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AAI – 019 – 2022

**Good Corporate Governance Policy**

**(Revised edition B.E. 2567)**

Asian Alliance International Public Company Limited (the “Company”) realizes duties and responsibilities to maximize benefits to shareholders and impacts on society, communities, environment, the country, and other stakeholders including customers, trade partners, creditors, employees and competitors. The Company also adheres to the corporate governance guidelines in accordance with the Principles of Good Corporate Governance of Listed Companies 2017 by the Office of the Securities and Exchange Commission (the SEC). The Company’s good corporate governance policy has been set out as a guideline for the operations of both the Company and its subsidiaries to create transparency and fairness to stakeholders. The good corporate governance policy consists of eight principles as follows:

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

Principle 2: Define Objectives that Promote Sustainable Value Creation

Principle 3: Strengthen Board Effectiveness

Principle 4: Ensure Effective CEO and People Management

Principle 5: Nurture Innovation and Responsible Business

Principle 6 Strengthen Effective Risk Management and Internal Control

Principle 7: Ensure Disclosure and Financial Integrity

Principle 8: Ensure Engagement and Communication with Shareholders

**Principle 1: Establish Clear Leadership Role and Responsibilities of the Board**

● **Principle 1.1**

The Board of Directors understands the roles and recognizes their responsibilities as leaders to oversee the organization’s good governance as follows:

- (1) Determine objectives and goals.
- (2) Set up strategies, policies, as well as allocation of important resources to achieve objectives and goals.
- (3) Monitor, oversee, and evaluate the report of operation performance.

● **Principle 1.2**

To create sustainable value for the Company, the Board of Directors oversees the Company’s governance outcome at least as follows:

- (1) Be competitive with good operating results and concern for the long-term impacts.
- (2) Maintain business with ethics, respect the rights and responsibilities to shareholders and stakeholders.
- (3) Provide benefits to society with fewer negative impacts on the environment.
- (4) Be able to adapt with changing factors.

The Board of Directors complies with the principle as follows:

1.2.1 For operational success, the Board of Directors takes into account the ethics and impacts on both society and the environment other than the financial results.

1.2.2 The Board of Directors acts as a role model of leaders in the corporate governance so as to create and drive the ethical corporate culture.

1.2.3 The Board of Directors establishes policies for directors, executives, and employees to be applied as the principles and guidelines for their operations in writing, such as good corporate governance policy, and Business Ethics.

1.2.4 The Board of Directors maintains good communication to directors, executives, and employees for their understanding, and sufficiently facilitates the implementation of policies, with regular follow-up and review on the operational performance, policies, and practices.

- **Principle 1.3**

1.3.1 The Board of Directors ensures that all directors and executives perform their duties with responsibility, duty of care and duty of loyalty, while overseeing that the operations are in accordance with the laws, regulations, and resolutions of the shareholders' meeting by considering related laws, rules, and regulations, such as Section 89/7, 89/8, 89/9, and 89/10 of the Securities and Exchange Act B.E. 2535 (Codified Edition).

1.3.2 The Board of Directors ensures that the Company maintains sufficient systems or mechanisms for its operations according to the laws, regulations, and resolutions of the shareholders' meeting, as well as the specified policies or guidelines, including the approval process of important operations in compliance with the laws.

- **Principle 1.4**

The Board of Directors understands the scope of their duties and responsibilities, as well as clearly sets the scope of assignments and responsibilities to the Managing Director, sub-committees, and the management, while overseeing them to perform their duties as assigned.

1.4.1 The Board of Directors issues a charter of the Board of Directors to specify their duties and responsibilities as reference in the performance of all directors. The charter must be reviewed regularly at least once a year to revise the roles and duties of the Board of Directors, the Managing Director, sub-committees, and the management to be consistent with the direction of the organization.

1.4.2 The Board of Directors understands the scope of their duties and assign the authority to manage the Company's operations to sub-committees and/or the management in writing. However, such assignment does not relieve the Board of Directors' duties and responsibilities. The Board of Directors needs to oversee sub-committees and/or the management to perform their assigned duties. The scope of duties of the Board of Directors, the Managing Director, and the management are as follows:

Issues under main responsibilities

They refer to issues under the main responsibilities of the Board of Directors in order so as to take appropriate actions, including:

- a) Set main objectives and goals of operations.
- b) Create an ethical corporate culture and act as a role model.
- c) Monitor the structure and performance of the Board of Directors as appropriate to achieve the main objectives and goals of effective operations.
- d) Manage the appointment, remuneration, and performance appraisal of the Managing Director.
- e) Maintain the compensation structure to motivate personnel for their performance of duties in accordance with the main objectives and goals of the organization.

Issues with the management

They refer to issues that the Board of Directors needs to consider with sub-committees, the Managing Director, and the management. The management proposes to the Board of Directors and/or sub-committees for approval. The management are then assigned for actions. The Board of Directors and/or sub-committees follow up and have the management report to the Board of Directors and/or sub-committees periodically as appropriate, which include:

- a) Identify and review strategies, goals, annual work plans.
- b) Monitor the risk management system and internal control as appropriate.
- c) Specify the authority to operate as appropriate to the management's responsibilities.
- d) Manage the framework of resource allocation, development, and budget.
- e) Follow up and evaluate the performance.
- f) Maintain the credibility of financial and non-financial disclosures.

#### Issues at the policy level

They refer to issues that the Board of Directors and/or sub-committees shall monitor and oversee at the policy level by assigning the Managing Director and the management to be primarily responsible for the operations as follows:

- a) Make execution in accordance with strategies, policies, and work plans approved by the Board of Directors and/or sub-committees.  
The Board of Directors and/or sub-committees allow the management for decision making in accordance with the policies. The Board of Directors and/or sub-committees monitor the results without interfering with their decisions unless necessary.
- b) Prohibit from issues specified by the regulations, such as approval of transactions with conflict of interests.

