

## **Good Corporate Governance Policy**

Royal Plus Public Company Limited (“the Company”) has complied with the law, objectives, regulations and resolutions of the Company's shareholders' meeting as well as adhere to the corporate governance guidelines in accordance with the principles of good corporate governance of listed companies. The Board of Directors has established a corporate governance policy under the principles of good governance, Good Corporate Governance, Rules and Regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission as a guideline for business operations. The Board of Directors will review and improve every year in order to suit the changing circumstances as well as focus on treating shareholders in all sectors with fairness, equality, transparency and providing accurate and sufficient information.

In addition, the Board of Directors has appointed sub-committees to oversee the audit system, internal control, risk management and corporate governance of the Company along with encourage executives and employees to operate with transparency and fairness to ensure that all stakeholders in all sectors are confident that the Company has complied with the principles of good corporate governance and confident that the Company will continue to grow sustainably. The Board of Directors has established a good corporate governance policy covering 8 principles as follows:

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

1. The Board of Directors understands and recognizes the roles and responsibilities as leaders that must supervise the organization to have good management. This includes setting objectives and goals, formulating strategies, operating policies, allocating key resources to achieve objectives and goals, monitoring, evaluating and overseeing performance report.
2. The Board of Directors has established various policies, including corporate governance policy and social responsibility policy to create sustainable business values to promote ethical business practices, respect the rights and responsibility to shareholders and stakeholders, achieve success in the Company's business operations, benefit society and develop or reduce environmental impacts as well as being able to adapt under changing factors.
3. The Board of Directors is responsible for ensuring that directors and executives perform their duties with Accountability and Responsibility, Duty of Care and Duty of Loyalty for the maximum benefit of the Company as well as to comply with the law, objectives, regulations, resolutions of the Board of Directors and the resolutions of the shareholders' meeting, including the policies or guidelines that have been set by the Company. Sufficient mechanisms must be provided to ensure that the Company's operations are in accordance with the relevant laws, objectives, regulations, resolutions of the Board of Directors' meetings, resolutions of shareholders' meetings and the Company's policies such as Related Party Transaction Policy and Anti-Corruption Policy, etc.,

including the approval process for important operations such as investments, transactions with significant impact on the Company and payment of dividends, etc.

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

1. The Board of Directors attaches great importance to the determination of objectives and main goals in the organization's business to grow with society with sustainability, creates value and benefits the organization, its customers, partners, employees, shareholders, stakeholders and society as a whole and shall promote communication and enhances the organization's objectives and main goals to be reflected in the decisions and operations of personnel at all levels until it becomes an organizational culture under the principles of good corporate governance.
2. Annual and long-term objectives, goals and strategies of the business must be consistent with the achievement of the main objectives and goals of the entity, its environment, factors and risks that may affect all stakeholders. Innovation and technology shall be used appropriately and safely. In addition, one must be aware of the risk of goal setting that may lead to unethical conduct, as well as to ensure that objectives and goals are conveyed through strategies and plans throughout the organization.

### **Principle 3 Strengthen Board Effectiveness**

1. The Board of Directors has duties and responsibilities in determining and reviewing the Board of Directors' structure in terms of composition, qualifications, expertise, experience, number of directors suitable for the business, proportion of independent directors to be appropriate as necessary for achieving the objectives and main goals. The relevant guidelines can be summarized in a nutshell as follows.
  - (1) The Annual General of Shareholders' Meeting considers and appoints the Company's directors with a term of office of 3 years. However, the directors who vacate office by rotation may be re-elected by the shareholders' meeting.
  - (2) Company directors must have qualifications and not have any prohibited characteristics as prescribed by law.
  - (3) The Board of Directors consists of independent directors of not less than one-third of the total number of directors, but not less than three persons. Independent directors must be independent from the control of management, major shareholders and must not be involved or have interest in finance and business administration. In addition, they have all the qualifications in accordance with the criteria for the qualifications of independent directors as prescribed in the Notification of the Capital Market Supervisory Board Re: Application for and Approval for Offer for Sale of Newly Issued Shares and has the scope of duties and responsibilities as required by applicable laws, announcements, rules and/or regulations
  - (4) Directors and high-level executives of the Company are responsible for reporting information on being an executive director, person with control power in a limited company or other public limited company, being

