



## Corporate Governance

The Board of Directors has placed an importance on the principle of Good Corporate Governance and understands its roles, duties and responsibilities to the Company, shareholders and all stakeholders concerned. The Company has been abiding by the policy and procedure for the Board of Directors of a listed company, in accordance with the guidelines set forth by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). According the company was rated in the Corporate Governance Scoring for 2020 with average 86% at a rate of “Very Good” or 4 stars level (▲▲▲▲), by Thai Institute of Directors (IOD).

### Policy on Corporate Governance

The Board of Directors has established a Corporate Governance Policy for the Company, which is in line with the guidelines set forth by The Stock Exchange of Thailand (SEI) and Securities and Exchange Commission, Thailand (SEC), in order for directors, management and employees of all levels to adhere to in performing their tasks with responsibility, caution and honesty. The guidelines can be summarized as follows:

1. The Board of Directors shall perform their duties with dedication, responsibility, independence, caution and honesty in order to accomplish the established objective and mission. The roles and responsibilities for the Chairman and CEO are explicitly and completely separated.
2. The Board of Directors plays a crucial role in establishing vision, strategy, policy and crucial plans of the Company, through consideration of risk factors and establishment of suitable management guidelines, as well as ensuring that the accounting system, financial reporting system and auditing system are reliable.
3. The Board of Directors shall be the leader in the realm of ethics; be a good example in performing their duties according to good corporate governance; monitor, take care of and solve the problems concerning conflicts of interest and connected transactions.
4. The Board of Directors may appoint an Adhoc Committee when deemed appropriate, to help considering and filtering essential pieces of work in a cautious manner.
5. The Board of Directors is responsible for the establishment of the Company’s philosophy and Code of Ethics, for the Board of Directors, management, officers, staffs of all levels as well as employees to follow as operational guidelines, together with the Company’s Articles of Association.
6. The shareholders of the Company shall be treated in an equitable manner; hold the rights to gain access to the information system as well as appropriate channels of communication with the Company.
7. The Company must have a system for selection of suitable personnel to take on the responsibility in a management position; and a nomination process that is transparent and impartial.
8. The Company must disclose financial and non-financial information in a sufficient, reliable and prompt manner, in order for the shareholders and stakeholders of the Company to receive the information in an equitable manner; and must arrange for an investor relations officer to be responsible for provision of information to investors and general public.
9. The Board of Directors must set up a system that provides support on anti-corruption matters in an efficient manner, as an assurance that the management is seriously aware of and recognizes the gravity of anti-corruption matters, and strictly follows the anti-corruption measures.

The actions deemed material and in accordance with the Corporate Governance Policy that the Company has already excuted can be summarized as follows:

#### 1. Shareholders’ Rights

The Company has a policy to proceed in a fair manner on the preservation of fundamental and equitable rights of all shareholders as required by the law. As the owners, the

shareholders are entitled to attend shareholders' meeting, take adequate deliberation time, and acknowledge meeting minutes.

### 1. Arrangement of Shareholders' Meetings

The Company has set a requirement for the Annual General Shareholders' Meeting to be held one time per year, and within 4 months after the end of the Company's accounting period. In case of urgent matters that may impact or relate to the benefits of the shareholders or to the terms and conditions or requirements or law enforcement that require approval from the shareholders, the Company shall call for the Extraordinary Shareholders' Meeting on a case-by-case basis.

In 2020, the AGM was scheduled on Thursday April 23, 2020 at 14.30 hrs. at the Ballroom 2, 5th Floor, S31 Sukhumvit Hotel, 545 Sukhumvit 31, Klong Toey Nua, Wattana, Bangkok. As a result of the continuous outbreak of the Coronation Virus 19 in Thailand and the announcement from the Government regarding the state of emergency in all areas throughout Thailand on 25th March 2020. The company had closely monitored the situation throughout, resulting in a decision of the board of directors to postpone the AGM. Once the situation had calmed down, the company organized the AGM 2020 on 22nd July 2020 at 10.00 a.m. at the Ballroom 1, 5th Floor, S 31 Sukhumvit Hotel, 545 Sukhumvit 31, North Klong Toey, Wattana, Bangkok.

