

## **Good Corporate Governance**

For principle and guideline of the company according to good corporate governance in the good corporate governance handbook section 2 can be divided into 8 topics as follows. Practice

- 1 Role and responsibility of the committee Practice
- 2 Setting objective and goal for the company Practice
- 3 Promoting effectiveness of the committee Practice
- 4 Recruitment and development of executive management and human resource management Practice
- 5 Promoting innovation and responsible business conduct Practice
- 6 Risk management and internal control Practice
- 7 Financial information and disclosure of information Practice
- 8 Promoting participation and communication of shareholders

## **Good corporate governance policy**

Union Plastic Public Company Limited aims to be a leading plastic parts manufacturer in the country, earns trust from shareholders and stakeholders in business conduct, encourage development and sustainable continuous growth, operates the business honestly, transparently, traceably, and have good governance. The objective is to maximize profitability for shareholders and stakeholders.

## **Practice 1 Role and responsibility of the committee**

The company has defined scope of work and responsibility, which were mutually agreed clearly between the committee, sub-committee, managing director and management section. This includes closely monitoring management director and management section and making sure that they perform assigned tasks.

### **Role and responsibility of the committee**

- Operate in line with company's regulation, including control and manage the company to align with law, company's regulation as well as decision of committee meeting and decision of shareholder meeting.
- Making sure that the company's objective and goal are set. Supervise operation of the committee and management section to be appropriate and contribute to achieving the objective and primary goal for efficient business conduct.
- Recruit, develop, set remuneration, and evaluate performance of managing director.
- Participate in setting policy, work plan and strategy of the company, as well as consider and approve important matters in company such as financial target, policy, work plan, strategy and budget setting. This includes control and supervise management section to operate in line with specified policy, work plan, and strategy.

- Set the policy and make sure that the company operates in line with good governance principle and business ethics. Participate in setting standard for good workplace behavior and punishment for violator, so all employees will be acknowledged and adhere to. Emphasize on honesty, trustworthy, morality, and fairness when dealing with person concerned with company's business. With the motto "Moral Quality Benefits". The company has yearly evaluation and regular review of good governance principle.
- Set measure and policy on business conflict in case of transaction (if any) between company and major shareholders, committee, executive management or related person.
- Company's committee will have measure and policy to make the transaction conforms with regular commercial condition and treat as same as normal person. Company's benefits will be considered as important matter. This includes approval to execute the transaction by disinterested person.
- Set policy for transaction between company and related person that has long term commitment (if any). For example, goods trading. This will be monitored to ensure the agreed condition are met over the whole commitment period.
- Set up risk management committee who analyzes and manage the risk in order to set measure to manage the risk to be in controllable and acceptable level. Regularly monitor performance and evaluate risk management results. The progress will be reported to company's committee quarterly.
- Set internal control system and internal audit for operation, financial report, regulation and policy conformance. Yearly review internal control system of the company.
- Set up internal audit office which is independent team acting as a responsible person for risk management evaluation, control and direct result reporting to audit committee and managing director.
- Scope of work and responsibility of managing director are defined as follows:
  - Authority to control company's operation to be in line with policy directed by company's committee and report operating results to company's committee.
  - Consider and allocate yearly budget proposed by management section. Present the budget to company's committee for approval. Control spending of yearly budget for each section.
  - Regularly review company's performance to reduce the risk from external and internal factors.
  - Authority to give order, set the rules, announcement, memorandum to ensure that operation is in line with committee's policy and for company's benefits.
  - Authority to approve purchase and spending regarding normal operation of the company as well as approve purchase on construction material and sales expense. Manage the expense and investment to be conform with budget approved by company's committee or within specified limit.
  - Consider any binding of company's right and asset with any person, legal person or financial institute and propose to committee for approval.

- Examine company's performance and make sure the company is profitable and able to pay dividend to shareholders. This will be proposed to company's committee for approval.
- Perform any task to support company's operation according to authority from company's committee, which is in line with policy of company's committee.
- Any other task assigned by company's committee.

Authority for managing director mentioned above does not include the authority to approve transaction executed by him or person who might have conflict, interest, or other form of business conflict (according regulation of the company and the securities and exchange commission)

- Scope of work and responsibility of management section are defined as follows:
  - Specify work plan in order to perform assigned tasks from company's committee and achieve the target and objective.
  - Supervise and follow up policy or work plan assigned by company's committee.
  - Investigate and approve urgent important matter within authority and budget specified by company's committee. This include proposal and presentation to company's committee meeting for further approval.
  - Study and seek for new business opportunities, which will be proposed the company's committee meeting for approval.
  - Special task or other duties assigned by company's committee

## **Practice 2 Setting objective and goal for the company**

### **2.1 Setting objective and goal for the company**

The committee is responsible to make sure that the business has clear and appropriate purpose or main objective, which can be used as a main concept to define "Business Model". The committee takes part in consideration and approval on setting vision, mission, and values for the organization. This will be regularly reviewed every year.

