

## Corporate Governance Policy

Sri Trang Gloves (Thailand) Public Company (the ‘Company’) recognises the importance of good corporate governance which is considered a significant mechanism underpinning the efficiency operations and sustainable growth. This will lead to best interests of all stakeholders including employees, investors, shareholders and all other stakeholders. Therefore, the Board of Directors considers that it is appropriate to prepare this Corporate Governance Policy to cover fundamental principles of structures, roles, duties and responsibilities of the Board of Directors and the principle of transparency and accountability of the management. This Corporate Governance Policy sets out guidelines on corporate management to ensure that all actions of the Company will be fair taking into consideration the best interests of shareholders and all stakeholders.

The Company prepares this Corporate Governance Policy to develop trusts for shareholders and all stakeholders and to achieve sustainability for the business according to the expectations of the business sector, investors, the capital market and the society in general. The policy is prepared based on the Corporate Governance Code for Listed Companies 2017 prepared by the Securities and Exchange Commission as a guideline for good corporate governance of the Company.

### Corporate Governance Principles and Policies

The Board of Directors recognizes the importance of compliance with the following eight principles of corporate governance:

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| <b>Principle 1</b> | Roles and Responsibilities of the Board of Directors                   |
| <b>Principle 2</b> | Objectives and Main Goals of the Company                               |
| <b>Principle 3</b> | Strengthened Board Effectiveness                                       |
| <b>Principle 4</b> | Recruitment and Development of Senior Executives and People Management |
| <b>Principle 5</b> | Business Operation with Responsibility                                 |
| <b>Principle 6</b> | Appropriate Risk Management System and Internal Control                |
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**Principle 1: Roles and Responsibilities of the Board of Directors**

• **Sub-Principle 1.1**

The Board of Directors will demonstrate understanding about their roles and responsibilities as the leader of the organization in putting in place the good corporate governance including:

- (1) Defining objectives in the business operations;
- (2) Defining strategies, policies and allocation of material resources for the achievement of objectives and goals;
- (3) Following up, evaluating and reporting on performance

• **Sub-Principle 1.2**

The Board of Directors ensures that the Company achieve the governance outcomes in order to create sustainable value for the organization. These governance outcomes shall include at least the followings:

- (1) Competitiveness and good operating results taking into consideration long-term results;
- (2) Ethical business with respect to the rights of and responsibilities towards shareholders and stakeholders;
- (3) Contribution to the society and reduced impacts on the environment;
- (4) Corporate resilience to changes

The Board of Directors will adhere to the following practices in supervising the Company with the aim to achieve the governance outcomes:

- 1.2.1 The Board of Directors will consider ethics and social and environmental impacts in addition to financial operating results;
- 1.2.2 The Board of Directors will be the role model of leading the organization based on governance and ethics;
- 1.2.3 The Board of Directors will put in place policies for directors, executives and employees to adhere to. These policies are the written guidelines and principles of business operations, i.e. the Code of Conduct;
- 1.2.4 The Board of Directors will put in place mechanisms to ensure that all directors, executives and employees understand and comply the above policies. The Board of Directors will also follow up on the compliance and regularly review the policies and compliance.

• **Sub-Principle 1.3**

The Board of Directors will ensure that all directors and executives perform their duty of care and duty of loyalty and shall ensure that the operations of the Company comply with relevant laws, rules and resolutions of the general meetings of shareholders including defined policies or guidelines. Material transactions such as material investments or material transactions, connected transactions, acquisition/ disposal of assets and dividend payments shall be subject to corporate approval procedures.



- **Sub-Principle 1.4**

The Board of Directors will develop understanding about their scope of duties and responsibilities and will define a clear scope of delegation of powers and responsibilities to the Chief Executive Officer, sub-committees and the management. The Board of Directors will follow up on the performance of duties by the Chief Executive Officer, sub-committees and the management.

1.4.1 The Board of Directors will have charters or governance policies prepared for reference of the Board of Directors to specify duties and responsibilities of the Board of Directors. The Board of Directors will also have such charters reviewed regularly at least once a year and will regularly review the segregation of roles and duties among the Board of Directors, the Chief Executive Officer, sub-committees and the management to ensure alignment with the directions of the organization.

1.4.2 The Board of Directors will develop understanding about its scope of duties and will delegate its managing powers to the Chief Executive Officer and the management. Such delegation to be made in writing, however, shall not discharge the Board of Directors from its duties as the Board of Directors. It shall continue to follow up on and supervise the management to ensure that they perform the delegated duties. Scope of duties of the Board of Directors, the Chief Executive Officer and the management are as follows:

Matters which require the Board of Directors to have an oversight and ensure that they are carried out

These include matters for which the Board of Directors is mainly responsible to ensure that they are carried out properly. The Board of Directors may delegate the management to propose the following matters to the Board of Directors for consideration:

- a. Determination of objectives and main goals of business operations;
- b. Creation of corporate culture which adheres to ethics and acting as a role model;
- c. Supervision of composition and performance of the Board of Directors in order to efficiently achieve the defined objectives and main goals of business operations.

Matters to be carried out together with the management

These include matters to be carried out collectively by the Board of Directors, the Chief Executive Officer and the management. The management will propose the matters to the Board of Directors for approval while the Board of Directors ensures that the overall policy is in line with the defined objectives and main goals of business operations and will delegate the management to implement. The management shall then report to the Board of Directors regularly. These matters are:

- a. Determination and review of annual strategies, goals and business plans;
- b. Oversight of suitability and sufficiency of risk management and internal control;
- c. Determination of powers that are suitable for the responsibilities of the management;
- d. Determination of resources allocation framework, development and budgeting such as policy and plan for the people management and information technology management policy;
- e. Follow-up on and assessment of performance;

- f. Oversight over reliable financial disclosure and reporting and sufficient and appropriate non-financial disclosure.

