

## Corporate Governance Policy

The Board of Directors pays attention to the compliance to the law, objectives, regulations and resolution of the Board of Directors' meeting, as well as strictly following the Corporate Governance according to the guideline set by the Stock Exchange of Thailand which has been set as the guideline for Company operation to achieve the work efficiency and also bring transparency for the investors which will gain reliability for business operation of the Group to the Public. The policy on Corporate Governance covers 5 categories as follows:

### Chapter 1 The Rights of Shareholders

The Company is aware and pays attention to basic rights of the shareholders as the investor of the asset and the owner of the Company, such as the right to purchase, sell, transfer the asset they are holding, rights to receive dividend from the profit of the Company, rights to receive adequate information, and rights in the Shareholders' meeting, right to share opinion, right to make decision on important issues of the Company, such as dividend allocation, appointment or dismissal of Director, appointment of Auditor, approval of important transaction and transaction that affect the business operation, direction of the Group, as well as the amendment to Memorandum of Association and Articles of Association of the Company, etc.

In this regard, the Company has the mission to support and facilitate the use of rights of shareholders as follows:

- 1) The Company will send the invitation letter together with the information for the meeting according to the agenda to the shareholders in advance and will advertise the meeting arrangement in the local newspaper before the meeting date not fewer than 7 days in advance or any other duration as stated by the law or relevant regulations. In addition, the Company will announce such information in the website of the Company before the Shareholders' meeting.
- 2) In case the shareholders cannot attend the meeting by themselves, the Company gives the opportunity for the shareholders to assign the proxy to the Company Independent Director or other person to attend the meeting on their behaves.
- 3) When arranging the Shareholders' meeting, the Company will use the place that is convenient for transportation and select the suitable date and time and arrange the meeting time adequately, in order to comply with the policy on facilitating the shareholders of the Company.
- 4) In the Shareholders' Meeting, the Company gives opportunity to all shareholders to have equal rights to share opinion, suggestion or ask question in the agenda independently before voting in any agenda. The Directors and Management of the Company who are related to the agenda will attend the Shareholders' Meeting to provide answer to the meeting.
- 5) Before the Shareholders' Meeting, a shareholder or shareholders that own the share or voting rights not fewer than 5 percent of all voting rights of the Company can propose the agenda to the Board of Directors to list as the agenda in the Shareholders' meeting.
- 6) After the Shareholders' Meeting ends, the Company will prepare the minutes of the meeting that record the complete and correct information to the shareholders to verify.

## **Chapter 2 The Equitable Treatment of Shareholders**

The Company intends to treat all shareholders equally, regardless of the major or minor shareholders, Management or Non-Management shareholders, Thai or foreign shareholders. The details are as follows:

- 1) In each Shareholder's Meeting, the Company will give an opportunity to all shareholders equally. Before the meeting start, the Chairman of the Meeting will explain the voting method and vote count of the shareholders to be done in each agenda and give an opportunity to all shareholders and the proxies who attend the meeting to show their opinion, suggestion and ask question in each agenda by giving adequate and suitable time. The Chairman of the Meeting will lead the meeting according to the agenda.
- 2) In the Director election, the Company will give the shareholders an opportunity to use their right to vote for the Company Director individually. Apart from that, the Company will give an opportunity to the minor shareholders to propose the list of persons to hold the position of the Company Director in advance at an appropriate time together with the supporting data about the qualification and the consent from the person who is proposed.
- 3) The Company states that the Company Director must report their interest in any agenda at least before the consideration of the relevant agenda in the Board of Directors' meeting and record such interest in the minutes of the Board of Directors' meeting. Apart from that the Director who has significant interest in the agenda in the manner that cannot independently give their opinion, will be prevented from participating in such agenda of the meeting.
- 4) The Company has set a guideline for storage and prevention of the use of internal data that is significant and may affect the change of the asset price of the Company. The individual or organization that acknowledge of such internal data are prohibited from using such data to reveal to irrelevant organization or individual until such data has already been revealed to the public. Apart from that, the Company states that the Company Directors, Management, Officers and Employees of the Company and the Subsidiaries that are acknowledge of the internal data that is significant and may affect the change of the asset price of the Company, including the financial information, must refrain from trading the asset of the Company from the date that they are acknowledge of such data or on the last day of each quarter or the ending date of the accounting period of the Company (as the case may be) until the day that the financial statement or such internal data is published to the public for 24 hours. In the case that this statement is violated, the Company will consider such violation as the disciplinary offense and will consider to punish the person as appropriate.

