



## Corporate Governance Policy

JWD InfoLogistics Public Company Limited

(Revised 2019)

The Company has reviewed the Good Corporate Governance Policies, aiming at making them in line with the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code). The Meeting of the Board of Directors of the Company No. 6/2019 held on 10 October 2019 adopted a resolution revising the Good Corporate Governance Policies.

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## Principles and Rationality

The Company conducts its business with responsibility and fairness. Therefore, the Company places importance on the principles of Good Corporate Governance which will enhance the Company's competitiveness and business efficiency by aiming at achieving sustainable and stable growth in order to increase value to the Company, its shareholders, and stakeholders for the long run. Therefore, the Board of Directors has established the principles of good corporate governance as guidance for the management and employees.

In this regard, the Company has revised the Good Corporate Governance Policies to be in line with the Principles of Good Corporate Governance of the Securities and Exchange Commission (SEC) (CG Code) on 10 October 2019.

## Good Corporate Governance Policies

### **1. Rights of Shareholders**

The Company recognizes and places importance on the rights of its shareholders as owners of the Company and avoids any action that violates or undermines those rights including protecting the benefits of the shareholders and encourages all shareholders, both domestically and internationally, majority shareholders, minority shareholders, and institutional shareholders, to exercise their rights which cover the basic legal rights e.g. right to purchase, sell and transfer shares, right to receive a proportion of the profit of the company, right to receive sufficient information, right to appoint and remove directors at shareholders' meetings, right to appoint Company Auditors, right to vote on material matters of the Company such as; dividend payment, amendment of regulations, memorandums, capital increases, or reductions etc.

Other than the aforementioned fundamental rights, the Company has a policy to facilitate matters in relation to supporting shareholders to exercise their rights and attend the meeting as follows:

#### **1.1. Shareholders' Meeting**

The Company schedules the annual general meeting of shareholders within 4 months after the end of the fiscal year. If there is an emergency agenda to be submitted as a special acceptance which effects or is related to the benefit of our shareholders or related to the conditions or regulations and enforced laws it must be approved by shareholders and the Company shall convene a shareholders meeting on a case-by-case basis whereby; the date, time, and venue of the meeting will be determined to facilitate the shareholders.

**a. Prior to Shareholders' Meeting**

1) The Company encourages that the Board of Directors, management, and any related departments including auditors attend the shareholders' general meetings simultaneously in order to adequately provide information to the shareholders.

2) The Company will send an invitation letter providing sufficient information on the venue, date, and time of the meeting along with the meeting agenda and supporting information related to the meeting, not less than the time required by law prior to the meeting, so that the shareholders have time to study the information related to the meeting in advance. Moreover, the invitation letter and supporting documents are to be publicized on the Company's website in advance and on newspaper, as a notice of the meeting appointment, for 3 consecutive days prior to the proposed meeting date.

3) To facilitate institutional shareholders and shareholders whose shares are under a custodian account, the Company allows to check information and registration documents including registration of shareholders before the meeting for a quick and efficient registration procedure on the Shareholders' meeting date.

**b. At the Shareholders' Meeting**

1) The Company shall not limit the right to attend the meetings of shareholders in any way. All shareholders are entitled to attend the meeting for the duration of the meeting. The company facilitates all shareholders at the meeting by arranging adequate number of staff to welcome and check registration documents as well as using an appropriate system i.e. Barcode system for a quick and efficient registration procedure. In addition, the stamp duties for affixing on the proxy forms are also provided free of charge.

2) Chairman of the Meeting will inform the Shareholders of the rules of the Meeting and voting procedures and the right to express opinion including asking questions on each agenda items. In this regard, during the meeting all Shareholders will be treated equally in expressing their opinion and raising questions in the Meeting.

3) Chairman of the Meeting shall carry out the meeting as specified in the agenda enclosed with the Meeting notice. Additional agenda items shall not be imposed without informing the Shareholders prior to the Meeting in order to allow Shareholders have to have significant time to study all relevant information before making any decision.

4) The Company arranges the presence of independent individuals for vote counting and checking in the Shareholders' meeting such as auditors, external legal consultants, or voluntarily shareholders, or a shareholder who is approved by the Meeting etc.

5) After the Meeting has started shareholders are allowed to join the Meeting as well as to exercise their votes for any Agenda Item still being considered at the time or thereafter, for which votes have not been taken.

6) The Company will identify the Board of Directors that have a conflict of interest in the Meeting invitation. If any of the Board of Directors has a conflict of interest or involvement in any agenda, the Chairman will let attendees know prior to the meeting as well as such Board of Directors shall not participate in the meeting and abstain from voting in any agenda.

**c. After the Shareholders' Meeting**

1) The Company shall disclose resolution and voting results of each agenda via SETLink and the Company's website immediately on the day the board had made the resolutions or the latest by 9.00 am of the following business day.

2) Minutes of Meeting shall be recorded completely and accurately and shall record all questions and answers for the shareholders to verify. The Minutes will be submitted to the Stock Exchange of Thailand within the timeframe as stipulated by law. Minutes of the Meeting will also be posted on the Company's website.

**1.2. Right to Receive Dividend**

The Company discloses its dividend payment policy, together with reasons and supporting information for dividend payment in the Meeting invitation and on the Company's website.

**1.3. Right to Consider Remuneration of Directors**

The Remuneration and Nomination Committee is responsible to consider form and criteria of remuneration by positions of the directors by taking the Company's operating results, roles and responsibilities, and performance of each director including comparing with other listed companies in the same industry into account and propose in the Shareholders' meeting for consideration every year.

**1.4. Right to Appoint Auditor and Determine Audit Fee**

The Audit Committee is responsible to select and determine audit fee and propose in the Board of Directors' meeting and the Shareholders' meeting for consideration and approval. Details of the proposed auditors such as qualification, experience, independency and remuneration shall be presented for consideration of the shareholders.

## 2. The Equitable Treatment of Shareholders

The Company has a policy to treat all shareholders equitably and fairly regardless of managerial shareholders, non-managerial shareholder, Thai shareholders, foreign shareholder, major or minority shareholders in order to ensure the shareholders that the Board of Directors and management team has effectively managed investment of shareholders according to the following principles:

### 2.1. Propose Agendas and Directors by Minority

To promote the equitable treatment of shareholders, the Company facilitates for minority shareholders to propose agenda items for the Annual General Meeting of Shareholders and to nominate candidates for directorships within given timeframe and in accordance with criteria. The Company shall review the proposed agenda items and select appropriate candidates for the consideration of the Board of Directors. In this regard, the Company shall disseminate the criteria via SETLink and the Company's website.

### 2.2. Right to appoint a person to attend the meeting

In the case where shareholders are unable to attend the meeting in person, the Company sends the proxy form (Type B) and specify the documents and simple proxy-giving instruction together with the Meeting invitation. Shareholders may appoint a person they deem appropriate or independent director to attend the meeting and vote on their behalf. At least one independent director shall be proposed in the Meeting invitation as an alternative for shareholders to appoint as their proxy. The Company also advertised Meeting invitation, the proxy forms (Type A, B and C), and related procedures on the Company's website.