- a managing partner in an ordinary partnership or a limited liability partnership in a limited liability partnership to the Company in accordance with the rules and procedures prescribed by the Board of Directors.
- (5) The Board of Directors has clearly defined the scope of powers and duties of the Board of Directors in the Board of Directors Charter. The details concerning the composition, qualifications, appointment, term of office and retirement shall be in accordance with the Board of Directors Charter.
  - (6) The Board of Directors will proceed to disclose the policy in determining the composition of the Board of Directors that are diverse and information of directors such as age, educational background, experience, shareholding ratio, number of years in office as a director and directorships in other listed companies in the annual report and on the Company's website.
  - (7) The Board of Directors shall appoint the Company Secretary to perform duties as required by law and perform other duties as assigned by the Board of Directors.
2. The Board of Directors shall appoint an appropriate person as the Chairman of the Board and ensure that the composition and operation of the Board of Directors facilitate independent decision-making. The Company has segregated the roles, duties and responsibilities between the Board of Directors and the Management to ensure clarity in the performance of duties of each position in order to have balance of power, to be able to review the management and to ensure that the Company's management is efficient and transparent as follows:
- (1) Board of Directors: plays an important role in setting the direction, policies and strategies of business operations in order to generate the highest return on investment and benefit to shareholders. Board of Directors is also responsible for supervising and monitoring the operations of the management to ensure that the policies and strategies are complied with and in accordance with the law, objectives, the Company's Articles of Association and the resolutions of the shareholders' meeting.
  - (2) Management: Responsible for managing the business to achieve success and in accordance with the direction, policy and business strategy as determined by the Board of Directors as well as to manage the day-to-day work and the Company's business.
  - (3) Chairman of the Board: is the leader of the Board of Directors and plays an important role in supervising and supporting the performance of the directors' duties in accordance with the law and corporate governance as mentioned in (1).
  - (4) Chief Executive Officer: Has the power to supervise the operations in accordance with the policies of the Executive Committee under the scope of law, objectives and articles of association of the Company, as well as the resolutions of the Board of Directors and the resolutions of the shareholders' meeting.
  - (5) Managing Director: is the head and leader of the Company's management team, assigned by the Board of Directors to perform duties related to the normal business operations of the Company by managing the work according to the plan and budget approved by the Board of Directors strictly, honestly,

honestly and in the best interests of the Company and its shareholders, including not doing anything that has a conflict of interest or benefits with the Company and its subsidiaries.

3. The Board of Directors will supervise the nomination and selection of each committee with a transparent and clear process in order to obtain the Board of Directors and sub-committees whose qualifications are consistent with the specified elements.
4. The shareholders' meeting has the power to consider and approve the directors' remuneration. Therefore, in proposing the directors' remuneration to the shareholders' meeting, the Board of Directors will consider the structure and rate of remuneration to be appropriate with the responsibility to motivate the Board of Directors to lead the organization to achieve both short-term and long-term goals.
5. The Board of Directors will supervise all directors to be responsible for their duties and allocate sufficient time.
6. The Board of Directors has established a framework and mechanism for overseeing policies and operations of subsidiaries and associated companies at an appropriate level for each business, including subsidiaries and associated companies to ensure the same understanding.
7. The Board of Directors has a policy to provide an annual performance assessment of the Board of Directors, sub-committees and individual directors to be used as a framework to examine the performance of the Board of Directors whether they have performed in accordance with good practices or not in order to improve the performance of the Board of Directors and to review problems and obstacles that occurred in the past year. The assessment results will be used for further performance development.
8. The Board of Directors shall supervise each director to have knowledge and understanding of the roles and duties, nature of business and laws related to business operations as well as encourage all directors to receive skills and knowledge for performing their duties regularly.
9. The Board of Directors will ensure that the operations of the Board of Directors are carried out smoothly, able to access the necessary information and appoint a company secretary with necessary and appropriate knowledge and experience to support the operations of the Board of Directors.
10. The Board of Directors will appoint a number of directors from the Board of Directors to be members of the sub-committees to perform special duties to strengthen the effectiveness of the Board of Directors. The Board of Directors has appointed 5 sub-committees as follow The Audit Committee, The Nominating and Remuneration Committee, The Corporate Governance and Sustainability Committee, The Risk Management Committee and The Executive Committee. The qualifications, term of office and scope of responsibilities are determined in accordance with the charter of each sub-committee
11. The Board of Directors will ensure the disclosure of the information on the roles and duties of the Board of Directors and sub-committees, the number of meetings, attendance of each Director in the past year, and will add the said information into the performance report of all sub-committees.