## **Chapter 3 Consideration on the Role of Stakeholders and Business Ethics**

### **1) Consideration on the Role of Stakeholders**

The Company and the Subsidiaries pay attention to the right of all stakeholders, regardless of the internal stakeholders, which are the shareholders and Officers or external stakeholders, which are partners, customers, etc. The Company and the Subsidiaries are aware that the support and opinion from all stakeholders will be useful for the business operation and development of the Company and the Subsidiaries. Therefore, the Company and the Subsidiaries will comply with the related law and regulations so that the rights of the

stakeholders are properly taken care of. Apart from that, the Company and the Subsidiaries also consider on the rights of all stakeholders and business ethics according to the following guidelines:

- Shareholders** : The Company and the Subsidiaries will operate the business with transparency and efficiency and will intend to perform good performance and sustainable growth, in order to gain maximum benefits for the shareholders in long term. Apart from that, the Company will also reveal the information with transparency and reliability to the shareholders.
- Officers** : The Company and the Subsidiaries will treat all Officers equally, fairly, and give them appropriate return. Apart from that, the Company and the Subsidiaries also pay attention to the skill, knowledge and potential improvement of the Officers regularly. For example, arranging the course, seminar and training by giving opportunity to all Officers and try to motivate the knowledgeable Officers to stay with the Company and the Subsidiaries to further improve the organization. Furthermore, the Company and the Subsidiaries also set the guideline for anti-corruption and encourage all Officers to strictly comply to the related laws and regulations, such as the regulation preventing the use of internal data, etc.
- Partners** : The Company and the Subsidiaries have the partner selection process that allow the partners to compete on the same data and select the partners with fairness under the evaluation and selection criteria of the Company and the Subsidiaries. Apart from that, the Company and the Subsidiaries also enter into the agreement that is appropriate and fair for all contract parties and provide the monitoring system to ensure that the contract provisions are completely complied to and ensure that there shall be no corruption and inappropriate behavior in all procurement process. The Company and the Subsidiaries purchase products from the partners that meet the condition and comply with the agreement with the partners strictly, as well as keeping the information of partners confidential and will not use such information in an inappropriate way.
- Customers** : The Company and the Subsidiaries are responsible for the customers by maintaining the quality and standard of the service as well as responding to the customers' demand completely and thoroughly in order to focusing in gaining customers' satisfaction in long term. Apart from that, the Company and the Subsidiaries also provide correct information about the services of the Company and the Subsidiaries, as well as providing the contact channel for the customers of the Company and the Subsidiaries to report the problems or the inappropriate service providing, so that the Company and the Subsidiaries can prevent and correct the problems related to the services of the Company and the Subsidiaries promptly as well as keeping the information of partners confidential and will not use such information in an inappropriate way.

- Lenders** : The Company and the Subsidiaries will comply with the conditions of the agreement with the lenders and will make repayment of the principle, interest and deal with the securities under relevant agreement.
- Competitors** : The Company and the Subsidiaries follow the framework of good competition with ethics and are in the legal framework, as well as supporting and encouraging the Independent and fair competition policy.
- Society and the public** : the Company and the Subsidiaries pay attention to and focus on safety to society, environment and quality of life of relevant persons of the operation of the Company and the Subsidiaries and also encourage the Officers of the Company and the Subsidiaries to have consciousness and responsibility towards environment and society. Apart from that, the Company and the Subsidiaries also strictly comply with the relevant law and regulations. In addition, the Company and the Subsidiaries try to participate in the activities to create and maintain the environment and society, as well as supporting the local culture of the place that the Company and the Subsidiaries operate the business.

Moreover, the stakeholders can ask about the details and report the complaint or the clue of the illegal action and incorrect financial report, defects in internal control system or breach of the business ethics of the Company and the Subsidiaries through the Independent Director or Audit Committee of the Company. In this regard, the complaints and the clues reported to the Company will be kept confidential. The Independent Director or the Audit Committee will instruct to examine the information and seek a solution (if any) and report to the Board of Directors further.