### **Principle 2: Define Objectives that Promote Sustainable Value Creation**

#### ● **Principle 2.1**

The Board of Directors specifies the Company's main objectives and goals for sustainability in accordance with value creation for the Company, customers, stakeholders, and the whole society.

2.1.1 The Board of Directors ensures that the Company has clear, appropriate objectives or goals that can be used in defining the business model, and must communicate to everyone in the organization in moving towards the same direction by specifying as corporate vision and values or principles and purposes.

2.1.2 To achieve main objectives or goals, the Board of Directors shall define the business model that can create value for the Company, stakeholders, and the whole society by considering as follows:

- (1) The environment and changing factors, including use of innovation and technology appropriately
- (2) The needs of customers and stakeholders
- (3) The readiness, expertise, and competitiveness of the Company

2.1.3 The Board of Directors creates corporate values that reflect the characteristics of good corporate governance, such as accountability, integrity, transparency, and consideration of social and environmental responsibilities.

2.1.4 The Board of Directors promotes communication and enhances the organization's main objectives and goals to be reflected through decisions and operations of personnel at all levels until they become corporate culture.

#### ● **Principle 2.2**

The Board of Directors ensures that the objectives and goals as well as the medium-term and/or annual strategies are in accordance with the achievement of main objectives and goals, with safe and appropriate use of innovation and technology.

2.2.1 The Board of Directors oversees the development of annual strategy and work plans, in line with the Company's main objectives and goals by considering the environmental factors as well as acceptable opportunities and risks. The Board of Directors shall review objectives, goals, and strategies for the medium term of 3–5 years to ensure that the annual strategy and work plans take into account the longer term impacts which can be reasonably predictable.

- 2.2.2 To define strategies and annual work plans, the Board of Directors must consider various environmental factors and risks that may affect stakeholders throughout the value chain, including different factors that may affect the achievement of the Company's main goals. There shall be a mechanism to understand the needs of stakeholders.
- 2.2.3 To develop strategies, the Board of Directors must promote innovation development and apply the innovation and technology to create competitiveness and meet the needs of stakeholders, while remaining on the basis of the social and environmental responsibilities.
- 2.2.4 The Board of Directors develops appropriate financial and non-financial goals as appropriate to the business environment and the Company's potential. In addition, the Board of Directors is aware of the risks of setting goals that may lead to unethical conduct.
- 2.2.5 The Board of Directors transfers objectives and goals through strategies and work plans throughout the organization.
- 2.2.6 The Board of Directors ensures the proper allocation of resources and operational control, while monitoring the implementation of annual strategies and work plans by assigning responsible personnel to follow up the operation performance.

**Principle 3: Strengthen Board Effectiveness**

- **Principle 3.1**

The Board of Directors is responsible for defining and reviewing the Board of Directors' structure in terms of size, composition, diversity, and proportion of independent directors as appropriate and necessary to lead the organization towards its main objectives and goals.

- 3.1.1 The Board of Directors must ensure that the Board of Directors consists of directors with various qualifications, including skills, experiences, abilities, and specific characteristics necessary to achieve main objectives and goals of the organization by having a table of knowledge and expertise of directors (Skills Matrix) so that the overall Board of Directors are appropriately qualified and able to understand and respond to the needs of stakeholders.
- 3.1.2 The Board of Directors considers the appropriate number of directors to perform their duties effectively. There must be at least five directors, depending on the size, type, and complexity of business.
- 3.1.3 The Board of Directors comprises a proportion of executive directors and non-executive directors to reflect the appropriate balance of power. The number and qualifications of independent directors are in compliance with the rules of the SEC and the Stock Exchange of Thailand. The Board of Directors shall ensure that independent directors are able to work effectively with the entire Board of Directors and freely express their opinions.
- 3.1.4 The Board of Directors discloses a policy for the composition of diverse directors with information such as age, gender, educational background, experience, percentage of shareholding, and number of years holding directorship in the Company and other listed companies in both the annual report and the Company's website.

- **Principle 3.2**

The Board of Directors selects an appropriate individual to be the chairman of the Board of Directors and ensure that the composition and operation of the Board of Directors can facilitate the exercising of discretion in making independent decisions.

- 3.2.1 The chairman of the Board of Directors and the Managing Director have different responsibilities. The Board of Directors must clearly specify the powers and duties of the chairman of the Board of Directors and the Managing Director clearly so that no one has unlimited power. The one holding the position of the chairman of the Board of Directors is separated from the other holding the position of the Managing Director.
- 3.2.2 The chairman of the Board of Directors plays a leading role in the Board with the following duties:
- (1) Monitor, oversee, and follow up so that the Board of Directors perform their duties effectively to achieve the main objectives and goals of the organization.
  - (2) Ensure that all directors are involved in promoting an ethical corporate culture and a good corporate governance.

- (3) Set the agenda for the Board of Directors' meetings with the Managing Director and have some measures to manage important issues to be included in the meeting agenda.
- (4) Provide enough time for the management to present their topics and the directors to discuss important issues with prudent discretion as well as express their opinions freely.
- (5) Encourage good relationships between executive and non-executive directors, as well as the Board of Directors and the management.

3.2.3 In the event that the chairman of the Board of Directors and the Managing Director are not clearly separated from each other, the Board of Directors must manage to balance the power between the Board of Directors and the management by considering as follows:

- (1) The composition of the Board of Directors which consists of more than half of independent directors, or
- (2) The appointment of an independent director to participate in setting the agenda of the Board of Directors' meeting

3.2.4 The Board of Directors sets a policy for independent directors to hold office for a period of not more than 9 years from the date of appointment at the first time. In case of appointing such independent directors to continuously hold office, the Board of Directors must reasonably consider such necessity.