### 2. Advance distribution of the Letter of Invitation

The Company has appointed Thailand Securities Depository Co., Ltd. (TSD), its securities registrar, to send out invitation letters to the shareholders. Each Letter of Invitation shall contain the meeting agendas in detail, supporting documents, copy of the previous meeting, Annual Report and proxy form, to be sent out to shareholders at least 14 days prior to the meeting date. Advertisement shall also be placed in newspapers for 3 consecutive days and at least 3 days prior to the meeting in order to allow ample time for shareholders to prepare for the meeting.

For the Annual General Shareholders' Meeting, the Company has disclosed the information on the Letter of Invitation and supporting documents on the Company's website at [www.haadthip.com](http://www.haadthip.com) at least 30 days prior to the Meeting date.

### 3. Facilitation for Shareholders

In spite of the organization of the AGM under the COVID - 19 pandemic that requires to take into crucial considerations of occupational health and safety of shareholders, the company still makes the best attempts to facilitate the shareholders in all aspects under the "Social Distancing Measurement" by providing sufficient number of staffs to take care, welcome, facilitate, verify correctness of documents. Registration is carried out 2 hours before the meeting through Barcode Technology for convenience and accuracy of counting votes. The company also extends duration of registration before the last agenda being considered. Shareholders who attend after the start of the meeting shall have the rights to vote the agendas being considered without any resolutions.

As for shareholders appointing proxy, the Company has prepared the stamp duty to be affixed on the proxy form.

### 4. Rules of Procedure for Annual General Shareholders' Meeting

Prior to the start of each AGM, the Chairman of the meeting shall introduce the Board of Director Members, the Management and the Auditor of the company to the meeting and then and informs the rules as well as the ballot counting method for the shareholders' votes in each agenda of the meeting in accordance with the Articles of Association. After that the Chairman shall provide an opportunity to the shareholders to make suggestions, recommendations and inquiries with regards to each agenda. This year, for good sanitation, the company has prepared papers for the shareholders to make inquiries in stead of microphones. The Chairman and the Management then shall clearly answer each question to the point and give emphasis upon each inquiry before allowing the meeting to cast a vote to pass a resolution for such agenda. For the agenda on the election of directors, the Chairman shall ask the shareholders to individually cast a vote for each director.

The Chairman shall proceed according to the agendas in a consecutive manner. The Chairman shall not present additional agendas without notifying the shareholders in advance unless the Meeting has passed a resolution to modify the order of the agendas with no less than two-third of the number of shareholders attending the Meeting, or shareholders whose accumulated number of shares is no less than one-third of total share outstanding. In this case,

they can request the Meeting to consider matters other than the agendas indicated in the Letter of Invitation. Nevertheless, no changes occurred regarding to the order of the agendas at the Annual General Shareholders' Meeting of the year 2020, there was no request for the Meeting to consider matters other than the ones indicated in the Letter of Invitation.

The Chairman shall then inform the meeting on the outcome of the vote for each agenda, after the consideration process of each agenda has ended. Total time spent at each Annual General Shareholders' Meeting is approximately 1-2 hours. The Annual General Shareholders' Meeting of the year 2020 had been set to commence at 10.00 hrs, with the registration process starting from 8.00 hrs. At commencement of the meeting, there was a total of 127 shareholders attending the meeting. There were 35 shareholders present in person with a total of 21,745,568 shares, and 92 shareholders by proxy totaling to 78,712,299 shares, totaling to 100,466,867 shares or 49.9933%, which exceeded one-third of the issued and paid-up shares capital of the Company totaling 200,960,500 shares.