Matters which should not be undertaken by the Board of Directors

These include the following matters that the Board of Directors may only supervise at the policy level and will delegate the Chief Executive Officer and the management to take the main responsibility in carrying out:

- a. Execution of strategies, policies and plans approved by the Board of Directors. The Board of Directors should allow the management to take the responsibilities in making decisions on operations, procurements, recruitments, etc. in accordance with the defined framework. The Board of Directors should only exercise oversight over these matters without interfering the decisions of the management except in case where it is necessary to do so.
- b. Matters which are subject to restrictions such as the approval for matters in which directors have an interest.

**Principle 2: Objectives and Main Goals of the Company for Sustainability**

- **Sub-Principle 2.1**

The Board of Directors will define and oversee the goals and objectives of the Company with the aim to achieve sustainability. The defined objectives shall be in line with the creation of values for the Company, its customers, stakeholders and the society in general.

2.1.1 The Board of Directors is responsible for ensuring that the Company has clear objectives which may be used as a key concept in determining a business model which shall be communicated to all members of the organization to allow them to move towards the same direction. This may be prepared in a form of vision and values, principles and purposes or in other similar forms.

2.1.2 In achieving the objectives of the organization, the Board of Directors will use a business model which can create value for the Company, its stakeholders and the society in general by taking into consideration the followings:

- (1) Environment and changes to factors including the appropriate use of technology;
- (2) Needs of customers and stakeholders;
- (3) Preparedness, expertise and competitiveness of the Company;
- (4) Appropriate organizational structure and the Group;
- (5) Objectives of incorporation;
- (6) Key customers of the Company;
- (7) Profitability or value proposition;
- (8) Long-term existence of the Company amidst opportunities and risks which may have an impact on the Company and its stakeholders.



- 2.1.3 The Board of Directors will promote the corporate value of good corporate governance including accountability, integrity, transparency, due consideration of social and environmental responsibilities.
- 2.1.4 The Board of Directors will promote corporate culture of communications about and enhancement of objectives in all decision making and operations of all level of the Company's personnel.

- **Sub-Practice 2.2**

The Board of Directors will ensure that the objectives and business strategies of the Company are in line with the objectives and main goals of the Company through appropriate and safe use of technology.

- 2.2.1 The Board of Directors will ensure that the annual strategies and work plan of the Company are in line with the objectives and main goals of the Company taking into consideration the then circumstances including opportunities and acceptable level of risks. The Board of Directors will encourage to also have a medium-term (three to five years) objectives, goals and strategies prepared to ensure that the annual strategies and work plans have already taken into consideration a longer term of impacts and to allow reasonable time for relevant projections to be made.
- 2.2.2 In determining annual strategies and work plans, the Board of Directors will ensure that environmental considerations and relevant risk factors on the stakeholders throughout the value chain including such other factors which could affect the achievement of main goals of the Company are analyzed and that there shall be a mechanism to allow the Board of Directors to truly understand the need of stakeholders.
- 2.2.3 In determining the strategies, the Board of Directors will promote the creation and use of innovation and technology in enhancing competitiveness and responses to the need of stakeholders based on the principle of corporate social and environmental responsibilities.
- 2.2.4 The Board of Directors will determine goals (financial and non-financial) to be suitable with the business environment and potentials of the Company. In addition, the Company will be aware of risks which could be associated with setting goals that lead to unlawful or unethical conducts.
- 2.2.5 The Board of Directors will supervise and ensure that objectives and goals are communicated throughout the organization in a form of defined strategies and work plan.
- 2.2.6 The Board of Directors will supervise and ensure appropriate allocation of resources and oversight and will arrange to have responsible persons follow up on the compliance with strategies and work plan annually.

### **Principle 3: Strengthened Board Effectiveness**

- **Sub-Practice 3.1**

The Board of Directors is responsible for the determination and review of composition of the Board of Directors including the appropriate proportion of independent directors which is necessary for the achievement of the defined objectives and goals.

- 3.1.1 The Board of Directors is responsible for ensuring that the Board of Directors comprises directors with varied qualifications, skills, experience, capabilities and specific characteristics including sexes and ages that will contribute to the achievement of

objectives and main goals of the organization and to ensure that the overall composition of the Board of Directors is appropriate and capable for understanding and responding to the needs of stakeholders.

- 3.1.2 The Board of Directors will consider the appropriate number of directors who can perform duties with efficiency. The minimum number of directors shall be five.
- 3.1.3 The Board of Directors shall comprise an appropriate combination of executive and non-executive directors to demonstrate appropriate balance of powers where independent directors are in the number and are qualified in accordance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and can perform duties with all other members of the Board of Directors with efficiency and independence.
- 3.1.4 The Board of Directors will disclose information on the policy of composition of the Board of Directors based on diversity, including details of members of the Board of Directors such as age, educational background, experience, shareholding within the Company, number of years of service in the office and directorship in other listed companies in the annual report and on the Company's website.

- **Sub-Principle 3.2**

The Board of Directors will select one suitable person to be appointed Chairman of the Board of Directors and will ensure that the composition and operations of the Board of Directors will be conducive to the independent decision.

