



## SCG Packaging

# Corporate Governance Handbook

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Remark: The Company has revised the executives' titles referred to in policies to align with the revisions of executives' titles during the year, to be effective from December 1, 2020.

## Message from the Board of Directors

SCG Packaging Public Company Limited (“the Company”) has continuously carried on its business under the thorough supervision of the Board of Directors to fulfill its commitment to just and responsible business conduct towards every stakeholder. All of this is achieved under the Code of Conduct, which is constantly reviewed and adjusted to reflect economic and social changes on the basis of balanced and sustainable growth.

The Board of Directors has deemed that the principle of Corporate Governance is a universally-accepted organizational management guideline that closely corresponds with the Company’s core values and Code of Conduct.

Such principle not only build trust and confidence in shareholders, investors, or stakeholders of all parties, but also brings benefits and favorable business performance to the Company while strengthening its competitiveness and sustainable growth. The Board of Directors, therefore, establishes policies, measures and practices for Corporate Management in alignment with the Corporate Governance principle. These are to be used by the directors, the executives and the employees as guidelines to conduct business in a beneficial way to add sustained values to the business, and are complied in this Corporate Governance Handbook.

The Board of Directors believes that the Company’s Corporate Governance principle shall serve as a management system which delivers fair and transparent treatment to the shareholders as well as adding long-term profits and values to the shareholders, all the while building trust in all stakeholders and promoting the Company’s competitiveness for sustainable growth.

As an individual prospers in life through moral conduct,  
so does a company through ethical practices.

## Part 1: SCG Packaging's Structure and Mechanisms for Corporate Governance

### 1.1 SCG Packaging's Core Values

(Resolutions of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019.)

The present prosperity, success, and stability of SCG Packaging are the result of doing business according to its ethical core values – the ideals that have been held in high regard and put into practice by the Board of Directors, by Management, and by staff at all levels. They are:

**Adherence to Fairness**

**Dedication to Excellence**

**Belief in the Value of the Individual**

**Concern for Social Responsibility**

#### **Adherence to Fairness**

It is the responsibility of SCG Packaging to ensure that all who come in contact with us are treated with equal fairness. For example:

- Customers who use our goods and services will obtain maximum benefit in terms of quality and cost.
- Shareholders will receive a proper rate of return on their investment.
- Employees will enjoy both appropriate compensation and a good standard of living.
- All groups of stakeholders will be fairly treated.

#### **Dedication to Excellence**

SCG Packaging is dedicated to right conduct and achieving the best results in all we undertake.

All employees and persons who come into contact with SCG Packaging recognize the total effort, knowledge, and skill we devote to constantly improving what we do. We strive to learn and pursue whatever we can to help us overcome obstacles and advance in the path of growth and sustainability. This dedication will generate the best results for both SCG Packaging and all stakeholders.

### **Belief in the Value of the Individual**

SCG Packaging is convinced that each of our staff constitutes our most valuable assets.

SCG Packaging has managed to prosper through the efforts of our good and knowledgeable people, who have chosen to spend their careers with us. We select the most ethical and capable individuals we can find, and then enrich them to cope with challenges of our changing times. In return, we provide all our employees with security and a sense of belonging. With such care and concern between the company and staff, little wonder that our personnel work so hard and skillfully for the progress of SCG Packaging.

### **Concern for Social Responsibility**

SCG Packaging behaves as a good corporate citizen in all communities and countries where we operate. We diligently perform our social duties and responsibilities while engaging in activities to preserve natural resources and sustainability of the environment.

## 1.2 SCG Packaging's Code of Conduct

(Resolutions of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019)

### **Who has to be obliged to observe SCG Packaging Code of Conduct?**

All employees of SCG Packaging are obliged to observe the principles and guidelines of SCG Packaging Code of Conduct, and the Directors must serve as role models of such conduct.

### **What do you have to do with SCG Packaging Code of Conduct?**

1. **Acquire** an understanding of the principles and guidelines of SCG Packaging Code of Conduct especially those relating to your duties and responsibilities.
2. **Consult** your superior or enquire in SCG Packaging consulting system when you are not sure if what you are going to do complies with SCG Packaging Code of Conduct.
3. **Convey** your knowledge and understanding of business conduct of SCG Packaging staffs according to SCG Packaging Code of Conduct to others you work with or who are involved with SCG Packaging.
4. **Inform** when you find non-compliance with SCG Packaging Code of Conduct via assigned channel and give cooperation to fact-finding investigation.

### **What happens if one does not comply with SCG Packaging Code of Conduct?**

- Failure to comply with the principles and guidelines of SCG Packaging Code of Conduct may result in disciplinary or legal action as the case may be subject to penalties pursuant to specified regulations.
- Besides failure to comply with SCG Packaging Code of Conduct as mentioned above, supporting others to breach SCG Packaging Code of Conduct, ignoring when a non-compliance with SCG Packaging Code of Conduct is noticed, obstructing of an investigation process and unfair treatment to fact providers are also considered non-compliance with SCG Packaging Code of Conduct.



## **What should you do when finding Non-compliance with SCG Packaging Code of Conduct?**

SCG Packaging provides the Whistleblowing System which is a complaint system in line with international standard. In case you learn about or notice any action or become a victim of corruption and violation of laws, regulations, company's rules and code of conduct, you can inform of such action by following these procedures:

- Report to complaint receiver via the assigned channels. However, the information must not be false or made up to defame others which are considered disciplinary guilt according to human resource management regulations.
- SCG Packaging has complaint handling and whistleblower protection procedures.

## **How Complainant/Fact Givers will be protected?**

Any person reporting information to, or co-operating with a fact-finding working team and investigation committee regarding fraud or non-compliance with laws, rules, company regulations and SCG Packaging Code of Conduct shall be protected according to SCG Packaging Whistleblowing Policy as follows:

1. If the complainant and fact givers choose to disclose their identities, the company will be able to inform them of progress or their findings or compensates them more quickly and easily.
2. SCG Packaging regards relevant information as secret, and will disclose only as necessary to ensure the safety of, and prevent harm to, those who report, their sources, and other individuals involved.
3. If the complainant believes that he / she will be under threat or harmful, he / she may ask the company to provide appropriate protection, or the company may provide such protection without the complainant's request if it is believed that danger or harm will likely occur.
4. Those who incur harm will be compensated in a fair and appropriate manner.

More information can be found in the SCG Packaging Whistleblowing Policy on [www.scgpackaging.com](http://www.scgpackaging.com)

## Guidelines of SCG Packaging's Code of Conduct

### 1. Human and Labor Rights

SCG Packaging is aware of respecting human rights of every individual so it treats everyone fairly without discrimination. It promotes and supports human rights and avoids human rights violation. Moreover, SCG Packaging has realized importance of labour so it treats the employees in compliance with labour laws and relevant regulations on a fair basis.

### 2. Environment, Health and Safety

#### 2.1 Environment

SCG Packaging is determined to take care of the environment through all its value chain starting from environment impact assessment before investing in any business, design of, production process, machine and equipment and adoption of appropriate technology to prevent possible impacts on the environment and raise awareness of these issues among employees and parties relevant to business operation to comply with the guidelines.

#### 2.2 Health and Safety

SCG Packaging has paid great attention to health and safety of employees, contractors, customers, communities and stakeholders throughout our business value chain. Health and safety impact assessment must be carried out before investment or joint-venture is made. Place of business, production process, technology, machines, equipment and raw materials must be taken care of to ensure safety to health. Moreover, employees and relevant parties must be raised awareness in safety consciousness to comply with the health and safety regulations.

#### 2.3 Safety of Products and Services

SCG Packaging has ensured that all the products and services' safety complies with or is higher than those stipulated by laws, has standard compatible with industrial and international standards and as agreed with the customers. This covers design and production process, provides information or warnings about the products and services and appropriate use for the whole life cycle. In addition, SCG Packaging pays attention to safety of products SCG Packaging hires others to produce, import and uses for sale promotion activities.

### 3. Anti-Corruption

SCG Packaging's business should be conducted with stakeholders in correct, transparent, honest and traceable ways with no corruption. The business must comply with relevant laws and SCG Packaging's Anti-Corruption Policy ensuring it shall not cause condemnation or loss of reputation.

#### **4. Gifts and Entertainment**

Receiving and giving benefits including items of value, services, facilitating or entertainment with persons involved in business must be made in accordance with the customs of each locality or country and relevant laws, provided that the value of such is appropriate and it will not motivate an unfair decision making.

#### **5. Conflicts of Interest**

SCG Packaging is determined to do right things with an aim for excellence. Therefore, employees must aim to maximize SCG Packaging's benefits, comply with the laws and ethics, and avoid action creating conflicts of interest that may affect any decision.

#### **6. Political Activities**

SCG Packaging remains politically neutral, and does not give financial support or support any particular political party, political group, or candidates of any kind in local, regional or national levels or person with political influence. Nonetheless, SCG Packaging recognizes and respects the freedom of employees to exercise their political rights, such as voting or being members of any political party.

#### **7. Handling of Information and Assets**

##### **7.1 Personal Information**

SCG Packaging respects privacy of relevant person, therefore, personal information of employees and relevant business parties such as status, biographical, career-related, financial record contact information, health-related or other kinds of data must be protected not to use, disclose or transfer to other parties which shall be deemed an infringement.

##### **7.2 Recording, Reporting, and Storing Information**

SCG Packaging has realized the importance of internal information management. Recording and storing of information must comply with SCG Packaging's standard and be complete as prescribed by law. For storing, all employees are obligated to ensure that the information involved with their work remains safe and available for reference or use by SCG Packaging whenever needed.

##### **7.3 Buying and Selling Securities and Use of Inside Information**

Use of inside information which is material must be appropriately done considering impacts on all stakeholders and legitimacy. The information must not be used for personal or other people's benefits.

#### **7.4 Use and Protection of Company's Assets**

SCG Packaging has made efficient and full use of its assets and promoted the employees to protect them from damage, loss or personal use for themselves and other people.

#### **7.5 Use and Protection of Information Technology System**

SCG Packaging desires that information technologies are used efficiently and safely according to SCG Packaging e-Policy to protect and preserve them from infringement or use without permission.

#### **7.6 Use and Protection of Intellectual Property**

SCG Packaging regards intellectual property as valuable assets to SCG Packaging. Employees must strictly follow established 'SCG Packaging Intellectual Property (IP) Policy' and protect SCG Packaging's intellectual property from unauthorized use or disclosure and must respect and not infringe other people's intellectual properties.

### **8. Information Disclosure and Communication**

#### **8.1 Information Disclosure**

SCG Packaging's disclosure of information is based on fairness, transparency and traceability. It must be ensured that the information is correct, clear, compliant with law on fair basis regardless of format as written and verbal, press conference or any other manner.

#### **8.2 Communication**

SCG Packaging's communication including SCG Packaging brand communication to internal and external target, marketing communication of brands in SCG Packaging, use of SCG Packaging logo and communication via social media must be properly and accurately done considering fairness to every stakeholder and must not lead to damages to SCG Packaging. The Brand Communication Guidelines and SCG Packaging Social Media Policy should be strictly observed.

### **9. SCG Packaging's Transactions**

#### **9.1 Transactions between Companies in SCG Packaging**

Doing business or performing work which incur related transaction between SCG Packaging group of companies must abide by the laws and regulations issued by State agencies, the regulations and delegation of authority of SCG Packaging, as well as the principles and conditions prescribed in each locality.

## 9.2 Transactions between SCG Packaging and External Parties

Transactions with external parties must strictly comply with guidelines and procedure as specified by laws and regulations issued by state agencies as well as SCG Packaging's policy and delegation of authority. Moreover, it must comply with the conditions agreed upon straightforwardly, transparently and traceably. Avoid transactions that may cause trouble or damage to SCG Packaging or external parties.

## 10. Doing Business Abroad and International Trading

### 10.1 Doing Business Abroad

All of SCG Packaging business operation abroad including establishing a company, plant, office, branch, agent; trading with dealer; or doing acquisition overseas must comply with the laws and rules applicable in that country which SCG Packaging has invested and perform as good citizen in each locality. Moreover, such business operation must also take into account the circumstances, customs, traditions, and culture of each locality.

### 10.2 International Trading

Import and export of products or any transactions of SCG Packaging relating to foreign countries must strictly comply with relevant laws such as laws on import and export, customs act, product safety and consumer protection laws including relevant SCG Packaging's regulations and guidelines.

## 11. Business Competition

SCG Packaging is committed to fair competition to both SCG Packaging's customers and vendors by considering code of business ethics and competition laws in every country where SCG Packaging conducts its business in accordance with relevant SCG Packaging's guidelines.

## 12. Anti-Laundering Measures

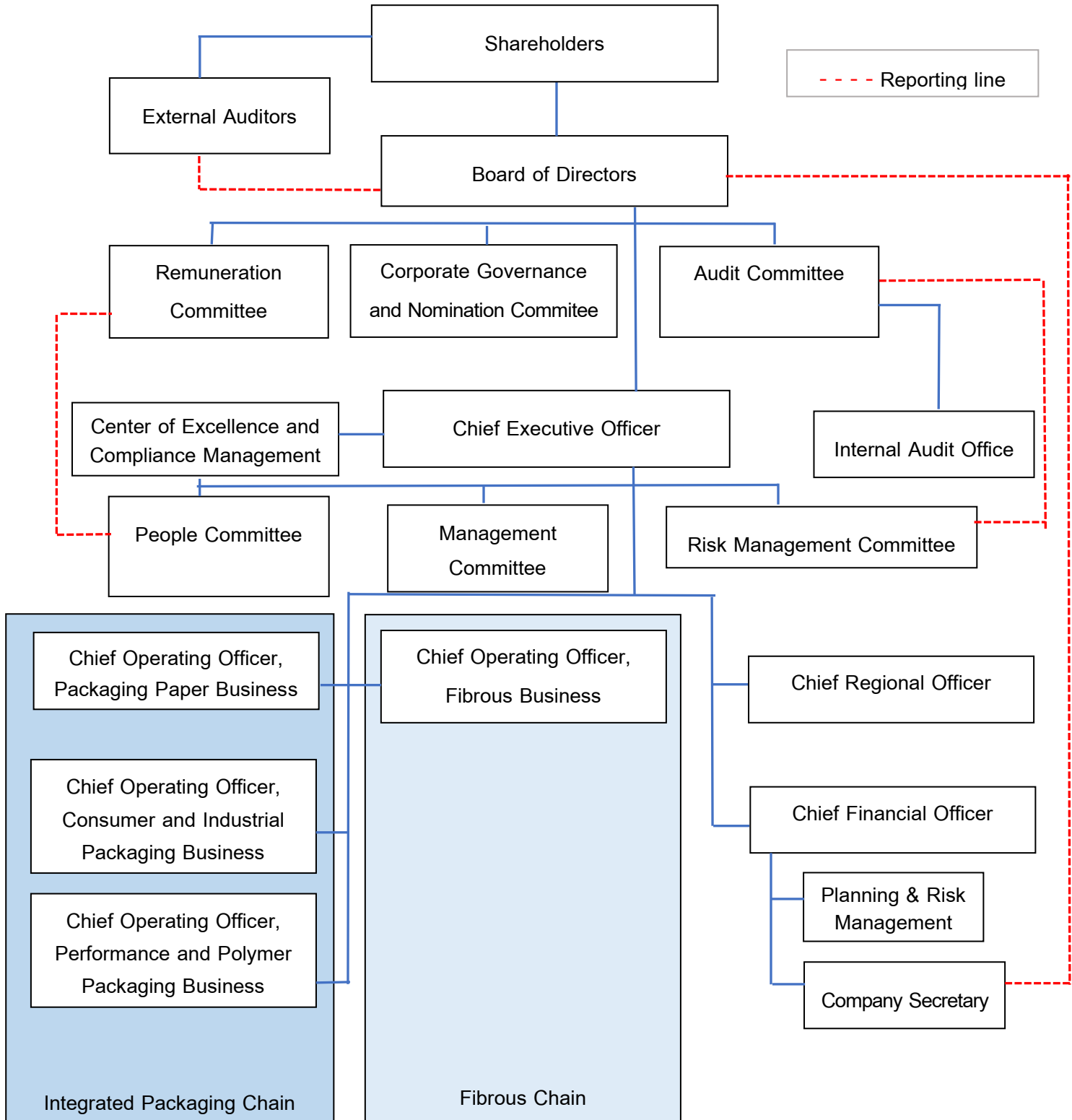
SCG Packaging complies with all guidelines and laws pertaining to the suppression of money laundering. SCG Packaging will not accept transfers or conversions of assets or support such actions insofar as they are related to criminal activities, and will prevent anyone using SCG Packaging as a channel or instrument for the dispersion or concealment of illegally obtained assets.