In order to achieve the purpose or main objective, the committee will define a "Business Model" that can create value for the business, stakeholders, and society. Environmental factors and changes will be taken into consideration as well as utilizing innovation and technology appropriately. Customer's needs, stakeholder's needs, readiness, expertise, and business competitive advantage will also be taken into consideration.

### **2.2 Set strategy and yearly work plan**

The committee must ensure that the setting of strategy and yearly work plan are aligned with company's purpose and main objective by considering environment, opportunity, acceptable risk at that moment. Yearly plan will be reviewed when there is any change in environment.

In the setting of strategy and yearly plan, the committee must ensure that the analysis in terms of environment, factors, risks which could affect overall stakeholders along the Value Chain is performed. Any influencing factor for business objective achievement will be analyzed as well.

The committee will promote sufficient resource allocation and follow up performance on yearly work plan in the meeting of company's committee.

## **Practice 3 Promoting effectiveness of the committee**

### **3.1 Structure of company's committee**

Company's committee must consist of minimum 5 persons. More than half of them must reside in the kingdom. More than three quarters of the committee must hold Thai nationality. The committee consists of company's committee which has been recruited by Nomination and remuneration committee. The person needs to be qualified and possess expertise as well as appropriate experience and could be from various professions.

Setting qualification of independent committee will conform with minimum criteria of the securities and exchange commission in order to allow the independent committee to truly act independently and appropriately for company's business.

Role and authority of chairman and managing director are clearly defined. The chairman does not hold position of managing director. The chairman does not have any relationship with management section in order to separate the role in setting policy, control, and daily task management. The company defines scope of work and authority for each level of management section. Role, authority, and responsibility are clearly separated during approval process, accounting transaction records, and company's asset control in order to limit someone from having infinite authority.

Company's secretary issues meeting invitation, records meeting minutes, coordinates matter regarding the meeting on committee's term of office. Every year, one third of the committee will be decommissioned according to company's regulation.

### **Subcommittee of the company.**

The company has 2 teams of subcommittee, which are:

1. Audit committee
2. Nomination and remuneration committee

### **Audit committee**

- Audit committee consists of 3 persons. All of them are independent committee which are appointed by company's committee. Every audit committee are qualified as per announcement of capital market supervisory board, the securities and exchange commission, the stock market.

- During 3-year term of office, audit committee which is decommissioned due to term's end might be reappointed.

- In the audit committee, there must be at least 1 person having knowledge and experience in financial statement review Role and responsibility of audit committee are defined in Practice 6, number 6.2

### **Nomination and remuneration committee**

- Nomination and remuneration committee consists of 3 persons who are appointed by company's committee in order to perform transparently and independently. Most members are independent committee. Chairman of the board is independent committee.
- The committee has considered the qualification of "independent committee". Minimum requirement must be conforming to criteria set by the securities and exchange commission and the stock market. Furthermore, company's independent committee can freely share the opinion regarding operation of management section.
- Company's independent committee must consist of at least one third of all committee and must have minimum number of 3 persons.

### **Role and responsibility of nomination and remuneration committee**

1. Acting for the selection of persons that deserve to be nominated as a new committee member to present to the Board of Directors meeting for consideration.
2. Set direction for recruitment of management director
3. Consider remuneration determination for the committee
4. Set remuneration for the directors to present to the Board of Directors meeting for consideration.

### **3.2 Role and responsibility of the company's chairman are as follows:**

1. Direct, follow up and control to ensure that the committee perform effectively and achieve the objective and main goal of the company.
2. Ensure that all committee participate in promoting ethical organization culture and good corporate governance.
3. Set meeting agenda for committee by discussing with managing director and come up with measure to ensure that important matter is included in meeting agenda
4. Allocate sufficient time for management section to propose issues and sufficient time for the committee to discuss on important matter cautiously and all around.
5. Develop good relationship between committee who are executive and who are not executive. Also the relationship between the committee and management section.

### **3.3 Recruitment for committee**

#### **Recruitment for committee**

The proposed candidate is considered by the nomination and remuneration committee, who are responsible for recruitment for qualified person or competent person with experience in business management and qualify as per the law. The person must also have enough time to operate for the company with transparency and report to company's committee in order to propose to the shareholders annual general meeting with the agenda of committee election. These must adhere to company's regulation as follows:

- (1) Each shareholder has one vote per one share.

(2) Committee election method could be voting for individual committee one person at a time or many person at the time to form the whole committee with same number of committee needed to be elected in that time. This is up to judgment of shareholder meeting. For each vote, the vote must be counted wholly for each shareholder as per (1).

(3) Majority vote count will define the result of committee election. If the vote counts are the same, chairman of the meeting will make a final decision.