### 2.3. Assignment of Independent Director to minister shareholders

Independent directors are assigned to minister the shareholders whereby the shareholders may express or recommend their opinion whereby the independent directors shall consider and take actions as deemed appropriate. In case of a complaint, the independent directors shall investigate and take necessary and appropriate actions. In case of a recommendation, the independent directors shall consider and if they deem significant or may impact stakeholders or the Company's business, the independent directors shall propose such matter to the Board of Directors' meeting to consider and propose in the Shareholders' meeting.

### 2.4. Accessibility of the Company's information

There is no discrimination among the shareholders. All shareholders have the right to access the Company's information which is disclosed to the shareholders and investors on the Company's website to allow the shareholders to be informed of news and information disclosed as required by regulation. All information shall be posted on the Company's website in Thai and English after the disclosure to the Stock Exchange of Thailand. Also,

the Company arranges communication channels on the Company's website by means of telephone or email as detailed under the investor relation portal.

### **3. Role of stakeholders**

The Company realizes the importance of governing all stakeholders, for examples, shareholders, customers, competitors, partners, employees or creditors etc. Therefore, the Company sets up the policy on treatment of stakeholders by considering the rights of stakeholders in order to ensure that such rights are being protected and fairly treated. The Company also recognizes its responsibility to society, communities and the environment for sustainable development as well as anti-corruption and non-violation of intellectual property including respect for human rights and shall not perform any act that would violate such rights. Details of which are as follows:

#### **3.1. Policies and Guidelines for Shareholders**

The Company operate its business by focusing on long-term development for the maximum benefit of shareholders and to be transparent. For the utmost benefit of shareholders, the Company establishes an efficient internal control system and shall not perform any act that may lead to conflict of interest as well as accurately and timely disclose information. The relevant policy and guideline are established as follows:

- 1) Respect the rights of the shareholders and treat all shareholders in equal manner.
- 2) Operate its business in accordance with the Corporate Governance policy to build trust and confidence of the shareholders which will lead to a sustainable development.
- 3) Continuously improve the Company's business for maximum benefit of the shareholders
- 4) Report all information which may impact benefit of the shareholders regardless of periodic or non-periodic reports and shall not limit the rights of shareholders to access the Company's information.
- 5) Prepare a Management Discussion and Analysis (MD&A) concerning the company's financial reports alongside the auditor's report in the company's annual report.
- 6) Properly take actions against conflict of interest and adequately disclose information.
- 7) Protect benefit and take care of the Company's assets as a reasonable person would do to protect their properties and refrain from any action that might cause conflicts of interest with the Company whether it is direct or indirect.

#### **3.2. Policies and Guidelines for Clients**

The Company realizes that satisfactory and confidence of customers are the key to its business success. The relevant policy and guideline are established as follows:

- 1) Operate its business with awareness of consumers' safety and friendly environment.
- 2) Operate its business with the determination to develop and improve the products and services as well as invent innovation to add value to the products and services to fulfill the need of customers including providing complete and accurate information about the products and services.
- 3) Conduct business with honesty and integrity under the fair operating practices and do not violate any right of customers, maintain customers' sensitive information and customer information, and refrain from seeking personal gains for oneself or related parties by exploiting such information.
- 4) Do not solicit, accept or give any undue benefits from customers whether directly or indirectly.
- 5) Strictly comply with terms and conditions made to customers. Notify the customers immediately in advance in the case of inability to fulfill any agreement made with customers in order to jointly find solutions to the problem and prevent damages.
- 6) Provide communication channels or customer service systems that allow customers to contact the company easily and quickly.

### **3.3. Policies and Guidelines for Trade Partners**

The Company shall treat its trade partners with equity and consider the mutual interest of both parties as follows;

- 1) The Company shall treat its trade partners fairly and not solicit, accept or give any undue benefit in dealing with trade partners, and honor and strictly comply with the conditions stipulated in the contracts based on the principle of fair competitor so as to build good business relationship.
- 2) The Company sets criteria to select its trade partners to ensure that business of trade partners is legitimate, environment-friendly, in accordance with safety and bio-sanitation standard, and do not violate human rights as well as have transparent measure of checking and screening trader partners e.g. price comparison, consideration of qualification, expertise, financial situation, business reputation and background check.
- 3) Maintain trade partners' sensitive information and refrain from seeking personal gains for oneself or related parties by exploiting such information.
- 4) Build good relationship, exchange knowledge and jointly develop and add value to the products and services for sustainable development.
- 5) Strictly comply with trade contracts and provide accurate information. Negotiate with trader partners in advance in the case of inability to fulfill any agreement made with trade partners in order to jointly find solutions to the problem and prevent damages.
- 6) Do not solicit, accept or give any undue benefits in dealing with business partners.

### **3.4. Policies and Guidelines for Competitors**

The Company supports and compete under the rules of free and fair business competition as well as refrain from dishonest or illegal means by having guidelines to treat its competitors as follows:

- 1) Compete under the rules of fair competition.
- 2) Do not discredit competitors through slandering
- 3) Do not seek confidential information of the business competitors through dishonest or illegal means or do not violate the covenant to maintain competitors' sensitive information by which received from customers or other parties.
- 4) Support undertaking of businesses with trade partners which benefits the customer and not for a purpose of taking exclusive control of market shares, decreasing quality of products and services, determining market prices which will affect consumers.

### **3.5. Policies and Guidelines for Anti-Trust and Fair Competition**

The Company adheres to the legitimate and fair business operation and therefore formulates Anti-Trust and Fair Competition policies to prevent monopoly as well as promote and instill in all managements and employees the knowledge and compliance regarding the anti-trust competition as follows:

- 1) As to price determination, the Company shall ensure that the price is not extremely low and lower than cost of production to be considered 'selling below cost' in order to drive out competitors from the market.
- 2) Refrain from any actions which mutual agreement may be formulated between competitors to monopolize and restrict competition in the market such as price fixing, bid rigging or market division or allocation scheme.
- 3) Consider and ensure that mergers and acquisitions will not create a monopoly or unfair competition in the market.
- 4) Avoid unfair trade practice or deceptive acts and practices that prohibit or limit a party's choice or abuse of superior bargaining position such as discrimination among suppliers.
- 5) Encourage and support free and fair trade.

### **3.6. Policies and Guidelines for creditors including guaranteed creditors**

The Company focuses on strategy to manage capital and cash flow to ensure full- and on-time payment to its creditors as well as creating mutual trust and confidence from creditors by strictly complying with agreements, obligations, covenants and responsibility in the collaterals. Details of which are as follows:

- 1) Provide equitable treatment to all creditors.
- 2) Strictly complying with agreements, obligations, covenants and responsibility in the collaterals.
- 3) Provide creditors information regarding financial situation in a timely and accurate manner
- 4) Undertake and enter into a fair agreement and commit to act in strict accordance with the terms and conditions of the agreement. In addition, the Company shall ensure that it will repay, in full and on time as required, all types of loans and borrowings and take full responsibility for any collateral as stipulated in the agreement (if any).