More information can be found in SCG Packaging's Code of Conduct on [www.scgpackaging.com](http://www.scgpackaging.com)

### 1.3 SCG Packaging's Corporate Governance Structure

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020)

#### Corporate Governance Structure of SCG Packaging



#### **1.4 SCG Packaging's Corporate Governance Policy**

(Resolution of meeting of the Board of Directors no. 216 (12/2019) held on December 16, 2019)

SCG Packaging operates its business with responsibility, transparency and fairness, while adhering to the principles that have been practiced through generations under SCG Packaging's Code of Conduct as well as operates on the basis of balanced and sustainable success, with the Company's Board and top executives serving as role models in adhering to SCG Packaging's Code of Conduct and Corporate Governance principles.

SCG Packaging's corporate governance is considered an integral part of its business policy. The Corporate Governance and Nomination Committee is entrusted with overseeing SCG Packaging's corporate governance matters, encompassing the establishment of policy and guidelines as well as monitoring the performances of the Board of Directors and the Management to ensure their compliance with SCG Packaging's corporate governance policy. The Committee also monitors and evaluates the corporate governance practices, and regularly conducts annual reviews of the guidelines to ensure their alignment with business operations and corporate governance practices on national and international levels. Moreover, corporate governance shall be specified as one of the main items on the agenda at the Board of Directors' meeting.

In addition to matters specified in the Corporate Governance Handbook, SCG Packaging also *mutatis mutandis* carries out the business in compliance with the corporate governance principles of The Siam Cement Public Company Limited.

## Part 2: SCG Packaging's Corporate Governance Policies and Guidelines

### 2.1 Policies and Guidelines for Directors and Executives

#### 2.1.1 Charter of the Board of Directors

(Resolutions of the meeting of the Board of Directors no. 221 (5/2020) on July 24, 2020, effective from July 24, 2020)

The Board of Directors is the driving force of the organization. Its roles and duties are to set strategies and policies pertaining to business operation of the Company as well as governing the Company and its subsidiaries. The Board of Directors must perform its duties accountably, carefully, prudently and loyally, and must protect the interests of the Company and its subsidiaries in order to maximize the long-term benefits of shareholders.

The Board of Directors must act in all fairness to all stakeholders in accordance to the principles of good corporate governance as well as monitoring the operations of the Company and its subsidiaries to comply with laws, objectives, regulations and resolutions of the Board of Directors as well as the shareholders. In addition, the board plays an important role in overseeing and assessing the performances of the Company's executives and the Chief Executive Officer to ensure the accomplishment of action plans of the Company and its subsidiaries.

The meetings of the Board of Directors no. 210 (6/2019) and 212 (8/2019) and 221 (5/2020) have thus resolved to adopt this Charter of the Board of Directors so that every director is aware of his/her duties and responsibilities and performs them correctly and completely.

#### 1. Scope of Duties

The duties of the Board of Directors are as follows:

Take responsibility as the leaders who sustainably bring value to the Company's business

1.1 Directing for the best interests of the Company, its subsidiaries and shareholders (Fiduciary Duty) by abiding by the following four main practices:

1.1.1 Performing its duties with responsibility and all due circumspection and caution (Duty of Care).

1.1.2 Performing its duties with faithfulness and honesty (Duty of Loyalty).

1.1.3 Performing its duties in compliance with laws, objectives, the Company's Articles of Association, resolutions of the Board of Directors, and resolutions of general meeting of shareholders (Duty of Obedience).

1.1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness. (Duty of Disclosure).



- 1.2 Overseeing the Company and its subsidiaries to ensure that their business conduct complies with their policies.
- 1.3 Defining the Company and its subsidiaries' visions, missions, and business strategies while taking into account the Code of Conduct and possible effects to the society and environment, with an annual revision and approval by both the Board of Directors and the Management Committee.
- 1.4 Monitoring the Company and its subsidiaries to conduct their business in compliance with laws, objectives, Articles of Association, and resolutions of the Board of Directors and the general meetings of shareholders with accountability, caution and prudence, and loyalty for the utmost benefits of the Company and fairness to all parties involved.
- 1.5 Defining the Charter of the Board of Directors and the Sub-committees as well as amending the Charter of the Board of Directors and considering recommendations from the Sub-committees regarding the amendment to the Charter to keep it updated and suitable with changes of rules, regulations and circumstances. The Charter of the Board of Directors shall also be reviewed at least once a year.

Define key objectives and business goals that promote sustainable value creation

- 1.6 Defining the major operating plans, budgets, business goals and policies and enhancing the capabilities of the Company and its subsidiaries to reach a globally competitive level as well as overseeing the administration and management of the Management to ensure their alignment with policies, operating plans, budgets, business goals and policies for the utmost benefits of the Company, its subsidiaries and shareholders.

Strengthen Board effectiveness

- 1.7 Determining and reviewing the board structure, in terms of size, proportion of independent directors and diversity, to fit with the Company's nature of business.
- 1.8 Overseeing and monitoring the director's nomination and election process to ensure its transparency and proposing the appropriate remunerations for directors and Sub-committee members for the approval at the general meetings of shareholders. In order to determine the appropriate remunerations, various factors must be taken into consideration such as the alignment with the Company's business strategies and long-term goals, the directors' experiences, scope of duties and responsibilities, as well as the benefits to the Company each director may offer.

- 1.9 Devoting sufficient time and efforts to the Company and attending all meetings of the Board of Directors and the general meetings of shareholders, except in unavoidable circumstances. The directors who are unable to attend a meeting must notify the Chairman, the Secretary to the Board or the Company Secretary in advance of the meeting.
- 1.10 Defining governing mechanism to ensure the Company's capability to oversee and control the operations and accountability of its subsidiaries as if they were one of its functions as well as monitoring the management of the subsidiaries in order to protect the benefits of the Company's investment in compliance with relevant notifications of The Securities and Exchange Commission and/or the Capital Market Supervisory Board.
- 1.11 Nominating persons to be appointed as directors or executives of the Company's subsidiaries and associates for not less than the Company's shareholding ratio in such subsidiaries and associates. Determining remunerations and scope of authorities, duties and responsibilities of directors and appointed executives. Defining power of authority framework for voting at the meeting of the Board of Directors of its subsidiaries and associates of significant matters which require prior directions from the Company's Board of Directors. Overseeing the Management and executives of its subsidiaries and associates to comply with the Company's operating plan and policies and monitoring their transactions to comply with applicable laws and regulations including the disclosing of financial information, performances, related party transactions, and acquisition and disposition of material assets to be made completely and accurately and overseeing the directors and executives of the subsidiaries to perform its duties and accountabilities as required by laws.
- 1.12 Assessing the performance of the Board of Directors annually by performing three types of assessments, namely that of the Board as a whole, that of each individual director as a self-assessment, and that of the chairman together with monitoring the assessment results of the Board and its sub-committees which will be jointly deliberated by the Board of Directors. Reviewing the assessment of both the Board and its sub-committees and disclose the criteria, process, as well as the overall results of the assessment in the Company's annual reports.
- 1.13 Developing knowledge and capability, joining training or taking courses relating to carrying out director duties, or attending seminars aiming to increase knowledge crucial for performing the Board's duties continuously.

- 1.14 Appointing the Company Secretary and determining the scope of duties of the Company Secretary so that he/she shall be responsible for conducting his/her duties in various aspects on behalf of the Company or the Board of Directors such as to generate and keep the record of directors' registration, the notices for the meeting of the Board of Directors and their minutes of the meetings, the notices for the general meetings of shareholders and their minutes of the meetings, and collecting the reports stating the directors and their related persons' interests.

Nominate top executives and encourage development of their skills, and manage the Company personnel

- 1.15 Determining management structure, top executive development plans and the succession plan for the CEO while overseeing to ensure the effective performance assessment of top executives on an annual basis and having appropriate system to thoroughly determine the remuneration of top executives with transparency and based upon their responsibilities and performances to ensure both short-term and long-term incentives.
- 1.16 Overseeing that an appropriate compensation structure and performance evaluation are in place for all employees. Understanding the structure and relationship of shareholders which may affect the management and operation of the businesses as well as monitoring the human resource management and development to ensure their appropriate number, knowledge, skills, experiences and incentives.

Promote innovation and responsible business

- 1.17 Overseeing and promoting innovation that creates value for the Company and its subsidiaries together with benefits for its stakeholders.
- 1.18 Developing a written handbook of code of conduct as a standard for operations and practices of the Company's directors, executives and employees. Strict implementation of the Company's code of conduct shall also be monitored by the Board of Directors.
- 1.19 Monitoring the implementation of strategies and operating plans of the Company and its subsidiaries and appraising the performances of the Management through the regular operational reports of the Company, its subsidiaries and associates as well as defining a policy for the development and improvement of the business operations by considering safety and health, responsibility to society and environment and human resource development.
- 1.20 Overseeing that the information technology management and safeguard of the information security system are in place.

## Monitor the implementation of effective risk management and internal control systems

- 1.21 Formulating the corporate risk management policy and monitoring the effectiveness of the risk management as well as reviewing and evaluating the risk management system regularly and when risk status is changed.
- 1.22 Encouraging employees of all levels to be conscious in ethics and moral and comply with corporate governance, code of conduct and all policies of the Company as well as overseeing that the Company and its subsidiaries have appropriate internal control and audit system as well as its regular assessment in order to mitigate risk pertaining to fraud, miss-authorization and illegal actions.
- 1.23 Establishing an audit committee that can act effectively and independently.
- 1.24 Directing, controlling, preventing, monitoring and managing conflicts of interest that might occur between stakeholders of the Company and its subsidiaries, the Company and the management, the Board of Directors or the shareholders. Preventing an inappropriate use of assets of the Company and its subsidiaries as well as inappropriate transactions with related parties of the Company and/or its subsidiaries.
- 1.25 Considering, approving and/ or expressing opinion on transactions having material impact to the Company's businesses including acquisitions and dispositions of assets of the Company and its subsidiaries, related party transactions between the Company, its subsidiaries, associates and related parties as stipulated in the Securities and Exchange Act and relevant rules and regulations of The Stock Exchange of Thailand (SET) and Capital Market Supervisory Board. Considering for approval of commercial transactions having general commercial conditions made between the Company, its subsidiaries, associates and directors, executives or related parties in order to set an operational framework to authorize the executive committee and management to execute such transactions pursuant to guidelines and scopes set by applicable laws and regulations. Considering and/ or expressing opinion on any transaction of the Company ( if the transaction size is not in a level that requires an approval from the general meeting of shareholders) in compliance with applicable laws, notifications, rules and regulations.
- 1.26 Formulating written corporate governance policies for the Company and its subsidiaries and having them implemented, and supporting communication regarding such policies to everyone in the Company to acknowledge, abide by and implement seriously such as anti-corruption policy, whistleblowing policy and insider trading policy, etc., as well as adapting it effectively in order to ensure that the Company and its subsidiaries have accountability to their stakeholders fairly. Overseeing and developing corporate governance of the Company and its subsidiaries on international standard as the guidelines for business operations. Monitoring and being a role model in implementing corporate governance and code of conduct.

- 1.27 Overseeing that the process and channel for receiving and managing complaints from the whistle blowers or stakeholders are in place and effective and that stakeholders are able to contact/ complain possible problems to directors directly.

Ensure disclosure and financial Integrity

- 1.28 Overseeing that the Company and its subsidiaries' accounting system, financial reports and audited financial statements are in accordance with applicable rules, regulations and guidelines.
- 1.29 Monitoring financial liquidity and debt repayment capability as well as plans or mechanism for problem solving.
- 1.30 Considering producing the Sustainability Report as appropriate.
- 1.31 Ensuring that the disclosure of information is made appropriately to stakeholders, parties having conflict of interests and other relevant parties including disclosing material information in financial statements and other reports to shareholders appropriately. Such information should be published firstly through system provided by The Securities and Exchange of Thailand and then it may be posted on the Company's website. Ensuring that the Company assigns a person in charge of disclosing information to investors and performs the disclosure accurately, completely, appropriately and in a timely manner as well as promoting the use of information technology for the disclosure.

Ensure engagement and communication with shareholders

- 1.32 Ensuring engagement of shareholders in decision-making of significant matters of the Company and its subsidiaries and overseeing that the general meetings of shareholders are held mannerly, transparently, effectively and facilitatively for shareholders to exercise their rights. Overseeing that the disclosure of resolutions of the general meetings of shareholders and the minutes of such meetings are made accurately and completely. Respecting the rights of shareholders and treating the shareholders, both major and minor, and all stakeholders fairly and transparently.

Performing its duties, the Board of Directors may seek additional necessary information from the Chief Executive Officer, the Company Secretary, or other assigned executives, within the scope of stipulated policies. In case of necessity, the Board of Directors may seek independent opinions from external consultants or experts in various fields at the Company's expenses.

## 2. Scope of Authorities of the Chairman of the Board of Directors

The Chairman of the Board of Directors has the following authorities:

- 2.1 Sets Board meeting agenda in consultation with the CEO and, in case that the Chairman is not an independent director, one independent director who was elected by the Board to jointly determine the meeting agendas, and oversees to ensure all Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision-making process.
- 2.2 Provides leadership and direction to the Board of Directors and chairs meetings of the Board.
  - 2.2.1 Conducts a Board meeting according to the agendas, the Company's Articles of Associations, and applicable laws.
  - 2.2.2 Encourages and allocates sufficient time to each Board member to discuss and express their opinion freely with due circumspection and concern for all stakeholders.
  - 2.2.3 Sums up the Board meeting resolutions and required further actions clearly.
  - 2.2.4 Sets up a Board meeting without the presence of the Executive Director.
- 2.3 Chairs meetings of shareholders according to the agendas, the Company's Articles of Association, and relevant laws by allocating time appropriately along with providing opportunities for shareholders to express their opinions equitably and ensuring that shareholders' inquiries are responded to appropriately and transparently.
- 2.4 Supports and be a role model in compliance with the principles of good corporate governance and the Company's Code of Conduct.
- 2.5 Fosters a positive working relationship between the Board of Directors and the Management and supports the performance of the duties of the CEO and the Management in accordance with the Company's policies.
- 2.6 Oversees to ensure the transparent disclosure of information and management in the event of conflicts of interest.
- 2.7 Oversees to ensure the Board of Directors has appropriate structure and composition.
- 2.8 Oversees that the Board of Directors as a whole, Sub-committee members, and each individual director perform their duties effectively and efficiently.

### **3. Composition of the Board of Directors**

The compositions of the Board of Directors are as follows:

- 3.1 The Board of Directors consists of not less than 5 but should not more than 12 directors, each of whom shall be appointed and removed by a general meeting of shareholders. Not less than half of the directors shall be residents of Thailand and qualified by the laws.
- 3.2 The Board of Directors consists of independent directors of not less than one-thirds of the total number of directors and not less than 3 persons. The independent directors must be independent from the control of Management and major shareholders, not engage or have interests on financial and business management as well as have full qualifications in accordance with requirements specified in the notification of the Capital Market Supervisory Board and have scope of duties and accountabilities in accordance with the notifications of The Stock Exchange of Thailand.
- 3.3 The Board of Directors consists of qualified persons having knowledge and capabilities, diversity of skills, experiences and expertise that are useful to the business of the Company and its subsidiaries without limitation to gender, race, religious, age or skill.
- 3.4 The Board of Directors will choose one of the directors to be the Chairman of the Board. If the Chairman is not an independent director, the Board of Directors may appoint an independent director to jointly determine agendas of the Board meetings in order to encourage the balance of power between the Board of Directors and the Management and also comply with the good corporate governance for listed companies.