- 3.2.1 If there is no clear separation between Chairman of the Board of Directors and the Chief Executive Officer, the Board of Directors will encourage a balance of power between the Board of Directors and the management by ensuring that:
  - a. More than half the total number of the Board of Directors are independent directors; or
  - b. One independent director is appointed to jointly determine agenda items for the Board of Directors' meetings.
- 3.2.2 Chairman of the Board of Directors and the Chief Executive Officer shall have different duties and responsibilities. The Board of Directors will determine a clear scope of powers and duties for Chairman and the Chief Executive Officer to prevent cases where anyone of these two positions to have unlimited power. The Company will have different persons hold the positions of Chairman and Chief Executive Officer.
- 3.2.3 Chairman shall have the role of leading the Board of Directors. Duties of Chairman shall include the followings:
  - (1) Oversee, follow up on and ensure that the Board of Directors performs its duties efficiently and in accordance with the objectives and main goals of the organization;
  - (2) Ensure that all directors participate in the promotion of corporate culture of ethics and good corporate governance;
  - (3) Set out agenda items for the Board of Directors' meetings in consultation with the Chief Executive Officer and put in place a mechanism to include material issues in the agenda items for the meetings;



- (4) Allocate sufficient time for the management to propose and have a careful debate of the material issues. This includes encouraging directors to exercise careful discretion and express their independent opinions; and
  - (5) To promote good relationships among executive and non-executive directors and between the Board of Directors and the management.
- 3.2.4 The Board of Directors will determine a policy to require independent directors to remain in office for no more than nine consecutive years to be determined from the date of first appointment. If such independent director is to be appointed for continued term of office, the Board of Directors will consider the reasonableness of such appointment.
- 3.2.5 To ensure that material issues are carefully considered, the Board of Directors will appoint committees to consider specific issues and to scrutinize information and guidelines before the same can be proposed to the Board of Directors for consideration and approval.
- 3.2.6 The Board of Directors will ensure that there is a disclosure of information relating to roles and duties of the Board of Directors and sub-committees, number of meetings and number of attendance of each director in the previous year.

- **Sub-Principle 3.3**

The Board of Directors shall have the duty to ensure that the recruitment and selection of directors is transparent and clear in order to have the Nomination Committee with the defined qualifications and composition.

- 3.3.1 The Nomination Committee shall hold meetings to consider criteria and methods of nominating candidate directors with qualifications required to ensure that the Board of Directors comprises directors with the appropriate knowledge and expertise. Background information of the candidates shall also be considered. The opinion of the committee will then be proposed to the Board of Directors before the same can be proposed to the general meeting of shareholders to proceed with the appointment of directors. In addition, the Company will provide its shareholders with sufficient information on the candidates to assist with shareholders' decision.
- 3.3.2 The Nomination Committee will review the criteria and methods of nominating candidates for directorship and make recommendations to the Board of Directors before nomination can commence to identify relevant candidates to replace directors who are retiring by rotation. In cases where the Nomination Committee proposes same directors for appointment, performance of duties of such nominated persons shall also be taken into consideration.
- 3.3.3 If the Board of Directors appoints an adviser to the Nomination Committee. The information of such appointment of adviser shall be disclosed in the annual report, including information on the independence and non-conflict of interests of such persons.

- **Sub-Principle 3.4**

To propose remuneration for the Board of Directors to the general meeting of shareholders for approval, the Board of Directors shall consider the appropriate structure and rate of remuneration commensurate with the responsibilities and the necessary incentives for the Board of Directors to drive for the achievement of both long-term and short-term goal of the organization.

- 3.4.1 Remuneration for directors shall be in line with the long-term strategies and goals of the Company, taking into consideration the work experience and scope of duties, accountability

and responsibility including the expected outcome of each directors. Such remuneration shall be comparable to the industrial practice.

- 3.4.2 Shareholders approve the structure and rates of remuneration for directors, both monetary and non-monetary. The Board of Directors will consider each type of remunerations including the fixed rates of remuneration (such as fixed salary or meeting allowances) and incentives based on operating results of the Company (such as bonus and commission) which are linked to the value that the Company has created for shareholders. Such rates of remuneration shall not be so high that it would lead to focus on short-term results.
- 3.4.3 The Board of Directors will disclose information about policy and criteria for the determination of remuneration for directors to reflect responsibilities and accountabilities of each director including types and amount of remuneration. The disclosed amount of remuneration shall include remuneration received by each director as a compensation for their directorship in subsidiaries.
- 3.4.4 If the Board of Directors appoints any person to be the consultant for the Remuneration Committee, the consultant's information shall be disclosed in the annual report, including information regarding independence and any conflicts of interest.

- **Sub-Principle 3.5**

The Board of Directors shall have the duty to ensure that all directors perform their duties and allocate sufficient time for the performance of duties.

- 3.5.1 The Board of Directors will ensure that there is a mechanism to allow directors to understand their roles and duties.
- 3.5.2 The Board of Directors will determine criteria for directors to hold directorship in other companies by taking into consideration the efficiency of such directors if they hold positions of directors in various companies. Key consideration is to ensure that they can devote sufficient time to the performance of duties for the Company. The total number of listed companies in which each director may be allowed to hold directorship shall be no more than five companies, taking into consideration the appropriateness and nature of business of the Company.
- 3.5.3 The Board of Directors will report on the directorship of each director held in other companies.
- 3.5.4 If a director or executive holds the position of director or executive in other companies, or have either direct or indirect interest in other companies which have a conflict of interests or which may give rise to the use of opportunities or information of the Company for their personal benefit, the Board of Directors shall ensure that a sufficient preventive measure is put in place and shareholders are informed of the same.
- 3.5.5 Each director shall attend at least three-fourths the total number of the Board of Directors' meetings held during the year unless there is a case of necessity.



- **Sub-Principle 3.6**

The Board of Directors shall have the duty to ensure that there is a framework and a mechanism to supervise the policies and operations of subsidiaries and such other businesses in which the Company has material investments. The level of supervision shall be appropriate for the nature of business of each subsidiary. There shall be a common understanding about such supervision among the Company, subsidiaries and other businesses in which the Company has investments.

3.6.1 The Board of Directors will determine a policy of subsidiary supervision which shall include:

- (1) The Board of Directors shall determine and approve the appointment of persons to assume the position of directors, executives or persons with controlling power in subsidiaries. Exception is in the case where the subsidiary is a small company functioning as an operating arm of the Company. In such case, the Board of Directors may assign the Chief Executive Officer to consider and approve the appointment of persons.
- (2) The Board of Directors shall consider and determine scope of duties and responsibilities of persons appointed under (1) and require that the Company's representative(s) monitor compliance with the policies of subsidiaries. If such subsidiaries also have other partner investors, the Board of Directors will determine a policy to require the Company's representative(s) to act for the best interests of the subsidiary and to be in line with the policies of the parent company of such subsidiary.
- (3) The internal control of subsidiaries shall be appropriate and strict. All transactions shall be in accordance with relevant laws and requirements.
- (4) Information on financial positions and operating results including connected transactions, acquisition or disposal of assets and such other material transactions, capital increase and decrease and dissolution of subsidiaries shall be disclosed.