### **Qualification of the committee**

The person who will be committee candidate needs to possess these qualifications and does not have any prohibited characteristics as follows:

- (1) Qualified and does not have prohibited characteristics as per public limited company law and securities and securities market law as well as good corporate governance for registered company.
- (2) Possess knowledge, capability and independence require for acting as the committee with caution and honesty (Duty of care and duty of loyalty). Able to fully commit the effort and time for the company. Have appropriate maturity and age. Have good physical health and mental health. Have creativity in the meeting. Honest and have courage to provide opinion in the meeting. Possess good career track records and ethics.
- (3) Knowledgeable in at least one aspect such as company's business, accounting and finance, strategic management, good corporate governance, law and regulation.

Nomination and remuneration committee will consider the qualified candidate with no prohibited characteristics as mentioned earlier and then propose to company's committee for approval before proposing to shareholder for further approval

### **Selection criteria for independent committee**

The company's selection criteria for independent committee is recruiting the person with knowledge, capability, experience, understanding of company's business. The person also has to be visionary and have enough time to perform the duty and invited those people to be company's independent committee if the mentioned independent committee think that those people could contribute beneficial opinion that is suitable for business operation of the company. The company has set the number of independent committee in line with minimum requirement of the securities and exchange commission. The criteria requires one third of all committee and independent committee to qualify with minimum requirement of the securities and exchange commission in order to allow the independent committee to truly operate independently and suit with company's business as follows:

1. Does not hold more than 1% of shares that has voting rights from the whole company. This includes the shares hold by related person of that independent committee.
2. Is not or never been in a committee related to management, workers, employees, consultant under payroll or person with authority for the company. Unless the person has left the position for more than 2 years.

3. Is not a person who has genetical relationship or legally registered with other committee, company executive, major shareholder, person with authority, or candidate for committee, executive, or person having authority for company or subcompany.
4. Does not or never had business relationship with the company\* in the way that could obstruct own independent judgement. Is not or never been significant shareholder or person with authority over the person that has business relationship with the company\*. Unless the person has lost that characteristics for more than 2 years.
5. Is not or never been an auditor for the company\* and is not a significant shareholder, person with authority or partner of audit firms which employ auditor for the company. Unless the person has lost that characteristics for more than 2 years.
6. Is not or never been any professional service provider. This includes legal consultant or financial consultant which are remunerated by the company\* for more than 2 million Baht per year. Is not a significant shareholder, person with authority or partner of that professional service provider. Unless the person has lost that characteristics for more than 2 years.
7. Is not part of committee appointed to represent company's committee, major shareholders, or shareholders related to major shareholders.
8. Does not conduct business which operate in the same environment and compete significantly with company's business and subcompany's business. Is not a significant partner in any partnership or be in committee that manage business, workers, employees, consultant under payroll or hold more than 1% of shares that has the rights to vote wholly of other company, which operate in the same environment and is competitor to the company's business or subcompany's business.
9. Does not have any other characteristics that obstruct independent opinion regarding company's operation. \* Includes large company, subcompany, joint-venture, major shareholder, or person with authority over the company.

### **3.4 Remuneration of the committee**

- The company has transparent remuneration setting process for the committee. The process needs to get approval from nomination and remuneration committee which will propose to company's committee. Then the committee will propose to shareholder for approval.
- Remuneration of the committee is comparable to the same level conducted in the same industry and to turnover of the company. Experience, role and responsibility of the committee will be taken into consideration.
- Remuneration of the managing director and executive management (CEO) will be in line with principle and policy determined by the committee. Company's performance and individual performance of each executive management will be taken into consideration.

### 3.5 Monitoring on policy and operation of subcompany and joint venture

In case the subcompany / joint venture has sent a representative to be part of the committee and attend subcompany / joint venture to monitor the operation regularly and reported to the Board of Directors meeting of the Company.

### 3.6 Self evaluation of the committee

The committee sets up yearly performance evaluation of company's committee and subcommittee. The evaluation will be done individually and by group at least once per year. The results will be jointly considered in terms of performance and problem in order to make further improvement.

In 2019, the company has conduct individual and group evaluation for company's committee as well as self evaluation of audit committee for nomination committee, and evaluation of nomination and remuneration committee as follows

#### 1. Self evaluation result of the company's committee (by group)

Evaluation criteria	Score (%) for 2020	Score (%) for 2019
1. Structure and qualification of the committee	96.53	92.82
2. Role, duty, and responsibility of the committee	96.73	93.30
3. Committee meeting	97.22	93.83
4. Acting of the committee	96.83	94.05
5. Relationship with management section	97.22	94.44
6. Self development of the committee and executive development	95.83	92.13
<b>Average score</b>	<b>96.73</b>	<b>93.35</b>

Total 6 criteria. Average score of 9 committee is at 96.73% which is considered as good or very good.