When a person is appointed as a director of the Company, the Company shall provide he/she with the Company's director orientation and present to every new director a director's handbook and various relevant information so that he/she acknowledges his/her roles and duties as a director of the Company.

### **4. Qualifications of Company Directors**

- 4.1 All Directors must have full qualifications without any prohibited characteristics in accordance with the Public Limited Companies Act, B.E. 2535 (including its changes) ("PLC Act"), Securities and Exchange Act, B.E. 2535 (including its changes) ("Securities Act") including applicable notifications, regulations and/or rules as well as the Articles of Association of the Company. The Directors must not have untrustworthy characteristics of directors and executives under the Notification of the Office of the Securities and Exchange Commission and must be the persons listed in the database of directors and executives of securities issuing companies under the Notification of the Capital Market Supervisory Board regarding Rules for Listing of Persons' Names on Database of Directors and Executives of Securities Issuing Companies.

- 4.2 A director must not, without the consent of a general meeting of shareholders, undertake commercial transactions of the same nature as and competing with that of the Company or its subsidiaries, nor may he/she be a partner with unlimited liability or a director in another legal entity carrying on a business of the same nature as and competing with that of the Company or its subsidiaries, either for his/her own benefits or others.
- 4.3 All directors must be capable and knowledgeable persons fully equipped with leadership, wide-ranging visions, experiences beneficial to the Company, and knowledge of the Company's business.
- 4.4 All directors must be able to perform his/her duty and independently express their opinions with loyalty and integrity, to conduct the business with morality, and to devote sufficient time to perform his/her duties.
- 4.5 A director must not hold directorship of more than four other listed companies.

## 5. Terms of Office

- 5.1 At the annual general meeting of shareholders, one-third of the directors, or if their number is not multiple of three, then the number nearest to one-third must retire from the office. The director who has held office longest shall retire. However, a retiring director is eligible for re-election.
- 5.2 The election of directors shall be in line with the Company's Articles of Association and relevant laws. The nomination of directors shall be carried out in a transparent and clear manner by taking into account education and professional experience of each person, as well as qualification and absence of prohibited characteristics. Such information must also be sufficiently provided so as to ensure that it is useful for the Board of Directors and the shareholders' decision making process.
- 5.3 Apart from the vacancy upon the expiration under the Company's Articles of Association, a director shall vacate office when:
  - 5.3.1 he/she is no longer qualified for the office as specified in the Company's Articles of Association or the Public Limited Companies Act and/or laws regarding securities and exchange;
  - 5.3.2 he/she gives notice of resignation to the Board of Directors, which shall be effective from the date that on which the Company receives the resignation letter;
  - 5.3.3 he/she has been absent from three consecutive meetings of the Board of Directors without leave of absence, and the Board of Directors has passed a resolution by a vote of not less than half of all the directors that he/she retire from his/her office;
  - 5.3.4 the shareholders pass a resolution removing him/her from office in accordance with the provisions of the Public Limited Company Act;



5.3.5 the court so orders;

5.3.6 he/she dies.

- 5.4 In case of vacancies of all members in the Board of Directors, the said Board of Directors may perform any act in the name of the Board of Directors only in matters necessary until a new Board of Directors takes over.
- 5.5 In case of a vacancy in the Board of Directors for any reason other than the expiration of the director's term of office, the Board of Directors shall elect a person who is fully qualified as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than 2 months. The substitute director shall hold office only for the remaining term of office of the director whom he/she replaces.
- 5.6 The Independent directors shall not be in office for more than 9 consecutive years from the first appointed date. In case of necessity, an independent director may be reappointed to continually serve as an independent director after the completion of 9 consecutive years upon the thorough and reasonable consideration of the Board of Directors.

## **6. Meetings of the Board of Directors**

- 6.1 Meetings of the Board shall be carried out in compliance with laws and the Company's Articles of Association.
- 6.2 The Company has stipulated that there shall be at least one meeting of the Board of Directors every three month and no less than 6 times per year, of which the main agendas are to be clearly determined in advance. Special meetings may also be called to consider important or urgent matters. The Chairman and the CEO will together determine the agenda and their matters to be considered at the meeting. In addition, should the Chairman of the Board be not an independent director, one independent director will jointly determine the agenda with the Chairman and the CEO to balance the power between the Board and the Management, and to comply with the Corporate Governance Code for Listed Companies, as well as to oversee that important matters are included in the agendas. In addition, the Management shall report the operating results to the Board of Directors during the months that no meetings are held to ensure that the Board of Directors can continually and promptly supervise and monitor the Management's operation.
- 6.3 A meeting between non-executive directors shall be held as deemed necessary without the Management being present in such a meeting to discuss matters concerning an executive who is the object of interests. The Chairman or the director assigned by the Chairman shall notify the Chief Executive Officer of the results of said meeting.

- 6.4 An average attendance of all directors should be at least 80 percent of the total Board meetings each year. Each director should also attend at least 75 percent of all the meetings held each year. Should any director not be able to attend a meeting of the Board of Directors due to necessity, his/her shall notify the Chairman of his/her reasons at the first opportunity he/she has and prior to the said meeting.

In addition, the act of being present in the meetings stated in this policy covers those of electronics meetings held by the Company, which allows the director to discuss, enquire, and share opinions with one another despite being in different locations.

- 6.5 In calling a meeting of the Board of Directors, the Chairman or the Secretary to the Board of Directors, by order of the Chairman, shall serve a written notice calling for such meeting as well as meeting documents to the directors not less than 5 business days prior to the date of the meeting. Where it is urgent or necessary for the benefits of the Company, the meeting may be called by other methods and an earlier meeting date may be choosing.

## **7. Quorum**

- 7.1 At a meeting of the Board of Directors at least half the number of directors must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty or vacant, the Vice Chairman shall perform the duty on behalf of the Chairman (if any). In case both the Chairman and the Vice Chairman are absent or unable to perform his/her duty or vacant, the Board of Directors present at the meeting shall appoint a director to perform the duty as the Chairman of the Meeting.
- 7.2 Decision in the meeting shall be made by a simple majority vote. Each director is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote.
- 7.3 Each director is entitled to one vote, but a director who has an interest in any matter shall not be entitled to vote on such matter.
- 7.4 In case of vacancies in the Board of Directors resulting in the number of directors being less than the number required for a quorum, the remaining directors may perform any act in the name of the Board of Directors only in matters relating to the calling of a general meeting of shareholders to elect directors to replace all the vacancies, and that such general meeting of shareholders shall be held within one month from the date the number of directors falls below the number required for a quorum.

## **8. The Board of Directors' Authorization**

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board of Directors' charter, and the general meeting of shareholders' resolutions. Such matters include defining and reviewing Delegation of Authority, corporate vision, mission, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-term business plan.

Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, significant related party transactions, merger and acquisition, corporate spin-off, and joint venture deals.

9. Remuneration

The directors shall be paid a remuneration, the amount of which shall be fixed by the general meeting of shareholders.

## 2.1.2 Charter of the Audit Committee

(Resolutions of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 210 (6/2019) and no. 224 (8/2020), has approved the issuance of this Charter of the Audit Committee which is in alignment with the Company's Code of Conduct, as well as placing in this Charter applicable regulations and laws to specify the scope of duties of the Audit Committee, which is an important instrument in Corporate Governance. This is to assure the stakeholders that the Company's business operation is carried out under the surveillance of the efficient internal audit and internal control system, to prevent conflicts of interest, to provide guidance for the Audit Committee, and to ensure that the Board of Directors, the executives and the Management understand the scope of duties of the Audit Committee.

### 1. Scope of Duties

The duties of the Audit Committee are as follows:

#### Oversight, Risk Management, Oversight of Performance of Duties, and Internal Controls

- 1.1 Oversee that the Company has a financial report system and a disclosure of financial statements that meet the standard, has a financial report conducted by coordinating with external auditors and responsible executives, and has financial statements issued on a quarterly and annual basis. The Audit Committee may suggest auditors to review or audit any transaction deemed important and necessary while undergoing audit services, and providing support so that the financial report system is further improved to meet the International Financial Reporting Standards (IFRS)
- 1.2 Consider the Company and its subsidiaries' connected transactions, acquiring or selling of assets, or transactions with possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Securities and Exchange Commission, Thailand, thereby ensuring aforementioned transactions are reasonable and of utmost benefits.
- 1.3 Review the presence of the Company's risk management, work processes, control, oversight of performance of duties, IT governance, as well as Information and Integrated Network Security to ensure their effectiveness and compliance with international standards and to assess the results of risk management from the risk management working group.
- 1.4 Review the Company's effective Anti-corruption procedures to ensure the compliance with the governance bodies' guidelines such as The Collective Action Coalition Against Corruption (CAC), The Thai Institute of Directors Association (IOD) and The National Anti-

Corruption Commission (Section 123/5) starting from promoting and raising the awareness, assessing the risks, internal control, incorporating the proactive preventive system, offense reporting, auditing, as well as reviewing the self-assessment form regarding anticorruption measures as audited and assessed by Internal Audit Office,

- 1.5 Review the Company's compliance to be in line with the Securities and Exchange laws, the regulations stipulated by The Stock Exchange of Thailand (SET) and Capital Market Supervisory Board, as well as the rules, regulations and other laws relating to the Company and its subsidiaries' businesses. The Audit Committee shall also review the implementation of regulations and policies relating to the Corporate Governance in the Company's subsidiaries and associated companies, and the management of both subsidiaries and associated companies in the main business.
- 1.6 Review the compliance of the Company's Internal Control System with Internal Control Framework and the appropriateness and the effectiveness of the Company's Internal Audit System in accordance with internationally accepted approaches and standards. Also, review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by the Internal Audit Office to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.
- 1.7 Review the results of fraud investigation, establish the preventive measures in organization and review the internal processes of whistleblowing system.
- 1.8 Review the presence of proactive preventive system to enhance operating effectiveness and efficiency

#### Others

- 1.9 Select and propose the appointment or discharge an independent person to perform the duties of the Company's auditor and also propose the remuneration of the Company's auditor and evaluate the effectiveness of auditor's performance.
- 1.10 Constantly report the activities of the Audit Committee to the Board of Directors for their acknowledgement, as well as preparing and proposing the Audit Committee's report to the Board of Directors.
- 1.11 Prepare the Audit Committee's report and have it disclosed in the Company's annual report. The report must be signed by the Chairman of the Board of Directors and must, at least, include the information as follows:
  - (A) Opinions regarding the accuracy and reliability of the Company's financial report;
  - (B) Opinions regarding the sufficiency of the Company's internal control system;

- (C) Opinions regarding compliance with the Securities and Exchange laws, the regulations of SET, or the laws relating to the Company's business;
  - (D) Opinions regarding the appropriation of auditors;
  - (E) Opinions regarding transaction which may lead to conflicts of interest;
  - (F) The number of the Audit Committee's meetings and the meeting attendance of each member of the Audit Committee;
  - (G) Overall opinions or observation that the Audit Committee gain from performing duties according to the Charter;
  - (H) And other matters the Audit Committee deemed appropriate to notify shareholders and general investors, within the scope of duties and responsibilities as assigned by the Board of Directors.
- 1.12 Review and give the opinion toward the audit practices of the Internal Audit Office and coordinate with the Company's auditors. Also, organize meetings with the Company's auditor, without the attendance of management, at least once a year, and discussed over issues and obstacles which may be found in the audit practices.
- 1.13 Approve the internal audit plan, budget and manpower of the Internal Audit Office. Also, provide recommendations in respect of appointment, removal, transfer, or dismissal of the Director of Internal Audit Office, or other departments responsible for the internal audit.
- 1.14 Consider the independence of the Internal Audit Office based upon the execution of work, reports, and line of command. Also, review the execution of the Internal Audit Office for the performance assessment according to international standards.
- 1.15 Review the presence of the Audit Committee's performance assessment as a whole and as self-assessment on an annual basis as well as the Audit Committee Charter at least once a year and propose it for the approval of the Board of Directors.
- 1.16 Perform other actions as required by law or as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings, or submit necessary documents. In addition, the Committee may seek independent opinion from professional consultants as deemed appropriate, at the Company's expense.

The Audit Committee performs duties within its authority and responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the Company's operations and is directly accountable to shareholders, stakeholders, and the public.

Should there is any change in responsibilities of the Audit Committee, the Company shall disclose said resolution regarding the change in responsibilities and prepare a list and document stating the changes in the Audit Committee's scope of duties in line with SET's stipulation. The aforementioned documents must be sent to SET within three days of the changes by means stipulated in the SET's regulations relating to reporting via electronic media.

## **2. Composition of the Audit Committee**

The constituents of the Audit Committee are to be as follows:

- 2.1 The members of the Audit Committee must be appointed by the Board of Directors.
- 2.2 The Audit Committee must consist of not less than three members, who are fully equipped with appropriate skill and expertise in the works assigned. Also, at least one member of the Audit Committee must possess sufficient knowledge and experience in accounting and finance in order to perform his/her/their duties of reviewing the credibility of the financial statements.
- 2.3 The Chairman of the Audit Committee may be appointed by the Board of Directors or the Audit Committee.
- 2.4 The Audit Committee shall consider the appointment of the Secretary to the Audit Committee to provide support to the Audit Committee in regard to meeting appointment, preparation of meeting agendas, distribution of meeting documents, as well as recording minutes of the meeting.

## **3. Qualifications of the Audit Committee**

The Audit Committee shall be deemed reliable and acceptable by the general public and able to sufficiently devote time to performing duties of the Audit Committee. The Audit Committee shall comprise qualifications as follows:

### **3.1 General qualifications**

Members of the Audit Committee shall be qualified independent directors according to the definition issued by the Company and the regulations of the Capital Market Supervisory Board and SET announcement.

### **3.2 Specific qualifications**

- (A) Members of the Audit Committee shall not be directors assigned by the Board of Directors to have authority in making decisions relating to the business operation of the Company, the parent company, the subsidiaries, or the associated companies, the subsidiaries of the same level, the major shareholders, or the regulators.
- (B) Members of the Audit Committee shall not be directors of the parent company, the subsidiaries, or the subsidiaries of the same level, which are also listed companies.

#### 4. Terms of Office

The term of office of the members of the Audit Committee is three-year each, ending at the annual general meeting of shareholders. Nevertheless, a retiring member is eligible for re-appointment, but no more than three terms consecutively. A member of the Audit Committee who retired by rotation shall continue to serve as an acting member to perform his/her duties until a new member of the Audit Committee is appointed in replacement of him/her unless he/she is not re-appointed as the director of the Company after retiring by rotation.

In case that all members of the Audit Committee retire by rotation, the retired members shall serve as acting members of the Audit Committee to continually perform their duties until a new set of the Audit Committee's members are appointed.

Apart from the vacancy upon the expiration as aforementioned, a member of the Audit Committee shall vacate office when:

- 1) he/she resigns;
- 2) he/she is no longer qualified for the office of the Audit Committee as specified in this Charter, or the regulations of the Capital Market Supervisory Board or the Stock Exchange of Thailand;
- 3) the Board of Directors passes a resolution removing him/her from office;
- 4) ceased to be a director;
- 5) he/she dies;
- 6) the court so orders.

If a member of the Audit Committee wishes to resign, he/she shall priorly give a notice of resignation with specified reasons to the Chairman of the Board in order that the Board of Directors consider electing a qualified person as the director in replacement of the resigned director.

If a member of the Audit Committee resigns or is dismissed from his/her position before his/her expiration of the term of office, the Company shall immediately inform the Stock Exchange of Thailand and send to the Securities Exchange Commission (SEC) the copy of the resignation letter. The member of the Audit Committee who resigned or was dismissed may explain his/her reason to the Securities Exchange Commission and the Stock Exchange.

