as supervising the use of information technology to increase business opportunities, improve operations, and risk management to enable the business to achieve the main objectives and goals of the organisation

- (1) Establish policies for the allocation and management of information technology resources which covers the allocation of resources sufficient for business operations and establish guidelines to support in the event that unable to allocate sufficient resources as required.
- (2) Ensure that the risk management of the organisation covers the management and risk management of information technology which must comply with the laws, regulations and various measures related to the use of information technology, ensure that there are measures in managing information technology risks in various fields, information technology resources are allocated and managed and ensure that that are criteria and factors for determining priorities for information technology programs.
- (3) Establish policies and measures to maintain information security that is consistent with the business by having a data security system to keep the confidentiality, trustworthiness and data availability as well as preventing the misuse of information or modify information without permission.

Principle 6: Ensure an appropriate risk management and internal control system***Guideline 6.1***

Supervise to ensure that the Company has a risk management and internal control systems that will effectively achieve objectives and comply with relevant laws and standards

- (1) Understand the significant risks of the business and approve acceptable level of risks
- (2) Consider and approve risk management policies that are in consistent with the Company's objectives, targets, strategies, and acceptable level of risks in order to be a framework for the risk management process of everyone in the organisation to be in the same direction. The Board of Directors attaches importance to early warning signs and supervises the review of risk management policies annually.
- (3) Ensure that the Company has identified risks by considering both external and internal factors that may result in the Company not being able to achieve its objectives.
- (4) Ensure that the Company has assessed the impact and opportunity of the identified risks in order to prioritize the risks and have appropriate risk management methods.
- (5) Assign the Risk Management Committee or the Audit Committee to filter items 1-4 before proposing to the Board of Directors for consideration as appropriate for the business.
- (6) Regularly monitor and evaluate the effectiveness of risk management.
- (7) Ensure that the Company operates in accordance with the law and related standards both nationally and internationally.
- (8) Take the evaluation of internal control systems and risk management as part of consideration 1-7, in the case that the Company has subsidiaries or other businesses that the Company has mas significant investment (for example, having a proportion of shares with voting rights of 20% but not more than a hundred and 50).

Guideline 6.2

Appoint an Audit Committee that can perform duties efficiently and independently.

- (1) Appoint an Audit Committee consisting of at least 3 members, all of whom must be independent Directors and have qualifications and duties in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- (2) Specify the duties of the Audit Committee in writing which includes following duties
 - A. Review to ensure that the Company has accurate and complete financial reporting.
 - B. Review to ensure that the Company has an appropriate and effective internal control system and internal audit system.
 - C. Review the Company to comply with the law on Securities and Stock Exchange as well as other laws and related standards.

- D. Consider the independence of the internal audit department as well as giving approval to the appointment, transfer, and termination of the head of the internal audit department or any other department responsible for internal auditing.
 - E. Consider and select an independent person to act as an auditor and consider the remuneration of the aforementioned person as well as meeting with the auditor without the management attending the meeting at least once a year.
 - F. Consider the relating transactions or the transaction that may have conflict of interest to ensure that it complies with relevant laws. The said transaction must be reasonable and is of the utmost benefit to the Company.
 - G. Review the accuracy of reference documents and self-assessment forms regarding anti-corruption measures of the Company in accordance with the Private Sector Collective Action Coalition Against Corruption Project.
 - H. Review the risk management process such as strategic risk, operational risk, financial risk, compliance risk, social and environmental risk.
 - I. The Audit Committee must provide an opinion on the sufficiency of the risk management system and internal control and disclose the information in the Annual Report
- (3) Ensure that the Company has a mechanism or tool that allows the Audit Committee to access the information necessary to perform their assigned duties, such as allowing the Audit Committee to call relevant persons to provide information, discuss with the auditor or to seek independent opinions from any other professional advisors to support the consideration of the Audit Committee.
- (4) Arrange for an individual or internal audit department that is independent in performing their duties, to be responsible for developing and reviewing the efficiency of risk management and internal control systems as well as report to the Audit Committee and disclose the review report in the Annual Report.

Guideline 6.3

Monitor and manage potential conflicts of interest between the Company and Management, the Board or Shareholders as well as preventing undue use of the Company's property, information, and opportunities and conducting transactions with persons who are connected with the Company in an inappropriate manner

- (1) Monitor and ensure that the Company has an information security system. This includes establishing policies and procedures for maintaining confidentiality, trustworthiness and data availability as well as the management of information that may affect the price of securities. In addition, the Board should ensure that Executives and employees as well as related external parties such as legal advisors and financial advisor also comply with data security systems.
- (2) Ensure that there are management and monitoring of transactions that may cause conflicts of interest as well as to ensure that there are guidelines and procedures for the said transactions to comply with the procedures and disclosure as required by law and for the benefit of the Company and the Shareholders as a whole in which the stakeholder does not participate in the decision making.