3.6.2 If it is necessary, the Board of Directors may require preparation and execution of a Shareholders' Agreement or such other agreement to stipulate clear provisions relating to the management power and participation in material decisions and oversight of operations for a material investment in other business, i.e. with at least 20 percent of voting rights but not more than 50 percent of voting right and such capital investment or additional investment are significant for the Company. This is to have a basis for the preparation of financial statements of the Company that meet the standards and the required timeline.

- **Sub-Principle 3.7**

The Board of Directors shall ensure that there will be an assessment of collective performance of the Board of Directors and individual assessment of each director to allow review of performance, problems and obstacles encountered in each year. Recommendations from the assessment will be used for further improvement and development.

- **Sub-Principle 3.8**

The Board of Directors will ensure that each director understands roles and duties, nature of business operation and laws relating to the business operation and shall encourage all directors to have their skills and knowledge developed regularly for the purpose of performing duties of directors.

- 3.8.1 The Board of Directors will ensure that new directors will have access to recommendations and information that are useful for the discharge of their duties. This includes understanding about objectives, main goals, visions, missions and corporate value including nature of business and business directions of the Company.
- 3.8.2 The Board of Directors will ensure that directors receive regular trainings to have necessary knowledge development.
- 3.8.3 The Board of Directors will develop understanding about the law, rules, regulations, standards, risks and environments relating to the business operation of the Company and will update themselves on new developments regularly.
- 3.8.4 The Board of Directors will disclose in the annual report information about continuous trainings for the Board of Directors.

- **Sub-Principle 3.9**

The Board of Directors will ensure that the functions of the Board of Directors are orderly. Directors shall have access to necessary information. The Company Secretary shall be knowledgeable and have experience necessary to provide support to the functions of the Board of Directors.

- 3.9.1 The Board of Directors determines meeting schedules and agenda items in advance to allow time for directors to prepare themselves for the meeting attendance.
- 3.9.2 The number of the Board of Directors' meetings shall be determined to be appropriate taking into consideration duties and responsibilities of the Board of Directors and the nature of business of the Company. However, there shall be at least four meetings each year.
- 3.9.3 The Board of Directors shall ensure that a mechanism is put in place to allow each director and the management has the discretion to propose matters that are beneficial for the Company as an agenda item for the meetings.
- 3.9.4 Supporting documents for the Board of Directors meetings shall be submitted to directors at least seven days in advance of the meeting date except in case of emergency for the interest of the Company where meeting notice may be served otherwise and the date of the meeting may be determined to be shorter than initially convened.
- 3.9.5 The Board of Directors will encourage the Chief Executive Officer to invite senior executives to attend the Board of Directors' meetings to give additional information considering their direct involvement in the matter and to allow the Board of Directors to familiarize itself with senior executives for the purpose of succession plan.
- 3.9.6 The Board of Directors will seek additional information from the Chief Executive Officer or such other executives that have been assigned. If it is necessary, the Board of Directors may require independent opinions from external professionals at the expense of the Company.
- 3.9.7 The Board of Directors may have a policy of requiring non-executive directors to have meetings among themselves as may be necessary to allow discussion of problems relating to the management without the participation of the management. Results of such meetings shall be notified to the Chief Executive Officer.
- 3.9.8 The Board of Directors will determine the required qualifications and experiences of the Company Secretary that will be suitable for the performance of duties of giving advice and recommendations to the Board of Directors on compliance with laws and requirements,



management of documents for the meetings of the Board of Directors, important documents and activities of the Board of Directors, and coordination and follow-up on implementation of resolutions of the Board of Directors' meeting. In addition, the Board of Directors will disclose information about qualifications and experience of the Company Secretary in the annual report and the Company's website.

- 3.9.9 The Company Secretary will regularly attend knowledge development trainings as well as continuously enhance his or her knowledge for the performance of duties in certified programs at appropriate time.

**Principle 4: Recruitment and Development of Senior Executives and People Management**

• **Sub-Principle 4.1**

The Board of Directors will ensure that the Chief Executive Officer and senior executives are nominated and receive necessary development trainings to have knowledge, skills, experience and qualifications that are necessary to derive the organization to achieve its objectives.

- 4.1.1 The Board of Directors will consider or delegate the Nomination Committee to consider criteria and methods of nominating qualified candidate to hold the position of the Chief Executive Officer.
- 4.1.2 The Board of Directors will follow up and ensure that the Chief Executive Officer has a team of senior executives with appropriate qualifications. The Board of Directors or the Nomination Committee will work with the Chief Executive Officer to consider criteria for and methods of nomination and appointment of persons nominated by the Chief Executive Officer for senior executive positions.
- 4.1.3 The Board of Directors puts in place a succession plan for the continuity of business operations of the Company and for the succession of the Chief Executive Officer and senior executives in important positions. The Board of Directors will also ensure that the Chief Executive Officer report the performance results under the succession plan to the Board of Directors at least once a year.
- 4.1.4 The Board of Directors will encourage that the Chief Executive Officer and senior executives receive trainings to develop their knowledge and experience which are beneficial for the performance of their duties.

• **Sub-Principle 4.2**

The Board of Directors with the advice of the Remuneration Committee will ensure that the structure of remuneration is appropriate.

• **Sub-Principle 4.3**

The Board of Directors will develop its understanding about the structure of and relationship with shareholders to the extent that they will have a possible impact on the management and operations of the Company.

- 4.3.1 The Board of Directors will develop its understanding about the structure of and relationship with shareholders, shareholders' agreement or policy of the Group parent companies which may have an impact on the control over and management of the Company.