After the Meeting has begun, more shareholders and proxy holder gradually arrive, which has led to an increase in the total number of shareholders to 161 shareholders, totaling 105,855,197 shares or 52.6746% that can be divided in to 61 shareholders attending in person totaling 21,867,652 shares and 100 shareholders attending by proxy to 83,987,545 shares. The directors, management and auditor were also attendees at the Meeting and were present to provide the meeting with the following information:

#### List of Attending Directors

- |    |                               |   |
|----|-------------------------------|---|
| 1. | Maj. Gen. Patchara Rattakul   | Director/ Chief Executive Officer   |
| 2. | Mr. Prakit Pradipasen         | Independent Director/ Chairman of Audit Committee   |
| 3. | Mrs. Yupares Thiengtham       | Director/ Chairman of Nomination and Remuneration Committee   |
| 4. | Mr. Yanyong Maethapanich      | Independent Director/ Member of Audit Committee/<br>Member of Nomination and Remuneration Committee |
| 5. | Mrs. Pariya Chirabandhu       | Director/ Member of Nomination and Remuneration Committee   |
| 6. | Mr. Dumrongrugs Apibalsawasdi | Director  |

#### Non-attending Directors

- |    |                           |   |
|----|---------------------------|---|
| 1. | Gen. Charan Kullavanijaya | Chairman  |
| 2. | Miss Smornluk Mahasmiti   | Independent Director/ Member of Audit Committee/<br>Member of Nomination and Remuneration Committee |
| 3. | Mr. Martin Gensen         | Independent Director  |
| 4. | Mr. Philipp Hugo Gutsche  | Director/ Member of Nomination and Remuneration Committee   |
| 5. | Miss Kerry-Ann Ship       | Director  |
| 6. | Dhisana Sritavaj          | Director  |

#### Management

- |    |                                 |   |
|----|---------------------------------|---|
| 1. | Mr. Jose Henrique Zeitune       | Chief Operating Officer                                 |
| 2. | Mr. Raffaele Guidi              | Chief Financial Officer                                 |
| 3. | Mr. Riccardo Vrodom Sucharitkul | Chief Financial Officer                                 |
| 4. | Mr. Sarapas Thiengtham          | Managing Director - HT Food & Beverage Co., Ltd. (HTFB) |
| 5. | Mrs. Arisa Pukdeemakanon        | Assistant Vice President - Commercial Operations        |
| 6. | Mr. Pongsakorn Thiengtham       | Financial Advisor to the CEO                            |
| 7. | Miss Plernpun Rutchakitprakarn  | Executive Assistant to COO                              |
| 8. | Miss Nithinart Juntasurat       | Accounting Director                                     |

**KPMG Phoomchai Audit., Ltd.**

1. Miss Marisa Tharathombunpakul CPA license no. 5155
2. Miss Pawinee Nissaisuk Division Head - Audit

**5. Guideline for Managing Conflict of Interest**

The Board of Directors has established operational guidelines for the Annual Shareholders' Meeting. If a director becomes aware that he/she may be a stakeholder or may have an interest that conflicts with the interests of the Company in an agenda, the mentioned director must declare his/her concern to the meeting and withdraw him/herself from the meeting and abstained from the voting procedure of such agenda.

**6. Post-procedure of Annual General Shareholders' Meeting**

Following the Meeting date, the Company shall send the summary of the resolutions passed by the Shareholders' Meeting to the Stock Exchange of Thailand no later than 9.00 hrs the next day. The Company shall also send the report of the Shareholders' Meeting comprising of the Minutes of the Meeting, the votes recorded as well as questions raised by the shareholders in each agenda (if any) to the Stock Exchange of Thailand within 14 days as required; and disclose the Minutes of the Meeting via the Company's website at [www.haadthip.com](http://www.haadthip.com) with in 14 days

**2. Equitable Treatment of the Shareholders**

The Company shall treat all shareholders in an equitable manner regardless of sex, age, race, nationality, religion, belief, political view or disability, even though the number of shares held by each shareholder may not be equal. Even if the shareholders are absent from the Meeting, by any reasons of inconvenience, such shareholders are eligible to the rights to issue a proxy to the third party to attend the Meeting on behalf of them. The Company also has preventive measures to avoid conflicts of interest or wrongful use of internal information for own and other benefits.