In case of a vacancy in the Audit Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified and is without prohibited characteristics as a substitute member of the Audit Committee within three months after the vacancy so that the number of members of the Audit Committee remains in full as the laws and the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.



## 5. Meetings

The meetings of the Audit Committee shall be held at least once every three month to consider quarter/annual financial statements and other matters within the authority and duty of the Audit Committee. Together with the Audit Committee, the external auditors, internal auditors and executives shall also attend the meeting to audit the financial statements on a quarterly basis and report them to the Board of Directors. In case that the executives are to carry out any connected transaction or transaction relating to the acquisition or disposition of assets, the propriety and reasonability of the transaction, as well as the utmost benefits of the Company, shall be taken into consideration in order to ensure its compliance with regulations regarding connected transactions and transactions relating to acquisition and disposition of assets as stipulated by SET's announcement.

In calling a meeting of the Audit Committee, the Chairman or the Secretary to the Audit Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Audit Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or an earlier meeting date may be choosing. Agendas of each meeting must be clearly determined prior to the date of the meeting. Meeting document must also be sent to the Audit Committee and the attendees of each meeting in advance with sufficient time for the recipients to consider the matters or request for further information.

In a meeting of the Audit Committee, the Chairman of the Audit Committee or the Chairman of the Meeting may order the meeting to be carried out by way of electronics conference which allows all attendees to discuss, enquire and share opinions with one another despite being in different locations while complying with the stipulated regulations and means.

The Audit Committee should hold meetings to discuss matters within its scope of duties as stipulated in this Charter.

## 6. Quorum

At a meeting of the Audit Committee at least half the number of the members of the Audit Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Audit Committee shall appoint a member to perform the duty as the Chairman of the Meeting.

Decisions in the meeting shall be made by a simple majority vote.

Each member of the Audit Committee is entitled to one vote, except the member of the Audit Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

The Audit Committee may invite involved parties, such as the Company's directors, the Management, the executives, the Company's lawyers, external lawyers, or the Company and its subsidiaries' employees and/or other persons involved, to discuss over or inform of the matters or answer queries.

The Secretary to the Audit Committee or any person assigned by the Audit Committee shall prepare the minutes of the Audit Committee meeting, which must be verified by the Audit Committee, before the Chairman of the Audit Committee further propose said minutes to the Meeting of the Board of Directors for their acknowledgement of the Audit Committee's activities.

## **7. Responsibilities of the Audit Committee**

7.1 In case the Audit Committee is informed by the auditor about suspicious behavior of President & CEO or persons responsible for business operation of the Company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.

7.2 Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the Company, the Audit Committee is to report such events to the Board of Directors in order to find remedy within a period deemed appropriate by the Audit Committee

- (1) Transaction which may cause conflicts of interest.
- (2) Fraud or irregular events or material flaws in the internal control system.
- (3) Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the Company's business.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET.

## **8. Remuneration**

The Audit Committee shall be paid a remuneration, the amount of which shall be approved at the general meeting of shareholders.

### **2.1.3 Charter of the Corporate Governance and Nomination Committee**

(Resolutions of the meeting of the Board no. 227 (3/2021) on April 27, 2021, effective from April 27, 2021)

The Corporate Governance and Nomination Committee is a part of good corporate governance. The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 214 (10/2019), no. 224 (8/2020) and no. 227 (3/2021) on October 26, 2019, December 1, 2020, and April 27, 2021 respectively, has resolved to adopt this Charter of the Governance and Nomination Committee so that every member of the Corporate Governance and Nomination Committee is aware of his/her duties and responsibilities and performs them correctly and completely, aligning with the Corporate Governance Code, in order to build stakeholders' confidence and trust in the Company.

#### **1. Scope of Duties**

The duties of the Corporate Governance and Nomination Committee are as follows:

- 1.1 Draw up the scope and policy of the Company's corporate governance and consistently present them to the Board of Directors.
- 1.2 Make recommendations on the practice of the Company's corporate governance and give advice on corporate governance to the Board of Directors.
- 1.3 Oversee and monitor the performance of the Company's Board of Directors and the executive committee to ensure their compliance with the Company's corporate governance policy.
- 1.4 Review the practice of corporate governance within the Company to ensure it is appropriate for the Company's business operations and consistent with international best practices and make recommendations to the Board of Directors for further improvement and keeping it up-to-date.
- 1.5 Oversee that appropriate anti-corruption policy for the Company's business operation has been issued.
- 1.6 Consider the structure and the composition of the Board of Directors in terms of the number of the Board of Directors appropriate for the size, category and complicity of the business, as well as alter them to meet the business strategies and changing circumstances. The Corporate Governance and Nomination Committee shall also consider determining director qualifications of each Sub-committee in terms of knowledge, expertise, experience, and specialty in particular fields, which bring benefits to matters relating to the Company and its subsidiaries.

- 1.7 Review the independence of directors, as well as any potential conflicts of interest in the performance of its duties. The independence of each independent director has to be reviewed to ensure that his/her qualifications are utterly consistent with regulations and/or relevant laws.
- 1.8 Review the propriety of director positions should there be an alteration to the qualifications of Company directors.
- 1.9 Consider formulating director development plans to further knowledge and skills of members of the Sub-committees of the Company to ensure their understanding in duties, businesses, economic circumstances, technologies, and laws and regulation relating the Company and its subsidiaries' businesses.
- 1.10 Recommend methods to assess the performance of the Board of Directors, the committees, the Chairman and the top executives, and review them annually. In addition, follow up and conclude the assessment results to the Board of Directors for acknowledgement and utilize such information for the improvement of work efficiency and enhancement of the directors' knowledge and capabilities.
- 1.11 Review and give advice to the Board of Directors on the structure, roles and responsibilities, and practices of the Board of Directors and the committees. Should there be an alteration to the Charter of the Board of Directors and the committees, the recommendations in keeping it up-to-date. Governance and Nomination Committee shall review and make appropriate.
- 1.12 Determine procedures and guidelines for the nomination and selection of qualified persons according to applicable regulations and laws, and consider nominating those who are qualified as a director in replacement of directors retiring by rotation or other cases, as well as members of the Sub-committees assigned of authority and responsibility by the Board of Directors and the top executives of the Company. In addition, diversity of the Board structure in terms of knowledge, expertise, experience, gender, and specialty in particular fields which contributes to the Company, shall be taken into account before proposing for the Board of Directors and/or the Meeting of Shareholders' consideration and approval.
- 1.13 Propose remuneration guidelines and means both in cash and in kind, and other benefits of the directors in alignment with the duties, responsibilities and qualifications of the directors. Various requirements for the Initial Public Offering or allocation of warrants to purchase shares to the directors (if any) shall be taken into consideration before proposing to the Board of Directors and/or the Meeting of Shareholders for approval.

- 1.14 Review, study, and track regularly the changes and trends in remuneration for the Board of Directors and sub-committees in order to propose for the approval of the Board of Directors.
- 1.15 Consider the remuneration of the Board of Directors and sub-committees, as compared to the remuneration offered by other listed companies operating in the same business, to ensure that the Company retains its leadership in that industry and to motivate them to foster the Company's continuing development.
- 1.16 Review the performance appraisal of the Corporate Governance and Nomination Committee on a regular annual basis as a whole and as self-assessment.
- 1.17 Consistently report the progress and the operating result to the Board of Directors after meetings of the Corporate Governance and Nomination Committee.
- 1.18 Disclose corporate governance policies and operations and nomination processes, as well the report of the Corporate Governance and Nomination Committee in the Company's annual reports.
- 1.19 Perform other duties as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Corporate Governance and Nomination Committee is authorized to call for and order the management, heads of offices or employees concerned to give opinions, attend meetings or submit necessary documents. In addition, the committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

## **2. Composition of the Corporate Governance and Nomination Committee**

The compositions of the Corporate Governance and Nomination Committee are as follows:

- 2.1 The Corporate Governance and Nomination Committee consists of not less than 3 members. A majority of the Corporate Governance and Nomination Committee must be independent directors to align with the Corporate Governance Code for listed companies.
- 2.2 The members of the committee must be appointed by the Board of Directors.
- 2.3 The Corporate Governance and Nomination Committee shall select one of their members to be the Chairman. The Chairman of the Corporate Governance and Nomination Committee should be an independent director to ensure his transparency and independency in performing duties.
- 2.4 The Corporate Governance and Nomination Committee shall appoint the Secretary to the Corporate Governance and Nomination Committee to in charge of meeting appointments, preparing agendas for the meetings, sending meeting documents and writing minutes of the meeting.

### 3. Qualifications of the Corporate Governance and Nomination Committee

- 3.1 Shall be Company directors.
- 3.2 Chairman of the Corporate Governance and Nomination Committee should be an independent director in order to act as the predominant driving force, ensuring that the Corporate Governance and Nomination Committee perform their duties independently.
- 3.3 Shall meet all the qualifications and not have any prohibited characteristic according to the Public Limited Companies Act, B.E. 2535 – including all amendments – as well as the applicable announcement, the regulations and/or rules. Members of the Corporate Governance and Nomination Committee shall not have any improper characteristic deemed untrustworthy for being directors or executives according to the Securities and Exchange Commission and/or the Capital Market Supervisory Board.
- 3.4 Shall possess knowledge and good understandings of his/her own qualifications, duties and responsibilities as a member of the Corporate Governance and Nomination Committee as well as corporate governance.
- 3.5 Shall have wide-ranging vision, and keep updated continuously with changes of corporate governance internationally for further improvement of the Company's corporate governance policies and nomination of the Company directors.
- 3.6 Shall be able to independently perform his/her duties, express opinions, report on the performance of the assigned duties with independency and transparency, and devote sufficient time to perform his/her duties.
- 3.7 The members of the Corporate Governance and Nomination Committee must be neutral in looking for and selection of persons qualified for nomination to hold the position of Company directors, replacing those whose terms of office expired or for other cases, and in preparation of sufficient biographical data of such persons for the consideration of the Board of Directors.

### 4. Terms of Office

The term of office of the members of the Corporate Governance and Nomination Committee is 3-year each, ending at the annual general meeting of shareholders. A retiring member is eligible for re-appointment

Apart from the vacancy upon the expiration as aforementioned, a member of the Corporate Governance and Nomination Committee shall vacate office when:

- 1) he/she ceases to be the director, or lacks the qualities of the directors or has prohibited characteristics according to the Company's Articles of Association or the Public Company Act and/or laws relating to Securities and Exchange;
- 2) he/she resigns;
- 3) he/she is no longer qualified for the office of the Corporate Governance and Nomination Committee, as specified in this charter;
- 4) the Board of Directors pass a resolution removing him/her from office;
- 5) he/she dies.

If a member of the Corporate Governance and Nomination Committee wishes to resign, he/she shall give notice of resignation to the Chairman of the Company's Board of Directors. The resignation shall be effective from the date on which the Chairman of the Company's Board of Directors receives the resignation letter

In case of vacancies of all members in the Corporate Governance and Nomination Committee, the said Corporate Governance and Nomination Committee may perform any act in the name of the Corporate Governance and Nomination Committee only in matters necessary until a new Corporate Governance and Nomination Committee takes over the duties.

In case of a vacancy in the Corporate Governance and Nomination Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified as a substitute member of the Corporate Governance and Nomination Committee so that the number of members of the Corporate Governance and Nomination Committee remains in full as the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

## 5. Meetings

Meetings of the Corporate Governance and Nomination Committee are to be called whenever the Committee or the Chairman of the Committee sees fit. There must be at least 4 meetings per year.

In calling a meeting of the Corporate Governance and Nomination Committee, the Chairman or the Secretary of the Corporate Governance and Nomination Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Corporate Governance and Nomination Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods and an earlier meeting date may be choosing.

In a meeting of the Corporate Governance and Nomination Committee, the Chairman of the Corporate Governance and Nomination Committee or the Chairman of the Meeting may order the meeting to be carried out by way of electronics conference which allows all attendees to discuss, enquire and share opinions with one another despite being in different locations while complying with the stipulated regulations and means.

The Corporate Governance and Nomination Committee should hold meetings to discuss matters within its scope of duties.

## 6. Quorum

At a meeting of the Corporate Governance and Nomination Committee at least half the number of the members of the Corporate Governance and Nomination Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Corporate Governance and Nomination Committee shall appoint a member to perform the duty on behalf of the Chairman.

Decisions in the meeting shall be by a simple majority vote. Each member of the Corporate Governance and Nomination Committee is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote. The member of the Corporate Governance and Nomination Committee who has an interest in any matter, he/she shall not be entitled to vote on such matter.

Resolutions of the Corporate Governance and Nomination Committee may be made without meeting, and shall be deemed valid as if they were made at the meeting, when all members of the Corporate Governance and Nomination Committee have adopted it by their signatures.

## 7. Remuneration

The Corporate Governance and Nomination Committee shall be paid a remuneration, the amount of which shall be fixed by the shareholders' meeting.



## **2.1.4 Charter of the Remuneration Committee**

(Resolution of the Meeting of the Board no. 227 (3/2021) on April 27, 2021, effective from April 27, 2021)

The Remuneration Committee is a part of a good corporate governance system. The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 214 (10/2019), no. 224 (8/2020) and no. 227 (3/2021) on October 26, 2019, December 1, 2020, and April 27, 2021 respectively, has resolved to adopt this Charter of the Remuneration Committee so that every member of the Remuneration Committee is aware of his/her duties and responsibilities and performs them correctly and completely, aligning with the Corporate Governance Code, in order to build Stakeholders' confidence and trust in the Company.

### **1. Scope of Duties**

The duties of the Remuneration Committee are as follows:

- 1.1 Propose remuneration guidelines and means both in cash and in kind, and other benefits of top executives of the Company in alignment with the responsibilities and qualifications of persons appointed and employed by the Company. Various requirements for the Initial Public Offering or allocation of warrants to purchase shares to the top executives and employees (if any) shall be taken into consideration before proposing to the Board of Directors and/or the Meeting of Shareholders for approval.
- 1.2 Recommend the policy on the Company's management Incentives including salary and annual bonus, in line with the Company's operating results and the performance of each top executive. Whenever it deems appropriate, the Committee shall consider hiring of consulting firms to advise on project implementation.
- 1.3 Assess the performance of the Chief Executive Officer on an annual basis in order to determine his/her remuneration before proposing the Board of Directors for approval, all the while considering relevant risks and responsibilities as well as focusing on and taking into consideration the long-term value adding to the shareholders.
- 1.4 Consider the annual budget for the salary increase, changes of wage and compensation, and bonus of top managers before proposing to the Board of Directors.
- 1.5 Prepare a succession plan for the Chief Executive Officer and the top executives, and propose it for the Board of Directors' consideration to ensure that the successor can perform their duties without disruption of work flows.
- 1.6 Review, study, and track regularly the changes and trends in remuneration for the top executives in order to propose for the approval of the Board of Directors.

- 1.7 Consider the remuneration of the top executives, as compared to the remuneration offered by other listed companies operating in the same business, to ensure that the Company retains its leadership in that industry and to motivate them to foster the Company's continuing development.
- 1.8 Review the performance appraisal of the Remuneration Committee on a regular annual basis as a whole and as self-assessment.
- 1.9 Report regularly a progress and performance results to the Board of Directors after every meeting of the Remuneration Committee.
- 1.10 Disclose the remuneration in various manners as well the report of the Remuneration Committee in the Company's annual reports.
- 1.11 Perform other duties as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Remuneration Committee is authorized to call for and order the management, heads of offices or employees concerned to give opinions, attend meetings or submit necessary documents. In addition, the committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

## **2. Composition of the Remuneration Committee**

The compositions of the Remuneration Committee are as follows:

- 2.1 The Remuneration Committee consists of not less than 3 members. A majority of the Remuneration Committee must be independent directors to align with the Corporate Governance Code for listed companies.
- 2.2 The members of the committee must be appointed by the Board of Directors.
- 2.3 The Remuneration Committee shall select one of their members to be the Chairman of the Remuneration Committee. The Chairman of the Remuneration Committee should be an independent director to ensure his transparency and independency in performing duties.
- 2.4 The Remuneration Committee shall appoint the Secretary to the Remuneration Committee to in charge of meeting appointments, preparing agendas for the meetings, sending meeting documents and writing minutes of the meeting.