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

1. The Board of Directors shall ensure that the recruitment and development of those holding position of Chairman of the Executive Committee and senior executives are provided, so that such persons shall gain knowledge, skills, experience and attributes necessary to drive the organization towards its goals.
2. The Board of Directors shall supervise the establishment of an appropriate remuneration structure and evaluation at all levels.
3. The Board of Directors has a policy to understand structure and relationship of shareholders that may affect the business management and power to control the business management in order not to impede the Board of Directors performance and shall ensure that information that may affect the Company's control is properly disclosed.
4. The Board of Directors shall monitor the management and development of personnel to have appropriate knowledge, skills, experience and motivation.

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

1. The Board of Directors attaches great importance to and supports the creation of innovations that bring value to the business while creating benefits for all stakeholders involved and be responsible to society and the environment by promoting actions to add value to the Company in accordance with the ever-changing environmental factors. This may cover the formulation of business model, design and development of goods and services, analysis, improvement of production and work processes, as well as cooperation with partners.
2. The Board of Directors shall monitor and ensure that the management operates business in a socially and environmentally responsible manner and reflects it in the Operational Plan to ensure that all departments of the organization operate in accordance with objectives, main goals and the Company's strategic plans and taking into account the roles of stakeholders. The Board of Directors shall establish a mechanism to ensure that the Company conducts business with ethics, social and environmental responsibility, and does not violate the rights of stakeholders as a guideline for all sectors of the organization to sustainably achieve its main objectives and goals. In this regard, the Board of Directors has established guidelines for treating stakeholders as part of the Business Code of Conduct policy and shall disclose important relevant and necessary information to those stakeholders sufficiently, reliably and in a timely manner.

The Board of Directors must recognize the importance of the role of stakeholders and treat all groups of stakeholders including shareholders, employees, shareholders, customers, trading partners, the public and society as a whole in a transparent, appropriate, equitable and fair manner and shall establish guidelines for stakeholders, including:

(1) Shareholders, investors and analysts

The Company shall treat all shareholders and investors equally. The Board of Directors, executives and all employees are committed to performing their duties with honesty and taking any action with transparency and fairness, upholding the best interests of shareholders, not taking any actions that may cause conflicts of interest, not use inside information to seek benefits for yourself and your friends, and do not disclose confidential information

to third parties. In addition, the Company recognizes and respects the right of all shareholders, including investors and analysts, to receive all necessary information about the Company's operating results in a complete and consistent manner. The Company has communicated the operating results and necessary information through the activities of the Company and related departments.

## (2) Employees

Employees are the Company's most valuable resources. The Company strictly complies with labor and social welfare laws and is committed to encouraging all employees to have a good attitude, have a sense of duty and responsibility, take pride and believe in the organization and focus on teamwork. In addition, the Company also encourages employees to attend training on topics that are relevant and beneficial to work, prioritizes health care by providing annual health checks to all employees, promoting safety and good working environment as well as providing adequate and appropriate compensation and welfare. In this regard, the employee's remuneration shall be fairly assessed based on the performance of each employee and in accordance with the Company's short-term and long-term performance comparable to the same industry.

In addition, the Company also aims to continuously promote and develop personnel to have knowledge and ability and take into account the rights of employees as well as provide opportunities for employees to file complaints in the event of unfair treatment through various channels such as a comment box or through the Human Resources department that receives such complaints, etc. The Company has a duty to ensure that the working environment is safe, hygienic and conducive to productive work.