4.3.2 The Board of Directors will ensure that agreements specified under clause 4.3.1 above will not restrict the performance of duties of the Board of Directors.

4.3.3 The Board of Directors will ensure that information on agreements that have an impact on the control over the Company will be disclosed.

- **Sub-Principle 4.4**

The Board of Directors will follow up on the management and development of human resources to ensure that they have the appropriate knowledge, skills, experience and incentives.

4.4.1 The Board of Directors will ensure that the human resources management is in line with the directions and strategies of the organisation and that all levels of employees have the appropriate knowledge, capabilities and incentives and are treated with fairness for the purpose of talent retention.

4.4.2 The Board of Directors will ensure that there will be a provident fund or such other mechanism in place to assist employees with savings for their retirement.

**Principle 5: Business Operation with Responsibility**

- **Sub-Principle 5.1**

The Board of Directors recognizes the importance of and promote creation of value for the business along with benefits for the Company's customers or related persons and social and environmental responsibilities.

5.1.1 The Board of Directors will recognize the importance of creating corporate culture and require that the management incorporate such culture in the review of strategies, development of improvement plans for operations and monitoring of operating results.

5.1.2 The Board of Directors will support actions to add value for the Company in the ever-changing environment. This may include devising a business model, concepts of design and development of products and services, researches and improvements to the manufacturing procedure and work process including customer management.

The above actions should be for the common interests of the Company, its customers, partners, the society and the environment and should not be undertaken to promote inappropriate behaviors or unlawful or unethical activities.

- **Sub-Principle 5.2**

The Board of Directors will supervise and ensure that the management conduct businesses with social and environmental responsibilities and in accordance with the operational plan and that all parties within the organization comply with the objectives, main goals and strategies of the Company.

5.2.1 The Board of Directors will ensure that a mechanism is put in place to require the Company to conduct its business based on ethics and social and environmental responsibilities without violation of stakeholders' rights. All parties within the organization may use this as a guideline to achieve the objectives, main goals and the sustainability. In light of this, a Code of Conduct has been prepared to cover the following matters:



### 1) Responsibilities towards employees and hired workers

Relevant laws and standards are complied with. Employees and hired workers are treated with fairness and respect for human rights. For example, remunerations and other benefits are determined with fairness at the level that is not lower than the legal requirements or higher than the legal requirements as may be appropriate. Employees and hired workers are provided with occupational health and work safety, trainings and development of potentials and career growth. Employees are also provided with an opportunity to develop other aspects of professional skills.

### 2) Responsibilities towards customers

Relevant laws and standards are complied with taking into consideration health, safety, fairness, confidentiality of customers, after-sale services throughout the life of products and services. There shall also be surveys on customers' satisfaction in order to improve quality of products and services. All advertisements and promotional activities shall be conducted responsibly without causing misunderstanding or abuse based on misunderstanding of customers.

### 3) Responsibilities towards business partners

Procurement process and terms and conditions of relevant agreements shall be fair. There shall be educational supports, enhancement of potentials and manufacturing capabilities to meet relevant standards. Business partners should be made aware of the respect for human rights and of fair treatment of their employees including social and environmental responsibilities. There shall be monitoring and assessment of business partners for the purpose of sustainable development of business relationships.

### 4) Responsibilities towards communities

Business knowledge and experience is used in developing projects to contribute concrete benefits to the communities. Progress and long-term success are followed up and assessed.

### 5) Environmental responsibilities

The Company shall take environmental responsibilities by preventing, minimizing, managing negative impacts on the environment. This includes the use of raw materials, energy, water and recycled resources, control and management of emission and waste, emission of greenhouse gas.

### 6) Fair competition

The Company conducts its business based on the principle of transparency and will not be involved in unfair competition.

### 7) Anti-corruption

The Company shall comply with all relevant laws and standards. The Company is required to put in place and make a public announcement of its anti-corruption policy. The Company may consider participating in the anti-corruption network.

- **Sub-Principle 5.3**

The Board of Directors will ensure that the management has efficient and effective allocation of resources in order to sustainably achieve objectives and goals.

- 5.3.1 The Board of Directors will consider the need for the required resources and that each type of resources has impact among themselves.
- 5.3.2 The Board of Directors will consider that different business models result in different impacts on resources. Therefore, it will select business models based on the possible impacts on and worthiness of resources including the principle of ethics, responsibilities and creation of sustainable value for the Company.
- 5.3.3 The Board of Directors will ensure that in acting to achieve objectives and main goals of the Company the management will review, develop and use resources efficiently and effectively always taking into consideration the change of both internal and external factors.

- **Sub-Principle 5.4**

The Board of Directors will prepare a framework for the management of information technology system at organizational level to be in line with the need of the Company, and will use information technology in the creation of business opportunities and in the development of work process and risk management so that the Company will achieve its objectives and main goals.

- 5.4.1 The Board of Directors will put in place a policy on allocation and management of information technology to cover such issue as allocation of sufficient resources for the business operations and determination of guidelines of practice in case where resources cannot be allocated to meet the requirement.
- 5.4.2 The Board of Directors will ensure that the risk management of the Company covers the management of information technology risks.
- 5.4.3 The Board of Directors will put in place a policy and measure for the protection of information technology security.

The framework for the monitoring and management of information technology at organizational level includes:

- (1) The Company has complied with relevant laws, rules and regulations including standards applicable to the use of information technology;
- (2) The Company has put in place a system to safeguard the security of information, confidentiality and integrity including of availability of information. There shall also be a measure to prevent unlawful use of information or unauthorized change or edits of information.
- (3) The Company has considered information technology risks and adopted a measure to manage such risks to cover such aspects the business continuity management, the incident management and the asset management.
- (4) The Company has considered the allocation and management of information technology resources, and has determined criteria and factors for the prioritization of work plans for information technology such as suitability and compatibility with strategic plans, impacts on business operations, urgency of budget requirements and human resources in information technology including compatibility with business model.