3.2.5 To manage the details of important issues, the Board of Directors must appoint sub-committees to consider each specific issue and provide some information and guidelines before presenting to the Board of Directors for approval.

3.2.6 The Board of Directors must ensure that the roles and duties of the Board of Directors and sub-committees are disclosed with number of meetings and times that each director attended the meetings in the past years, as well as reports on the operation performance of every sub-committee.

#### ● **Principle 3.3**

The Board of Directors must manage the nomination and selection of directors with a transparent and clear process to obtain the Board of Directors with qualifications in accordance with the specified composition.

3.3.1 The Board of Directors assigns the Corporate Governance and Nomination and Remuneration Committee to be responsible for the nomination and selection of directors.

3.3.2 The Corporate Governance and Nomination and Remuneration Committee organizes a meeting to consider the criteria and methods of nomination to obtain qualified directors with appropriate knowledge and expertise, including their history, as well as provide opinions to the Board of Directors before presenting to the shareholders' meeting to appoint the directors. Additionally, shareholders must receive sufficient information regarding the nominated directors for decision making.

3.3.3 The Corporate Governance and Nomination and Remuneration Committee reviews the criteria and procedures for nomination of directors to provide recommendations to the Board of Directors prior to the nomination of a retiring director. In case that the Nomination and Remuneration Committee nominates the former director, they must also consider the said director's performance of duties.

3.3.4 In case that the Board of Directors appoints a consultant to the Corporate Governance and Nomination and Remuneration Committee, the information of such consultant must be disclosed in the annual report, including independence or no conflict of interests.

#### ● **Principle 3.4**

To propose the remuneration of the Board of Directors to the shareholders for approval, the Board of Directors must consider the structure and remuneration rates as appropriate to their responsibilities and motivation of the Board of Directors to lead the organization towards both short-term and long-term achievement of the goals.

3.4.1 The Board of Directors assigns the Corporate Governance and Nomination and Remuneration Committee to consider policies and criteria for remuneration.

3.4.2 The remuneration of directors must be consistent with the Company's long-term strategies and goals, experience, duties, accountability, and responsibility, including expected benefits from each director and directors with additionally assigned duties and responsibilities, comparable to the level of practice in the industry.

3.4.3 Shareholders must approve the structure and rate of remuneration for directors in the monetary and non-monetary form. The Board of Directors considers each form of the remuneration as appropriate, both fixed rate of remuneration (e.g. regular remuneration, meeting allowance) and remuneration according to the Company's performance (e.g. bonuses, pensions), in line with the value that the Company generates for its shareholders, but not at a so high level that it focuses on only the short-term performance

3.4.4 The Board of Directors discloses policies and criteria for the remuneration of directors to reflect the duties and responsibilities of each director, including the type and amount of remuneration. The disclosed remuneration must also comprise the remuneration that each director receives as the director of subsidiaries.

3.4.5 In case that the Board of Directors appoints a consultant to the Corporate Governance and Nomination and Remuneration Committee, the information of such consultant must be disclosed in the annual report, including independence or no conflict of interests.

- **Principle 3.5**

The Board of Directors shall ensure that all directors are responsible for their duties and allocate sufficient time.

3.5.1 The Board of Directors oversees all directors to understand their roles and duties. The Board of Directors must specify the rules for directors' holding positions in other companies by considering the performance of such directors who hold positions in many companies to ensure that they can devote enough time to perform their duties in the Company through the specification of the number of listed companies that each director is able to hold office according to the nature or condition of the Company's business, but not more than five listed companies in total.

3.5.2 The Board of Directors must report on the directors' other positions and disclose such information.

3.5.3 In case directors hold the position of directors or executives or have stake holding, whether directly or indirectly, in other conflicting businesses or use the opportunity or the Company's information for their own benefits, the Board of Directors must ensure that the Company has adequate preventive measures and notify shareholders as appropriate.

3.5.4 Each director must attend at least 75% of the total number of meetings of the Board of Directors during the year.

- **Principle 3.6**

The Board of Directors oversees the policies and operations of subsidiaries and other businesses in which the Company has significant investments as appropriate to the level of each business and under the same understanding.

3.6.1 The Board of Directors sets investment policies and oversee business operations in subsidiaries and associated companies, including:

- (1) Appointment of individuals to be directors, executives, or persons with control power in subsidiaries must be specified in writing and the appointment shall be managed by the Board of Directors. Unless the said subsidiaries are operating arms of the Company, the Board of Directors may assign the Managing Director for the appointment.
- (2) The scope of duties and responsibilities of persons representing the Company under (1) must be specified to ensure that they conduct their performance in compliance with the subsidiary's policies. In case the subsidiaries have other co-investors, the Board of Directors shall set a policy for such representatives to perform their best duties for the benefits of subsidiaries and in accordance with the policy of the parent company.
- (3) The subsidiary's internal control system is appropriate and concise enough. The transactions are in compliance with the laws and related criteria.

- (4) Disclosure of financial status and operating results, making transactions with connected persons, acquisition or disposition of property, other important transactions, capital increase, capital decrease, and dissolution of subsidiaries, etc., shall be considered.

3.6.2 If it is a significant investment in other businesses, such as having a shareholding proportion of 20 percent but not more than 50 percent and the amount of investment or additional investment may be significant to the Company if necessary, the Board of Directors shall manage the shareholders' agreement or other agreements to provide clarity on power of management and participation in important decision making, and performance follow-up to be used as information in the preparation of the Company's financial statements in accordance with the standards and schedules.