## (3) Customers

Build long-term relationship and cooperation with customers based on honesty, reliance and mutual trust. The Company has a duty to create maximum satisfaction for customers by being responsible, caring and giving priority to customers' problems and needs. All executives and employees must comply with measures under this policy to ensure that the Company is committed to providing and distributing quality products and does not stop developing new, effective products to customers.

## (4) Creditor

Build relationships and treat creditors based on the principles of honesty, trust and mutual trust and be responsible for, paying attention to, and paying close attention to the conditions that have been agreed upon with creditors in the best way.

## (5) Partner

Treat trading partners with honesty and equality to ensure that the Company's business operations are appropriate, fair and beneficial to both parties, create sustainable development and long-term trading partners with the Company. The Company shall choose to do business with its partners based on conditions such as price, quality, environmental control and protection, technical expertise, legal compliance, trustworthiness and adherence to the right things. In addition, the Company shall operate and conduct business with business partners in accordance with ethical principles, strictly obeying contracts, terms and conditions of trade, keep confidential



information of trading partners and do not use such information for their own benefit and partisan except with the consent of trading partner.

(6) Community, society and environment

The Company shall realize and be responsible to communities, society and environment, therefore the Company operates under the concept of creating shared values between business and society and attaching importance to environmental protection by promoting the efficient use of resources and the maximum benefit to help reduce energy consumption as well as prevent the Company's operations from causing damage to the quality of life of the society, community and environment.

The Company and its employees are committed to conducting business responsibly and benefiting the society and community and treating the neighboring communities with friendliness, helping and supporting the community's well-being as well as being responsible for the fair and equitable business operations of the Company and to promote sustainable development.

(7) Trade competitor

Ensure that the Company operates its business with openness and transparency and does not create unfair competitive advantages.

(8) Relevant government agencies

Ensure that the Company complies with the relevant laws and regulations and those that have been prescribed and supports the activities of government agencies on various occasions. In addition, the Company is committed to selling good, standard and legal products and shall treat governments and government agencies with political neutrality as stipulated in the Charter, Code of Conduct and Articles of Association. and Anti-Corruption Policy.

3. The Board of Directors will monitor and ensure that the management allocate and manage resources efficiently and effectively taking into account the impact and resource development along Value Chain to be able to achieve the objectives and main goals in a sustainable way.
4. The Board of Directors shall establish a framework for governance and management of information technology at the organizational level in accordance with the needs of the business, including ensuring that information technology is used to increase business opportunities and develop operations, risk management to achieve the main objectives and goals of the organization.

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

1. The Board of Directors will supervise to ensure that the Company has a risk management and internal control system that will effectively achieve its objectives and comply with relevant laws and standards.
2. The Board of Directors has appointed at least 3 Audit Committee members, all of which must be independent directors and must not have any prohibited characteristics according to relevant laws and must have qualifications

and duties in accordance with the rules of SEC and SET to be able to perform duties efficiently and independently and perform duties as assigned by the Board of Directors. This includes the duties of reviewing financial reports, internal control systems, compliance with law, independence of the internal unit, consideration of the selection of auditors, disclosure of the Company's information and the preparation of the Audit Committee's report, etc. , as stated in the Audit Committee Charter.

3. The Board of Directors shall monitor and manage any conflicts of interest that may arise between the Company and management, the Board of Directors or shareholders including the prevention of unreasonable use of assets, information and opportunities of the Company and transactions with persons who are related to the Company in an unreasonable manner as well as define guidelines in the Charter, Code of Conduct and a written policy on the use of internal information.
4. The Board of Directors has a clear anti-corruption policy that has been communicated to all levels of the organization and third parties for practical implementation and the Board of Directors shall provide anti-corruption projects or guidelines as well as support activities that encourage and instill in all employees to comply with relevant laws and regulations.
5. The Board of Directors shall ensure that there is a mechanism for receiving complaints and taking action in case of gathering clues and setting clear guidelines. The channels for receiving complaints shall be disclosed on the Company's website or annual report.