**Principle 6: Appropriate Risk Management System and Internal Control**

• **Sub-Principle 6.1**

The Board of Directors will ensure that the Company has adopted a risk management system and an internal control system to enable it to effectively achieve its objectives and to comply with the relevant laws and standards.

6.1.1 The Board of Directors will appoint a Risk Management Committee to perform the duties that are specified in writing in the Charter for the Risk Management Committee.

6.1.2 The Board of Directors will develop understanding about material risks of the Company and will approve the level of risks that is acceptable to the Board of Directors.

6.1.3 The Board of Directors will consider and approve the Risk Management Policy that is in line with objectives, main goals, strategies and the acceptable level of risks of the Company for use as a risk management framework for all parties within the organization to ensure that they strive towards the same direction of risk management. The Board of Directors will ensure there is a regular review of the Risk Management Policy.

6.1.4 The Board of Directors will ensure that the Company identifies risks taking into consideration both internal and external factors which may cause the Company to fail to achieve the defined objectives.

Key risks of the Company that the Board of Directors will focus on can be divided into strategic risk, operational risk, financial risk and compliance risk, etc.

6.1.5 The Board of Directors will ensure that the Company has assessed impact and possibility of risks materializing for the purpose of prioritizing risks and identifying appropriate measures to address such risks.

6.1.6 The Board of Directors may assign the Risk Management Committee to process tasks under 6.1.2 – 6.1.5 before proposing them to the Board of Directors for consideration.

6.1.7 The Board of Directors will regularly follow up and assess effectiveness of the risk management.

6.1.8 The Board of Directors has the duty to ensure that the Company operates its business in accordance with relevant laws and standards both domestically and internationally.

6.1.9 If the Company has a subsidiary or has material investments in other business (i.e. having at least 20 percent of shareholding with voting rights but not exceeding 50 percent), the Board of Directors will use results of assessment of internal control and risk management as another aspect of consideration in accordance with Clause 6.1.2 – 6.1.8.

• **Sub-Principle 6.2**

The Board of Directors will set up an Audit Committee to perform duties with efficiency and independence.

6.2.1 The Board of Directors will set up an Audit Committee to comprise at least three directors all of which shall be independent directors having qualifications and duties in accordance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- 6.2.2 The Board of Directors will determine scope of duties of the Audit Committee in writing to contain at least duties provided under the Audit Committee Charter.
- 6.2.3 The Board of Directors will ensure that the Company puts in place a mechanism or tool to allow the Audit Committee to access information that is necessary for the performance of its duties such as inviting relevant persons to give information, consultations with the external auditors or seeking independent professional opinions to assist with its consideration.
- 6.2.4 The Board of Directors will use internal personnel or an internal audit function to independently perform the duties of developing and review efficiency of risk management system and internal control system and to report to the Audit Committee and make relevant disclosures in the annual report.
- 6.2.5 The Audit Committee shall opine on the sufficiency of risk management system and internal control system. Such opinion shall be disclosed in the annual report.

- **Sub-Principle 6.3**

The Board of Director will follow up on and manage conflict of interests which may arise between the Company, the management, the Board of Directors or shareholders, and will prevent abuse of assets, information and opportunities of the Company including inappropriate connected transactions.

- 6.3.1 The Board of Directors will put in place an information security system and will determine policy and practices about confidentiality, integrity and availability of information. This includes management of market sensitive information and the silence period prohibitions. In addition, the Board of Directors will require that directors, senior executives and employees including relevant third parties such as legal advisers and financial advisers comply with the information security system.
- 6.3.2 The Board of Directors will ensure that conflict of interests is managed and monitored and will put in place guidelines on practices for such transactions to be in compliance with procedures and disclosure requirements under the law and will be for the interests of the Company and overall shareholders while interested parties do not participate in the decision making.
- 6.3.3 The Board of Directors will require directors to report their interests at least before considering relevant agenda items in the Board of Directors' meeting and shall record the same in the minutes of the Board of Directors' meeting. The Board of Directors will require directors with material interests in any matter to refrain from participating in the consideration of such matter to the extent that such material interests will cause the interested to be unable to express independent opinion in the matter.

- **Sub-Principle 6.4**

The Board of Directors will ensure that a clear policy and practice of anti-corruption is prepared and communicated with all level of within the organisation and with third parties to ensure that it can be implemented. The Board of Directors will also support activities that promote compliance awareness for all employees to the laws and relevant regulations.

- **Sub-Principle 6.5**

The Board of Directors will ensure that the Company puts in place a compliant handling mechanism and actions to be taken in relation to whistleblowing.



- 6.5.1 The Board of Directors will ensure that there is a mechanism and procedure to manage complaints from stakeholders and more than one convenient whistleblowing channels. Details of such channels shall be published on the Company's website or in the annual report.
- 6.5.2 The Board of Directors will put in place a clear policy and guideline on whistleblowing where whistleblowers can report the matter via the Company's email or independent directors or the Audit Committee. This includes verification of data, actions and reports to be made to the Board of Directors.
- 6.5.3 The Board of Directors will ensure that a protection measure is put in place for whistleblowers who act in good faith.

**Principle 7: Maintenance of Integrity in Finance and Disclosure**

• **Sub-Principle 7.1**

The Board of Directors is responsible for ensuring that the financial report and disclosure of material information are accurate, sufficient, timely and are in compliance with relevant rules, regulations, standards and practices.