#### Self evaluation result of the company's committee (individually)

Evaluation criteria	Score (%) for 2020	Score (%) for 2019
1. Structure and qualification of the committee	97.22	91.67
2. Committee meeting	97.22	93.75
3. Role, duty, and responsibility of the committee	96.11	92.22
<b>Average score</b>	<b>96.72</b>	<b>92.68</b>

#### 2. Self evaluation result of audit committee

Evaluation criteria	Score (%) for 2020	Score (%) for 2019
1. Composition and qualification	100	100
2. Committee meeting	100	100
3. Role, duty, and responsibility of audit committee	89.74	87.18
4. Reporting	100	100
<b>Average score</b>	<b>94.67</b>	<b>93.33</b>

<b>3. Self evaluation result of nomination and remuneration committee</b>		
<b>Evaluation criteria</b>	<b>Score (%) for 2020</b>	<b>Score (%) for 2019</b>
1. Structure and qualification of nomination and remuneration committee	90.00	100
2. nomination and remuneration committee	91.67	100
3. Role, duty, and responsibility of nomination and remuneration committee	86.11	86.11
<b>Average score</b>	<b>89.22</b>	<b>95.10</b>

### 3.7 Knowledge development for the committee

The company promote and support the company's committee to regularly attend training every year. The courses related to operation of the committee such as DCP, DAP of IOD courses is arranged to continuously enhance potential of human resource as well as providing the committee with knowledge and understanding the company as many aspects. Implementation of new technology and innovation is being utilized for efficient operation of the committee.

In 2020, the company has arranged knowledge development courses for committee and executive management as follows:

#### Knowledge development for committee and executive management

Executive management has attended the training of total 165 hour. Courses as follows:

<b>Number</b>	<b>Course</b>	<b>Hours</b>
1	Board and Management Relationship	3
2	Budgeting	42
3	Problem Solving by 3G 5Why	120
<b>Total hours</b>		<b>165</b>

#### Knowledge development training for the company's committee

In 2020, there is no knowledge training due to COVID-19 situation

### 3.8 Committee meeting

- Set date and time of committee meeting yearly in advance and inform all committee about the schedule in order to allow each committee to make time and attend the meeting.
- The company has committee meeting at least once a month in order to acknowledge the report and follow up on the company's operation as well as financial budget consideration, quarterly financial report, and other important matter. This includes consideration for yearly published list of information (from 56-1) which is performed before reporting to the stock market and the securities and exchange commission
- The company's secretary will send meeting invitation which consists of meeting agenda directed by the chairman along with meeting minutes. The secretary will also responsible for document preparation for the meeting and deliver to the committee 5 days before meeting day

as specified by law. This will give the committee ample time to study the information before attending the meeting.

- The chairman and managing director will work together to set meeting agenda for the committee meeting for the proposal of meeting agenda.
- The chairman will allocate sufficient and ample time for the committee to discuss important problems cautiously as well as promote every committee to freely share opinion toward each topic.
- The chairman, managing director and every committee will attend every meeting unless they are on overseas trip and must attend urgent matter.
- Executive management will attend committee meeting to provide additional information in terms of accounting and finance or other related aspects.
- Promoting the committee to have access to necessary information technology from managing director or company's secretary or other executive management who has been assigned within the specified scope of policy.
- Each year, the company disclose information on frequency of committee meeting, audit committee meeting, and nomination and remuneration committee meeting as well as disclose information on meeting attendance for each committee.

## **Practice 4 Recruitment and development of executive management and human resource management**

### **4.1 Recruitment and development of managing director and executive management.**

#### **Recruitment of managing director**

For recruitment of managing director, the company's committee assign this task to nomination and remuneration committee along with the chairman. They will consider qualified candidates who are appropriate and possess knowledge, capability, skills and experience beneficial for company's operation. The candidate will also need to thoroughly understand company's business and able to achieve the objective and goal set by the company's committee. These will be presented to the company's committee for further appointment.

#### **Recruitment for executive management**

The company's committee will assign the recruitment to managing director and appoint executive management. This will be presented to the committee meeting for acknowledgement.

#### **Succession Plan**

- The Board of Directors supervises a Succession Plan in order to prepare for the succession of the position of managing director and senior executive and allow the managing director to report the operating results based on the succession plan of the position of senior executive to the Board of Directors at least once a year.

## **Trainings and Development of Managing Director and Senior Executives**

- The Board of Directors promotes and encourages the managing director and senior executive to be trained and developed to enhance knowledge and experiences that are beneficial to the operations. Annual training and personnel development plans for employees at all levels in the organization are provided. Such training and development will be in any forms, such as training and skill testing according to the line of work, internal and external training, participation in activities with customers, etc., to ensure that the personnel development is in line with the direction of the Company. The managing director is responsible for reporting the progress of trainings and personnel development to the Board of Directors.