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

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.
2. The Board of Directors will monitor to ensure that the Company has sufficient financial liquidity and debt repayment capability.
3. In case of a situation where the Company faces financial problems or is likely to encounter problems, the Board of Directors shall ensure that there is a plan to resolve the issue or other mechanisms to resolve the financial issue, however, under the consideration of stakeholders' rights and reasonableness.
4. The Board of Directors has a policy to prepare a sustainability report as appropriate for disclosure of legal compliance, charter compliance, work ethics and codes of conduct, anti-corruption policy, treatment of employees and stakeholders including fair treatment and respect for human rights as well as social and environmental responsibilities. However, such information may be disclosed in the annual report or may be prepared as a separate document as the Company deems appropriate, which the Company shall consider disclosing as appropriate.
5. The Board of Directors shall supervise the management to set up an investor relations unit to communicate and publicize information that is beneficial to shareholders, investors, analysts and related parties appropriately, equally and in a timely manner.



6. The Board of Directors encourages the use of information technology in disseminating information. In addition to disseminating information in accordance with the established rules and through the channels of the Stock Exchange of Thailand, the Board of Directors shall disclose of information in both Thai and English through other channels as well, such as the Company's website, as well as presenting current information.
7. The Board of Directors requires disclosure of information and transparency to shareholders as part of the Company's business ethics.

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

The Board of Directors attaches great importance to the Company's shareholders by ensuring that shareholders are treated equally and that they can exercise their fundamental rights as shareholders such as (1) right to buy, sell or transfer shares; (2) right to share profits of the Company; (3) right to receive sufficient relevant information through the website of the Company or the website of the Stock Exchange of Thailand or by any other means; (4) right to attend the meeting to exercise the right to vote independently at the shareholders' meeting for appointment or removal of directors, consideration of directors' remuneration, appointment of auditors, dividend payment, capital increase and the issuance of new shares, including the right to question the Board of Directors about the Board of Directors' reports and other matters presented to the meeting for consideration and approval, right to propose agenda in advance and to nominate persons to be elected as directors of the Company and to participate in decision-making on important matters of the Company, by stipulating that every shareholder has the right to vote according to the number of shares held and each share has one vote.

In addition, the Board of Directors must be aware of and give importance to the rights of shareholders and not act in violation or deprivation of the rights of shareholders. The Board of Directors promotes and formulates the following policies related to the rights of shareholders.

1. The Board of Directors will ensure that shareholders are involved in making decisions on important matters of the Company, including:
  - (1) To protect and respect the fundamental rights of shareholders, such as the right to purchase or transfer shares, the right to share profits of the business, the right to receive adequate business information, the right to attend shareholders' meetings for appointing or removing directors, appointing auditors, appropriating dividends, determining or amending articles of association or memorandum of association, capital reduction or capital increase. and approval of special items, etc.
  - (2) To promote and encourage shareholders to exercise their rights in various matters in the annual general meeting of shareholders, such as the right to propose agendas for the shareholders' meeting prior to the meeting, the right to nominate a person to be elected as a director in advance, the right to submit questions to the meeting in advance of the meeting, the right to express opinions and ask questions at the meeting,