- (3) Require that Directors must report their interests at least before considering the agenda of the Board meeting and record it in the Board meeting's minutes. The Board of Directors must ensure that Directors with significant interests in such a way that they may not be able to give independent opinions refrain from participating in the meeting for consideration of that agenda.
- (4) Require that all Directors and Executives have a duty to report securities holdings according to the law and send the report to the Board of Directors on a quarterly basis as well as disclose the information in the Annual Report

Guideline 6.4

Supervise to establish clear anti-corruption policy and guideline and communicate at all levels of the organisation and to stakeholders for actual implementation.

- (1) Ensuring there is a mechanism Preventive supervision process Guidelines for monitoring and assessing risks from Anti-Corruption and to report operating results to the Board of Directors regularly.
- (2) Providing training to educate about Anti-Corruption policy and practice, including supporting activities to promote and cultivate all employees to obey the law and related regulations.

Guideline 6.5

Supervise and establish mechanisms and procedures for handling complaints and the procedures in case of indication, include cases where rights are violated.

- (1) Ensure that there are mechanisms and processes (record, monitor progress, fix problems, report), stakeholder complaints and ensure that there is more than one convenient channel for receiving complaints and disclose the channels of complaint on the website or Annual Report.
- (2) Ensure that policies and clear guidelines are provided for where clues are identified by providing a channel for whistleblowing through the Company's website or through an assigned independent director / Audit Committee of the Company as well as ensuring that there is a process for reviewing operational data and reporting to the Board of Directors.
- (3) Ensure that there are appropriate protection measures for the whistleblowers who report the whistleblow in good faith.

Principle 7: Maintain financial reliability and disclosure.***Guideline 7.1***

Responsible for overseeing the system of financial reporting and disclosure of important information to be correct, sufficient, timely, and in accordance with relevant rules, standards and guidelines.

Phol Dhanya Public Company

- (1) Ensure that the personnel involved in the preparation and disclosure of information have the knowledge, skills and experience that are appropriate to their responsibilities and are in sufficient number. The said personnel include the chief executive of the accounting and finance, accountant, internal auditor, Company Secretary and Investor Relations
- (2) Take into consideration the factors related to the approval and disclosure of information, especially in the case of financial reports, they must consider at least the following factors
 - A. Evaluation results of adequacy of the internal control system
 - B. Auditor's opinion on financial reports and auditor's observations regarding internal control systems including the auditor's observations through communication in other channels (if any).
 - C. The opinion of Audit Committee
 - D. Consistency with objectives, main goals, strategies and policies of the Company
- (3) Ensure that disclosure of information, including financial statements, the annual report, Form 5 6 -1 , can adequately reflect financial status and results of operations, as well as encouraging the Companies to provide management explanations and analysis, or MD&A, for quarterly disclosure of financial statements.

Guideline 7.2***Monitor and ensure the adequacy of financial liquidity and ability to pay off debt***

- (1) Supervise the Management to monitor and evaluate the financial status of the Company and report to the Board regularly. The Board and the Management must work together to find a solution quickly if signs begin to indicate problems with financial liquidity and ability to pay off debt.
- (2) In approving any transaction or proposing an opinion to the Shareholders' meeting for approval, the Board should be confident that the aforementioned transaction will not affect the business continuity, liquidity or the ability to pay off debt.

Guideline 7.3***In the case that the Company encounters or is likely to encounter financial problems, the Board must ensure that the Company has a plan for solving problems or there are other mechanisms that can solve financial problems under consideration of the rights of stakeholders***

- (1) Closely monitor and supervise the Management to conduct business with caution and comply with data disclosure requirements, in the event that the Company is not likely to be able to pay the debt or has financial problems.
- (2) Supervise the Management to set up plans for fixing financial problems by taking into account the fairness to the stakeholders and report the status regularly.
- (3) Ensure that any decision made in solving financial problems of the Company, the methods must be reasonable.

Guideline 7.4

Consider making a sustainability report as appropriate by disclosing information regarding legal compliance, ethics compliance, anti-corruption policy, treatment of employees and interested parties which includes fair treatment and respecting human rights as well as social and environmental responsibility with consideration to the report framework that is nationally or internationally accepted and ensure that the information disclosed is important and reflects the practices that will lead to sustainable value creation for the business.

Guideline 7.5

Assign a department or responsible person for investor relations who is responsible for communicating with Shareholders and other interested parties, such as investors, analysts, including establishing communication and disclosure policies and internal information utilization and the trading of the company securities policy, to ensure that communicate and disclosure of information to stakeholders is appropriate, equitable and timely.