## **4.2 Determination of Remuneration Structure**

- The Board of directors supervises and establishes the appropriate remuneration structure and evaluation.
- The Board of directors determines the remuneration structure that is the motivation for the managing director and senior executives and other personnel at all operational levels, which is in line with the objectives and the main goals of the organization, including long-term business interests, which covers;
  - 1.) Considering the appropriateness of remuneration proportion which is salaries and bonuses
  - 2.) Determining the policy regarding remuneration payment by taking into account labor laws
  - 3.) Remuneration of companies operating similar businesses and having similar sizes of business
- Establishing policies regarding evaluation criteria and communicating to all parties for acknowledgement
- The Board of directors establishes the criteria for performance evaluation of the managing director and communicates such criteria for evaluation to the managing director in advance. The performance evaluation of the managing director shall be performed at least once a year. In addition, the Board of directors must approve the annual remuneration of the managing director.
- Considering and approving rules and factors for performance evaluation, including approving the remuneration structure of senior executives and monitoring the managing director to evaluate the senior executives accordance to such evaluation principles
- Supervising and establishing rules and factors for performance evaluation for the entire organization

## **4.3 Structure and Relationship of Shareholders**

The Board of directors determines the establishment of the structure and relationship of shareholders that may affect the management and the operations of the Company. The Company annually discloses the shareholding proportion of the Company in the Form 56-1 according to the disclosed information of its operations under Item 7, Securities and Shareholder Information and the Company's annual report.

## **4.4 Personnel Management and Development**

- The Board of directors monitors the personnel management and development to ensure that they have appropriate and sufficient knowledge, skills, experience, and motivation.
- The company's committee supervise human resource management to conform with direction and strategy of the organization. All employees in every level possess appropriate knowledge and motivation and treated fairly to retain valuable human resource of the organization.
- The company's committee supervise the set up of provident funds and saving cooperative to encourage the employees to have enough saving for retirement as well as educate the employees about financial planning. In 2020, the company has conducted training for the employees as per the operation information disclosure in item 56-1

## **Practice 5 Promoting innovation and Responsible business Conduct**

### **5.1 Creation of Innovations**

The Board of Directors pays attention and encourages the organization to create changes by applying the creativity and design thinking process to create new products or services to meet the needs of different customers in order to lead to the creation of new innovations, including research, production process development, and improvement of cooperation with business partners. However, the impact on the environment, society and community is always taken into consideration, including procedures of production process and work process

### **5.2 Corporate Social and Environmental Responsibility**

The Board of directors assigns the Management to prepare a manual for business ethics which is used as a guideline for conducting business ethically, having corporate social and environmental responsibility, and avoiding the violation of stakeholders' rights, so that all parties can achieve the objectives and main goals with sustainability as specified in Section 3, Ethics. In addition, it is monitored and evaluated at the monthly performance meeting.

### **5.3 Resource Allocation and Management**

The Board of directors realizes that the use of each resource type have an impact on each other. Different business models cause impacts on different resources as well. As a result, to select a business model, impacts and worthiness that will occur to resources must be considered based on ethics, responsibility, and creation of sustainable value for the business. In addition, the Board of Directors still monitors this matter to ensure that, in achieving objectives and the main goals of the business, the Management has reviewed, developed and supervised the use of resources efficiently and effectively by regularly taking into account changes in internal and external factors.

### **5.4 Management of Information Technology System**

The Board of directors assigns the Management to prepare an annual budget plan for information technology investment annually to ensure that sufficient resources can be allocated for business operations and to set guidelines in the event that they fail to allocate sufficient resources as stipulated. In addition, the Management is assigned to consider the corporate risk management in terms of management and manage information technology risks, including establish policies and measures on security of the organization's information systems

## **Practice 6 Risk Management and Internal Control**

### **6.1 Risk Management and Internal Control Systems**

The Board of Directors establishes the risk management and internal control systems that will make objectives achieve effectively, including the compliance with laws and related standards. The Board of directors provides the monitoring of effectiveness of risk management and internal control regularly every quarter by assigning the Audit Committee to screen it before proposing to the Board of Directors for consideration. The Company establishes the risk management policy and internal control and internal audit policies to build confidence for shareholders and all relevant parties for the ongoing operations so that they are able to achieve objectives and create added value for the organization as follows;

#### **Risk Management Policy**

1. Establishing the risk management system at the corporate level, department level, and division level to support and connect with the visions, objectives, and main goals of the Company's major mission operation
2. Determining the risk management process to be the same direction throughout the organization
3. Ensuring that the risk management is the responsibility of employees at all levels who must be aware of the operational risks in their departments and organization by focusing on risk management under the internal control systematically at an appropriate level
4. Promoting and supporting the risk management to be an important tool in the corporate management that personnel at all levels must understand, provide cooperation and participation in creating a good image, and promote good corporate governance for excellent management
5. Establishing, monitoring, inspecting, and evaluating results of risk management continuously for reviewing and improving the Company's operations to be effective and suitable in accordance with the circumstances
6. Promoting and developing the use of state-of-the-art information technology systems in the Company's risk management process and supporting personnel at all levels to access information and news on risk management of the company thoroughly

#### **Policy on Internal Control and Internal Audit**

1. The Company provides good and effective internal control systems to ensure the Company's efficient operations. Accurate and reliable performance reports and financial reports are prepared, including the compliance with requirements of relevant laws.
2. The Board of Directors reviews the effectiveness of the internal control system by considering the main elements of the internal control system, which is divided into 5 elements as follows; control environment, risk assessment, control activities, information and communication in the organization, as well as follow-up and evaluation.
3. The Company assigns the department that is directly responsible for internal audit, risk assessment, and internal control evaluation, which is under the supervision of the Audit Committee.
4. The Audit Committee is responsible for reviewing to ensure that the Company provides the

appropriate and effective internal control system, risk management system, and internal audit system.