- 5) In case of non-compliance or default, notifying creditors immediately to jointly explore proper solutions on a rationality basis.

- 6) Create a strategy to maintain appropriate capital structure in order to support the business operation of the Company as well as have liquidity management to ensure the ability to timely repay all debts to creditors.

### **3.7. Policies and Guidelines for employees**

Employees are the most valuable resource of the Company and is a key to success of the Company's growth. Therefore, the Company establishes policies to treats employees fairly in terms of appropriate remuneration, welfare benefits and safety and good work environment as well as opportunities for advancement in the Company. Policy and guidelines for treatment toward employees are as follows:

- 1) Treat employees with respect for their honor, dignity and human rights and protect employees' information.

- 2) Strictly comply with rules and regulations in relation to labor law and rules or regulations regarding employees.

- 3) Promote equal employment opportunity without discrimination of skin color, race, religion, physical disability, and any other personal traits or status that are not directly related to the undertaking of the assigned work.

- 4) Support and give importance to knowledge and training to equally enhance skills and competency of employees which are beneficial for career advancement depend on the potential of each employee according to the vision, mission, and strategy of the Company e.g. professional skills development, importance of safe working environment etc. In addition, the Company arranges seminar and training on good corporate governance, business ethics and anti-corruption to all employees which must be strictly followed.

5) Promote participation of employees to propose or set working guidelines and assist in development of the Company as well as be open to suggestions and recommendations from all employees regardless of their levels.

6) Give remuneration of various types to employees fairly, appropriately, and according to their knowledge, competence, experience, positions, responsibilities, and individual performance which are taken into consideration in line with the operating results of the Company both short and long term e.g. annual bonus and annual raise according to their performance.

7) Provide appropriate welfare and other benefits for employees such as group life and health insurance, provident funds, and annual health check-ups etc.

8) Arrange a communication channel for employees to submit complaints and any recommendations related to work which will be taken into consideration and action will be taken for the overall benefit and relationship of all parties.

9) Promote participation of employees regarding corporate social responsibility activities of the Company.

10) Provide necessary facilities as well as a good working environment by taking sanitation and the safety of employees into consideration in order to improve the quality of employee work life e.g. drinking water sanitation tests and air filter replacement etc.

### **3.8. Policies and Guidelines for safety, cleanliness, and the environment in the workplace**

The Company considers its employees to be the key factor of its success. Therefore, the Company sets up policies in accordance with the standards on safety, bio-sanitation, and the work environment in order to monitor and prevent any work-related incidents. All employees are responsible to monitor and ensure a safe working environment according to the following guidelines:

- 1) Comply with the standards to create a safe and good environment for all employees.
- 2) Support any actions necessary to ensure a good working environment for sanitation and safety to life of employees
- 3) All employees shall always be aware of their safety and colleagues as well as the Company's properties.
- 4) All employees shall monitor cleanliness and tidiness of their work areas.
- 5) All employees have rights to propose any suggestion to improve working condition and environment.

6) The Company promote participation of employees on safety in order to stimulate awareness of employees e.g. provide training and advertising on safety and sanitation etc.

7) Provide training on safety, bio-sanitation, and the work environment to the employees as well as promote compliance according to environment safeguard policy of the industry.

8) Leaderships at all level shall lead by examples and persuade all employees to safely perform their works.

### **3.9. Policies and Guidelines for communities and community development**

The Company conducts its business by taking its responsibility towards communities, societies, and local traditions into consideration in order to preserve good public relations and societies under the following guidelines:

1) Refrain from any actions that will damage the community and will not violate any rights of people in the communities.

2) Promote and raise social and environmental awareness among employees of all levels.

3) Come up with countermeasures and be responsible for rectifying any danger that society is apprehensive of that may have been caused by the Company's business operation.

4) Promote activities which maintain good tradition and culture.

5) Cooperate with authorities to improve communities.

6) Support any activities that are beneficial to communities and society as a whole.

7) Build a good relationship between the Company and the communities in which the company's place of business is located based on the principle of lawfulness, fairness, and transparency.

### **3.10. Policies and Guidelines for the environment and efficient use of resources**

To enhance confidence regarding the Company's role on safety and the environment as well as encourage the management and all employees to be aware of the efficient use of resources. the Company has strictly complied with laws and regulations related to the environment and international standards such as ISO and OHSAS whereby the record of environmental, health, and safety audit results are systematically maintained and all scores and results have been reported to all related governmental authorities within the required timeframes. The Company set its policies and guidelines for the environment and efficient use of resources as follows:

1) Comply or ensure compliance with all relevant laws and regulations related to the environment by considering the impact that may occur to natural resources and the environment and regularly monitor and evaluate environmental performance reports.

2) Create a culture within the Company and instill in all levels of employees' a conscience of responsibility on the environment and sustainable and efficient use of resources and energy e.g. reduce paper consumption, encourage double-sided paper consumption, turn off power when not in use and promote water conservation etc.

3) Support provision of knowledge and training for staff regarding the environment.

4) Support the environmental management system e.g. environmental conservation, protection, and monitoring measures along with substitution measures to sustainably reduce environmental impact.

5) Participate in transactions with trade partners that are environmentally friendly.

### **3.11. Policies and Guidelines for intellectual property**

The Company honors and respects the Intellectual Property rights of others and asks for legal permission from any person who is in ownership of Intellectual Property prior to use. The Company has set forth its policies as follows:

1) Refrain from any action that infringes on the intellectual property rights of others.

2) Set regulations for employees to use and install computer software that are allowed by the Company and which the Company has the right to use and not to install or download any pirated programs, songs, movies, games etc. The IT department is responsible to regularly monitor all computers and the Company shall include this matter under the internal audit strategic plan in order to promote employees' awareness.

3) All employees are responsible to secure and maintain confidential information regarding intellectual property of the Company and shall refrain from any action that infringes on the intellectual property rights of the Company.

4) Support provision of knowledge and training for staff regarding laws and regulations along with their impact from infringement of intellectual property.

### **3.12. Policies and Guidelines for legal compliance and human rights**

Adherence and compliance to laws, traditions, and cultures both domestically and internationally are fundamental to the Company's business operation. The Company intends to enhance its compliance to be on par with those as stipulated by all relevant laws.

The Company promotes respect of and adherence to human rights and ensure that its business does not involve with any human right violations e.g. does not support the exploitation of illegal workers, opposes child labor, set up provisions regarding working hours according to all relevant labor laws, respect and provide equal treatment to all stakeholders on the basis of equal human dignity and without any discrimination or privileged treatment of any particular person on grounds of differences in race, nationality, gender, religion, color, economic

status and family background. The Company promotes surveillance within the Company to ensure the adherence to human rights and support its subsidiaries, trade partners, business partners and stakeholders to comply with human right principles, as well as protect the rights of stakeholders who receive any damage from the Company's violation of their legal rights. If necessary, the Company will pay a compensation not less than the rate required by law.