**Best Practice for fair treatment to shareholders****1. Proposal of additional agenda and a candidate for Director position**

In order to allow minority shareholders to take part in the Company's operation, the Company has established a set of rules and regulations in provision of rights to minority shareholders to propose the Meeting agenda and/or nominate a candidate for the Director position in advance. The regulations established in

regards to the provision of rights to minority shareholders have been disclosed via the Company's website at [www.haadthip.com](http://www.haadthip.com)

For the provision of rights to minority shareholders to propose the Meeting agenda and/or nominate a candidate for the Director position in advance for the Annual General Shareholders' Meeting of the year 2020, the Company had disclosed the regulations for the rights to minority shareholders via the website at [www.haadthip.com](http://www.haadthip.com) from 18 October 2019 to 31 December 2019 and posted the notification on the website of the Stock Exchange of Thailand. However, there have been no proposals of additional agenda or candidate for Director's position.

**2. Language of the Meeting**

The Company is a public company limited established according to the statute of the Kingdom of Thailand with Thai as an official language. Since the majority of attending shareholders are of Thai national, the Annual General Shareholders' Meeting shall be conducted in Thai.

**3. Issuance of a proxy to a third party**

In order to preserve the rights for non-attending shareholders, the shareholders can issue a proxy to a third party or one of the Independent Directors of the Company. The Company shall indicate the name of a third party on the proxy form, in accordance with the requirement of the Ministry of Commerce, as a Meeting attendee with unconditional rights to cast the votes on behalf of the absent shareholders.

The Company has posted the Proxy Form on the website of the Company at [www.haadthip.com](http://www.haadthip.com) at least 30 days prior to the Meeting. Shareholders might make further inquires about this through the telephone number: 0-2391-4488 extention 103 or e-mail address: [cs.bkk@haadthip.com](mailto:cs.bkk@haadthip.com)

**4. Use of Voting Ballots**

The Company supports use of voting ballots in important events, e.g. consideration and election the Directors, connected transactions, acquisition or disposal of assets etc. for transparency and accountability in case of any dispute in the future.

### 5. Maintenance of Internal Information Usage

The company has specified guidelines of the Maintenance of Internal Information Usage in order to enable the company's employees to comply with. The company must maintain the usage of internal information or confidentiality which has not been disclosed to public as confidential and must not reveal the internal information that they have access to others or must not wrongly use the internal information for own benefits which includes securities trading. The Board of Directors and the employees with access to the internal information (Insider Trading) are prohibited to trade the company's securities, especially under important circumstances such as issues of additional common stock, debentures or any circumstances which bears effect upon value of the company's securities.

### 3. Roles and Responsibilities of Stakeholders

The Company has placed an importance and consideration on all of the stakeholders, as per the related laws. The Company shall not perform or enter into transactions in such a way to infringe on the legal rights of the stakeholders, in order to promote the act of responsibility between the Company and all groups of stakeholders namely shareholders, employees, customers, business partners, competitors, creditors, the community and environment as follows:

**Shareholders:** Apart from the fundamental rights established by the laws and Company's regulations, for example, the rights to attend and cast the votes at the Shareholders' Meeting; the rights to offer independent opinion in the Meeting; as well as the rights to receive dividends in an equitable manner, minority shareholders have also been given the rights to propose in advance additional agendas for the Meeting and/or qualified candidates for the Director positions. The Company provides opportunity and offer right for the shareholders to propose meeting agenda deemed important by the shareholders and to propose name list of persons with appropriate qualifications for nomination as the new director in advance.

**Employees:** The Company treats its employees fairly and equally; has respect to human rights; provides appropriate compensation; and places an importance on employees' development of knowledge and ability by providing equal opportunities to employees of all levels on a regular basis.

The company also maintains the quality of the working environment; strictly abides by labor-related laws and regulations; as well as encourages employees to prevent and get rid of all kinds of fraud and corruption, by providing appropriate protection to an informant and keeping his/her name highly confidential.

**Customers:** The Company produces high quality products of acceptable standard and strictly adheres to high safety and quality standard in conformity to The Coca-Cola Quality System and is certified by FSSC 22000 Food Safety Management, an international standard that specifies the requirements for a food safety management system. The Company shall refrain from charging excessive price or setting unfair business conditions; keep customers' information in a confidential manner and arrange for a customer service unit to deal with customers' complaints in a prompt manner, to ensure highest satisfaction in the Company's products and services.

**Business Partners:** The Company purchases goods and services from business partners as per the normal trading terms and conditions, and strictly abides by the business agreements and promises made to the business partners, without any request for bribery or other unlawful benefits, or receive from or provide to customers thereof in anyway.