5. All employees of the Company must have good attitudes towards internal control and internal audit, provide cooperation in the audit, and apply the results to improve and correct it appropriately and rapidly.

In addition, in the case that the Company has other businesses in which the Company invests in the proportion of 20% or higher, the Company will follow up and monitor the operating results every quarter, including appoint a Company's representative to be a director for attending the meeting and considering the operating results of such invested business

## **6.2 Audit Committee**

The Board of Directors sets up the Audit Committee consisting of 3 independent directors with qualifications and duties in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors determines written roles and responsibilities of the Audit Committee as shown on the website of the Company. The substance of regulations of the Audit Committee can be summarized as follows;

1. Elements and Qualifications
2. Term of Office
3. Duties and Responsibilities of Audit Committee
4. Authority of Audit Committee
5. Roles and Responsibilities of Departments relating to Audit Committee

The Audit Committee reviews and expresses opinions on the adequacy of the risk management system and internal control every quarter before proposing it to the Board of Directors for consideration, including the disclosure of the review report in the annual report

### **Roles and responsibilities of the Audit Committee are as follows;**

1. Reviewing the Company's financial reports to be accurate, sufficient and in accordance with generally accepted accounting standards
2. Reviewing the Company to ensure an appropriate and effective internal control and internal audit systems and considering the independence of the internal audit department, as well as granting approval for appointment, transfer, and termination of the manager of the Internal Audit
3. Reviewing the Company to ensure the compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand, and laws relating to the Company's businesses
4. Considering select, nominate, and offer termination independently to act as the Company's auditor and proposing the remuneration of such person, including attending the meeting with the auditor without the Management at least once a year

5. Considering the connected transactions or transactions that may have conflicts of interest to be in accordance with the laws and the regulations of the Stock Exchange of Thailand to ensure that such transactions are reasonable and for the best benefits of the Company

6. Reviewing the accuracy of the references and a self-assessment form on anti-corruption measures of the businesses in accordance with the Private Sector Collective Action Coalition Against Corruption Program

7. Preparing the report of the Audit Committee by disclosing it in the Company's annual report which must be signed by the Chairman of the Audit Committee and contain at least the following contents;

(A) Opinions on accuracy, completeness, and reliability of the Company's financial reports

(B) Opinions on sufficiency of the Company's internal control system and risk management system

(C) Opinions on compliance with the laws on securities and exchange, requirements of SET or laws relating to the Company's businesses

(D) Opinions on appropriateness of auditors

(E) Opinions on transactions that may have conflicts of interest

(F) Number of the Audit Committee meetings and attendance of each member of the Audit Committee

(G) Overall opinions or observations obtained by the Audit Committee from duty performances under the charter or regulations of the Audit Committee

(H) Other transactions which the shareholders and investors should generally be informed under the scope of duties and responsibilities assigned by the Board of Directors

8. The Management is assigned to correct any detected defects as well as accelerate to fix such defects.

9. Following up and evaluating performances as deemed important by the Audit Committee

10. Performing other acts as assigned by the Board of Directors

### **6.3 Conflict of Interests Management**

The Company establishes the policy to protect its legitimate interests in order to prevent any possible conflicts of interest between the Company and the Management, the Board or shareholders, including protect inappropriate use of the Company's properties and information. Therefore, the Company determines it as a guideline according to the details specified in Section 3, Item 3.1, Security of the Company's Properties and Confidential Information, and Section 4, Item 4.3, Conflict of Interests.

### **6.4 Anti-Corruption**

The Company establishes the anti-corruption policy and ethical guidelines on such matter in order to prevent the Company's business operations from being involved in corruption, whether by

demanding, receiving or paying bribes. As a result, the policy and practices are established as specified in Section 4, Anti-Corruption, and the policy and practices on anti-corruption are disclosed on the Company's website.

## **6.5 Receipt of Complaint**

The Company provides channels for reporting clues or complaints of illegal and unethical acts or dishonest acts regarding the organization to employees who discover any corruption or dishonest acts towards the organization, directly or indirectly, or misconduct of personnel of the Company, including the channels for receiving complaints on the website and the annual report of the Company. This is to allow stakeholders to participate in efficiently monitoring benefits of the Company. In addition, the Company also establishes measures on whistleblower protection in order to prevent complainants or whistleblower from any trouble or unrighteousness as a result of the whistleblowing and complaint. whistleblowing and complaint. The details are as follows;

### **Whistleblowing matters or complaints**

- Illegal acts, dishonest or corruption acts against the Company's regulations, or violation of the Code of Conduct of the Board of Directors, Managing Director, Executives and Employees
- Anomalies of financial reports, defective internal control system
- Matters affecting benefits or reputation of the Company