## 2) **Business ethics of the Group**

Absolute Clean Energy Public Company Limited will run the business with honesty, morality, ethics and responsibility towards nation, religion, the King and comply with the laws and good moral and treat the stakeholders equally and fairly with transparency and Accountability. Apart from that, we will support the development of economics, society, community and environment, to be able to gain worthiness and value at present and in the future to the organization which will lead to stable and sustainable growth at international level.

### **Definition and Meaning**

- “Moral”** refers to doctrine which is a way to behave or morality
- “Ethics”** refers to the good behavior that is stated for performing or taking action to other people with fairness.
- “Business ethics”** refers to the standard of the good behavior that is set up for the Directors, Managements and Officers to follow.
- “Company”** refers to Absolute Clean Energy Public Company Limited and the Subsidiaries that are under the supervision of the Company, for both the existing one in the present and those to be established in the future.
- “Management”** refers to Company Director, Executive Board, CEO, COO, Managers of Absolute Clean Energy Public Company Limited, and the Companies that are under the supervision of the Company, for both the existing one in the present and those to be established in the future.

**“Officers”** refers to Officers and employee who work to get the wages from Absolute Clean Energy Public Company Limited and the Subsidiaries under the supervision of the Company, for both the existing one in the present and those to be established in the future.

The Company has a goal to make the Management and Officers at all levels of the organization to be responsible for complying with this ethics. The Management must be responsible to create the standard and culture of ethics compliance of the organization by motivating and encourage the Officers to voluntarily comply with the ethics.

#### **Persons who have obligation to follow the ethics**

- (1) Managements and Officers of the Company
- (2) The Subsidiaries under the supervision of the Company or has the right to control existing business and those to be established in the future must accept and comply with the ethics of the Company.
- (3) The Subsidiaries that are not under the supervision of the Company should accept and comply with the ethics of the Company.
- (4) External parties who are the representative of the Company, such as consultant, representative and independent contract party must:
  - Give consent to follow the ethics of the Company.
  - Acknowledge about the ethics.
  - Be taken an action, which may include terminating the contract, if the Company knows that any external party violates the ethics of the Company.

#### **Actions that are consider violating the ethics**

All Officers are responsible for following and encourage other people to follow the ethics of the Company. Taking the following actions is considered as violating the ethics and will be punished.

- (1) Do not follow the ethics
- (2) Suggest, support or encourage other people to not follow the ethics.
- (3) Ignore and be indifferent when seeing the violation or non-compliance to the ethics, in the case that the person knows, or should have known because it is related to the work under one's responsibility.
- (4) Do not cooperate or obstruct the investigation of the fact that there is a violation or non-compliance to the ethics.
- (5) Blame, rebuke or threaten the Officers who report the suspecting about the non-compliance to the ethics.
- (6) Unfair treatment to other people since the person reports the non-compliance to the ethics.

In this connection, the person who violate or breach the ethics must be disciplinary considered according to the regulations stipulated by the Company. Apart from that, the person may be punished according to the law if such action is illegal.

#### **Chapter 4 Disclosure and Transparency**

- 1) The Company pays attention to the financial statements and financial information shown in the annual report. The Audit Committee will verify the quality of the financial report and internal control system

including the disclosure of the important information adequately in the notes to the financial statement and report to the Board of Directors for acknowledgement. Apart from that, the Board of Directors also support the preparation of the explanation and Management Discussion and Analysis to support the disclosure of the financial statement in every quarter.

- 2) The Company will manage to disclose the information about each Director, role and responsibility of the Board of Directors and Sub-Committee of the Company, number of times of the meeting and the meeting attendance in the past at the headquarters of the Company.
- 3) The Company will reveal the Audit fee and non-Audit fee that the Auditor has given services to the Company and the Subsidiaries
- 4) The Company will manage to prepare the report of policy about Corporate Governance, Business Ethics, Risk Management policy and policy about responsibility towards Environment and Society that are approved in summary and the performance of the compliance to such policy, as well as in the case that such policy cannot be complied with, together with the reason.

## **Chapter 5 Responsibilities of the Board of Directors**

### **1) Structure of the Board of Directors and Sub-Committee**

The Board of Directors consists of people who have knowledge, ability and experience that can gain benefits to the Company and the Subsidiaries. They are people who have important roles in setting the policy and overview of the organization, as well as having an important role to supervise, examine and evaluate the performance of the Company and the Subsidiaries to be as planned.