Guideline 7.6

Promote the use of information technology in the distribution of information in accordance with the specified criteria and through the channels of the Stock Exchange of Thailand including the regular disclosure of information in both Thai and English through other channels, such as the Company's website as well as presenting up-to-date information

Principle 8: Encourage participation and communication with Shareholders**Guideline 8.1**

Ensure that Shareholders are involved in making important Company decisions.

- (1) Ensure that important matters, both the issues specified in the law and issues that may affect the direction of the Company's operations have been considered and / or approved by the shareholders. The important matters should be included in the agenda of the Shareholders' meeting.
- (2) Encourage the participation of the Shareholders such as
 - A. Determine criteria for minority Shareholders to propose additional meeting agendas before the meeting date. The Board of Directors will consider including matters proposed by Shareholders in the agenda. In case that the Board refuses the matter the Shareholders proposed to be put on the agenda, the Board of Directors must notify the reasons to the Shareholders.
 - B. Determine criteria for minority Shareholders to nominate persons to be Directors and supervise the said criteria to be disclosed to the Shareholders in advance.

- (3) Ensure that the notice for the Shareholders' meeting has accurate, complete and sufficient information for exercising the rights of Shareholders.
- (4) Ensure that the notice for the Shareholders' meeting is sent together with relevant documents to Shareholders no less than 21 days before the meeting date and publish on the Company's website at least 30 days before the meeting date.
- (5) Allow the Shareholders to send questions prior to the meeting date by specifying the criteria for submitting questions in advance and publishing the rules on the Company's website
- (6) The notice for the Shareholders' meeting and relevant documents shall be prepared in full both in English language and Thai language.

Guideline 8.2

Ensure the proceedings on the day of Shareholders' meeting proceed with transparency, efficiency and encouraging shareholders to exercise their rights.

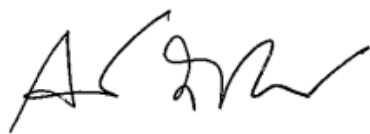
- (1) Set the date, time and place of the meeting by considering the convenience of attending the meeting of the Shareholders
- (2) Ensure that no action is taken to limit the opportunity to attend the meeting or causing too much burden for shareholders
- (3) Promote the use of technology for Shareholders' meetings including shareholder registration, counting and displaying results to enable the meeting to be carried out quickly, correctly and accurately.
- (4) The Chairman of the Board is the chairman of the Shareholders' meeting who has the responsibility to ensure that the meeting is in accordance with the law and related rules and the Company's regulations, allocate appropriate time for each agenda specified in the meeting invitation letter, and allow Shareholders to express opinions and ask questions at the meeting regarding matters related to the Company.
- (5) Addition of agendas that have not been announced in advance is not encouraged, especially important agenda that shareholders need time to study before making decision.
- (6) All Directors and relevant executives must attend the meeting so that Shareholders can ask questions on various associated issues.
- (7) Before the meeting, Shareholders will be informed of the number and proportion of shareholders attending the meeting in person and of the granting of proxy, the meeting process, the voting and the calculation of the votes.
- (8) In the case that any agenda has many agenda items, the Chairman of the meeting will have the resolution for each item, for example, shareholders exercise the right to appoint individual Directors in the agenda of the appointment of Directors.
- (9) Support the use of ballots for important agenda and encourage to have an independent person to count or check the votes in the meeting, and reveal the voting results of approved, disapproved and abstain for each agenda in the meeting and record in the minutes.

Guideline 8.3***Oversee the disclosure of resolutions and preparation of the minutes of the Shareholders' meeting to be correct and complete***

- (1) Ensure that the Company disclose the resolution of the Shareholders' meeting and voting results within the following working day through the news system of the Stock Exchange of Thailand and on the Company's website
- (2) Supervise the delivery of a copy of the minutes of the Shareholders' meeting to the Stock Exchange of Thailand within 14 days from the date of the meeting
- (3) To ensure that the minutes of the Shareholders' meeting are recorded, at least as follows:
 - A. The list of Directors and Executives that attend the meeting and the proportion of the Directors that attend and do not attend the meeting
 - B. The voting and the resolution vote calculation methods used in the meeting and the voting results of each agenda (Approved, Disapproved, Abstained and invalid)
 - C. Questions and answers at the meeting including full names of the questioner and the respondent

The Board of Directors Meeting No. 7/2020, held on 11 August 2020, has considered and approved this Corporate Governance Policy. This policy is effective from 20 September 2019 onwards.

Announced on 14 August 2020



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(Assoc. Prof. Dr. Ekachidd Chungcharoen)

Chairman of the Board