### **3.13. Policies and Guidelines for Government Agencies**

The Company strictly comply with laws and regulations and shall refrain from any action that may attract governmental agencies to commit a wrongful act. Also, the Company cooperates with the government agencies both academically and extracurricular as well as be open to opinions or any suggestion or complaint by the government agencies.

### **3.14. Policies and Guidelines for taxation**

To efficiently and accurately manage its taxation, reduce tax risks, maximize benefits from tax planning, and promote sustainable development the Company sets forth policies and guidelines regarding taxation as follows:

- 1) Establish and improve tax the governance processes that ensure tax compliance both domestically and internationally.
- 2) Improve tax efficiency by legally using available tax incentives without tax avoidance or tax haven intentions.
- 3) Properly pay taxes within the timeframe and filing for tax refunds for maximum benefits of the Company.
- 4) Work in a collaborative, transparent, and proactive way with relevant tax authorities.
- 5) Appropriately analyze and plan taxes particularly in the case of capital investment or special transaction e.g. merger and acquisition or transactions in which value is significant.
- 6) Seek advice from top-tier tax and accounting firms to obtain expert advice and opinions on tax matters as necessary.

#### 4. Information Disclosure and Transparency

The Company has policies regarding information disclosure and transparency, whereby the disclosure of the Company's material information, both financial and non-financial shall be accurate, complete, timely, and transparent to shareholders, investors, analyzers, and the general public. The Board of Directors is responsible to ensure adherence to laws and regulations regarding information disclosure and transparency. The Board of Directors shall disclose when there is a change of shareholding of the directors and executives in compliance with the Securities and Exchange Commission and Good Corporate Governance of the Company.

In addition, all directors and executives must file the Report of Changes in Security Holdings and report their conflicts of interest or those of their related persons in order to ensure that the directors and executives can perform their duties with honesty and transparency and build trust among shareholders and investors.

##### 4.1. Relationship with investors

The Company places importance on disclosure of information in accordance with the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC") where it must be accurate, complete, timely, and transparent. The Company has assigned personnel with a high level of competence and knowledge about the Company as Investor Relation officers.

In this regard, the Chief Executive Officer, Chief Financial Officer, and assigned executives shall directly communicate with shareholders, investors, and securities analysts both locally and internationally. Other than disclosing information through channels provided by SET and the Company's website, the Company also discloses information regarding working progress and responds to inquiries from investors in order that all stakeholders receive information on an equal basis.

##### 4.2. Management of inside information

The Board of Directors highly prioritizes Good Corporate Governance. For transparency and protection of inside information (Insider Trading), the Company sets forth policies and guidelines regarding using inside information as follows:

- 1) Provide the directors and management including person holding executive position in the Accounting Department with knowledge and understanding about reporting of their securities holding and changes in securities holding in the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535,

2) The directors and management including person holding executive position in Accounting or Finance Department whose rank is not lower than departmental manager, having the duty to report their holding of the Company's securities at the first chance of their being appointed to assume such position and upon any later change in their said securities holding within 7 days from the date that the Board of Directors submits a summary report on the said securities holding to the SEC.

3) The directors and management including person holding executive position in the Accounting or Finance Department whose rank is not lower than departmental manager and related officers, who knows material inside information that may affect the price of the Company's securities, shall not buy or sell such securities prior to the time when the financial statement or such inside information is disclosed to the public. Whereby the Company shall notify the directors and management including person holding executive position in the Accounting or Finance Department whose rank is not lower than departmental manager and related officers 30 days prior to the time when such inside information is disclosed to the public or until 24 hours have passed after a public disclosure of such information. This also includes forbidden information to disclose to unauthorized personnel or a third party.

There are penalties and measures in the case of a violation of insider trading ranging from written warnings to discharge which shall be determined based on the intent and seriousness of the case.

#### **4.3. Policies and Guidelines for Whistle Blowing and measures to protect whistleblowers**

The Company shall maintain international standards and practices in accordance with Good Corporate Governance. Therefore, the Company arranges for appropriate channels of communication with the Board of Directors via postal mail and electronic mail to ensure the means for acknowledgement of information and suggestions along with a proper investigation is appointed per complaints relating to suspect wrong-doing, accuracy of financial report, deficient internal control systems, violation of rights, or code of business conduct of management or employees. Whereby the Company shall keep all information of the appellant as confidential as well as protect such appellant.

##### **a) Scope of the policies**

This policy is set with the expectation that all employees and stakeholders shall report any violation of laws, regulations, and code of conduct of the Company e.g.

- Corruption
- Fraud, embezzlement and theft
- Dishonest acts for personal benefit or benefits of others
- Acts which may be harmful to the health, safety, or environment

- Any intentional act to cause damage to the Company
- Violation of ethics or code of conduct
- Suspicious acts related to money laundering, financial, or accounting matters
- Assist in any act which violates the laws, regulations, or code of conduct including

concealing or help covering up such act.

**b) Applicable procedures to be undertaken in the event of receiving 'whistleblower' complaints**

**Complaint gathering:** The independent directors shall appoint a committee to compile all complaints.

**Fact finding and investigation:** The assigned committee will analyze the facts, investigate, and propose proper measures to handle the matter.

**Action:** The assigned committee proposes proper measures to handle the violation or misconduct to the Board of Directors for consideration in order to alleviate damages.

**Reporting:** The Chairman of Audit Committee, independent directors or company secretary report to the Board of Directors and inform the results to the appellant (if known).

**c) Protection of Whistleblowers**

Whistleblowers or any person who cooperate in an investigation shall be protected as follows:

1) The whistle-blower or the complainant may choose not to reveal his/her identity or information if the disclosure will cause danger or damage.

2) If the person chooses to reveal himself/herself, the Company's investigation will update the progress on the case together with any additional useful information.

3) In the case the whistle-blower agrees to cooperate with the investigation, the Company will maintain the confidentiality of any provided leads and will keep confidential any information that may lead to the identify the identity of such person(s).

4) The person who receives the complaint and the person involved in the investigation must keep all filed information confidential. If necessary, they may disclose the information taking into account the safety of and the damage to the complainant or any person who cooperates in the investigation, the information sources, or relevant persons. The company may proactively provide appropriate protective measures if there is potential damage or danger.

5) The person at risk of damage or danger will be assisted using all proper and just procedures.

d) Channels of communication available for use by the Whistle-Blower

**Postal Mail**

Attn: Independent Director

JWD InfoLogistics Public Company Limited

36 Krungthep Kreetha Road, Huamark, Bangkapi, Bangkok 10240

**Email, Telephone and Website**

Board of Directors (via Independent Director) [independent\\_director@jwd-logistics.com](mailto:independent_director@jwd-logistics.com)

Company Secretary [nattapume@jwd-logistics.com](mailto:nattapume@jwd-logistics.com)

02-7104000 (2010)

Investors' Relations Officer [matura@jwd-logistics.com](mailto:matura@jwd-logistics.com)

02-7104000 (2296)

Website <http://www.jwd-group.com/th/contact>

## 5. Responsibilities of the Board of Directors

### 5.1. Structure of the Board of Directors

The Board of Directors are composed of competent individuals whose expertise, experience, and capabilities are beneficial to the Company and have a key role and responsibility for defining policies and the overall strategy of the Company. The Board of Directors performs their duties with honesty and ethics to supervise the operation in accordance with all legal requirements, articles of association, and the resolutions of the Annual General Meetings and ensures that they are in line with established business objectives and for the utmost benefit of the Company and shareholders.