The Board of Directors shall have at least 5 members and there shall be Independent Company Director not fewer than one-third of all Directors and must not be fewer than 3 persons in order to balance the consideration and voting in various subjects appropriately. In this connection, the Company Director has a period to hold the position not more than 3 years at a time according to the relevant laws. The Independent Director has a period to hold the position not more than 9 years, unless the Board of Directors sees that the person is appropriate to continue being the Independent Director of the Company further to maximize the benefits of the Company. Apart from that, Directors and Managements of the Company can hold the position of the Directors or the Managements of the Subsidiaries and/or the Company in the group or other companies. But such position holding must be in accordance with the law and/or relevant regulations and must report to the Board of Directors' meeting for acknowledgement before each position holding.

Apart from that, the Board of Directors also appoints the Sub-Committee to help in Corporate Governance of the Company and the Subsidiaries as follows:

- (1) Audit Committee consist of at least 3 Independent Directors to perform the obligation to support the Board of Directors in compliance and examine the administration, internal control and compliance to the relevant laws, as well as examining the financial report, so that the operation and information disclosure of the Company are done with transparency and reliability.
- (2) Executive Board consist of at least 5 and not more than 10 members to perform the obligation to support the Board of Directors in the administration of the Company and the Subsidiaries to be in

accordance with the policy, work plan, regulations and orders, as well as the target set under the framework assigned by the Board of Directors.

- (3) Nomination and Remuneration Committee consist of at least 3 and not more than 5 Directors to perform the obligation to nominate people with appropriate qualification to hold the position of the Directors and high level Managements, consider on the form and criteria of remuneration of the Company Directors, Chairman of the Executive Board, Sub-Committee, CEO and Company Secretary, in order to propose to the Board of Directors for approval and/or to propose to the Shareholders' meeting for approval (as the case may be).
- (4) The Sustainability and Risk Management Committee consists of directors and/or executives and/or qualified external individuals, with no fewer than three members. The committee is responsible for overseeing and supervising the company's and/or its subsidiaries' operations to ensure alignment with the principles of sustainable development and the implementation of effective and appropriate risk management practices.

Moreover, the Board of Directors may consider the appropriateness to appoint a Corporate Governance Committee to support the Board in formulating policies, overseeing, promoting, and driving the company and/or its subsidiaries to operate in alignment with good corporate governance principles. This includes ensuring compliance with legal requirements and international best practices, fostering transparent management free from corruption, upholding ethical standards and codes of conduct, and maintaining accountability to build trust among all stakeholders.

The Company appoints a Company Secretary to perform the obligation about the arrangement of the Board of Directors' meeting and Shareholders' meeting, as well as supporting the work of the Board of Directors by giving suggestion about the law provision and regulations related to the performance of the Board of Directors, and also coordinate to comply with the resolution of the Board of Directors.

## **2) Roles, Obligations and Responsibility of the Board of Directors**

The Board of Directors are responsible for the Shareholders about the operation of the Company and the Subsidiaries and has the obligation to set the policy and direction of the operation of the Company and the Subsidiaries, as well as supervise the administration to be in accordance with the target and guideline for long term benefit for the shareholders under the legal framework and business ethics. At the same time, the benefits of all stakeholders are also considered. In this regard, the details are as specified in the Board of Directors' Charter.

### **(1) Policy about Corporate Governance**

The Company set the policy about Corporate Governance of the Company in writing to propose to the Board of Directors' meeting for approval of such policy. In this regard, the preparation of the Corporate Governance manual has the objective to be the guideline for the Directors, Managements and Officers to comply with such policy. The Company will review the policy on yearly basis.

### **(2) Business Ethics**

The Company and the Subsidiaries have the intention to run the business with transparency, moral, responsibility to stakeholders as well as the society and environment. The Company and the Subsidiaries has set the Code of Conduct in writing for the Board of Directors, the Managements and Officers to comply with as follows:

- i. Ethics concerning responsibility towards shareholders
- ii. Ethics concerning relationship with customers
- iii. Ethics concerning relationship with partners, competitors and lenders
- iv. Ethics concerning responsibility towards Officers
- v. Ethics concerning responsibility towards society and environment

In this regard, the Company and the Subsidiaries will announce and inform all Officers to acknowledge and strictly comply with.