- 7.1.1 The Board of Directors will require persons involved in the preparation and disclosure of information to have the knowledge, skills and experience suitable for the responsibilities and in sufficient number. Such personnel shall include senior executive in finance and accounting, internal auditors, the Company Secretary and investors relation officers.
- 7.1.2 In approving the disclosure of information, the Board of Directors shall consider all relevant factors. The followings shall be the minimum considerations for the financial reporting:
  - (1) Results of assessment of internal control system;
  - (2) Opinion of auditors on financial reports and observations of auditors relating to internal control system and observations of auditors made in other communication channels (if any);
  - (3) Opinion of the Audit Committee;
  - (4) Alignment with objectives, main goals, strategies and policies of the Company.
- 7.1.3 The Board of Directors will ensure that disclosure of information including financial statements, annual report and Form 56-1 sufficient reflects financial positions and operating results and shall encourage the Company to prepare a Management Discussion and Analysis or MD&A to support financial report in every quarter to allow investors to have and understand information on the change to financial positions and operating results of the Company in each quarter in addition to figures disclosed in the financial statements.
- 7.1.4 Any particular disclosure of information relating to any one specific director shall be disclosed accurately and completely by such director such as information on shareholders within the group of shareholders of such director, or disclosure of information relating to Shareholders' Agreement of such director.

- **Sub-Principle 7.2**

The Board of Directors will monitor sufficiency of financial liquidity and affordability ratio

7.2.1 The Board of Directors will ensure that the management monitors and assess financial position of the Company, its compliance with conditions of financial institutions or of other providers of funding. This shall include the obligation to regularly report to the Board of Directors. The Board of Directors and the management shall work together to identify solutions without delay if there is an indicator of problem of financial liquidity and affordability ratio.

7.2.2 In approving any transactions or in expressing its opinion to the general meetings of shareholders for approval, the Board of Directors shall ensure that the transactions will not affect the continuity of business, financial liquidity or affordability ratio of the Company.

- **Sub-Principle 7.3**

In the financial difficulty or the threat thereof, the Board of Directors will ensure that the Company has a solution or there will be other mechanisms to solve the financial difficulty subject to consideration of stakeholders' rights.

7.3.1 If the Company has a tendency of not being able to repay its debts or having financial difficulty, the Board of Directors will closely monitor the problem and ensure that the Company operates its business with caution and comply with the disclosure requirements.

7.3.2 The Board of Directors will ensure that the Company adopts a financial solution plan taking into consideration fairness for all its stakeholders including its creditors. The Board of Directors will also monitor and require that the management report on the status of the problem regularly.

7.3.3 The Board of Directors will ensure that any decisions in relation to financial solutions of the Company will be reasonable.

- **Sub-Principle 7.4**

The Board of Directors will prepare a report on sustainability as may be appropriate.

7.4.1 The Board of Directors will consider the appropriateness of mandatory disclosures, compliance with the laws, Code of Conduct, the Anti-Corruption Policy, treatment for employees and stakeholders including fair treatment and respect for human rights and social and environmental responsibilities. It will consider the reporting framework which is both domestically and internationally acceptable. Such information may be disclosed in the annual report or prepared separately as a guidebook as may be appropriate.

7.4.2 The Board of Directors will disclose material information which reflects its practice of sustainable value creation.

- **Sub-Principle 7.5**

The Board of Directors will ensure that the management provides a specific function or responsible persons to perform the duties of investor relations by appropriately and timely communicating with shareholders and other stakeholders such as investors and analysts.

7.5.1 The Board of Directors will put in place a communication policy and a disclosure policy to ensure that communication with third parties is appropriate, equal and timely through



appropriate channels to prevent abuse of confidential information and market sensitive information. There will also be communication within the organization about the compliance with these policies.

- 7.5.2 The Board of Directors will require persons responsible for communication with third parties to have the qualifications required for the performance of such duties, including the understanding about the Company's business, objectives, main goals and values and the capability of effectively communicating with the capital markets.
- 7.5.3 The Board of Directors will require the management to set out directions of and provide support for investors relation function, i.e. by putting in place a practice of giving information, the Policy for the Use of Inside Information and a clear scope of duties and responsibilities of investors relation function to ensure that the communication and disclosure of information is efficient.

- **Sub-Principle 7.6**

The Board of Directors will encourage the use of information technology in disseminating information.

- 7.6.1 In addition to the mandatory disclosure via channels provided by the Stock Exchange of Thailand, the Board of Directors will disclose information both in Thai and in English via other channels such as the Company's website to regularly disseminate information that is up to date.

The Company will at a minimum disclose the following information on its website:

- (1) Vision and values of the Company;
- (2) Nature of business operations;
- (3) Name of members of the Board of Directors and executives;
- (4) Financial statements and reports on financial positions and operating results;
- (5) Downloadable form 56-1 and annual report;
- (6) Other information or documents presented to the analysts, fund managers or other media;
- (7) Both direct and indirect shareholding structure;
- (8) Company's structure including its subsidiaries, associate companies, joint ventures and special purpose enterprises/ vehicles (SPEs/SPVs);
- (9) Both direct and indirect major shareholders holding at least five percent of total issued shares with voting rights;
- (10) Both direct and indirect shareholding of directors, major shareholders and senior executives;
- (11) Notices of invitation to both annual general meetings of shareholders and extraordinary general meetings of shareholders;
- (12) Articles of Association of the Company including its Memorandum of Association;

- (13) The Corporate Governance Policy, the Anti-Corruption Policy, the Policy for the Information Technology Management Policy and the Risk Management Policy;
- (14) Charters or scope of duties and responsibilities, qualifications, term of office of the Board of Directors including matters which require approval from the Board of Directors, charters or scope of duties and responsibilities, qualifications, term of office of the Audit Committee, the Nomination Committee and the Remuneration Committee.
- (15) The Code of Conduct;
- (16) Information on contact details or persons responsible for investors relation functions, the Company Secretary, i.e. contact persons, telephone number and email.

**Principle 8: Engagement of and Communication with Shareholders**

- **Sub-Principle 8.1**

The Board of Directors will ensure that shareholders participate in decision-making on important matters of the Company.