## **3. Qualifications of the Remuneration Committee**

- 3.1 Shall be the Company directors.
- 3.2 Chairman of the Remuneration Committee should be an independent director in order to act as the predominant driving force, ensuring that the Remuneration Committee perform their duties independently.

- 3.3 Shall meet all the qualifications and not have any prohibited characteristic according to the Public Limited Companies Act, B.E. 2535 – including all amendments – as well as the applicable announcement, the regulations and/or rules. Members of the Governance and Nomination Committee shall not have any improper characteristic deemed untrustworthy for being directors or executives according to the Securities and Exchange Commission and/or the Capital Market Supervisory Board.
- 3.4 Shall possess knowledge and good understandings of his/her own qualifications, duties and responsibilities as a member of the Remuneration Committee.
- 3.5 Shall have wide-ranging vision, and keep updated with changes of the Company and its subsidiaries' performances for further improvement of the Company's guideline on remuneration determination.
- 3.6 Shall be able to independently perform his/her duties, express opinions, report on the performance of the assigned duties, and devote sufficient time to perform his/her duties.

#### 4. Terms of Office

The term of office of the members of the Remuneration Committee is 3- year each, ending at the annual general meeting of shareholders. A retiring member is eligible for re-appointment.

Apart from the vacancy upon the expiration as aforementioned, a member of the Remuneration Committee shall vacate office when:

- 1) he/she ceases to be the director, or lacks the qualities of the directors or has prohibited characteristics according to the Company's Articles of Association or the Public Company Act and/or laws relating to Securities and Exchange;
- 2) he/she resigns;
- 3) he/she is no longer qualified for the office of the Remuneration Committee as specified in this Charter;
- 4) the Board of Directors passes a resolution removing him/her from office;
- 5) he/she dies.

If a member of the Remuneration Committee wishes to resign, he/she shall give notice of resignation to the Chairman of the Company's Board of Directors. The resignation shall be effective from the date on which the Chairman of the Company's Board of Directors receives the resignation letter.

In case of vacancies of all members in the Remuneration Committee, the said Remuneration Committee may perform any act in the name of the Remuneration Committee until a new Remuneration Committee takes over the duties.

In case of a vacancy in the Remuneration Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified as a substitute member of the Remuneration Committee so that the number of members of the Remuneration Committee remains in full as the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

## **5. Meetings**

Meetings of the Remuneration Committee are to be called whenever the Committee or the Chairman of the Committee deems necessary and fit. There shall be at least 4 meetings per year.

In calling a meeting of the Remuneration Committee, the Chairman or the Secretary to the Remuneration Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Remuneration Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods and an earlier meeting date may be choosing.

In a meeting of the Remuneration Committee, the Chairman of the Remuneration Committee or the Chairman of the Meeting may order the meeting to be carried out by way of electronics conference which allows all attendees to discuss, enquire and share opinions with one another despite being in different locations while complying with the stipulated regulations and means.

The Remuneration Committee should hold meetings to discuss matters within its scope of duties.

## **6. Quorum**

At a meeting of the Remuneration Committee at least half the number of the members of the Remuneration Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Remuneration Committee shall appoint a member to perform the duty as the Chairman of the Meeting.

Decisions in the meeting shall be made by a simple majority vote. Each member of the Remuneration Committee is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote. The member of the Remuneration Committee who has a conflict of interest in any matter, he/she shall not be entitled to vote on such matter.

Resolutions of the Remuneration Committee may be made without meeting, and shall be deemed valid as if they were made at the meeting, when all members of the Remuneration Committee have adopted it by their signatures.

## **7. Remuneration**

The Remuneration Committee shall be paid a remuneration, the amount of which shall be approved at the general meeting of shareholders.

### 2.1.5 Independent Director's Qualifications

(Resolution of the meeting of the Board of Directors no. 210 (6/2019) on June 27, 2019)

1. Shall not hold shares exceeding 0.5% of the total number of voting shares of the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons, including shares held by related persons of such independent director.
2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiaries, associates, same-tier subsidiary companies, major shareholders or controlling persons unless the foregoing status has ended not less than 2 years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company.
3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.

The term 'business relationship' in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the applicant or his/ her counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the applicant or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness incurred during the period of 1 year prior to the date on which the business relationship with the person commences.

5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.
6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.
7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.
8. Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
9. Shall be able to attend meetings of the Board of Directors and make independent judgment.
10. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.
11. Shall be able to look after the interests of all shareholders equally.
12. Shall be able to prevent conflicts of interest.

After being appointed as an independent director with all qualification items 1-13 specified above, such independent director may be assigned by the Board of Directors to make decisions relating to business operations of the Company, its parent company, subsidiary, associate, same-tier subsidiary or any juristic person which may have a conflict of interest on the basis of collective decision, whereby such actions of the independent director are not deemed partaking of management.

In case that the appointed independent director is the person who has or used to have a business relationship, or provision of professional services at a value exceeding the specified amount under item 4 or 6, the Company shall be granted an exemption from such prohibition of having or having had a business relationship or provision of professional services at such excessive value, provided that the Company has obtained an opinion of the Board of Directors indicating that after a consideration in accordance with Section 89/7 of the Securities and Exchange Act, the appointment of such person does not affect the performance of duties and the giving of independent opinions, and that the relevant information is disclosed in the notice of shareholders' meeting under the agenda of the appointment of an independent director.

## 2.1.6 Policy on Qualification and Nomination of Company Directors

(Resolution of the meeting of Board of Directors no. 229 (5/2021) on July 27, 2021, effective from July 27, 2021)

### 1. Principles

In accordance with SCG Packaging's Corporate Governance Principle, director nomination and selection is of paramount importance as the Company's Board of Directors plays a critical role in formulating strategies and business directions for the sustainable growth of SCG Packaging. As such, the Board of Directors has deemed it appropriate to develop the Policy on Qualification and Nomination of Company Directors.

### 2. Policy on Qualification and Nomination of Company Directors

The Board of Directors shall be composed of directors who, with full qualifications and without any prohibited characteristics prescribed by the laws and the Company's Article of Association, and should consist of a diverse range of skills, experiences, knowledge and expertise beneficial for the Company, without any discrimination on the grounds of gender, age, ethnicity, race, nationality, country of origin, cultural background and religion, etc., to enable the Company to achieve its business objectives and goals, as well as support the Company to keep its management compliant with SCG Packaging's Corporate Governance. This is to ensure fairness, transparency, as well as an ability to generate returns and added values in a long term for shareholders and inspire trust in stakeholders of all parties, all of which will lead SCG Packaging towards sustainable growth.

### 3. Qualification of Company Directors

The Board of Directors has entrusted the Corporate Governance and Nomination Committee with the task of nominating qualified candidates for directorship to replace directors retiring by rotation or under other circumstances to the Board of Directors and/or the meeting of shareholders for election. The Corporate Governance and Nomination Committee selects candidates from a pool of qualified individuals with background and expertise from various disciplines who possess leadership, a breadth of vision, integrity and ethics, clear and unblemished career records, as well as the ability to express opinion independently. Director nomination should take into account the following factors.

#### 3.1 Required qualifications in each director:

The Corporate Governance and Nomination Committee should determine and establish individual qualities of those to be nominated as directors in each aspect.

For instance:

- Integrity and accountability
- Informed judgment
- Maturity, firmness and the ability to listen well and express independent opinion
- Commitment to principles and standards with professionalism
- Other qualifications the Corporate Governance and Nomination Committee deems important.



### 3.2 Required knowledge and expertise of the Board of Directors

The Corporate Governance and Nomination Committee should prescribe a set of knowledge and expertise requirements for the Board of Directors and formulate the Board Skill Matrix to be used in the selection and nomination of qualified candidates. These requirements should encompass knowledge and areas of expertise that will enhance the ability of the Board of Directors to formulate strategies and policies as well as ensure their effective implementation, such as business, marketing, organization management, vision and strategic planning, accounting and finance, risk management, business and investment laws, innovation and technology, and other areas of expertise that deem to be beneficial to the Company in the next 3-5 years.

### 3.3 Diversity of the Board of Directors

In addition to the two aforementioned factors, the Corporate Governance and Nomination Committee may also establish guidelines relevant to diversity of the Board of Directors, such as gender, age, ethnicity, race, nationality, country of origin, cultural background and religion.

## 4. Director nomination and selection process

The nomination and selection of new directors involves a total of four steps as the following details:

### 4.1 Planning

For the Corporate Governance and Nomination Committee to determine guidelines and plans for nominating individuals with appropriate qualifications for thorough and timely consideration of new directors election, the Company Secretary are required to perform the following duties and propose for the Corporate Governance and Nomination Committee's consideration:

- Review the director's knowledge, capabilities, skills and experiences in the Board Skill Matrix.
- Prepare a schedule for the rotation terms of the Board of Directors and the sub-committee for each director.
- Review the Company's Qualifications of Independent Directors.
- Aggregate guidelines for director nomination, qualifications of individuals who will be directors as approved by the Board of Directors, relevant practices of SCG Packaging's Corporate Governance, and practices of good Corporate Governance concerning director nomination according to relevant divisions/organizations, such as the Securities and Exchange Commission (SEC) and the Thai Institute of Directors (IOD).
- Propose a process timeline in compliance with the meeting schedule of the Corporate Governance and Nomination Committee, the Board of Directors and the shareholders' meetings.

### 4.2 Nomination of Candidates

Nomination of qualified candidates for the consideration of new director election should be based on the following:

#### 4.2.1 Nomination of new directors by the Board of Directors

The Chairman of the Corporate Governance and Nomination Committee shall propose at the Board meeting to nominate candidates that are deemed qualified according to the Board Skill Matrix and business strategies within the specific time.

#### 4.2.2 Nomination of new directors by the shareholders

To ensure the implementation of a procedure which enables minor shareholders to participate in the nomination and appointment of directors and ensure that minor shareholders are able to elect independent directors to reserve their own benefits, the Company must allow at least 3 months for all shareholders to nominate candidates to be considered for the election as new directors according to the specified criteria and procedures. The Corporate Governance and Nomination Committee shall consider and propose the Board meeting to approve an appropriate and sufficient period of time to consider the selection and election in the next steps, where the Company Secretary shall inform SET about the timeline and other details, as well as publishing such information on the Company's website.

#### 4.2.3 Aggregation of candidate list from reliable sources

The Company Secretary shall aggregate lists of candidates in the Chartered Director of the Thai Institute of Directors as well as lists of directors of SET listed companies who match the Company's Board Skill Matrix and proposed such lists to the meeting of Corporate Governance and Nomination Committee as supporting materials for consideration.

#### 4.3 Selection

The Company Secretary shall aggregate the lists acquired from the step 4.2 to be proposed to the meeting of Corporate Governance and Nomination Committee for consideration.

The meeting of the Corporate Governance and Nomination Committee (excluding directors having interests in such a matter) shall determine the director's qualifications from the Board Skill Matrix to screen the lists of candidates qualified for the new director's positions from the step 4.2. This must comply with the Policy on Qualification and Nomination of Company Directors. The Corporate Governance and Nomination Committee shall also take into account diversity of the Board of Directors structure and the directors' devotion of time to their duties, and select the individuals with knowledge, expertise or experiences in providing beneficial advices for business operation strategies and policies in accordance with sustainable development approaches, before proposing to the Board of Directors' meeting for consideration.

The Company Secretary shall review the basic qualifications of the nominated persons from public sources regarding their directorship or executive positions in other businesses that may lead to conflicts of interests with the Company, and the qualifications of independent directors.

Should any director be nominated to continue his/her directorship for another term, time devotion to his/her duties, performance during his/her directorship and the number of other companies in which he/she holds directorship, which must not exceed four listed companies, shall be taken into account to ensure that his/her work efficiency will not diminish.

In the case of independent directors' nomination, the consideration shall be based on the directors' independency corresponding to the criteria stipulated by The Securities and Exchange Commission and by the Company. The necessity of additional selection of independent directors shall also be taken into account upon the lack of qualifications of the current independent directors to ensure that the composition of the Board of Directors is in compliance with the policies prescribed by the Board of Directors. In regard to the determination of independent directors' terms of service, an independent director who is to continue his/her position for another term shall hold his/her position for no more than nine consecutive years from the date of his/her first appointment as an independent director. If an independent director is appointed to continue his/her position, the Board should consider the reasonable necessity.

#### 4.4 Election

##### 4.4.1 Election of directors in replacement of those retiring by rotation

The Board of Directors (excluding directors having interests in such a matter) shall thoroughly and carefully consider the qualifications of the candidates which are individually nominated by the Corporate Governance and Nomination Committee before proposing the nomination of qualified individuals to the shareholders' meeting to consider director election. In addition, the Board Meeting may appoint the Chief Executive Officer and/or appropriate directors to approach the individuals of whom the Board of Directors has given consent to participate in the director election, and report the progress of approaching said nominated persons for the Board of Directors' acknowledgement/consideration.

##### 4.4.2 Election of directors in replacement of those resigning before their terms

Election of directors in replacement of those resigning before their terms shall be proceeded through the same process as that of the election of directors replacing those retiring by rotation. However, the meeting of the Board of Directors shall consider the election of directors without proposing to the shareholders' meeting for consideration.

In addition, in case where the remaining terms of office of directors resigning before their terms are less than two months, the shareholders' meeting is required by the laws to elect directors to replace said resigning directors.

## 2.1.7 Scope of Duties and Responsibilities of the Chief Executive Officer

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

Scope of duties and responsibilities of Chief Executive Officer are as follows:

1. Define, jointly with the Board of Directors, the company's vision, missions, strategies, master operating plans, budget, goals and policies.
2. Communicate with the Management on matters regarding the company's vision, missions, strategies, master operating plans, budget, goals and policies as approved by the Board of Directors so that they can use it as the framework for doing the work plan and administration.
3. Monitor the Management to execute their work according to the plan, budget, goals and policies as approved by the Board of Directors.
4. Monitor overall management of financial, marketing, production, human resource, risk, internal control and other operations of the Company and its subsidiaries to meet the Company's policies and business plan as approved by the Board of Directors and comply with laws, objectives, articles of association of the Company, resolutions of the Board of Directors as well as the general meetings of shareholders with accountability, due care, prudence and loyalty for the utmost benefits of the Company and fairness to concerned parties.
5. Develop and improve the operation of the Company and its subsidiaries continuously and support innovation that creates value added for the sustainable growth of the Company pursuant to strategic plan of the Company.
6. Monitor the Management to assure their participation and facilitation in building corporate culture of ethics and good governance.
7. Follow up performance assessment of the Company, its subsidiaries and/or affiliates through their routine performance reports and monitor that their financial reports and information disclosure are made accurately, sufficiently, timely and comply with applicable rules and guidelines.
8. Define rules, regulations, guidelines, and requirements for organization structure of positions which does not require the power of the Board of Directors or its subcommittees including employment, appointment, rotation, disengagement and termination employees of the Company whose positions does not require the power of the Board of Directors or its subcommittees.
9. Determine wage rate, compensation, reward, bonus and merit increase for management and employees whose positions are not under the power of the Board of Directors or its subcommittees in accordance with the structure and policy provided by the Board of Directors.