- **Principle 3.7**

The Board of Directors shall provide an annual performance assessment of the Board of Directors, sub-committees, and individual directors to apply the results for further performance development.

3.7.1 The Board of Directors and sub-committees assess their performance at least once a year. So, the Board of Directors can consider the results and problems for further improvements and set the criteria to compare with the performance.

3.7.2 The performance appraisal is assessed on the team and the individual basis. This may be a self-evaluation to improve and correct operations. The Company shall disclose the criteria, procedures, and overall assessment results in the annual report.

3.7.3 The Board of Directors may consider providing external consultants to assist in formulating guidelines and suggest issues for evaluating the performance of the Board of Directors at least every 3 years and disclose such actions in the annual report.

3.7.4 The evaluation results of the Board of Directors shall be used to consider the suitability of the Board of Directors.

- **Principle 3.8**

The Board of Directors oversees the Board of Directors and each director to understand their roles and responsibilities, nature of business, and related laws to business operations, as well as encourage all directors to always have skills and knowledge for the performance of their duties.

3.8.1 The Board of Directors shall ensure that persons appointed as new directors are guided and have useful information on duty. This includes understanding the objectives, key goals, vision, mission, values of the organization, as well as the nature of the business and the Company's business practices.

3.8.2 The Board of Directors must ensure that directors continuously receive the necessary training and development.

3.8.3 The Board of Directors must have an understanding of the laws, rules, standards, risks, and environments related to business operations, as well as being informed of current information on a regular basis.

3.8.4 The Board of Directors discloses information on the Board of Directors' continuous training and knowledge development in the annual report.

- **Principle 3.9**

The Board of Directors shall ensure that the operations of the Board of Directors are carried out smoothly and able to access the necessary information, while having the Company's secretary with necessary and appropriate knowledge and experience to support operations of the Board of Directors.

3.9.1 The Board of Directors arranges for the meeting schedule and agenda of the Board of Directors' meeting in advance so that directors can manage their time and attend meetings.

3.9.2 The number of meetings of the Board of Directors must be appropriate with the duties and responsibilities of the Board of Directors as well as the nature of the Company's business at least once per quarter in case that the Board of Directors does not have a monthly meeting.

- 3.9.3 The Board of Directors must ensure to have a mechanism for each director and the management can freely propose beneficial issues to the Company in the agenda.
- 3.9.4 Meeting documents are sent to directors at least 7 days prior to the meeting date so as to allow time for them to study before attending the meeting, except in case of urgent necessity to preserve the rights or benefits of the Company, there shall be a notification of the meeting by other methods or set an earlier meeting date.
- 3.9.5 The Board of Directors encourages the Managing Director to invite senior executives to attend the Board of Directors meeting to provide more detailed information as it directly relates to the issues. This can also be an opportunity to know the senior management for consideration of succession plans.
- 3.9.6 The Board of Directors accesses to additional necessary information from the Managing Director, the Company's secretary or other executives assigned within the scope of the policy. If necessary, the Board of Directors may encourage independent opinions from external consultants or professionals, which shall be considered as the Company's expenses.
- 3.9.7 The Board of Directors considers a policy for non-executive directors to have their opportunity to meet among themselves as necessary to discuss various issues related to management that are of interest without the involvement of management team and inform the results of meeting to the Managing Director.
- 3.9.8 The Board of Directors determines the qualifications and experience of the Company's secretary as appropriate to perform the duties of advising on legal and regulatory matters which the Board of Directors must know, and manage the important documents for the Board of Directors meeting, as well as activities of the Board of Directors, while coordinating to ensure a compliance with the Board of Directors' resolutions. In addition, the Board of Directors discloses the qualifications and experiences of the Company's secretary in the annual report and on the Company's website.
- 3.9.9 The Company's secretary receives ongoing training and development of knowledge beneficial to the performance of their duties. In case of a certified program, the Company's secretary also attends the training course.

**Principle 4: Ensure Effective CEO and People Management**

- **Principle 4.1**

The Board of Directors shall ensure the recruitment and development of the Managing Director and senior management to have the knowledge, skills, experience, and attributes necessary to drive the organization towards its goals.

- 4.1.1 The Board of Directors shall consider or assign the Corporate Governance and Nomination and Remuneration Committee for criteria and methods of nominating qualified persons to serve the position of the Managing Director.
- 4.1.2 The Board of Directors monitors and oversees the Managing Director to have appropriate high-level executives. At least, the Board of Directors or the Corporate Governance and Nomination and Remuneration Committee, as well as the Managing Director, join for considering the criteria and procedures in the nomination and appointment of persons, as well as approve individuals proposed by the Managing Director to be a senior executive.
- 4.1.3 For continuous business operations, the Board of Directors oversees to have a succession plan for the Managing Director and senior management. The Managing Director must report the performance according to the succession plan to the Board of Directors for acknowledgment periodically at least once a year.
- 4.1.4 The Board of Directors encourages and supports the Managing Director and senior executives to receive training and development for useful knowledge and experience to the operations.
- 4.1.5 The Board of Directors clearly defines policies and procedures for taking the position of directors at other companies of the Managing Director and high-level executives, both the type of director position and the number of companies that can take the position.



- **Principle 4.2**

The Board of Directors oversees the establishment of an appropriate compensation and evaluation structure.

4.2.1 The Board of Directors establishes the structure of incentive compensation for the Managing Director, senior management, and other personnel at all levels to perform their duties in accordance with the main objectives and goals of the organization and in line with the Company's long-term interests, including:

- (1) Considering the appropriateness of the salary compensation and short-term performance such as bonuses and long-term performance such as the Employee Stock Ownership Plan.
- (2) Determining policies regarding compensation payment by factors, such as the levels above or approximately equal to industry levels are taken into account the Company performance.
- (3) Setting the policy on evaluation criteria with communication to be acknowledged.