- 8.1.1 The Board of Directors will ensure that all important matters including legal matters and issues which could have an impact on business directions of the Company are considered and/or approved by shareholders. Such important matters will be incorporated as agenda items for the general meetings of shareholders.
- 8.1.2 The Board of Directors will encourage engagement of shareholders. For example, in case the minority shareholders who hold the shares of the Company with the total voting rights of not less than five percent of the total voting rights propose additional agenda items for the general meetings, the Board of Directors will facilitate such minority shareholders and will consider whether to include the proposal in the agenda items. Any refusal to include the proposal in the agenda item shall be accompanied by justifications to the general meetings of shareholders.
- 8.1.3 The Board of Directors will ensure that notices of invitation to the general meetings of shareholders contain accurate, complete and sufficient information for the exercise of rights of shareholders.
- 8.1.4 The Board of Directors will ensure that notices of invitation to the general meetings of shareholders are distributed to shareholders including relevant supporting documents and are published on the Company's website at least 30 days in advance of the meetings.
- 8.1.5 Notices of invitation to general meetings of shareholders including relevant supporting documents will be prepared in English and published along with the Thai version.

Notices of invitation to general meetings of shareholders will contain the followings:

- (1) Date, time and venue of the meeting;
- (2) Agenda items which will be marked as requiring acknowledgement or approval and will be clearly divided, i.e. for agenda item relating to directors will have the matter of director appointment presented in a separate agenda item from the agenda of remuneration;
- (3) Objectives and rationales including opinion of the Board of Directors for each agenda item including:



- a. For agenda item of dividend payment: dividend policy, proposed rate of dividend payment including rationale and supporting information and justifications and supporting information in case where the Board of Directors proposes non-payment of dividends;
- b. Director appointment: name, age, educational background and work experience, number of listed and general companies in which the candidates hold directorship, criteria and methods of recruitment and nomination, types of directors proposed for appointment and number of meeting attendance in the previous years and date of appointment in case of reappointment of former directors for another term;
- c. Directors' remuneration: policy and criteria for determination of remuneration for each position of the directors and all types of proposed remuneration, monetary or non-monetary;
- d. Appointment of auditors: name of auditors, audit firms, work experience, independence, audit fees and non-audit fees.

(4) Proxy Forms prescribed by the Ministry of Commerce;

(5) Other supporting information such as voting procedures, vote counts and announcement of voting results, rights accorded to each class of shares, information of independent directors acting as proxies for shareholders, documents required from shareholders for the purpose of registration of attendance and proxy including map of meeting venue.

- **Sub-Principle 8.2**

The Board of Directors will ensure that general meetings of shareholders are conducted in good order and with transparency and efficiency to allow shareholders to exercise their rights.

- 8.2.1 The Board of Directors will determine date, time and venue of general meetings of shareholders by taking into consideration the convenience of shareholders such as by determining appropriate and sufficient time of the meeting to allow debate and discussion and venue that is convenient for shareholders to commute.
- 8.2.2 The Board of Directors will ensure that there will be no restrictions on the opportunity of shareholders to attend the meeting or to create undue burdens on shareholders such as by not requiring shareholders or their proxies to bring identification documents to the extent that they exceed the prescribed practices or guidelines of relevant regulatory authorities.
- 8.2.3 The Board of Directors will encourage the use of technology in handling general meetings of shareholders to cover both registration of attendance, vote counting and announcement to ensure that the meetings are fast and accurate.
- 8.2.4 Chairman of the Board of Directors will preside over the general meetings of shareholders to discharge the duties of ensuring that the meetings are conducted in accordance with relevant laws and regulations and the Articles of Association of the Company. Time will be appropriately allocated for each agenda item prescribed in the notice of invitation and shareholders will be provided with the opportunity to express their opinion and ask questions in relation to the Company.
- 8.2.5 To allow shareholders to engage in important matters, directors in the capacity of attendants of the meeting and as shareholders will not encourage that agenda items are unnecessarily added to the meeting without an advance notice, particularly with respect to important agenda which would require shareholders to spend time in studying relevant information before making any decision.

- 8.2.6 All responsible directors and executives are encouraged to attend the meeting to allow shareholders to ask relevant questions.
- 8.2.7 At the beginning of the meeting, the Company shall inform shareholders of the number and shareholding percentage of shareholders in attendance either in persons or by proxy, meeting procedures, voting procedure and vote counts.
- 8.2.8 For agenda items which contain different matter for consideration, Chairman of the meeting may require separate voting for each of the matter such as in the case of director appointment where shareholders may exercise their vote on each individual candidate separately.
- 8.2.9 The Board of Directors encourage the use of vote ballots for important agenda items and encourage that vote count or vote validation is carried out by an independent person. Information on the votes (approval, disapproval and abstention) is disclosed for each agenda item and recorded in the minutes of meeting.

• **Sub-Principle 8.3**

The Board of Directors will ensure that resolutions of the meeting are disclosed and that accurate and complete minutes of meeting are prepared.

- 8.3.1 The Board of Directors will require the Company to disclose resolutions of the general meetings of shareholders including the voting results on the following business day via disclosure channel of the Stock Exchange of Thailand and the Company's website.
- 8.3.2 The Board of Directors will ensure that copy of minutes of meeting of the general meetings of shareholders are disclosed to the Stock Exchange of Thailand within 14 days from the date of the meeting.
- 8.3.3 The Board of Directors will ensure that minutes of meeting of the general meetings of shareholders shall at least include the following information:
  - (1) Name of directors and executives in attendance and proportion of directors in attendance as compared to those who are absent from the meeting.
  - (2) Voting method and vote count, resolutions of the meeting and voting results (approval, disapproval and abstention) of each agenda item;
  - (3) Questions and answers given in the meeting including name of persons asking the questions and giving the answers.

The Board of Directors considered and approved this Corporate Governance Policy in the Board of Directors' meeting No. 4/2019, which was held on 24 July 2019. The policy shall come into force as from 24 July 2019.

(Mr. Prakob Visitkitjakarn)  
Chairman

Sri Trang Gloves (Thailand) Public Company Limited