The Board of Directors are comprised of at least 5 directors, whereby a minimum of half of all Directors must reside in the Royal Kingdom of Thailand. The number of independent directors must comprise of at least one third independent directors; of which must be no less than three according to the regulations of the SEC.

The Board of Directors encourages diversity within the Board whether it is through various expertise, competency, experience, and professions that will benefit the business operation of the Company, regardless of gender, nationality, or religion.

In addition, the Chairman of the Board of Directors should not be the Chief Executive Officer in order to ensure total independence of the responsibilities between corporate governance and routine management. The independent directors shall also be independent from the management and major shareholders of the Company. The qualifications of the independent directors are as follows:

#### **Qualification of independent directors**

1) A person who has a shareholding of not more than 1% of the total number of shares with voting rights of the Company, a Subsidiary Company, a Joint Venture Company, and the majority Shareholder Group or the legal entity having the controlling power over the Company; whereby this shareholding also includes those of anyone who is related to the Independent Director in question.

2) A person who is not or has not been an Executive Director, employee, staff member, or consultant on a monthly retainer fee, or who has a controlling power over the Company, a Subsidiary Company, a Joint Venture Company, a Subsidiary Company of a parallel status, and the majority Shareholder Group or a party with a controlling power over the Company - unless such a status has ceased to exist or has been terminated for not less than 2 years prior to being nominated. As such, this prohibited qualification does not include a person having been a civil servant in or a consultant to a Public Sector agency that is a majority Shareholder of or has a controlling power over the Company.

3) A person who is related to any other persons by blood or by legal registration - as a parent, spouse, sibling, and child or spouse of the children of an Executive/Management Group member – to a majority Shareholder of or a person with a controlling power over the Company, and to any persons being nominated to be an Executive/Management Group member or possessing a controlling power over the Company or a Subsidiary Company.

4) A person who is not or has not had any prior business relationships with the Company or parent Company, a Subsidiary Company, a Joint Venture Company, and a majority Shareholder of or party with a controlling interest over the Company in a manner that could hinder a genuine independence of judgment; as well as not having been a significant Shareholder or having had a controlling power over any persons that has a business relationship with the Company or parent Company, a Subsidiary Company, a Joint Venture Company, and a majority Shareholder of or party with a controlling interest over the Company - unless such a status has ceased to exist or has been terminated for not less than 2 years prior to being nominated.

5) A person who is not or has been an external Auditor of the Company or parent Company, a Subsidiary Company, a Joint Venture Company, and a majority Shareholder of or a party with a controlling interest over the Company; as well as not being a majority Shareholder, a party with a controlling power over or a Partner in the Audit Firm authorized to be the external Auditor of the Company or parent Company, a Subsidiary Company, a Joint Venture Company, and a majority Shareholder of or a party with a controlling power over the Company to which the person is affiliated - unless such a status has ceased to exist or has been terminated for not less than 2 years prior to being nominated.

6) A person who does not provide or has not been providing any professional services – including acting as a legal counsel or financial advisor – to and receiving an annual retainer of more than Baht 2.0 million from the Company or parent Company, a Subsidiary Company, and a Joint Venture Company; as well as not being a majority Shareholder of or a party with a controlling power over or a Partner in the Company, or a significant Shareholder in or having a controlling power over or a Partner in any such professional services provider companies/entities - unless such a status has ceased to exist or has been terminated for not less than 2 years prior to being nominated.

7) A person who is not a Director authorized to represent a Board Director of the Company, the majority Shareholder, or a Shareholder who is connected with and/or related to the majority Shareholder of the Company.

8) A person who is not operating a business that is the same type of business as the Company or its Subsidiary Companies, so as to be considered as a significant competitor; or a person who is not a significant Shareholder in a business partnership; as well as who is not an Executive Director, employee or Staff, consultant with a regular salary, or holding more than 1% of the total shares with voting rights of other companies operating the same type of business as the Company or its Subsidiary Companies so as to be considered as a significant competitor.

9) A person with any other characteristics that would not facilitate a genuine independence of judgment with regard to the business operations of the Company.

#### **5.2. Term of office of the Board of Directors**

At every annual general meeting, one-third of the Directors, or, if the number of Directors is not a multiple of three, then the number nearest to one-third, shall retire from office. The Directors who are to retire from office in the first and the second years after registration of the company shall be drawn by lots. In the subsequent years, the Directors who have been holding office for the longest time shall retire. The directors retiring by rotation may be re-elected.

Apart from retirement from office upon the expiry of his/her term in office, a director will vacate office upon:

- Death
- Resignation
- Lack of qualification to be a company director or possession of prohibited characteristics as stipulated by law.
- Removal by a resolution of a shareholders meeting by a vote of not less than three fourths of the number of shareholders who attend the meeting and have the right to vote and who have shares totaling not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.
- Removal by a court order.

The independent directors shall not serve on the Board beyond nine years consecutively from the date of their first appointment.

### 5.3. Roles and Responsibilities

The Company has clearly defined separate and respective roles, duties and responsibilities of the Company's Board of Directors and those of the executives or management and implemented a checks and balances system. The Board of Directors is responsible for the determination of policies, directions, and the strategies of the Company; and ensures that the executives proceed in accordance with such policies. In contrast, the executives or management have the duty and responsibilities to undertake normal operating activities based on policies determined by the Board. Also, the Company has clearly and distinctively defined the roles and the duties of the Chairman and the Board of Directors to ensure clarity on the roles and responsibilities as follows:

**a. Segregation of roles, duties, and responsibilities between the Board of Directors and the management.**

The Board of Directors is responsible for corporate governance and the mission of the Company in accordance with the laws applicable to the Company's objective, articles of association, as well as the resolution of the Board of Directors and shareholders. The Board of Directors must exercise good business judgment in making business decisions and perform its duty with responsibility, due care, and loyalty in the best interests of the Company and its shareholders.

The executives or management have the duties and responsibilities to put such strategies and mission into execution and undertake the daily operating activities. Also, the executives and management shall review the Company's vision and strategy and the annual corporate objectives and goals and propose these to the Board of Directors for acknowledgement. The Board of Directors shall evaluate the operating performance on a quarterly basis so as to provide recommendations or direction on the matters that the management should focus on moving forward.

**b. Roles and Responsibilities of the Chairman of the Board of Directors**

1) Support and monitor the operation of the Board of Directors and other sub-committees to ensure its effectiveness and adherence to the highest standard of good corporate governance.

2) Ensuring that there are sufficient channels for effective communication between the shareholders, governmental agencies, and all related departments.

3) Set the board meetings agenda and conduct the Board of Directors' meeting including allowing directors to express their opinions freely in order to make the right decisions.

4) Support the Chief Executive Officer in respect of determination of vision and the strategic direction of the Company including providing recommendations on the business operation.