4.2.2 The Board of Directors, excluding executive directors, plays a role in the remuneration and performance assessment of the Managing Director at least in the following:

- (1) Approve the criteria for the performance evaluation of the Managing Director. The performance evaluation criteria shall motivate the Managing Director to manage the Company's business in accordance with the main objectives, goals, and strategies, in line with the Company's long-term interests by communicating to the Managing Director on the assessment criteria in advance.
- (2) Evaluate the Managing Director's performance annually or assign the Corporate Governance and Nomination and Remuneration Committee to evaluate and the chairman of the Board of Directors or senior directors to communicate the results of evaluation, including issues for improvement to the Managing Director for acknowledgment.
- (3) Approve of the Managing Director's annual remuneration and consider the results of performance evaluation of the Managing Director and other related issues.

4.2.3 The Board of Directors approves the criteria and issues for performance appraisal, as well as the remuneration structure of the top executives and follow up with the Managing Director to evaluate the top executives in accordance with the aforementioned evaluation principles.

4.2.4 The Board of Directors monitors the set out criteria and issues of performance evaluation for the entire organization.

- **Principle 4.3**

The Board of Directors understands the structure and relationship of shareholders that may affect the management and operations of the Company.

4.3.1 The Board of Directors understands the structure and relationship of shareholders. This may be in the form of an agreement within family affairs, whether in written or under shareholder agreement or policies of the parent group, which shall affect the power for management control of the Company.

4.3.2 The Board of Directors shall ensure that the agreement under 4.3.1 does not hinder the performance of the Board of Directors.

4.3.3 The Board of Directors shall ensure the information disclosure in accordance with agreements that affect the Company's control.

- **Principle 4.4**

The Board of Directors monitors and oversees the management and personnel development for appropriate knowledge, skills, experience, and motivation.

4.4.1 The Board of Directors shall oversee that human resource management is in compliance with the direction and strategy of the organization. Employees at all levels have knowledge, competence, and appropriate motivation. They are treated fairly to retain the competent personnel of the organization.

4.4.2 The Board of Directors shall manage to set up the provident fund or others so that employees have adequate savings for retirement.

**Principle 5: Nurture Innovation and Responsible Business**

- **Principle 5.1**

The Board of Directors focuses and supports to create innovations that bring value to the business while providing benefits for customers or related parties, with its responsibility to society and the environment.

5.1.1 The Board of Directors realizes on creating an organizational culture that encourages innovations and ensures that the management takes it as part in the review of strategy, planning, development, and improvement for operations and performance.

5.1.2 The Board of Directors encourages to create innovations to add value to the Company in accordance with the changing environmental conditions. This may cover the building of a business model, as well as the way of thinking about design and development of products and services, research, improvement of production and working processes, including collaboration with partners.

- **Principle 5.2**

The Board of Directors shall monitor and ensure that the management operates business in a socially and environmentally responsible manners, reflecting in the Operational Plan so that all departments of the organization perform in line with the Company's main objectives, goals, and strategies.

5.2.1 The Board of Directors oversees that the Company performs its business with ethics, social, and environmental responsibilities, without violation to the rights of stakeholders, as a guideline for every part of the organization to achieve the sustainable objectives and goals with business ethics as follows:

- (1) Responsibility to customers – The Company complies with relevant laws and standards, taking into account the health, safety, fairness, retention of customer data, after-sales service throughout the product and service life, and customer satisfaction monitoring for product and service improvement, including advertising, public relations, and sales promotions (Sales Conduct), which must be done responsibly without causing any misunderstanding or taking advantage of customer misunderstandings.
- (2) Responsibility to employees and workers – The Company complies with relevant laws and standards, while treating employees and workers fairly and respecting human rights, such as setting fair compensation and other benefits, providing welfare not less than those required by laws or more than appropriate, health care, occupational safety, knowledge training, potential development, advancement in career, and opportunity for development in other skills.
- (3) Responsibility to partners – There shall be a fair procurement process and contract terms or agreements, while providing knowledge, developing potential, and upgrading the ability in production and services to standards. Also, it is to ensure that partners respect to human rights, treat their workers fairly, and have social and environmental responsibilities. In the meantime, partners shall be monitored and evaluated to develop sustainable business operations with each other.
- (4) Responsibility to community – It is essential to bring knowledge and business experience to develop projects that can enhance the benefits to the community in a tangible way, with progress and long-term tractable and measurable success.
- (5) Responsibility to environment – It shall be to prevent, reduce, manage, and ensure that the Company must not create or cause any negative impacts on the environment, including the use of raw materials, energy, water, renewable resources, emissions and management of waste arising from business operations, and greenhouse gas effects.
- (6) Fair competition – It is to ensure that the Company operates the business openly, transparently, and without creating unfair competitive advantages.
- (7) Anti-fraud and corruption – The Company complies with relevant laws and standards, with anti-corruption policies to the public by joining the networks to fight against frauds and corruption, including encouraging other companies and trading partners to have and announce anti-corruption policies.

- **Principle 5.3**

The Board of Directors shall monitor and ensure that the management allocates and manages resources to be efficiently and effectively, taking into account the impacts and development of resources throughout the value chain in order to achieve sustainable objectives and goals.

5.3.1 The Board of Directors realizes the necessity of required resources, including a realization that the use of each type of resources affects each other.

5.3.2 The Board of Directors understands that different business models have different impacts on resources. To consider the impacts and values incurring to resources, it is important to remain on the basis of ethics, responsibilities, and sustainable values for the Company.