**Competitors:** The Company shall operate the business within the boundary of decent competition and create a healthy competitive environment by maintaining the standard of the code of conduct. The Company shall avoid exploitation of competitors' information in an unethical or dishonest manner, and avoid unlawful proceedings in order to cause damages to competitors. In the past year, the Company was not engaged in any competitor-related disputes.

**Creditors:** The Company shall strictly adhere to the terms and conditions agreed upon with the creditors in terms of repayment, guarantee and other conditions. The Company shall also ensure proper use of loans as stipulated in the loan agreement.

**Community and Environment:** The company has established quality, safety and environment policies and promoted all employees to comply with these policies so that the related parties can rest assured that the company is aware of quality, safety and environment issues and has developed such factors continuously. The company is certified by ISO

14001; Environmental Management System and CSR - DIW Award (Corporate Social Responsibility, the Department of Industrial Works, the Ministry of Industry) in 2010. In 2011, the company was awarded the CSR - DIW Continuous Awards from the Department of Industrial Works, the Ministry of Industry. The Poonpin Plant was also certified of the CSR Beginner CSR - DIW in 2019 by the Department of Industrial Works, the Ministry of Industry.

Apart from placing an importance upon stakeholders of all groups, the Company also pays great attention to all recommendations, opinions and information on traces and evidents that can possibly lead to the development, improvement and rectification of the Company's operation. The Company has created channels of communication through which the stakeholders can communicate with the Company in case there are inappropriate or wrongful situations that the stakeholders would like to report, rectify, request for clarification or provide suggestions. Communication can be made through the email address of the Company's Internal Audit Office at [internalaudit@haadthip.com](mailto:internalaudit@haadthip.com) or telephone number 074210008-18 extension 124 or 307 or through the Company's Consumer Information Center (CIC): 07421008-18 extension 242 or 252.

#### 4. Disclosure and Transparency of Information

The Board of Directors has issued a policy for the Company to perform with transparency, verifiability and sufficient information disclosure to all parties concerned. Information shall also be disclosed in an accurate, complete, timely and reliable manner, with equal opportunity to access the information for all parties concerned.

##### Guidelines for appropriate information disclosure and transparency

1. The Company recognizes the importance of disclosure of the important information, both financial and non financial information to shareholders and investors in an accurate, complete, timely and reliable manner, as per the requirement set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand, via SET Community Portal: [www.setlink.set.or.th](http://www.setlink.set.or.th) and the website of the Company at [www.haadthip.com](http://www.haadthip.com) both Thai and English languages, to allow users to access the information in an equitable manner.
2. The Company has disclosed the information on the Annual Disclosure Form (Form 56-1) and Annual Report (Form 56-2) as per the requirement set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.
3. The Company has established that the audit fees and other services fees of the auditor be disclosed with in the Annual Redistration Statements (Form 56-1) and the Annual Report (Form 56-2)
4. The Company has appointed the Board of Directors to issue the Statement of the Board of Directors' Responsibilities to the Financial Reports, to be presented together with the Auditor's Report in the Annual Report (Form 56-2).
5. The Company defines criteria, conditions, and methods for reporting interest of directors, executives, and relevant personnel in accordance with Section 89/14 of The Security and Exchange Act (No.4) B.E. 2551 (2008)
6. The Company has established that there shall be disclosure of the roles and responsibilities of the Board of Directors and sub-committees; the number of meeting sessions, and number of meeting attendance by each committee member in the past year in the Annual Disclosure Form (Form 56-1) and Annual Report (Form 56-2).
7. With regards to the Investor Relations, Mrs. Anyanee Kerrick, the Manager of Investor Relations Department is the person in charge of the investor relations. She has a responsibility for contacting, coordinating and providing information to the Institutional Investor, Analysis and Investors as well as answering inquiries from the shareholders. She can be contacted at 0-2391-4488, Ext. 138, 8248 or e-mail address [ir@haadthip.com](mailto:ir@haadthip.com). In 2020, the company met representatives from the Institutional Investor (Company Visit), Analysis and answered inquires from the investors and the shareholders through the e-mail address [ir@haadthip.com](mailto:ir@haadthip.com) and telephone at any times. The company also participated in the Opportunity Day organized by the Stock Exchange of Thailand twice. The 1st event took place on 25th September

2020 between 1315 — 1400 hrs. and the 2nd on 8th December 2020 between 1315 — 1400 hrs.