### **Channels for reporting clues or complaints**

- By mail, mail to the Chairman of the Audit Committee and/or the Managing Director of Union Plastic Public Company Limited, No. 11/1 Soi Serithai 62, Minburi, Minburi, Bangkok, 10510
- Complaint box within the Company
- On the Company's website ([www.unionplastic.co.th](http://www.unionplastic.co.th)), Complaint Reporting Section
- Managing Director : 02-5170109-14 ext.102

### **Process upon Complaint Receipt**

- The Internal Audit Office collects facts about acts that are considered dishonest and corruption and initially inspects data.
- If the complaint is found to be fault of corruption, the Internal Audit Office will collect evidence and send it to the managing director for appointing an investigation committee to investigate the facts.
- Once the investigation committee investigates the facts and discovers that information or evidence that there is reasonable ground to believe that the accused has committed dishonest or corruption acts, the Company will give the rights to the accused to be informed of the allegations and prove himself/herself by searching information or additional evidence showing that they are not involved in such alleged dishonest or corruption activities.
- The investigation committee reports the investigation results and provides guidelines on suppressing violations or non-compliance with the anti-corruption policy or related laws to the managing director and the Audit Committee.

- If the accused commits the dishonest or corruption acts, it is considered as the violation of the anti-corruption policy and disciplinary action shall be applied according to the regulations set by the Company. If dishonest or corruption acts are illegal, offenders may also be subject to legal penalties.

### **Measures on Whistleblower Protection**

- The system is established to keep confidential information of whistleblowers and impose penalties for the officers responsible for such information when it is disclosed.
- Whistleblowers or complainants are able to conceal their name, address or contact telephone number, unless whistleblowers or complainants deem that the disclosure of information will cause the Company to report the progress or inquire additional useful information or clarify facts or alleviate damages more conveniently and rapidly.
- In the case that whistleblowers or complainants can be contacted, the Company will inform the results of operations in writing.

### **Penalties**

All directors, managers, executives and employees of the Company are responsible for strictly complying with this policy. Any violation or non-compliance with this anti-corruption policy shall be considered as the disciplinary violations and penalties in accordance with regulations, policies, regulations, orders, announcements, rules and laws or other related requirements shall be imposed. In 2020, the Company did not receive any clues or complaints about illegal, unethical or dishonest acts relating to the Company.

## **Practice 7 Financial Information and Disclosure of information**

### **7.1 Preparation of financial reports and information disclosure**

The Board of directors is responsible for supervising the nomination of personnel relating to the information preparation and disclosure and the adequate number of personnel. Such personnel shall have knowledge, skills and experience that are appropriate to the duty and responsibility. Such personnel include the accounting and financial manager, accountant, internal auditor, Company secretary, and investor relations.

Regarding the approval of information disclosure, the Board of Directors considers the relevant factors. In the case of financial transactions, at least the following factors shall be considered;

- (1) Assessment results of the adequacy of the internal control system
- (2) Auditor's opinion on financial reports and observations of the auditor regarding the internal control system, including the auditor's observations through communication in other channels
- (3) Opinions of the Audit Committee
- (4) Consistency with objectives, key goals, strategies, and policies of the Company

The Board of Directors supervises the disclosure of financial statements, annual report, and Form 56-1 to sufficiently reflect its financial position and operating results, and also encourage the Company to provide Management Discussion and Analysis or MD&A, for supporting the disclosure of financial statements every quarter. In the event that the disclosure of any particular item relates to a

particular director, it will also ensure that the disclosure on its behalf is complete and accurate as well.

## **7.2 Monitoring of Financial Liquidity and Solvency**

The Board of Directors establishes the meeting and the agenda for the consideration of operating results on a monthly basis with the Management. The accounting manager will also attend the meeting to provide additional information regarding the operating results based on the income statement and financial position as shown in the statement of financial position of the Company which has been prepared in order to follow up the results on a monthly basis. If there are any signs indicating financial liquidity problems and solvency, the Board and the Management will cooperate to seek for a solution immediately.

## **7.3 Solution for Financial Issues**

In the event that the business tends to be unable to pay the debts or have financial problems, the Board of Directors will closely monitor such matter and supervise the business to be conducted carefully and strictly comply with the requirements on information disclosure. If a financial solution plan is established, the Board of Directors will consider fairness to the stakeholders and creditors and also follow up and solve problems. The Management regularly reports financial status. In addition, regarding any decision-making in solving the financial issues of the Company, the directors will consider reasonably by taking into account the rights of stakeholders.

## **7.4 Preparation of Sustainability Report**

The Board of directors considers the appropriateness of disclosure of legal compliance, ethics compliance, anti-corruption policy, treatment to employees and stakeholders, fair treatment and respect for human rights, including corporate social and environmental responsibility, which is disclosed in the annual report.