5.3.3 The Board of Directors shall ensure that in achieving the main objectives and goals of the Company, the management must review, develop, and support the use of resources efficiently and effectively with always taking into account the changes of internal and external factors. There are also at least six types of resources for the Company: Financial Capital, Manufacturing Capital, Intellectual Capital, Human Capital, Social and Relationship Capital, and Natural Capital.

- **Principle 5.4**

The Board of Directors establishes a framework for governance and management of information technology at the corporate level in accordance with the needs of the Company. Also, it shall be to ensure that information technology is applied to increase business opportunities and develop operational risk management towards the achievement of the Company's main objectives and goals.

5.4.1 The Board of Directors sets out a policy on the allocation and management of information technology resources. This covers the allocation of sufficient resources to run the business and settle guidelines to support in case that sufficient resources are not allocated as required.

5.4.2 The Board of Directors oversees that the organization's risk management covers Information technology risk management.

5.4.3 The Board of Directors develops policies and measures to maintain the security of information systems. The issues in the governance and management of information technology at the corporate level shall cover the following topics:

- (1) The Company complies with the laws, rules, regulations, and standards related to the use of information technology.
- (2) The Company maintains a data security system to keep confidentiality as well as maintain integrity and availability of information, including prevention for the misuse of information or changes in the information without permission.
- (3) The Company considers information technology risks with measures to manage such risks in various ways, such as business continuity management and emergency plans for information technology systems, etc.
- (4) The Company oversees the allocation and management of information technology resources. Criteria and factors are set for the priorities of information technology program, such as appropriateness and consistency with strategic plan, impact on business urgency, use of budget and human resources in information technology, and compliance with business model.

## **Principle 6: Strengthen Effective Risk Management and Internal Control**

- **Principle 6.1**

The Board of Directors shall oversee that the Company maintains its effective risk management system and internal control to achieve objectives and perform in accordance with the laws and related standards.

6.1.1 The Board of Directors shall study and understand the Company's major risks and approve acceptable risks.

6.1.2 The Board of Directors considers and approves risk management policies that are consistent with the Company's objectives, main goals, strategies, and acceptable risks as a framework for the operations of risk management process in the same direction of organization. The Board of Directors realizes the importance of early warning signs and ensures that the risk management policy is reviewed regularly, at least once a year.

- 6.1.3 The Board of Directors shall ensure that the Company identifies its risks by considering both external and internal factors that may cause the Company's failure to achieve its objectives.
- 6.1.4 The Board of Directors oversees the Company to assess the impact and likelihood of its identified risks so as to prioritize risks with appropriate risk management methods.
- 6.1.5 The Board of Directors assigns the Risk Management for Sustainability Committee or the Audit Committee to monitor 6.1.1–6.1.4 before proposing to the Board of Directors for consideration as appropriate for business.
- 6.1.6 The Board of Directors regularly monitors and assesses the effectiveness of risk management.
- 6.1.7 The Board of Directors is responsible for ensuring that the Company operates its business in accordance with the laws and related standards both domestically and internationally.
- 6.1.8 In case that the Company has subsidiaries, the Board of Directors shall consider the results of internal control system assessment and risk management as part of the considerations in 6.1.1–6.1.7.

- **Principle 6.2**

The Board of Directors sets up the Audit Committee to perform its duties efficiently and independently.

- 6.2.1 The Board of Directors shall set up the Audit Committee, which consists of at least three directors, all of whom must be independent directors with qualifications and duties in accordance with the rules of the SEC and the Stock Exchange of Thailand.
- 6.2.2 The Board of Directors specifies the duties of the Audit Committee in writing with at least duties as identified in the Audit Committee Charter.
- 6.2.3 The Board of Directors shall ensure that the Company provides mechanisms or tools to allow the Audit Committee to access information necessary for the performance of its assigned duties; for example, permission to the Audit Committee for requesting relevant persons to provide information and discuss with the auditor or seek independent opinions from any other professional advisors for consideration of the Audit Committee.
- 6.2.4 The Board of Directors shall appoint an independent persons or internal audit unit to be responsible for developing and reviewing the effectiveness of the risk management system and internal control, as well as providing reports to the Audit Committee and disclosing the review reports in the annual report.
- 6.2.5 The Audit Committee must provide comments on the adequacy of the risk management system and internal control, with disclosure in the annual report.

- **Principle 6.3**

The Board of Directors monitors and manages any conflicts of interest that may arise between the Company and the management or shareholders, including the prevention of misusing of the Company's assets, information, and opportunities for transactions with those who are related to the Company in an unreasonable manner.

- 6.3.1 The Board of Directors shall monitor the information security system. This includes confidentiality policies and practices, integrity, availability of information, and management of market sensitive information. Furthermore, the Board of Directors shall oversee the top executive committee and employees, as well as related external parties such as legal advisors and financial advisors to be in compliance with the information security system.
- 6.3.2 The Board of Directors ensures that transactions that may have conflicts of interest are managed and monitored while providing guidelines and practices in order to make such transactions in accordance with the procedures and disclosure of information as required by laws and for the benefits of the Company and its shareholders, of which stakeholders do not participate in decision making.

6.3.3 The Board of Directors establishes a requirement for directors to report their interests at least before considering the agenda of the Board of Directors' meeting and record in the minutes of the Board of Directors' meeting. The Board of Directors must control stakeholders who may significantly cause directors to be unable to express opinions independently, and refrain them from participating in the meeting to consider the agenda.

- **Principle 6.4**

The Board of Directors oversees the preparation of clear anti-corruption policies and practices, while communicating at all levels of the organization and to outsiders to achieve actual practices in supporting activities that encourage all employees to comply with the laws and related regulations.

- **Principle 6.5**

The Board of Directors shall monitor and oversee the Company to have a mechanism for receiving complaints and taking actions in case of clues (whistleblowing).