10. Direct and issue rules, regulations, notifications and internal mandate for the Company's operation to comply with the Company's policy and for the benefits of the Company as well as for maintaining good order in the organization.
11. Represent the Company in communication with shareholders and facilitate the Board of Directors in providing appropriate channel for communication with shareholders consistently and disclosing information with standardization and transparency.
12. Represent the Company for public relations particularly on building network and corporate image both national and international level.
13. The Chief Executive Officer must not attend the meeting or approve transactions that he/she or persons who may have conflict (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Market Supervisory Board), engage of interest or receive of any kind of benefits or have conflict of interest with the Company or its subsidiaries unless the approval of said transactions has been made in accordance with the policy or guideline approved by the general meeting of shareholders or the Board of Directors.
14. Consider and approve ordinary business transactions and ordinary business support transactions under general commercial conditions within the amount approved by the Board of Directors and complied with rules specified by the Office of the Securities Exchange Commission ("Office of SEC) and the Securities Exchange of Thailand ("SET") regarding connected transactions and transaction of acquisitions and dispositions of assets including approval of transactions pursuant to Delegation of Authority as authorized by the Board of Directors.
15. Operate in accordance with the regulations of the Office of SEC and SET regarding connected transactions and transactions of acquisition and disposition of assets as well as the Company's regulations as approved by the Board of Directors.
16. Execute other works as assigned and authorized by the Board of Directors.
17. Consider the appointments of advisors as deemed necessary for the operation of the Company.
18. Sub-authorize and/or assign a person or group of persons to act on behalf of the Chief Executive Officer under the scope of power specified in the Power of Attorney of the Company and/or rules, regulations or resolutions of the Board of Directors provided that said authorization of the Chief Executive Officer must not incur conflict of interest or any conflict in whatever area to the Company or its subsidiaries. In case of conflict of interest, said transaction must be proposed to the Board of Directors and/or the general meeting of shareholders (as the case may be) for consideration and approval unless it is an ordinary business transaction that the Company made under the same condition with non-related person (Arm's Length).

## 2.1.8 Policy and Guidelines on the Chief Executive Officer and Top Executives Holding Directorships in Organizations outside SCGP

(Resolution of the meeting of the Board no.224 (8/2020) on December 1, 2020, effective from December 1, 2020)

The Board of Directors of SCG Packaging Public Company Limited has established the policies and guidelines on the Chief Executive Officer and Top Executives holding directorships or devoting the Company's working time for other companies, organizations or institutes outside SCGP besides holding directorships in the subsidiaries, associated companies and other companies in which the Company invests. The basic principles of such policies and guidelines are based on the good Corporate Governance principles and SCG Packaging's Code of Conduct regarding conflicts of interests, where the employees shall not conduct any specific business that constitutes or may constitute a competition with the Company's business and the Company shall receive the utmost benefits according to the Company's aim to encourage the employees to strive to work hard as well as fully dedicating their working time for the Company. The propriety of such matters shall be under the discretion of the Company on a case-by-case basis as follows:

### Policies

The Chief Executive Officer and top executives may hold directorships or devote the Company's working time for companies, organizations or institutes outside SCGP that are not subsidiaries, associated companies and other companies in which the Company invests, as follows:

- (1) Government agencies, which constitute support for the government that will be public benefits
- (2) Private agencies founded for public interest such as the Federation of Thai Industries, Thai Chamber of Commerce, Thailand Management Association.
- (3) Private agencies founded for commerce that do not lead to conflicts of interests with the Company nor spend time that exert negative effects upon the Company

In addition, the organizations must not be founded for benefits of any particular political parties.

### Practices

The Chief Executive Officer shall propose for the Board of Directors' approval for holding directorship in other companies or institutes outside SCGP, while the top executives shall propose to the Chief Executive Officer for such approval.

In case where the Chief Executive Officer or top executives obtain remunerations from holding directorships in or working for companies, organizations or institutes outside SCGP, the Chief Executive Officer and top executive shall transfer such remunerations to the Company or charitable organizations according to the Company's required methods.

**The number of companies/institutes allowed for holding directorships**

The Chief Executive Officer may hold directorships or devote the Company's working time for companies, organizations and institutes as agreed by the Board of Directors without contradiction to nor inconsistency with the requirements in the Charter of the Boards of Directors, while, in the case of top executives' directorships, these shall be under the Chief Executive Officer's discretion. The information on such directorships shall also be reported to the Company as required by applicable laws and regulations as well as the Company's policies.

## 2.2 Corporate Management Policies and Practices

### 2.2.1 Charter of the Internal Audit Office

(Resolution of the meeting of the Audit Committee no. 1/2019 on June 27, 2019, effective from June 27, 2019)

This Charter is made for the purposes of setting the missions, scope of work, authorities and accountabilities including operational guidelines and practices of the Internal Audit Office, SCG Packaging Public Company Limited, and making the Board of Directors, the Management Committee and all levels of employees of SCG Packaging understand in summary of the following issues:

#### Missions

Missions of the Internal Audit Office includes building, preventing, and preserving the values of the organization by rendering assurance fairly under the defined risk, providing recommendation and comprehensive business understanding in alignment with the goals and strategies of the organization.

#### Definitions

Tasks of the Internal Audit Office includes rendering assurance services and consulting services independently and fairly to added value and improve operation of companies in SCG Packaging. The Internal Audit Office contributes business operations in SCG Packaging to meet their defined objectives by assessment and improvement the effectiveness and efficiency of the risk management system, internal control and corporate governance process by using appropriate method and program.

#### Duties and accountabilities

Duties of the Internal Audit Office include the following areas:

##### Governance, risk management, compliance and internal control

1. Auditing the financial reports that they are conducted in accordance with Thai Financial Reporting Standard and international as well, having operational process and supporting document correctly, completely, transparently and reliably, disclosing sufficient information in the notes to the financial statements, considering impacts from the changes of accounting standard and selecting accounting policy to the Audit Committee.
2. Auditing connected transactions, acquisition or disposing of assets or transactions probably incurring conflicts of interest that they comply with applicable laws and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand



3. Assessing the risk management system and motivating companies in SCG Packaging to perform risk management internationally, capable to identify significant risks and manage them efficiently, have appropriate risk index including risk warning signal and auditing the correctness and effectiveness of work procedure, risk management, control, governance and security of information and communication network that they are efficient and comply with international standard.
4. Assessing the efficiency of promotion and building awareness, risk assessment, internal control, creating of preventive work system, audit as well as reviewing self-assessment form concerning anti-corruption measures to be in compliance with governing agents such as Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), Institute of Directors Association (IOD) and the National Anti-Corruption Commission.
5. Auditing work process that it is conducted according to good corporate governance.
6. Auditing control and compliance process according to applicable laws on securities and stock exchange market, regulations, rules and other laws related to the Company's business.
7. Assessing the internal control system to assist the companies in SCG Packaging in conducting their significant business activities with appropriate internal control system to prevent substantial damage and assessing overall internal control system of the audited companies under COSO 2013 internal control framework.
8. Auditing frauds and complaints according to rules and regulations under relevant laws and defining guidelines for remedy and fraud prevention.
9. Defining and developing preventive system and audit method to promote preventive operation of the companies in SCG Packaging for the benefits and value added increasing of the organization by meeting the objectives and targets effectively and efficiently and compliance with the company's rules and regulations, laws on securities and stock exchange market and other relevant laws.

#### Others

10. Proposing the Audit Committee to consider the appointment of the Company's auditor and its remuneration, coordinate with the auditor for the exchange of information relevant to the audit and meet with the auditor without management at least once a year.
11. Preparing the Audit Committee's Report for the Chairman of the Audit Committee to consider and sign before disclosing in the Company's Annual Report.

12. Proposing the Audit Committee to consider and approve budgets and manpower of the Internal Audit Office.
13. The Director of the Internal Audit Office is responsible to find the independent opinion from other profession advisors in case if it is necessary for the benefits of considering and providing comments to the operation of the Company at the Company's expenses.
14. Arranging for the annual performance assessment of the Audit Committee and its members.
15. Any other work as required by laws or assigned by the Board of Directors or the Audit Committee.

### **Scope of Audit**

The Internal Audit Office is responsible to internal audit work in SCG Packaging, its subsidiaries and joint ventures under the management of SCG Packaging. Other companies are audited as assigned by the Audit Committee or the top executives or when irregular circumstances are encountered in order to assure that the risk management system, internal control and corporate governance of SCG Packaging are sufficient, efficient and meet the objectives. Moreover, the Internal Audit Office has contributed to offering all round improvements such as administration control, profit raising opportunity as well as the corporate reputation and image as follows:

1. Identification of risk factors, risk assessment and appropriate risk management;
2. Appropriate and efficient internal audit by:
  - 2.1 Having information on finance, administration and significant operation which are correct, reliable and on time;
  - 2.2 Performing the work in compliance with policies, standards, regulations, including relevant laws and rules;
  - 2.3 Performing the work effectively and efficiently;
  - 2.4 Procuring assets economically and effectively and maintaining them sufficiently.

### **Audit Authorities**

The Director of the Internal Audit Office and the audit officers are authorized and have its authorities to access information, work system and personnel of the Company related to performing the audit as necessary and appropriate. It is the duty of the management at all levels in SCG Packaging to support the work of the Internal Audit Office to meet the objectives of the audit and gain utmost benefits to SCG Packaging.

Any document and information received or known by the audit officers will be kept confidentially and will not be disclosed to any other party without permission from relevant authorized party unless the disclosure is required by laws.

### Report and Follow-up

1. The Director of the Internal Audit Office has the duties to control and manage that the audit has been performed according to the audit plan and arrange for the audit reports to be presented to the management of the audited company and present the summary reports to the Management Committee of SCG Packaging and the Audit Committee. As for the administration work, the Director of the Internal Audit Office reports to CFO, SCG Packaging Public Company Limited.
2. The Director of the Internal Audit Office is responsible to define and control the audit result follow-up system and build preventive work system.

### Independence and Fairness

1. Performing the audit activities including scope of audit, process, timeline and content of the audit report must be independent from any influence so that the audit performance is efficient and meets objectives and audit plan.
2. The Director of the Internal Audit Office and the audit officers must have neutral attitude, not unfair, not bias and avoid conflicts of interest.
3. The Director of the Internal Audit Office and the audit officers should omit from auditing the work they have been responsible previously. Providing the assurance to the tasks responsible in the previous year of the audit officers could be considered as a cause of fairness deterioration.
4. In case the independence or fairness is deteriorate, the causes of such deterioration should be disclosed in detail as appropriate to concerned parties. The manner of the disclosure depends upon the causes of such deterioration.

### Qualifications of Internal Audit Officer

1. Having knowledge, competency, and expertise in operational audit.
2. Having knowledge, and understanding of good corporate governance, risk management, laws, regulations, rules, and orders; having knowledge in control and audit technique in IT is required for IT Audit Officer.
3. Developing knowledge, professional competency, efficiency and quality of internal audit work continuously.
4. Having good relationship, courteous, open- mind, and providing recommendation beneficial to SCG Packaging and in compliance with international standard.
5. Being independent and having no interest in the subject to be audited.

### Code of Ethics

Internal auditors must perform their duties in accordance with the Internal Auditor Code of Ethics, comprising:

1. Integrity
2. Objectivity
3. Confidentiality
4. Competency
5. Transparency

### Standards for the Professional Practice of Internal Auditing

Internal Auditor shall perform its duties according to the International Standards for the Professional Practice of Internal Auditing.

## 2.2.2 Sustainable Development Policy

(Resolutions of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019, effective from August 21, 2019)

SCG Packaging Public Company Limited (“the Company”) and its subsidiaries both in Thailand and overseas have policies to operate their businesses on the basis of sustainable development by taking into account risks and opportunities in enabling work improvement at all levels of the organization, both short-term and long-term demands and expectations of all stakeholders, as well as social and environmental impacts. Such information is also vital to the development of the Company’s business strategy to achieve sustainable growth in ever-changing circumstances as well as maintaining balance in economic, societal and environmental aspects.

**Economy:** Rather than solely valuing profits as its most important objective, SCG Packaging also focuses on instilling values emphasizing on responding to demands and expectations of all stakeholders, increasing the organization’s capability and adaptability to changes, and supporting all stakeholders to operate their businesses on the basis sustainable development.

**Society:** SCG Packaging conducts its business with fairness, treat their employees with fairness and equality, strive to create the safest work environment and concerning for social responsibility as well as contributing to the improvement of life quality of people in the areas in which the Company operates.

**Environment:** SCG Packaging strives to conserve the environment, efficiently utilize the resources and sustainably maintain balance in the ecosystem.

Guidelines on sustainable development in the business operations of the Company and its subsidiaries both in Thailand and overseas are as follows:

1. Incorporate advanced, safe and environmental-friendly machinery and technology to reduce resource usage, convert waste materials from manufacturing to energy for usage, and control and reduce pollution caused by manufacturing process.
2. Develop, design and provide consumers with products which are easy to use, durable, reusable and recyclable while aiming for good quality, safety, and environmental friendliness at the same time. SCG Packaging also strives to improve the capability of the organization to become a leader and an expert equipped with creativity and capability to continually develop innovations in packaging industry.
3. Support the communities near the manufactories and all parties involved to live together in peace, share opinions and determinedly participate in finding solutions for

all problems, as well as emphasizing on achieving sustainable social development through various social projects.

4. Organize activities and campaigns to inspire environmental consciousness in the new generations as well as the youths living near manufactories.
5. Cooperate and coordinate with communities, government organization, suppliers and external agencies that take an interest in sustainable development as a role model.

### 2.2.3 Compliance Policy

(Resolutions of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

To ensure that the business operation of SCG Packaging is comply with relevant regulations, every employee is expected to fulfill their duties with honesty, integrity and morality, and commit to the Company's four Core Values, namely "Adherence to Fairness, Dedication to Excellence, Belief in the Value of the Individual and Concern for Social Responsibility", as well as strictly adhering to best practices in accordance with SCG Packaging's Code of Conduct. Furthermore, they are also expected to strive to be good citizens of every country in which SCG Packaging operates to prevent risks that may arise and affect SCG Packaging, its directors, executives and employees or undermine the confidence of all stakeholders. Therefore, the meeting of the Board of Directors no. 216 (12/2562) has thus resolved to issue the following compliance policy.

#### Definitions

**Regulations** means things that the Company shall comply or adheres to as work principles including laws, rules, principles, the Company's Articles of Association, agreements, Business' Code of Conduct, policies, work measures, best practice guidelines and social commitments.

**Compliance with regulations** means compliance with laws, rules, principles, the Company's Articles of Association, agreements, Business' Code of Conduct, policies, work measures, best practice guidelines and social commitments.

**Compliance management** means the procedures that are implemented to prevent any work practice that does not comply with relevant regulations as well as reducing the impacts which may occur from noncompliance with regulations. Operational Governance is carried out through several protocols which encourage, support, regulate, audit, and report the operation to ensure compliance with regulations, such as gathering relevant regulations, assessing and carrying out work in compliance with regulations, tracking, assessing, improving, and managing risks, training, communicating, raising awareness as well as managing resources.

**Executives** mean employees whose duties are to set the policies for each division and/or ensure compliance with policies, as well as encourage, distribute and review the division's resources.

**SCG Packaging** means SCG Packaging Public Company Limited and its subsidiaries according to the Company's consolidated financial statements.

### Compliance Policy

- 1) Each director, executive and employee shall strive for full compliance with the laws, regulations, orders, Articles of Association, contractual obligations, business ethics, policies, operational standards, best practices and public commitments in every country where SCG Packaging operates.
- 2) Compliance with domestic and international laws is of paramount importance that every director, executive and employee of SCG Packaging shall respect and comply. Any illegal transactions are thus unacceptable.
- 3) Regulatory compliance constitutes part of the duties that each director, executive, and employee of SCG Packaging shall fulfill actively, by initiating communications and fostering correct understanding, issuing compliance guidelines and ensuring correct implementation, as well as raising awareness and further fortifying SCG Packaging's culture of honesty, integrity and strengthening compliance.
- 4) SCG Packaging focuses on the implementation of a compliance management system in the operation to ensure compliance with the laws and key public commitments as prescribed by SCG Risk Management Committee or each business unit, by managing efficient compliance procedures in the operation and constantly improving such procedures to correspond with both internal and external business environment and any changes that may occur.
- 5) Any employee of SCG Packaging who reports or provides information on an act that is or may constitute a violation of any law or key public commitment will be protected in accordance with SCG Packaging's Whistleblowing Policy.

### Compliance Guidelines

Enhancing and supporting compliance management systems will ensure that SCG Packaging conducts the business in compliance with relevant regulations with accuracy, precision, has work standards which efficiently help prevent noncompliance with regulations, as well as appropriately improving the efficiency in daily works. Details of the guidelines are as follows:

- 1) Establishing a scope of compliance and appointed persons in charge of establishing and implementing compliance management system into the organization. The executives shall establish a scope of laws and social commitment which is crucial for setting up a compliance management system and identifying relevant persons, departments, activities or areas responsible for setting up and implementing a compliance management system.