8. In the case of conflict of interest, the Board of Directors has issued a requirement for transactions with major shareholders, Directors, Executives, or others with relation to the persons thereof, to be considered and approved by the Audit Committee, who will closely supervise the approval process of such transactions and strictly abide by the regulations and measures set forth by the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Capital Market Supervisory Board. The transaction details such as type, value, counterparties of agreement, reasons and assurance of transparency shall be disclosed to the public via electronic media of the Stock Exchange of Thailand, [www.setlink.set.or.th](http://www.setlink.set.or.th) and in the Annual Report (Form 56-2) and Annual Disclosure Form (Form 56-1).

The Company has sought approval in principle from the Board of Directors for the case of future engagement in a connected transaction with Directors, Executives, or related persons. In the case that the transaction is a normal business transaction or a normal business support transaction with normal business terms and conditions, the Management shall have the rights to grant approval to such transaction, and shall need to prepare a report of each transaction with the value of more than Baht 50 million per transaction, in order to report to the next Board of Directors' Meeting, in accordance with Section 89/12 (1) of the Securities and Exchange Act (Issue 4) B.E. 2551 (2008).

## 5. Roles and Responsibilities of the Board of Directors

The Board of Directors comprises of qualified individuals with experience, leadership character, vision and ability to make decisions independently, who also devote their time and utmost effort in performing their duties according to the responsibilities assigned with discretion and integrity for the best interest of the Company, shareholders and stakeholders. The composition, qualification, duties and responsibilities and structure of the Board of Directors and Subcommittees have been established, as well as the rules and regulations concerning nomination and remuneration for Directors and Executives, with complete detail presented under the 'Management Structure' topic.

## 1. Structure of the Board of Directors

The Board of Directors of the Company comprises 12 individuals of both male and female genders of various professions and skillsets, and from an array of areas of expertise, which is deemed suitable for the structure of the Board of Directors. It comprises 9 Non-Executive Directors which accounts for 75% of the Board of Directors and 5 Independent Directors, or more than one-third of the entire Board of Directors, which is in accordance with the Notification of the Capital Market Supervisory Board. The Independent Directors are Gen. Charan Kullavanijaya, Mr. Prakit Pradipasen, Mr. Yanyong Maethapanich, Miss Smornluk Mahasmiti and Mr. Martin Jansen (as detailed under the title of Management Structure, Item 2.1, Board of Directors).

## 2. Audit Committee

The Board of Directors has established and appointed the Audit Committee to perform specific tasks and propose to the Board of Directors for consideration or acknowledgement. The Audit Committee comprises of 3 Independent Directors, Mr. Yanyong Maethapanich equipped with sufficient knowledge and experience to perform and review the reliability of the financial statements. The Audit Committee shall perform the review and ensure that the Company's operation is in conformity to the Company's policy and Articles of Association as well as the laws, regulations and requirements stipulated by the supervisory authorities. The Audit Committee must also promote the development of financial reporting system to that of an international standard; perform regular review of and ensure appropriate internal control system; and ensure prudent, appropriate and efficient risk management system. In addition, the Audit Committee shall perform its duties and issue opinions in an independent manner, with Internal Control Office reporting directly to the Audit Committee. The Audit Committee shall participate in a meeting with the Auditor without the presence of the Management at least one time per year, to request for the Auditor's opinions on any issues, with complete detail presented under the "Management Structure" topic No. 2.2: Audit Committee)

## 3. Nomination and Remuneration Committee

The Company's Board of Directors has appointed the Nomination and Remuneration Committee to consider the selection and appointment of the qualified directors and to consider the remuneration for the directors and execu-

tives and propose its opinion to the Board of Directors for consideration of the nomination and remuneration for the board of the directors and all the committees before proposing to the Shareholders' Meeting for its consideration, with complete detail presented under the "Management Structure" topic No. 2.3: Nomination and Remuneration Committee)

#### 4. Number of listed companies in which the Directors are eligible to hold the Director position

The Board of Directors has established a policy regarding the number of listed companies in which the Directors are eligible to hold directorship positions in no more than five listed companies, especially independent directors. At present, there is no directors who holds the directorship positions in more than 5 listed companies.