6.5.1 The Board of Directors oversees that there is a mechanism and process for handling complaints of stakeholders with more than one channel for receiving complaints conveniently, while disclosing the channels for receiving complaints on the website or in the annual report.

6.5.2 The Board of Directors shall ensure that there are clear policies and guidelines in case of suspicions by providing a channel for whistleblowing through the Company's website or independent directors or the Company's assigned audit committee, as well as a process for reviewing information, taking actions, and reporting to the Board of Directors.

6.5.3 The Board of Directors maintains appropriate protection measures in place for whistleblowers who report any clues with good faith.

## **Principle 7: Ensure Disclosure and Financial Integrity**

- **Principle 7.1**

The Board of Directors is responsible for ensuring that the system of financial reporting and disclosure of important information is accurate, adequate, timely, and in accordance with relevant rules, standards, and guidelines.

7.1.1 The Board of Directors provides support to the involved personnel in the preparation and disclosure of information for knowledge, skills, and experience as adequate and appropriate to their duties and responsibilities. The said personnel includes the Chief Executive of the Accounting and Finance Department, accountants, internal auditors, the Company's secretary, and investor relations.

7.1.2 For approval of information disclosure, the Board of Directors shall take into account the relevant factors. In case of financial reports, at least the following factors shall be considered:

- (1) The results of sufficiency assessment of the internal control system
- (2) Opinion of auditors on financial reports and the auditor's observations on the whole internal control system, including the auditor's observations through other communication channels (if any)
- (3) Opinion of the Audit Committee
- (4) Consistency with main objectives, goals, strategies, and policies of the Company

7.1.3 The Board of Directors shall manage the disclosure of information, including financial statements, Annual registration statement/annual report to adequately reflect financial status and operating results, as well as the Management Discussion and Analysis (MD&A) for disclosure of the quarterly financial statements so that investors are informed and understand the information and changes that occur in the financial status and performance of the Company in addition to the numbers alone.

7.1.4 In case that the disclosure of any particular items are related to specific directors, such directors must ensure that the disclosure of his or her part is complete and accurate, such as information of shareholders and disclosure in relation to shareholders' agreement in their groups.

- **Principle 7.2**

The Board of Directors monitors the adequacy of financial liquidity and debt repayment capability.

7.2.1 The Board of Directors oversees the management to monitor and assess the Company's financial status and shall report to the Board of Directors regularly. The Board of Directors and the management work together to find a solution when there are signs of financial liquidity problems and the ability to pay debts.

7.2.2 To approve any transactions or suggest opinions to the shareholders' meeting for approval, the Board of Directors must consider and ensure that such transactions have no effect on the continuity of business operations, financial liquidity, or ability to pay debts.

- **Principle 7.3**

In a situation where the Company faces financial problems or is likely to encounter problems, the Board of Directors shall consider and ensure that the Company has a plan to solve the problems or have other mechanisms to resolve financial problems under considerations on the rights of stakeholders.

7.3.1 In case that the company is likely to be unable to pay its debts or has financial difficulties, the Board of Directors shall closely monitor the Company to operate its business with cautions and in compliance with the disclosure requirements.

7.3.2 The Board of Directors oversees the Company to manage a plan to resolve financial problems, taking into account fairness to stakeholders including creditors, as well as monitoring to resolve problems by having the management report the status regularly.

7.3.3 The Board of Directors considers and ensures that the considerations of any decisions to resolve the Company's financial problems must be reasonable.

- **Principle 7.4**

The Board of Directors considers to prepare a sustainability report as appropriate.

7.4.1 The Board of Directors shall consider the appropriateness of disclosing information in compliance with the laws, Code of Business Conduct, Anti-Corruption Policy, Treatment of Employees and Stakeholders. This comprises fair treatment and respect for human rights, as well as social and environmental responsibility, taking into account the reporting framework that recognized nationally or internationally. Such information may be disclosed in the annual report or prepared into a separate book as appropriate by the Company.

7.4.2 The Board of Directors shall ensure that the information disclosed is important and reflects practices that lead to sustainable value creation for the Company.

- **Principle 7.5**

The Board of Directors oversees the management to establish a unit or person responsible for investor relations to communicate with shareholders and other stakeholders, such as investors and analysts, as appropriate, and in an equitable and timely manner.

7.5.1 The Board of Directors sets a communication policy and a disclosure policy to ensure the communication and disclosure to third parties appropriately, equitably, and in a timely manner, using proper channels in protection of confidential information and information that affects securities prices, including communication for the same understanding throughout the organization in compliance with the said policy.

7.5.2 The Board of Directors assigns persons responsible for providing information to third parties, who shall be suitable to perform duties, understand the company's business including objectives, main goals, values, and communicate well in the capital market.

7.5.3 The Board of Directors shall ensure that the management sets the direction and supports the investor relations activities, such as establishing guidelines for providing information, insider policy including clearly defining the duties and responsibilities of investor relations for effective communication, and disclosure of information.

- **Principle 7.6**

The Board of Directors shall ensure that the appropriate protection measures are in place for whistleblowers who report clues with good faith.

7.6.1 In addition to disseminating information according to the specified criteria and through the channels of the Stock Exchange of Thailand, The Board of Directors shall consider disclosing information in both Thai and English via other channels, such as the Company's website, of which it shall be done regularly with current information.