### **(3) Conflict of interest**

The Company and the Subsidiaries have a policy to carefully eliminate the issue of conflict of interest with honesty, rationale and independence under a good moral for the benefit of the Company and the Subsidiaries by stating that the person who is related or connected to the discussed subject shall reveal the information about their interest and the relevant person to the Company for acknowledgement and must not participate in the consideration and shall not have the approving authority in such matter.

The Company and the Subsidiaries have the policy on the related transaction and the items that have conflict of interest; complying to the law and related regulations.

### **(4) Internal control**

The Company and the Subsidiaries provide the efficient internal control system for supervision and internal control both at the Management and operational level. The Company and the Subsidiaries have employed the external Internal Auditor to perform the examination and evaluation of the adequacy of the internal control system and report to the Audit Committee according to the Audit plan that has been set out.

### **(5) Risk Management**

The Company and the Subsidiaries have set the policy of Risk Management for the whole organization and the compliance, so that there is a risk Management system or process to minimize the impact to the business of the Company and the Subsidiaries appropriately.

### **(6) Report of the Board of Directors**

The Audit Committee is responsible for examining the financial report. The Accounting Division and the Auditor will arrange a meeting and propose the financial report to the Board of Directors every quarter. The Board of Directors will be responsible for the consolidated financial statements of the Company and the Subsidiaries, as well as the financial information.

## **3) The Board of Directors' meeting and self-assessment**

The Company arranges the Board of Directors' meeting at least every quarter and there shall be additional special meeting as necessary. The meeting agenda will be distinctly set in advance and there shall be an agenda to follow up the annual performance. The Company will send the invitation letter to all Directors in advance, at least 7 days before the meeting, so that the Board of Directors can study the information with adequate time before the meeting, unless in urgent case and there shall be a minute of meeting recorded and the documents approved shall be gathered for reference and Accountability. In each meeting, the Management and related persons shall participate to provide information and details for decision making correctly and timely.



When casting the vote in the Board of Directors' meeting, the resolution will be on the majority. One Director shall have one vote and the Directors who are the stakeholder in the agenda will not participate and will not use the right to cast the vote for the agenda. In this regard, in case the voting is tied, the Chairman of the meeting shall cast another vote as a final decision.

Apart from that, the Board of Directors encourages to have the performance assessment at least once a year to improve and correct the operation. The subjects of the meeting shall be set before such assessment in order to gather the opinion and propose to the meeting.

#### **4) Remuneration**

Remuneration of the Director is monthly remuneration and meeting allowance. In this regard, the remuneration of the Director must be in the average as compared to the same industry. The adequacy for the performance and responsibility of the Board of Directors shall also be considered. For the Managements, the remuneration will be given as salary and annual bonus by considering on the performance of the Company.

In this connection, the annual remuneration of the Board of Directors and Management in total must not be abnormally high as compared to the remuneration of the Director and Management in average of the listed Company in the Stock Exchange of Thailand and the maximum benefit of the shareholder will be mainly considered.

In this regard, the Company has appointed a Nomination and Remuneration Committee to consider in the form and criteria of remuneration payment for the Director to propose to Shareholders' meeting for approval.

#### **5) Improvement of Company Director and Management**

The Board of Directors has a policy to support and facilitate the training and providing knowledge to the related person in the Corporate Governance system of the Company, for example Company Director, Audit Committee, Management and Company Secretary, so that the operation is constantly improved. The training and knowledge provided may be conducted internally in the Company or use the outsourcing services.

In case there is a change of Directors or there is a new Director joining the Company, the Administration Division will prepare the document and data that are useful for the operation of the new Directors, as well as arranging the introduction of the business and the business operation of the Company and the Subsidiaries to the new Director.

The Board of Directors may arrange the work rotation as assigned based on expertise of the Managements and Officers by considering mainly on the appropriateness of work and time. The CEO will set the timeline and consider the performance of such work as the improvement and successor plan of the Company. In this regard, this is to improve the Management and Officers to have more knowledge and ability to work and to be able to work interchangeably.

**This policy shall be effective from April 10, 2019 onwards**

#### **Committees**

**Absolute Clean Energy Public Company Limited**