- 2) Establishing work standard
  - 2.1) Concerned personnel shall gather regulations relating to the scope of compliance as stipulated by the executives in item 1.
  - 2.2) Work standard shall be demonstrated as a guideline to working in compliance with applicable regulations.
- 3) Compliance and capability improvement in daily work
  - 3.1) Monitor works to ensure compliance with stipulated work standard.
  - 3.2) Monitor and audit works to ensure that the works have been precisely and accurately conduct carried out in compliance with relevant regulations.
  - 3.3) Report compliance with regulations to authorized persons and relevant parties to monitor and supervise works to ensure effective and efficient compliance with regulations.
  - 3.4) Any matter which may be considered noncompliance with regulations shall be improved and mended to reduce the impacts that may occur and to prevent recurrent acts of noncompliance in the future.
  - 3.5) Manage risks regarding compliance with regulations. Significant risks must be timely and appropriately handled.
  - 3.6) Operations relating to compliance with regulations shall be regularly reviewed to ensure achievement of desired objectives.
- 4) Supporting operation regarding compliance with regulations as follows:
  - 4.1) Necessary resources shall be efficiently allocated to ensure successful compliance with regulation.
  - 4.2) Enhance knowledge and skills of employees so that they could regularly and accurately act in compliance with regulations.
  - 4.3) Raise awareness and encourage organizational culture which adhere to compliance with regulations through various means such as work training, sharing experiences from experts, holding campaigns which focus on important matters, communicating, publicizing, setting good values and examples, encouraging with rewards or compensations, and setting appropriate punishment measures.
  - 4.4) Document or information relating to conducting operations in compliance with regulations shall be monitored appropriately to ensure that such document or information is accurate, complete, capable of being used appropriately, safely kept from being destroyed, forfeited, disappeared, leaked, publicized, and can be searched for and stored with ease.

### Duties and responsibilities

- 1) The Board of Directors of the Company shall set the compliance policy of SCG Packaging and monitor on a policy basis by assigning the Risk Management Committee to monitor the operation to comply with the compliance policy. The duties of the Board of Directors also includes instilling good conscience, encouraging compliance with regulations, as well as acting as a good role model to pass on the compliance culture of SCG Packaging.
- 2) The Audit Committee has duties to conduct an audit to ensure that SCGP Packaging has compliance monitoring and tracking procedures as well as supervising the internal audit system and auditing the compliance assessment report.
- 3) The Risk Management Committee has duties to monitor that the compliance policy is implemented by establishing effective and appropriate compliance procedures to ensure that SCG Packaging operates its business in compliance with relevant regulations. The responsibilities of the Risk Management Committee includes reporting any act of noncompliance which affects SCG Packaging
- 4) The executives are the key persons in charge of having the policy implemented practically and regularly. The executives, thus, must understand the compliance policy, its practices and regulations relating to their works, as well as ensuring that proper communication and imbuelement of good conscience are undertaken. Responsibilities of the executives includes encouraging their subordinates to value the importance of acting in compliance with regulations, setting guidelines and supervise their subordinates to ensure they precisely and consistently comply with regulations, and act as a good role model to pass on the compliance culture of SCG Packaging.
- 5) The employees of SCG Packaging must understand their roles, duties and responsibilities in following the compliance policy and relevant regulations. They must also strive to enhance their knowledge and skills as well as having a true understanding in their own duties, being responsible and diligent towards their assigned duties, and having a thoughtful approach to their works.

If the employees have any inquiry regarding compliance with regulations, they should ask their supervisors or supporting agencies responsible for clarifying such inquiry such as compliance division, legal division or other divisions which may have expertise in compliance.

Whistleblowing Policy In case that there is any act of noncompliance or avoidance of compliance with regulations, all employees of SCG Packaging must report to their supervisors or persons in charge or notify via various channel, such as whistleblowing system, and cooperate in the investigation. SCG Packaging shall give fair treatment and protect the whistleblowers who reports any noncompliance with regulation.

- 6) All divisions shall gather information and report any act of noncompliance or avoidance of compliance with laws and social commitment which are considered crucial to SCG Packaging to compliance divisions of SCG Packaging as well as supporting and cooperating with compliance divisions to solve problems, protect and manage any risk which may occur, including improving and enhancing SCG Packaging's compliance efficiency. The reported information will be kept confidential while the safety of the whistleblowers and the disadvantage which may occur to the whistleblowers will be prioritized.
- 7) Compliance division of SCG Packaging is the corporate division responsible for monitoring compliance in operations, advising, supporting, following and analyzing data, as well as assessing and reporting compliance's effectiveness and efficiency, to ensure that SCG Packaging operates its business in compliance with applicable regulations which, in turn, promote improvement and enhancement of SCG Packaging's compliance level.

#### **2.2.4 Anti-corruption Policy**

(Resolutions of the meeting of the Board no. 229 (5/2021) on July 27, 2021, effective from July 27, 2021)

SCG Packaging Public Company Limited (“the Company”) conducts its business with fairness based on a philosophy that the Company shall demonstrate a keen sense to social responsibility and the best interests of its stakeholders in alignment with the principle of Corporate Governance, SCGP’s Code of Conduct, and stakeholder engagement policy and guidelines. In 2020, the Company has become a member of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC).

In order to provide clear guidelines for business operations and develop the Company into an organization of sustainability, the Company has reviewed the previously issued Anti-corruption Policy and implemented this revised Anti-corruption Policy to ensure that the Company has in place a policy that defines responsibilities, guidelines, and appropriate operational requirements to prevent corruption in all of the Company’s business activities and that all decisions on business operations potentially incurring risk of corruption are considered and executed with due circumspection. The meeting of the Board of Directors no. 211 (7/2019) has, therefore, established the written Anti-corruption Policy to provide clear guidelines for business operations and develop the Company into an organization of sustainability. The meetings of the Board of Directors no. 224 (8/2020) and no. 229 (5/2021) then have resolved to further review the written Anti-corruption Policy for better adequacy.

#### **Definitions**

Corruption refers to any types of bribery, whether in the form of offering, promising to give, giving, agreeing to give, requesting, or accepting money, assets, or other benefits to or from a government officer, a government agency, a private organization, or a responsible person, either directly or indirectly, in order that such person acts or refrains from acting in the exercise of his or her duties in order to obtain or retain business or recommend a specific business to the company, or obtain or retain other undue business advantages, except where such act is allowed by laws, rules, notifications, regulations, local customs, or business.

Facilitation Payment refers to a small amount of expenses unofficially paid to the government officers simply to ensure that the government agencies will carry out the business in an orderly manner or to expedite the process.

The Company’s personnel refers to directors, executives, and employees of the Company and its subsidiaries.

A subsidiary refers to a subsidiary company in accordance with the consolidated financial statements of the Company.

## Anti-corruption Policy

The Company will not accept any form of corruption. The Company's personnel is to strictly comply with the Anti-corruption Policy and is prohibited from engaging in or accepting any form of corruption, either directly or indirectly. This shall apply to all businesses in every country and all agencies involved. Compliance with this policy shall be regularly reviewed. Relevant operational guidelines and requirements shall also be revised to ensure alignment with changes in business, rules, regulations, and legal requirements.

## Duties and Responsibilities

1. The Board of Directors is responsible for establishing an anti-corruption policy and putting in place effective anti-corruption systems in order to ensure that the Company's personnel recognize the significance of anti-corruption efforts and cultivate an anti-corruption mindset as part of the Company's organizational culture.

2. The Corporate Governance and Nomination Committee has a duty and responsibility to oversee that a proper anti-corruption policy for business operation is implemented.

3. The Audit Committee is responsible for reviewing financial and accounting reporting systems, internal control systems, internal audit systems, and risk management systems to ensure their compliance with international standards as well as their prudence, suitability, currency, and effectiveness. The Audit Committee is also in charge of handling submission of information regarding corruption involving the Company's personnel, conducting fact-finding investigations, presenting the matter to the Board of Directors to determine disciplinary action or solutions, as well as giving consultation and ensuring compliance with this Anti-corruption Policy.

4. The Chief Executive Officer, the Management and the executives are responsible for implementing the Anti-corruption Policy by putting in place relevant systems and promoting the policy as well as communicating it to all employees and related parties. They are also charged with reviewing the suitability of relevant systems and measures to ensure alignment with changes in business, rules, regulations and legal requirements.

5. The Internal Audit Director is responsible for reviewing risk assessment and offering recommendations on the formulation of corruption risk prevention procedures and approaches to present to the Audit Committee and the Board of Directors. The Internal Audit Director is also responsible for auditing and reviewing operations to ensure their compliance with policies, guidelines, Delegation of Authority, procedures, laws, and requirements of regulatory agencies and make certain that the Company's control systems are suitable, prudent, and sufficient for handling potential corruption risks. Outcomes of such audits and reviews shall be reported to the Audit Committee.

## Anti-corruption Guidelines

1. The Company's personnel and subsidiaries shall follow the Anti-corruption Policy and SCGP's Code of Conduct and avoid any direct or indirect involvement with corruption.

2. The Company's personnel shall not be negligent to take action upon detecting an act involving the Company which can be construed as corruption. It is their duties to notify their supervisors or responsible persons of such incidents and give full cooperation in the fact finding investigation. Should there be any inquiries or questions, they may consult their supervisors or persons designated to oversee compliance with SCGP's Code of Conduct through various channels provided.

3. The Company shall ensure fairness and provide protection to the Company's personnel who refuse to engage in corruption or report corruption cases related to the Company through a protection procedure which is intended for those who follow the Anti-corruption Policy, file complaints, or cooperate in reporting corruption as defined in the Whistleblowing Policy

4. The Company recognizes the importance of disseminating, educating and fostering an understanding among third parties whose duties involve or may impact the Company on matters where compliance with the Anti-corruption Policy is required.

5. The Company strives to foster and maintain an organizational culture with zero tolerance against corruption in transactions with both public and private sectors.

6. The Company's Risk Management Committee is responsible for preemptively assessing potential corruption risks. The Internal Audit Office has put in place appropriate and efficient audit processes and internal control systems for processes, finance, accounting, record keeping, and others, which are subject to regular review.

7. The Company shall comply with laws related to anti-corruption in Thailand and every country where it conducts business.

8. The Company and its subsidiaries shall consider taking appropriate action to ensure that its agents, contract counterparties, or any person acting on behalf of the Company and its subsidiaries are informed of the principles set forth in this Policy.

## Rules of Practice

1. This Anti-corruption Policy shall also apply to human resource processes, including nomination or selection, promotion, training, evaluation, and remuneration. Supervisors at all levels shall communicate the policy to staff so that they can apply it to business activities within their scope of responsibility and supervise its implementation to ensure efficiency.

2. Any implementation of the Anti-corruption Policy shall be in compliance with guidelines set forth in SCGP's Code of Conduct, Corporate Governance Handbook, stakeholder engagement policy and guidelines, as well as relevant rules and operational handbooks, and additional guidelines to be formulated in the future.

3. Ensure clarity regarding activities involving high risks of corruption, the Company's personnel shall exercise caution and comply with SCGP's Code of Conduct and guidelines as follows:

3.1 Gifts and Hospitality

Any offering or accepting of gifts and hospitality shall comply with SCGP's Code of Conduct.

3.2 Donations or Sponsorship

Any offering or accepting of donations, sponsorships or assets shall be transparent and legal. It must be made certain that such donations, sponsorship or assets shall not be used as a pretext for bribery.

3.3 Facilitation Payment

All facilitation payment to government employees, both directly and indirectly, is prohibited.

3.4 Political Contributions

(1) The Company shall maintain political neutrality and shall not act in the interest of or provide financial or other support to political parties, political coalitions, political figures, or political candidates, either directly or indirectly, either at the local, regional, or national level.

(2) The Company's personnel shall strictly comply with SCGP's Code of Conduct in relation to political action.

3.5 Hiring of government employees (Revolving Door)

The hiring of government employees or former government employees who have retired from their positions for no more than two years to hold any positions that may create a conflict of interest is prohibited. The Company shall set forth the procedures for disclosing the hiring of government employees or former government employees to ensure transparency and verifiability.

3.6 Business relations and procurement with public and private sectors

Any offering or accepting of bribery is prohibited in all business activities. Any dealing with public and private sectors shall be transparent, honest, and in compliance with relevant laws.

## **Communication and Training**

1. The Company shall communicate and disseminate the Anti-corruption Policy to the Company's personnel through various channels, such as orientation for new directors and employees, training sessions or seminars, as well as internal public relations within the Company's workplaces and electronic systems. The Company shall also periodically communicate to the Company's personnel various forms of corruption, risks of being involved in corruption, and how to submit information. This is to ensure that the Company's personnel acknowledge and implement the policy.

2. The Company shall communicate and disseminate the Anti-corruption Policy as well as the Company's whistleblowing channels to the public, subsidiaries, associates and stakeholders via various channels, such as websites, annual reports, and annual registration statements, to foster an understanding and support anti-corruption efforts

3. The Company's personnel who have any inquiries about this policy may consult their supervisors, Secretary to the Audit Committee, or the Internal Audit Director

## **Disciplinary Action**

The Company's personnel who fail to comply with this policy are subject to disciplinary action and may also be subject to legal punishments if they commit an offense under the law.

## **Whistleblowing Measures and Channels**

The Company has established mechanisms for whistleblowing, complaint handling, and the processing of cases related to violation of laws, rules, and SCGP's Code of Conduct or to behavior of the Company's personnel that may be suspicious of corruption. The Company has also prescribed appropriate whistleblower protection measures according to the Whistleblowing Policy to provide a clear guideline and enhance the efficiency of corruption and misconduct complaint handling.



## 2.2.5 Connected Transaction Policy

(Resolutions of the meeting of the Board no. 212 (8/2019) on August 21, 2019, effective from August 21, 2019)

SCG Packaging Public Company Limited (“Company”) operates in accordance with applicable laws and good corporate governance guidelines for listed companies of the Stock Exchange of Thailand (“SET”) and the Office of Securities Exchange Commission (“SEC Office”). Therefore, it establishes the Connected Transaction Policy (“Policy”) to strictly comply with the Securities and Exchange Act B.E. 2535 and its amendments (“Securities Act”), Notification of the Capital Market Supervisory Board No. TorChor. 21 / 2551 regarding Rules on Connected Transactions dated 31 August B.E. 2551 (“Notification of the Capital Market Supervisory Board No. TorJor. 21/2551”) and Notification of the Board of Governors of the Stock Exchange of Thailand (BorJor/Por 22-01) regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated 19 November B.E. 2546 (“Notification of SET BorJor/Por 22-01”)

SCG Packaging Public Company Limited (“Company”) operates in accordance with applicable laws and good corporate governance guidelines for listed companies of the Stock Exchange of Thailand (“SET”) and the Office of Securities Exchange Commission (“SEC Office”). Therefore, it establishes the Connected Transaction Policy (“Policy”) to strictly comply with the Securities and Exchange Act B.E. 2535 and its amendments (“Securities Act”), Notification of the Capital Market Supervisory Board No. TorChor. 21 / 2551 regarding Rules on Connected Transactions dated 31 August B.E. 2551 (“Notification of the Capital Market Supervisory Board No. TorJor. 21/2551”) and Notification of the Board of Governors of the Stock Exchange of Thailand (BorJor/Por 22-01) regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated 19 November B.E. 2546 (“Notification of SET BorJor/Por 22-01”)

### 1. Definitions

“Connected transaction” means any transaction between a listed company or a subsidiary company and the listed company’s connected persons, or any transaction between a subsidiary company and its connected persons.<sup>1</sup>

“Decision to enter into a transaction” means an entering into or a decision to enter into any contract or agreement, whether direct or indirect, in order to cause an acquisition or disposition of assets and/or rights to acquire or dispose of assets, leasing or renting asset, an offer or a receipt of service, and offer or a receipt of financial assistance and an issuance of new securities, including to create rights or waiver of such right to do the same.