5) Promote good communication and build good relationships among the executive and non-executive directors.

**c. Roles and Responsibilities of the Board of Directors**

The Board of Directors represent all shareholders and has a responsibility to monitor and ensure that the Company's operation is in accordance with laws, objectives, Corporate Governance policies, and resolutions of the Shareholders' meeting. They are responsible for making decisions on the company's important policies and strategies and for proactive roles and duties to ensure the utmost efficiency of and benefit to the Company and its shareholders.

The Board of Directors has segregated roles and responsibilities whereby the scope of authorization of the Company and its subsidiaries are clearly defined depending on the types of transactions for the purpose of power distribution in decision making and directing along with providing guidelines for management. According to the Corporate Governance policies of the Company, the following matters are under the scope of duties and responsibilities of the Board of Directors:

1) The Board of Directors have the power, duties and responsibilities in the management of the Company in accordance with the law, the Company's objectives, Articles of Association, and the resolutions of the general meeting of shareholders. The Board of Directors shall make prudent business decisions. They shall perform their duty responsibly with care and honesty in the best interests of the Company.

2) The Board of Directors shall hold an Annual General Meeting of Shareholders within four months from the end of its accounting period.

3) The Board of Directors shall hold a meeting once every three months.

4) The Board of Directors is responsible to prepare financial statements and reports on the financial status together with the previous year's overall operating results and propose in the Annual General Meeting of Shareholders for consideration and approval.

5) Determine target, approach, operating plan, policy, and the budget of the company including the supervision of the management, and administration of the management to ensure that it is in line with policies, plan, and the budget.

6) Determine risk management policies and monitor the Risk Management Committee acts in accordance with the policies and report to the Board of Directors regularly including to review and assess the effectiveness of the systems periodically.

7) Consider and approve business plans and capital projects including investment plans proposed by the management.

8) Prepare annual reports and be responsible for the preparation and disclosure of the Company's financial statements which present financial performance and the operating results of the previous year along with proposing to the Annual General Meeting of Shareholders for consideration and approval.

9) Monitor and supervise the management of the Company and its subsidiaries to be in line with the policies, the Securities and Exchange Act, the notification of the Securities and Exchange Commission (SEC), and the notifications of the Stock Exchange of Thailand e.g. related party transaction acquisition and disposition of assets including providing sufficient and effective internal control systems.

10) Consider and determine the organizational structure and appoint the executive committee, the executive chairman, and other sub-committees as may be deemed appropriate e.g. audit committee, nomination and compensation committee, and corporate governance committee etc. including set up of the scope of roles and responsibilities of the appointed executive committee, the executive chairman, and other sub-committees.

For this purpose, such authorizations shall not enable a grantee to consider and approve a transaction, which they or others may have stake in, or receive benefit, or have conflicts of interest between himself, any related person or interested person as one party and the Company or its subsidiaries as the other party (if any), unless it is in accordance with the approved policies and criteria previously set out by the Board of Directors.

11) Authorize any other person(s) to perform any action on behalf of the Board of Directors under its supervision, or to grant the power-of-attorney to such a person to perform any action as the Board may think fit. The Board of Directors has the sole discretion to revoke or modify the power-of-attorney as they may see fit.

However, such authorizations shall not enable a grantee to consider and approve a transaction, which they or others may have stake in, or receive benefit, or have conflicts of interest between himself, any related person or interested person as one party and the Company or its subsidiaries as the other party (if any) (as defined in the notification of the SEC), except for normal business transactions already covered by existing guidelines or approved by the Board or in accordance with the criteria and procedures regarding related party

transactions and acquisitions along with the disposition of assets of listed companies as stipulated by the notification of the SEC and/or the Stock Exchange of Thailand and/or other relevant notifications.

**d. Roles and Responsibilities of the Chief Executive Officer**

- 1) Oversee and monitor the daily operation and management of the Company.
- 2) Prepare and propose policies, strategies, business plans, budgets, investments, organizational structures, and principles of business operation of the Company to the Executive Committees and the Board of Directors for their consideration and approval.
- 3) Supervise the management of the Company to ensure that they are in line with the Company's policies, business plan, and budget that are approved by the Board as well as review and assess the operating results of the Company and report to the Executive Committees, Audit Committee, and Board of Directors.
- 4) Consider and make decisions related to any normal business transaction of the Company in accordance with the investment or budget approved by the Board of Directors. Such amounts for each transaction must be in accordance with the delegation of authority approved by the Board of Directors, but not exceeding the annual budget approved by the Board of Directors. This also includes entering into any related contracts.
- 5) Consider and approve the operating expense in the ordinary course of business in accordance with the budget approved by the Board of Directors and the delegation of authority approved by the Board of Directors.
- 6) Determine organizational structures including appointment, hiring, transfer, determination of remuneration and bonus, and dismissal of employees up to the level of the Chief Executive Officer.
- 7) Consider and approve rules, regulations, and notifications in order to ensure that the management is in line with the policies and for the benefit of the Company to create and maintain discipline within the organization.
- 8) Have authority of sub-delegations or designate any person to perform a particular work on their behalf. Such sub-delegation of authority and/or assignment must be under the scope of the delegation of authority as per the given power of attorney and/or comply with the regulations, requirements, or orders specified by the Board of Directors.
- 9) Have any authority or responsibilities as assigned by the Board of Directors or other sub-committees on a case-by-case basis

However, any matter which the Chief Executive Officer or a grantee may have a stake in, receive benefit, or have conflict of interest between himself. Any related person or interested person as one party and the Company or its subsidiaries or other related companies as the other party (as defined in the notification of the SEC and/or SET and/or other relevant authorities), the Chief Executive Officer shall not have an authority to approve such matters and such matters shall be proposed to the Board of Directors' meeting and/or the Shareholders' meeting (as the case may be) for consideration and approval, except for normal business transactions that are in accordance with the notifications of the SEC and/or the Stock Exchange of Thailand and/or other relevant notifications.

#### **5.4. Criteria and procedure regarding the appointment of directors and Chief Executive Officer**

In the case where a director or chief executive officer position becomes vacant, the Company has a structured, transparent, screening process for nomination criteria. That is, the Nomination and Remuneration Committee are responsible to select individuals by considering their qualification, knowledge, profession, experience, and necessary skills needed among the Board of Directors dedicate and commit time to perform their responsibilities, not having any prohibited characteristics as specified by law or good corporate governance regardless of gender. The list of nominees may be selected from the Directors' Pool which will create diversity on the structure of the Board of Directors. The Company also developed the Board Skill Matrix to specify the qualifications of directors by taking the Company's strategies and necessary skills that are missing into account, for example; if the Company has a new business strategy to expand into a new type of business, director candidates shall possess the knowledge and experience regarding the new business type to which the Company will expand.