## **7.5 Department or Responsible Person for Investor Relations**

The Board of Directors requires communication and disclosure of information to be strictly in accordance with the regulations of the Stock Exchange of Thailand to ensure that communication and information disclosure to third parties is appropriate, confidential information and information affecting the price of securities is protected, and they are communicated for understanding throughout the organization. Regarding INVESTOR RELATIONS, Ms. Phalada Mekvaranon, the Accounting and Financial Department Manager, Telephone number 02-5170109-14 ext. 130, E-mail: Phalada@unionplastic.co.th, is assigned to be the investor relations and provide information to third parties.

## **7.6 Application of Information Technology to Data Dissemination**

Currently, the Company has published information on its website in both Thai and English versions according to the following address, [www.unionplastic.co.th](http://www.unionplastic.co.th).

## **Practice 8 Promotion Participation and Communication of Shareholders**

The Board of Directors is aware of the importance of shareholders having legal rights and basic rights to receive sufficient, timely and complete information. Therefore, the Board of Directors encourages shareholders to exercise their rights and realize their duty to supervise and protect all shareholders to receive basic rights equally and fairly as follows; Basic rights include the right to buy, sell or

transfer shares, the right to equally receive return on investment in the form of dividends, the right to receive sufficient and timely information about the business, the right to attend shareholders' meetings and cast a vote to approve important matters, the right to elect directors and determine the directors' remuneration, the right to appoint an auditor and determine the auditor's remuneration, the right to appoint a proxy to attend the meeting and cast a vote on their behalf.

Other than the basic rights, the Board of Directors promotes and facilitates the exercise of rights of shareholders as follows;

1. Shareholders have the right to receive information equally. The Company disseminates information both in Thai and in English versions through the channels of the Stock Exchange of Thailand and the Company's website ([www.unionplastic.co.th](http://www.unionplastic.co.th)) to provide shareholders with more channels to receive the Company's news.
2. The Company holds the annual general meeting of shareholders within 4 months from the end date of the Company's fiscal year by specifying the date, time and venue of the meeting for shareholders to attend the meeting conveniently.
3. The Company facilitates and allows shareholders to propose agenda items in advance prior to the date of shareholders' meeting, from October 1 to December 31, 2020 on the Company's website. ([www.unionplastic.co.th](http://www.unionplastic.co.th)) both in Thai and English version, or send a letter to the Company Secretary in accordance with the rules on proposal for considering and including it in the agenda which will specify the following information;

1. Qualifications of shareholders
2. Proposal to be included in the agenda
3. Submission of documents
4. Procedures for consideration

However, the Company has informed such information through the news system of the Stock Exchange of Thailand, both in Thai and English version.

Regarding the Annual General Meeting of Shareholders, the Company has announced and posted the Notice of the Annual General Meeting of Shareholders in the newspaper for 3 consecutive days with details of each agenda and opinions of the Board of Directors on each agenda. In addition, the letter of the shareholders' meeting invitation and all supporting documents in Thai and English version are disclosed on the Company's website ([www.unionplastic.co.th](http://www.unionplastic.co.th)) to ensure that shareholders will receive news and information not less than 30 days prior to the date of the shareholders' meeting.

The Company facilities shareholders by;

- Holding the meeting in Bangkok Metropolitan area which has convenient transportation for the shareholders to attend the meeting.

- Arranging staff to assist the registration of meeting attendance which is available for at least 2 hours before the meeting.

- Facilitating shareholders who are unable to attend the meeting in person by attaching a proxy form to shareholders; they are able to appoint an independent director or authorize any person to be a representative to attend the meeting and cast a vote. The details of the proxy method are shown in notes of the proxy form.

The Board of Directors, including sub-committees, executives, and company secretary are aware of the importance of the shareholders' meeting which is considered as a duty to attend every meeting to answer questions relating to the meeting and listen to opinions of shareholders.

At the shareholders' meeting, the Chairman informs the shareholders of the voting rights and voting methods. One-Person One-Vote rule is applied to the voting by using the ballot. The voting result will be announced at the end of the meeting with the voting results of agreement, disagreement, abstention, and void ballot. Additional details can be found in the minutes of the shareholders' meeting disclosed on the Company's website.

The Board of Directors encourages independent persons to be the witness in counting the votes of the shareholders casting their votes. Shareholders are volunteered as a witness in the vote counting.

The Company offers the opportunity to shareholders to propose matters that are beneficial to the Company for considering and including them in the agenda of the annual general meeting of shareholders in advance in accordance with rules and methods specified by the Company on the Company's website. At the meeting, the Chairman conducts the meeting in order based on the agenda specified in the notice of the meeting without adding any agenda or changing important information that has not been informed to shareholders in advance, and also offers the opportunity to shareholders to exercise the equal rights to inquire questions and express opinions or suggestions fully in every agenda.

The Board of Directors discloses the voting results of each agenda by dividing votes for agreement, disagreement, abstention and void ballots at the annual general meeting of shareholders on the next business day through the news system of the Stock Exchange of Thailand and the Company's website ([www.unionplastic.co.th](http://www.unionplastic.co.th)).