Since the Chief Executive Officer cannot hold a directorship position in other listed companies besides other its own company's subsidiaries.

#### 5. Segregation of Duties between the Board of Directors and the Management

The Company has segregated the duties and responsibilities of the Board of Directors from those of the Management in an explicit manner. The Directors are responsible for the establishment of policies and supervisory of the Management performance at the policy level; while the Management is responsible for management activities in several different areas to ensure conformity to the established policies.

As such, the Chairman and the Chief Executive Officer must be 2 separate individuals, and both positions must have been through selection process by the Nomination and Remuneration Committee to ensure the most appropriate individuals for the positions. Moreover, the Nomination and Remuneration Committee is responsible for the establishment of succession plan for the top Executive positions.

The Chairman must have in possession the quality of independence; must not hold the Executive Director position; must not take part in the management of the Company; and must not be an authorized Director, to ensure explicit segregation of overall policy-making and supervisory duties from the management of the Company.

Top Executives of the Company shall be assigned with duties and responsibilities, in order to perform under the

established policies; hold themselves responsible for the overall outcome; control expenses and budget within the limit approved and indicated in the annual budget plan; perform as per human resource policy; rectify and find a solution for the problem or conflicts that may pose an impact upon the company; and maintain the effectiveness of communication process with all related parties.

#### 6. Board of Directors' Meeting

The Directors must attend the Board of Directors' Meeting on a regular basis, in order to acknowledge and unanimously make decisions in regards to the Company's operation. Normally, there are approximately 4 Board of Directors' Meetings per year, each with agendas clearly set in advance. Extra meetings may also be called upon in the case of important or urgent matters.

The Chairman and the Chief Executive Officer shall cooperatively establish the agendas for each Meeting, and consider the issues to add into each agenda of the Board of Directors' Meeting, while providing opportunities to each Director to propose issues for consideration as an agenda.

In year 2020, a total of 5 Board of Directors' Meetings were held, all of which had been set in advance. Letters of Invitation along with the agendas and supporting materials were sent to all of the Directors at least 7 days prior to the Meeting, to allow ample time for the Directors to study the information.

In consideration of each matter, the Chairman of the Board of Directors who is also the Chairman of the Meeting shall provide the opportunity to the Directors to share their independent opinions. Majority voting rule shall be applied during each Board of Directors' Meeting, with one vote per one Director, and Directors who are stakeholders to abstain from attending the Meeting and/or from exercising the rights to vote for such matter. If the votes are tied, the Chairman of the Meeting shall cast the vote to determine the final outcome and ensure that at least two third of all entire Board members are present while casting the vote.

The Management shall attend the Board of Directors' Meeting to provide useful information and be informed of the policy in a direct manner, in order to apply such policy to their performance in an efficient manner. The only exemption from participation is when the Meeting agenda is set exclusively for the Board of Directors.



The Board of Directors has also placed an importance upon the management of transactions with conflict of interest in the most discreet, equitable and transparent manner, with information thereof being disclosed in entirety. In the case that a Director is also a stakeholder and may possibly benefit from an issue in the agenda, such Director must abstain himself/herself from the decision making process of the issue.

At the end of the Meeting, the Secretary to the Company shall produce the Minutes of the Meeting in order to propose for approval in the first agenda of the following Board of Directors' Meeting, and to have the Chairman of the Board of Directors signed and certified the accuracy of the report. The Directors are allowed to issue opinions and request for additional items to or correction of the Minutes of the Meeting, in order to ensure utmost accuracy. The Minutes of the Meeting that has been acknowledged and certified shall be archived in the Office of the Chief Executive Officer.

## 7. Training and Development

The Board of Directors has been very supportive and encouraged the Directors to consider and participate in training courses organized by the Thai Institute of Directors (IOD) or other institutions as deemed appropriate.