#### **5.5. Orientation of New Directors**

The Board of Directors provides an orientation to all new directors to ensure understanding of the Company's business as well as their duties, roles, and responsibilities. The Board of Directors also has a policy to encourage a continuous training program to enhance knowledge of the directors in respect of corporate governance, industrial situations, new technologies, and innovation so that they can efficiently perform their duties as soon as possible. The Company Secretary is responsible to coordinate on the following matters:

- 1) Basics to know: Business Structure and scope of roles and responsibilities of directors.
- 2) Business introductions and nature of the Company's business.
- 3) Arrange a meeting with the Chairman of the Board of Directors and the Chief Executive Officer in order to obtain more details on the Company's operation.

## 5.6. Board of Directors' Meeting

The Company establishes the rules regarding the Board of Directors' meeting as follows:

1) At least 7 of the Board of Directors' meetings per year are tentatively set in advance and each director will be informed of such scheduled meetings prior to the time and date set.

2) Meeting dates and times are set in advance for the year and the directors are notified in advance of the meeting dates and times. Meeting agendas and relevant documents are prepared beforehand and for each meeting.

3) No less than two-thirds of the total Board are required to attend the meeting to make a quorum. The quorum for voting at a Board of Directors meeting requires of no less than two thirds of the total number of directors. The Chairman of the meeting is responsible for sufficiently allocating time for each agenda. An open opportunity is provided for all directors to openly discuss and give their suggestions while taking the benefit of shareholders into consideration. The Company provides opportunity for the management to propose issues that are relevant in the meeting agenda.

4) Meeting agendas which the Chairman of the Board of Directors and Chief Executive Officer jointly consider are determined in advance. The company secretary is responsible to ensure that all directors obtain the meeting documents prior to the meeting to allow sufficient time for the directors to study the information and consider the agendas for voting.

5) The company secretary is responsible to send meeting invitations together with meeting agendas and related documents to Directors at least 7 days in advance of the Board meeting date, with exception to urgent matters. For this purpose, the related documents will contain summaries of key points regarding the meeting agendas.

6) Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement before summarizing all opinions from the meeting.

7) As for the voting, a director who has interests in any matter shall not be entitled to vote on such matters. In the case of connected transactions, a director who has interests must not be in the meeting during the consideration of such agendas.

8) The company secretary shall prepare the meeting minutes and propose them to all directors for their consideration and the Chairman of the Board of Directors for review within 7 days from the meeting date. The

company arranges to record minutes of the meeting in writing. The minutes of each meeting must be endorsed and kept as evidence at the Company's office for the Board and all relevant parties to review or examine.

9) Non-Executive Directors will have a meeting, at least once a year to discuss and exchange opinions as well as review issues of special interest or concern related to the Company's activities.

#### **5.7. Remuneration of directors and executives**

The Board of Directors assigns the Nomination and Remuneration Committee to consider and determine remuneration for the Board of Directors and sub-committees. Such remuneration will be appropriately considered that it shall not be excessive and shall be appealing enough to attract and retain quality directors and executives. The Company considers experience, duties, and responsibilities by comparing with other companies in the same industry. In this regard, remuneration of directors shall be approved by the Shareholders' meeting. As for remuneration of management, it shall be considered in accordance with the Company's policy as stipulated by the Board of Directors by taking duties, responsibilities, individual performance, and the Company's performance into consideration.

#### **5.8. Performance Assessment of the Board of Directors**

The Company has a policy for the Board of Directors to conduct self-assessments once a year in order for the Board of Directors consideration and reviews their performance, issues, and obstacles during the past year to further improve their efficiency. In this regard, the company secretary will summarize the assessment and propose the assessment results to the Board of Directors for their consideration and action to improve the efficiency of business operation.

#### **5.9. Performance Assessment of the Chief Executive Officer**

The Nomination and Remuneration Committee will conduct the annual performance evaluation of the Chief Executive Officer once a year and inform the Board of Directors of such evaluation results.

#### **5.10. Performance Assessment of Other Committees**

The Company has a policy for the other sub-committees to conduct self-assessments once a year for the other sub-committees consideration and reviews their performance, issues, and obstacles during the past year to further improve their efficiency. In this regard, the company secretary will summarize the assessment and propose the assessment results to the Board of Directors for their consideration and action to improve the efficiency of business operation.

#### **5.11. Development of the directors and executives**

The Company encourages the Board of Directors and senior executives to attend seminars that are beneficial to their duties. At minimum, the seminars that the directors should attend are the courses organized by the Institute of Directors of Thailand (IOD) which include Directors Certification Program (DCP), the Directors Accreditation Program (DAP), the Audit Committee Program (ACP) or by other related regulatory agencies. For this purpose, the Board of Directors assigns the company secretary to coordinate and inform directors of any seminars in order to implement this knowledge and experience to benefit the Company's development.

#### **5.12. Policy on Holding the Position of Director in Other Companies by the Chairman of the Executive Board and Managing Director**

To be in line with the good corporate governance policy and recommended best practices of SET, the Board of Directors has set a policy to allow the board to have a maximum of five board seats in publicly listed companies.

Moreover, the Company allows Chief Executive Officers and/or top executives to hold board positions in other companies as necessary and so long as it does not affect their performance and responsibilities to the Company. However, any board position held in other firms by the company's managing director must be approved by the board.

#### **5.13. Succession Plan**

To ensure that the Company will continuously operate without any interruption, the Board of Directors placed importance on a succession plan of Chief Executive Officers and top executives. Therefore, the Company has created a succession plan that specifies selected successors to take on responsibilities. However, in the case that a successor is not determined, the Company has established an employee development plan for potential employees in a comparable level to take on a position as well as seek candidates externally. To build confidence in investors as well as our employees that the Company's operation will remain consistently, the Chief Executive Officer is responsible to report on the development and succession plan at least once a year. The policy regarding succession plan can be described as follows:

- 1) The Board of Directors has established a plan for development of management team's capabilities, i.e. the Chief Executive Officer and top executives, in order to complete the succession plan
- 2) The Nomination and Remuneration Committee considers and defines knowledge, competency, and experience required for each position in order to select an appropriate candidate to be a successor of each position.

3) The Chief Executive Officer evaluates knowledge and competency of the executives of other management whom may possess qualified competency in order to create individual development plan to reduce competency gap.

4) Assign the human resource department to monitor and follow up on training and skill development of selected successors for Chief Executive Officer and top executive positions.

5) The Chief Executive Officer will review and propose the succession plan to the Nomination and Remuneration Committee in order to report to the Board of Directors on an annual basis.

#### **5.14. Conflict of Interest**

It is the Company's policy to conduct business with honesty, open-mindedness, transparency, and fairness. The Company forbids its directors, executives, and employees to compete with the Company, avoid making connected transactions related to them or people/entities that may cause conflicts of interest with Company. The Board ensures that the company strictly performs its duties according to the criteria, method, and disclosure of all connected transactions as specified by the law or the monitoring agency.

If it is necessary to undertake connected transactions, they must be in line with the general business conditions as specified and approved by the Board, based on transparency and fairness, as if the transactions were undertaken with other parties, taking into account the Company's maximum benefit. Stakeholders with conflicts of interest are forbidden to take part in the consideration of connected transactions. If the connected transactions are not in line with the general business conditions as specified and approved by the Board and may cause conflicts of interest, the transaction must be submitted to the Audit Committee for consideration before submitting them to the Board or shareholders for approval.