- etc. , as well as facilitate minority shareholders to nominate persons to serve as directors of the Company by submitting a resume and a letter of consent of such person to the Chairman of the Board under the rules, regulations and procedures prescribed by the Company.
- (3) To ensure that the notice of the shareholders' meeting together with relevant documents is sent out through the Company's website within the period prescribed by laws, notifications or relevant regulations, and shall prepare the shareholders' meeting invitation in both Thai and English languages.
  - (4) To encourage shareholders to use the proxy in a manner that shareholders can determine the voting for agree, disagree, abstain by preparing the proxy letter in Form A, Form B and Form C ( specific proxy form for Custodian) for shareholders as well as to facilitate shareholders who are unable to attend the meeting in person but wish to exercise their voting rights by proxy by offering independent directors to attend the meeting and vote on behalf of the shareholders to facilitate the shareholders to exercise their right to choose any independent director to act as proxy on behalf of the shareholder.
  - (5) To refrain from any act that infringes or restricts the rights or deprivation of shareholders' rights in accessing the Company's information that must be disclosed in accordance with the requirements and attendance of the shareholders' meeting, for example, not presenting documents with important additional information suddenly, not adding meeting agendas or changing important information without notifying shareholders in advance, etc.
  - (6) To facilitate the shareholders to exercise their rights, such as providing important information that is up-to-date via the Company's website, etc.
2. The Board of Directors will ensure that the proceedings on the shareholders' meeting date are complete, transparent, efficient and allow shareholders to exercise their rights, including:
- (1) To facilitate the shareholders to exercise their rights to attend and vote in the shareholders' meeting and will refrain from any act that restricts the opportunity of the shareholders to attend the meeting. In case that shareholders are unable to attend the meeting in person, the Company gives an opportunity to appoint independent directors or any person to attend the meeting on their behalf.
  - (2) To inform the shareholders of the rules and procedures for attending the shareholders' meeting in the meeting notice and on the date of the shareholders' meeting, the meeting moderator shall inform the shareholders of the rules and procedures used in the meeting and voting procedures and has recorded, notified the rules and procedures for voting such resolutions in the minutes of every shareholder meeting.
  - (3) To arrange a meeting appropriately and give the shareholders an opportunity to ask questions related to the meeting agenda or related to the Company and express opinions. The Chairman of the Board of Directors shall ask questions at the meeting on each agenda and record inquiries related to the meeting agenda or related to the Company and express the opinions of the shareholders as well as explanation of the Board of Directors and/or Executives in the minutes of every shareholder meeting.

- (4) The meeting shall be conducted according to the agenda specified in the invitation letter and the Company's shareholder executives shall not present any unnecessary agenda to the meeting, especially the agenda that shareholders need to spend enough time to study before making a decision.
  - (5) To support and encourage the use of technology such as barcodes, ballot cards, etc., to be used in the shareholders' meeting, including shareholder registration, vote counting and displaying results so that meetings can be carried out quickly, accurately, precisely, transparently and verifiably. The voting results will be disclosed in the minutes of the shareholders' meeting together with the agreeing, disapproving and abstaining votes in each agenda.
  - (6) To provide an independent person to be a witness in the vote counting or to count or check the votes in the meeting, such as the Company's auditor or legal advisor and disclose the counting result or check such votes to the meeting for acknowledgment and record them in the minutes of the meeting.
  - (7) The Annual General of Shareholders' Meeting is of central importance to the Company. Thus, all Directors and high-level Management team are encouraged to attend to show respect to shareholders.
3. The Board of Directors will ensure that the disclosure of the resolutions of the shareholders' meeting and the preparation of the minutes of the meeting of shareholders are accurate and complete, including:
- (1) To ensure that there is information on date, time, place, agenda of the shareholders' meeting, as well as all information related to matters to be decided at the shareholders' meeting together with sufficient and timely explanations and reasons supporting the agenda to the shareholders in advance for each shareholder meeting. The Company has a policy to allow shareholders to study information prior to the meeting date via the Company's website. The information shall be the same as information in documents that the Company sends to the shareholders.
  - (2) After each meeting of shareholders, there shall be a compilation of meeting contents which consist of the meeting agenda details, list of directors attending and absent from the meeting, meeting resolutions, voting, as well as Questions and opinions of shareholders and prepared as "Minutes of the Shareholders' Meeting" to disseminate on the Company's website and deliver to the Stock Exchange of Thailand and/or relevant agencies within 14 days from the date of meeting, which is in accordance with the requirements of SEC and SET and shall disclose resolutions of the meeting and voting results of each meeting agenda through the SET's system to the public within the time required by law and in accordance with the requirements of SEC and SET.
  - (3) To promote the exercise of shareholders' rights and not limit the rights of shareholders by disclosing information via the Company's website in advance and the Company shall not present any documents containing additional important information during the shareholders' meeting and the Company shall not add agenda or change important information without notifying the shareholders in advance.
  - (4) To ensure that there are opportunities for shareholders to receive current information and information through the Company's website regularly.