In 2020, Mrs. Pariya Chirabandhu, a Director, attended the "Strategic Board Master Class" 9/2020 during 19<sup>th</sup> - 20<sup>th</sup> October 2020 organised by the IOD.

## 8. Secretary to the Company

According to the Board of Directors' Meeting 3/2008 on 14th August 2008, the Board of Directors has passed a resolution to appoint Ms. Sudaluck Browvanakul as a Secretary to the Company. The duties and responsibilities of the Secretary to the Company are according to Section 89/15 of Securities and Exchange Act (No. 4) B.E. 2551 (2008) as well as complying with the laws and regulations of the Company, Board of Directors and resolutions of the shareholders' meeting as followings:

1. Preparing and keeping the following documents:
  - a. register of directors;
  - b. a notice calling a director meeting, minute of the meeting of the board of directors and an annual report of the company;
  - c. a notice calling a shareholder meeting and minutes of the shareholders' meeting;

2. Keeping a report on interest filed by a director or an executive and submitting a copy of the report on interest in accordance with Section 89/14 to Chairman and Chairman of Audit Committee within 7 days of receipt of the mentioned report;
3. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

In addition, the Secretary to the Company has other responsibilities as followings:

1. To provide advice on the rules and regulations deemed crucial for the Board of Directors to acknowledge and abide by;
2. Arrange for the Board of Directors' Meetings and Annual General Shareholders' Meeting;
3. Coordinate with other departments in the Company to comply with the Board of the Directors and the resolutions of the Shareholders' Meeting;
4. Coordinate with regulatory agencies such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to regulate the information disclosure and report the disclosure to the mentioned agencies in accordance with the law;
5. Other duties as assigned.

## 9. Succession Plan

The Board of Directors, by the Nomination and Remuneration Committee, is responsible for the establishment of a policy for the Succession Plan, in order to make preparation for the purpose of assurance that the Company has a plan to prepare for and make ready suitable personnel for the time of replacement. The succession and retirement system has been laid out in a solid manner, as well as an arrangement of a Career Path for the targeted personnel to gather work experiences in order to become the right man in the right position.

## 10. Director Orientation

The Board of Directors has arranged for an orientation for newly appointed Directors to attend and acquire knowledge on the Company's business policies as well as other related information namely investment structure and related rules and regulations, together with the distribution of Director's Manual that provides valuable detail and information for those assuming a Director position.

## 11. Business Ethics

The Board of Directors has established the Code of Conduct in a written format, as guidelines to follow and practice by the Board of Directors, management and all of the employees and staffs, in regards to the treatment of the rights of all stakeholders, be it the internal stakeholders such as employees and staffs, or external stakeholders namely shareholders, customers, business partners, competitors, creditors, society, community and environment; as well as human rights policy, political neutrality and anti-corruption. The Company has posted the Company's Code of Conduct on the Company's website at [www.haadthip.com](http://www.haadthip.com)

## 12. Maintenance of Internal Information Usage

The company had a policy of maintenance and protection, prohibiting the Board of Directors and other related persons with access to the company's internal information to use such fundamental information to disclose which had an effect upon the company's share price and had not been disclosed to the general public for own benefits or others' in a wrong way. The conclusion details were as follow:

1. The Board of Directors, the Management and the employees with a knowledge of the internal information derived from their day to day operations were prohibited to use the internal information which had not been disclosed to the public to trade during 30 days before the financial statements were disclosed to the public and after the disclosure for 24 hours (back - out period). The company's secretary office would notify the back out period schedule of each accounting period in advance.
2. External persons with previous opportunity to be involved with or had access to the company's fundamental internal information were required to sign the Confidentiality Agreement to ensure that such external persons would be careful with the usage of the confidentiality maintenance and the internal information in the same manners of the company's employees.
3. Prohibition of the Board of Directors/Management or Sections with knowledge of the internal information to the external parties or any other individuals with no relations to the duties involved.
4. To control the Board of Directors/Management to report changes in own shareholdings, spouse's and children of no legal age to the Office of Insurance Commission (OIC) in compliance with the section No. 59 of the Securities and Exchange Act B.E. 2535 (1992)