Here are some examples of the minimum information a company may consider disclosing on the website:

- (1) The Company's Vision and Values
- (2) Nature of the Company's business
- (3) List of Board of Directors and executives
- (4) Financial statements and reports on financial status and operating results in both current and previous year
- (5) Annual registration statement/annual report that can be downloaded
- (6) Any other information or documents the Company provides to analysts, fund managers, or media
- (7) Direct and indirect shareholding structure
- (8) Group structure, including subsidiaries, associates, joint ventures, and Special Purpose Enterprises/Vehicles (SPEs/SPVs)
- (9) Group of major shareholders, both directly and indirectly, holding shares of at least 5% of the total number of shares sold and having voting rights
- (10) Direct and indirect shareholding of directors, major shareholder, senior management
- (11) Invitation to the general and extraordinary meeting of shareholders
- (12) Articles of Association memorandum
- (13) Good Corporate Governance Policy, Anti-Corruption Policy, Information Technology Governance and Management Policy, Risk Management Policy
- (14) Charter or duties and responsibilities, qualifications, term of office of the Board of Directors, including matters requiring approval from the Board of Directors, charter or duties, responsibilities, qualifications, term of office of sub-committees
- (15) Business ethics
- (16) Contact information for agencies or complaints or a person responsible for investor relations, the Company's secretary, such as the name of person who can provide information, phone number, e-mail

## **Principle 8: Ensure Engagement and Communication with Shareholders**

- **Principle 8.1**

The Board of Directors ensures that shareholders are involved in making decisions on important matters of the Company.

8.1.1 The Board of Directors oversees important issues, both those defined in the laws and those affecting the direction of the Company's operations, which considered and/or approved by shareholders. Such important issues shall be included in the agenda of the shareholders' meeting.

8.1.2 The Board of Directors supports the participation of shareholders such as:

- (1) Setting criteria for minority shareholders to be able to propose additional agendas in advance of the meeting date. The Board of Directors considers to include the issues proposed by the shareholders in the meeting agendas. If the Board of Directors rejects the issues proposed by the shareholders to be included in the agenda, the Board of Directors must inform the reasons to the shareholders' meeting for acknowledgment.
- (2) Criteria for minority shareholders to nominate a person to be a director. The Board of Directors shall ensure that such rules are disclosed to shareholders in advance.

8.1.3 The Board of Directors ensures that the notice of the shareholders' meeting contains accurate, complete and sufficient information for the exercise of shareholders' rights.

8.1.4 The Board of Directors shall ensure that the notice of shareholders' meeting and relevant documents is sent and published on the Company's website at least 28 days before the meeting date.

8.1.5 The Board of Directors allows shareholders to submit questions in advance of the meeting date by prescribing criteria for submitting questions and publishing such guidelines on the Company's website.

8.1.6 The notice of shareholders' meeting and related documents shall be prepared in English in full and published together with the Thai version.

- **Principle 8.2**

The Board of Directors shall ensure that the operations on the date of the shareholders' meeting are done in a neat, transparent, and efficient manner, allowing shareholders to exercise their rights.

8.2.1 The Board of Directors sets the date, time, and venue of the meeting, while taking into account the convenience of the shareholders' meeting, such as the meeting time that is suitable and sufficient for discussion, meeting place that is convenient to travel.

8.2.2 The Board of Directors ensures that no actions is taken, which limits the opportunity to attend the meeting or creates an undue burden on shareholders; for example, not requiring shareholders or proxies to bring more documents or evidence of identification than specified in the guidelines of relevant regulatory agencies.

8.2.3 The Board of Directors promotes the use of technology in the shareholders' meetings, both shareholder registration, score count, and display so that the meeting can be carried out quickly, accurately, and precisely.

8.2.4 The chairman of the Board of Directors is the chairman of the shareholders' meeting, who responsible for ensuring that the meeting is in accordance with the laws, related rules, and Company's regulations, as well as setting time for each meeting agenda as in the notice of meeting appropriately, while giving opportunities to shareholders to express opinions and ask questions to the meeting on matters related to the Company.

8.2.5 To allow shareholders to participate in making important decisions, directors as attendees and shareholders are not encouraged to provide addition unneeded agenda items in advance, especially the important agenda that shareholders need time to prepare before making a decision.

8.2.6 All directors and related executives attends the meeting so that shareholders can ask questions on various relevant issues.

8.2.7 Before the meeting, shareholders shall be informed of the number and proportion of shareholders attending the meeting in person and of shareholders appointing, meeting method, voting, and vote counting.

8.2.8 In the event that the agenda contains multiple items. The chairman of the meeting shall arrange to vote separately for each item; for example, the shareholders exercise their right to appoint individual directors in the agenda of appointing directors.

8.2.9 The Board of Directors encourages the use of ballots for important agenda items and supports independent individuals to count or check the votes in the meeting, and discloses the voting results of agreeing, disapproving, and abstaining votes in each agenda to the meeting for acknowledgment and recorded in the minutes of the meeting.

- **Principle 8.3**

The Board of Directors ensures that the disclosure of the meeting resolutions and preparation of the minutes of the shareholders' meeting is accurate and complete.

8.3.1 The Board of Directors shall ensure that the Company discloses the resolutions of the shareholders' meeting with voting results within the next business day through the news system of the Stock Exchange of Thailand and on the Company's website.



8.3.2 The Board of Directors shall ensure that copies of the minutes of the shareholders' meeting are delivered to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.

8.3.3 The Board of Directors shall ensure that the minutes of the shareholders' meeting record at least the following information:

- (1) List of directors and executives attending the meeting and proportion of directors attending the meeting and not attending the meeting
- (2) Voting and vote counting methods, meeting resolutions, and voting results (approved, disapproved, abstained) for each agenda
- (3) Questions and answers at the meeting, including the first and last name of the questioner and the respondent

This policy was considered and approved in the Board of Directors Meeting No. 4/2024, dated 7 November 2024, which shall come into effect from 7 November 2024 onwards.

**- Mr. Vichai Assarasakorn -**

(Mr. Vichai Assarasakorn)

Chairman of the Board

Asian Alliance International Public Company Limited