1) The report on the interests of directors, executives, and related persons shall be made within 30 days starting from the date of appointment and on December 31<sup>st</sup> of every year. If, during the year directors, executives, or related persons make a decision to enter into any transaction or transaction of the Company or its subsidiaries, either directly or indirectly, such directors or executives are responsible to notify the Company by specifying details regarding the nature of the transaction, name of parties, and interests of directors or executives for transparency of entering into the transaction.

2) Directors and executives are required to report their conflict of interests including their related persons that are relevant to the Company's operation according to the criteria and the procedures of the Securities and Exchange Commission. The company secretary has a duty to collect and report to the Chairman of the Board of Directors and the Chairman of Audit Committee for acknowledgement within 7 days from the date of receiving the report.

3) As for the disclosure of strategic shareholders, the Company shall prepare Free Float or shares distribution of minority shareholders report. Minority shareholders are important for the company's trading liquidity. It helps to facilitate the company's shareholders and investors in trading securities with flexibility and appropriate price levels. Investing in the company's shares will thus be attractive and lead to smooth fundraising through the capital market.

#### **5.15. Annual Report**

The Board of Directors is responsible for the preparation of financial statements and other financial reports as they appear in the annual report. The said financial statements are prepared under the generally accepted accounting principles and by choosing an appropriate accounting policy with consistent practice including adequate disclosure of financial information in the notes. In this respect, the Board of Directors has appointed the Audit Committee to oversee and monitor the quality of financial reports and provide their opinions to the Board of Directors.

#### **5.16. Appointment and Determination of Audit Fee**

The Audit Committee will consider and select auditors based on a level of independence, knowledge, skills, experience, credentials, and qualification in accordance with notification of the Stock Exchange of Thailand. Also, the Audit Committees shall propose the selection of auditors as well as appropriate remuneration to the Board of Directors for consideration and proposal to the Shareholders' meeting.

#### **5.17. Internal Control**

The Company has an appropriate performance tracking and evaluation system, covering various aspects that are necessary in business operations; finance, accounting, operations, along with laws and regulations compliance. The company has established audit mechanisms that are efficient enough to protect the Company's properties. Also, the Company has set up a level of authority for approval, authority of executives and internal auditors which creates a system of check and balance. All work instructions are documented and there is an internal audit independently performed auditing to ensure compliance of every operational unit as well as evaluate the efficiency and the competence of the internal control process.

#### **5.18. Compliance**

The Board of Directors has assigned the Risk Management Committee to oversee the compliance aspect of the operation, whereby each division/department is assigned areas of responsibility e.g. legal department responsible for licenses and law compliance, company secretary responsible for compliance of regulation of the SET and SEC, and internal control department responsible for auditing other operational units to verify compliance with standards and related laws.

#### **5.19. Supervision of Subsidiaries and Associated Companies**

The Company runs a logistics business and holds shares in subsidiary companies along with affiliated companies whose objectives are to run a logistics business in the same manner as that of the main business of the Company or similar businesses or businesses which support the business of the Company in order to facilitate the Company in generating better operating performance or gaining higher profits or investing in synergy businesses to maintain the benefits of the investment funds of the Company. The Company has also specified measures for management monitoring details of which are as follows:

##### **a. Management Structure of Subsidiary and Affiliated Companies**

The Company shall send experienced and qualified representatives to the businesses as directors or executives of subsidiary and affiliated companies unless limited by the law. The purpose is to assign such persons to perform their duties in specifying important policies to manage and supervise the business operations of such subsidiary or affiliated companies as assigned by the Board of Directors in accordance with all related laws.

##### **b. Proxy Voting by the Company's Representatives in the Shareholders' Meeting of Subsidiary and Affiliated Companies**

The representatives of the Company in subsidiary and the affiliated companies shall use discretion when casting votes in the Board of Directors' Meeting and/or the Shareholders' Meeting of such subsidiary and affiliated companies in accordance with the resolutions of the Directors' Meeting and/or the Shareholders' Meeting of the companies which approves such issues.

**c. Transactions of the Directors, the Executives, or Individuals who are related to Subsidiary Companies**

The directors, the executives, or individuals who are related to subsidiary companies shall make transactions with the subsidiary companies only when such transactions have been approved by the Board of Directors or the Shareholders' Meeting of the Company according to the calculated transaction size in accordance with the Notification of Connected Transactions, except for transactions which are commercial agreements in the same manner as that a reasonable person would have done with partners of contract in the same circumstances, with commercial negotiation power and without influence from being a director, executive, or related person as the case may be. Those transactions shall be the commercial agreements which have been approved by the Board of Directors of the Company or shall be in accordance with the principles approved by the Board of Directors.

**d. Subsidiary Companies' Information Disclosure**

1) The subsidiary companies shall perform the duties of disclosing the information of financial positions and operating performance, and transactions between the subsidiary companies and connected persons, acquired or disposed assets, or other important transactions of the subsidiary companies with accuracy and completeness, using the principles related to the disclosure and transactions in the same manner as that of the principles of the Company.

2) The subsidiary companies shall report business operation plans, business expansion plans, large investment projects, and co-investments with other operators to the Company through the monthly operating report. The Company has the right to call upon the subsidiary companies to clarify or send documents for consideration and the subsidiary companies shall strictly and immediately follow these orders. In the case where the Company finds issues of significant importance, the Company may notify the subsidiary companies for clarification and/or demonstration of evidence to clarify such issues in doubt.

**5.20. Roles and Responsibilities of the Company Secretary**

The Company secretary has been appointed by the Board of Directors and has responsibilities as follows:

1) Provide initial advice to directors on the conduct of business in accordance with applicable laws and requirements as well as the Company's rules and regulations, and monitor their operations to ensure accuracy and consistency.

2) Supervise on the assigned information disclosed and dissemination that falls under his/her responsibility to ensure compliance with all rules and regulations set by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

3) Manage and file the following documents:

- Register of directors
- Invitation letter to the Board of Directors' Meeting and minutes of the Board of Directors' Meeting
- Invitation letter to shareholders' meeting(s) and minutes of shareholders' meeting(s)
- The Company's annual report
- Reports of conflict of interest of directors and executives

#### **6. Code of Conduct**

The Board of Directors conducts business with adherence to integrity and fairness by establishing regulations regarding the code of conduct of the business in order to guide the function of the Board, management teams and employees to work with care and honesty along with adherence to business ethics and other laws and regulations. The Board of Directors arranges mechanisms to prevent any business conflict of interests to effectively and efficiently achieve the Company's mission. In this regard, the Company encourages all directors, executives, and employees to study and strictly follow the code of conduct. Besides direct internal communication to the employees regarding the Handbook, the external stakeholders including shareholders, investors, and interested parties have access the Handbook via the Company's website.

#### **7. Other Policies related to Good Corporate Governance Policies**

If the Board of Directors views that there are other policies that will enhance the good corporate governance of the Company other than those described in this document, the Board of Directors shall consider and approve such policies and publicize the information for all shareholders and investors through the Company's website.