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<sup>1</sup> According to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551, it shall not apply to any transactions between the subsidiary and the connected person of the subsidiary.

“Connected person” includes the following persons:

- (1) The director of the juristic person having control over the listed company<sup>2</sup>;
- (2) The spouse, minor child or adopted minor child of the director under (1);
- (3) The juristic person over which the person under (1) or (2) has control;
- (4) The person who acts with understanding or agreement that if the listed company enters into any transaction which provides financial benefits for such person, the following persons will also gain financial benefits from such particular transactions:
  - (a) the director and executive of the listed company
  - (b) the person having control over the listed company;
  - (c) the director of the juristic person having control over the listed company;
  - (d) the spouse, minor child or adopted minor child of the person under (a), (b) or (c).
- (5) The connected person under the Notification of SET BorJor/Por 22-01 which includes:
  - (a) the executive, major shareholders<sup>3</sup> controlling persons or persons to be nominated as the executive or controlling persons of a listed company or a subsidiary company including related persons and close relatives of such persons;
  - (b) any juristic person having a major shareholder or a controlling person as the following persons of a listed company:
    - 1) The executive
    - 2) Major shareholder
    - 3) Controlling person
    - 4) Person to be nominated as the executive or a controlling person
    - 5) Related person and close relatives of person from 1) to 4);
  - (c) any person whose behavior can be indicated as an acting person or under a major influence of persons from (a) to (b) when making decision, determining policy, handling management or significant operation.

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<sup>2</sup> According to Section 89/1 of the Securities Act, “control” means:

- (1) holding of shares with voting right of a juristic person in an amount exceeding 50 percent of the total number of the voting rights of such juristic person;
- (2) having control of the majority voting rights in the general meeting of shareholders of any juristic person, whether directly or indirectly or by any other reasons;
- (3) having control over appointment or removal of at least half of all directors, whether directly or indirectly.

<sup>3</sup> “Major shareholder” means a shareholder who directly or indirectly holds shares in any juristic person in a total amount exceeding 10 percent of the paid-up capital of that juristic person. Such shareholding shall also include the shares held by related persons.

## 2. Characteristics of connected transactions

Connected transactions can be characterized into 2 groups as follows:

- (1) a listed company or a subsidiary enters into a transaction with the executive, major shareholder or related persons or close relatives of the management or major shareholder; of the listed company;
- (2) a listed company or a subsidiary enters into a transaction with any juristic person having a major shareholder or a controlling person as the executive, major shareholder, controlling person, or a person to be nominated as the executive or a controlling person of the Company or its subsidiaries including related persons or close relatives of such persons.

However, a connected transactions does not include any transaction made between a subsidiary and a connected person of the subsidiary.

## 3. Types of connected transactions

Connected transactions can be divided into 6 categories as follows:

- (1) Normal business transaction;
- (2) Supporting normal business transaction;
- (3) Transaction regarding rental or lease of immovable property of not exceeding 3 years;
- (4) Transaction relating to assets or service;
- (5) Transaction regarding offer or receipt of financial assistance;
- (6) Other connected transactions other than transaction in (1)-(5).

## 4. Rules and procedures regarding connected transaction

The Company sets up the rules and procedures regarding connected transactions in accordance with the rules on connected transactions as follows:

- (1) Considering conducting a connected transaction, the Company will exercise similar terms of price and commercial conditions as the Company made with general contract party provided that such terms and conditions are fair, reasonable and most beneficial to the Company.
- (2) If a product or service has a standard price or there are several buyers and sellers in the market, the Company must seek for information regarding qualifications, prices and standards in the market for comparison with the connected transaction.
- (3) If a product or service has specific qualifications or made to specific order which made it not capable to compare the price of product or service, the Company must prove that the initial profit margin the Company receives from the connected transaction is indifferent from the transactions made with other traders and having indifferent terms and conditions.

- (4) The Company may refer to a report made by an independent assessment expert whose name is in the list of SEC Office which the Company or the company in its group has appointed to provide the price comparison for significant connected transaction in order to assure that the price is reasonable and brings highest benefit to the Company.
- (5) A director, an executive or a related person may enter into any transaction with the Company or its subsidiaries only after obtaining approval from the general meeting of shareholders unless such transaction having the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person, as the case may be, provided further that the said commercial terms have been approved by the board of directors or in compliance with the principle approved by the board of directors or the size of the transaction does not require an approval from the general meeting of shareholders.
- (6) If the Company is going to conduct a related transaction or other connected transaction under this policy, the Company must strictly perform under the rules provided herein.
- (7) The Company must disclose information in relation to entering into a transaction having conflict of interest, connected transaction or related transaction according to the rules prescribed by SEC Office and SET in the annual registration statements and annual report or other reports as the case may be and disclose information on a connected transaction to SET according to the rules prescribed by SET as well as a related transaction with the Company according to the accounting standard. The Company must audit the connected transactions according to its audit plan and the Internal Audit Office must report to the Audit Committee, have control measure, audit, and random check for the actual transactions if they comply with the contract, policy and required conditions.

## 5. Approval of a connected transaction

The Company specifies approval authority for connected transactions as follows:

- (1) In case the value of a connected transaction is small, medium or large and its commercial terms are considered normal as approved by the board of directors of the Company, the management is authorized to be the approver.
- (2) In case the value of a connected transaction is small or medium, but its commercial terms are not considered normal, the board of directors of the Company will be the approver.
- (3) In case the value of a connected transaction is large, but its commercial terms are not considered normal, the general meeting of shareholders will be the approver.

The criteria to consider the size of a connected transaction is as follows:

- (a) Small size means the transaction value is less than or equal to 1 million Baht or less than or equal to 0.03 percent of net tangible asset value, whichever is higher.
- (b) Medium size means the transaction value is more than 1 million Baht but less than 20 million Baht or more than 0.03 percent but less than 3 percent of net tangible asset value, whichever is higher.
- (c) Large size means the transaction value is more than or equal to 20 million Baht or more than 3 percent of net tangible asset value, whichever is higher.

**6. Criteria to consider normal commercial transaction**

- (1) The transaction is normal business transaction.

Any transaction that the Company or its subsidiary has made for its normal business with regular process made with other counterparties and is reasonable to support normal business of the Company or its subsidiary and for the highest benefit of the Company which have commercial terms indifferent from those made with general counterparties or third parties.

- (2) Prices and conditions of the transaction are fair.

Price of goods and services must have clear standard and the transaction has indifferent on prices, conditions or other terms when compared with transactions made with other counterparties (who are not directors, executives or related parties).

**7. Considering the price under general commercial conditions (as regulated by SET)**

The transaction under general commercial conditions means the commercial condition having fair price and condition without transfer of benefits as follows:

- (1) Price and conditions which are similar to those the Company or its subsidiaries receive or offer to any third party;
- (2) Price and conditions which are similar to those connected persons offer to any third party;
- (3) Price and conditions which the Company can prove that business operators in similar nature offer to any third party.

**8. Procedure for presenting a connected transaction to the Audit Committee**

- (1) Connected transaction under management's approval

In case of connected transaction under management approval, the management will consider and approve. Concerned persons such as Accounting Division or concerned

executives will have duty and accountability in considering and conducting the transaction according to the approval process and delegation of authority of the Company. After approval, the management must report the Audit Committee quarterly for its acknowledgment of the transactions having value more than 0.3 percent of net tangible asset value and disclose in the annual registration statements and the annual report of the Company. Moreover, the executives and persons having interests in the connected transaction must not attend the meeting that considers this agenda and have no right to vote in the meeting.

(2) Connected transaction under board's approval

In case the size of a connected transaction is small or medium, but its commercial terms are not considered normal which requires board's approval, the proposing division will present details, necessity and reasonableness of the transaction so that the Audit Committee can give opinion to the board of directors for approval through the following process:

- (a) The proposing division summarizes details of the connected transaction and prepare all relevant information and propose to the Chief Executive Officer;
- (b) The Chief Executive Officer assigns the Internal Audit Office to coordinate with relevant divisions to prepare for the meeting documents with material summary for the Audit Committee to consider;
- (c) When the Audit Committee agrees with the proposal, the Company Secretary will further propose to the meeting of the board of directors for approval of the connected transaction. In this regard, the Company Secretary will arrange that the directors having interests in the connected transaction do not attend the meeting on this agenda and have no right to vote in the meeting.
- (d) The Company discloses the connected transaction in the annual registration statements and the annual report of the Company as well as the resolutions of the board of directors to SET providing minimum information as required by SET.

(3) Connected transaction under shareholders' approval

In case a connected transaction requires shareholders' approval, the proposing division will present details, necessity and reasonableness of the transaction so that the Audit Committee can give opinion to the board of directors and further propose to the general meeting of shareholders for approval through the following process:

- (a) The proposing division summarizes details of the connected transaction and prepare all relevant information and propose to the Chief Executive Officer;

- (b) The Chief Executive Officer assigns the Internal Audit Office to coordinate with relevant divisions to prepare for the meeting documents with material summary for the Audit Committee to consider;
- (c) When the Audit Committee agrees with the proposal, the Company Secretary will further propose to the meeting of the board of directors to consider and agree with the entering into the connected transaction. In this regard, the Company Secretary will arrange that the directors having interests in the connected transaction do not attend the meeting on this agenda and have no right to vote in the meeting.
- (d) When the board of directors agrees with the proposal, the Company Secretary will prepare documents to propose to the general meeting of shareholders to consider and approve the connected transaction. The documents include information sufficient for the shareholders to make decision as prescribed in the regulations concerning connected transaction and must specify names and number of shares held by connected persons having no voting right on this agenda. In this regard, the Company is responsible to call for the general meeting of shareholders according to the method, procedure and rules as prescribed in the regulations concerning connected transaction.

## **2.2.6 Prevention of Conflicts of Interest Policy**

(Resolution of the meeting of the Board of Directors no. 211 (7/2019) on August 5, 2019, effective from August 5, 2019)

SCG Packaging Public Company Limited (“Company”) pays attention to doing business fairly, transparently, and auditable, therefore, the Company deems it important to consider transactions that may lead to conflicts of interest, connected transactions, or related transactions. The Company provides guidelines, restrictions and considerations for the Directors, executives and employees of the Company to understand procedures according to the Prevention of Conflicts of Interest Policy.

Terms used in this policy shall mean the same as those stipulated in the Public Limited Company Act B.E. 2535 (and its amendments) (“PLC Act”), Securities and Exchange Act B.E. 2535 (and its amendments) and the regulations, notifications and orders of the Office of the Securities and Exchange Commission (“Office of SEC”) and the Stock Exchange of Thailand (“SET”) (all together to be called “Securities Laws”).

In addition that the shareholder structure shall be clear, transparent and shall not have cross-holding among major shareholders, thereby preventing any conflict of interests with any party, and disclosing the shareholder structure of the Company and its subsidiaries shall be published in the Annual Report, the Directors, executives as well as employees of the Company must comply with the rules and regulations as follows:

1. Directors and top executives must file a report stating their own and their related persons’ interests in the management of the Company or its subsidiaries to the Company Secretary. The Company Secretary shall deliver a copy of such a report to the Chairman of the Board and the Chairman of the Audit Committee within seven days upon the receipt of the report so as to immediately notify them of any relation and transaction with the Company and its subsidiaries, which may lead to conflicts of interest, beforehand. In addition, the Company has assigned the Company Secretary to conducting an annual interest survey of Directors, top executives and/or their related persons, and related employees, at the end of each year. The aforementioned survey shall also be proposed for the Audit Committee and the Board of Directors’ acknowledgement at least once a year.

2. Directors, executives and employees of the Company must refrain from doing any transaction related to oneself and/or related persons, which may lead to conflicts of interest with the Company and its subsidiaries, must avoid any action which leads to conflicts of interest with the Company or its subsidiaries or aims for benefits of their own and/or related persons, and must strictly comply with the Company’s Code of Conduct.

3. In case any director has a vested interest or conflict or interest, both directly and indirectly, in any agenda item under consideration, such a director must not attend the meeting and must abstain from voting and sharing opinions on such an agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.



4. The following acts giving the Directors, executives or related persons more financial benefits than a normal course of business or incurring damage to the Company or its subsidiaries are deemed to have significant conflicts of interest with the Company and its subsidiaries:

- (a) The transactions between the Company or its subsidiaries and the Directors, executives or related persons made outside of the rules on connected transactions;
- (b) The use of information of the Company or its subsidiaries unless it has been already disclosed publicly;
- (c) The use of assets or business opportunities of the Company or its subsidiaries contravening to the rules or regulations prescribed by the Capital Market Supervisory Board.

5. The Management shall submit quarterly reports to the Audit Committee and the Board of Directors of the Company for their acknowledgement and giving opinion in regard to the normal business transactions made with general trading conditions as a reasonable person would agree with any unrelated party under similar circumstance on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person as approved in principle by the Board of Directors of the Company.

6. The Audit Committee shall consider and give opinion in regard to the necessity and appropriateness of price before the Company's entering into the connected transactions not categorized as normal business transactions and the Company shall comply with applicable rules concerning connected transactions under the Securities Laws and the connected transaction policy of the Company.

7. The Board of Directors must oversee that the Company and its subsidiaries comply with Securities Laws and other applicable laws as well as disclose information according to rules and regulations prescribed by SET and other relevant agencies.

8. The Management must establish a clear system to assure that subsidiaries of the Company have sufficient system for disclosing material transactions consistently and trustworthy and provide channels that the Board of Directors and executives of the Company could receive information of the subsidiaries efficiently regarding their operating and financial performances, connected transactions made with the directors and executives, and material transactions. Moreover, the Management must set up a mechanism for auditing such system in the subsidiaries that independent directors, audit committee members and internal auditors could directly access said information and report the audit results to the directors, audit committee members and executives for their acknowledgement in order to assure that the subsidiaries have implemented the established system consistently.

9. The Directors, executives as well as employees of the Company should avoid holding shares, positions as the directors, executives, or advisors in other companies doing business having similar nature of the Company or its subsidiaries or the business competing commercially with the Company or its subsidiaries. Holding shares and positions as the directors, executives, or advisors in other companies could be done in the event that such holding shares and positions have neither conflicts of interest with the Company nor their duties in the Company or its subsidiaries and complies with rules prescribed in the Securities Laws.

### **2.2.7 Antitrust Policy**

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

SCG Packaging realizes the importance of conducting business with fairness under the legal framework while taking into consideration trade ethics, benefits of both customers and trade partners, as well as fair competition under the Trade Competition Act. The Board of Directors, by the resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, has thus resolved to issue this Antitrust Policy, which employees of SCG Packaging are required to study and strictly comply with.

#### **Antitrust Policy**

1. SCG Packaging shall always engage its business to adhere to fairness and ethics, respect rules and regulations, and strictly comply with antitrust laws. SCG Packaging shall not engage or involve in any practice that may result in unfair competition, distortion of market mechanism or free trade, or undermining or causing damages, obstruction, or restriction to business operations of others.
2. In case SCG Packaging has a dominant position in the market according to the law, SCG Packaging shall not unfairly or unreasonably abuse such market dominance which may distort market mechanism.
3. SCG Packaging shall not directly or indirectly engage in any practice that may cease competition with its competitors, including not to exchange business information or enter into agreements with its competitors, trade partners, or customers in order to reduce or limit competition in the market.
4. All units involved, both domestic and overseas, shall be required to study and comply with applicable antitrust laws, regulations and policies, including trade practices of the countries where SCG Packaging has business operations, including regulations on merger control.
5. Employees of SCG Packaging shall be aware at all times that compliance with antitrust laws is of paramount importance and shall exercise utmost caution in carrying out operations to ensure that SCG Packaging respects antitrust laws and trade ethics. SCG Packaging shall inform its trade partners of the significance of compliance with antitrust laws.
6. All units involved in transactions and investment activities shall establish control and audit system to ensure full compliance with antitrust laws.
7. To ensure compliance with this Antitrust Policy, SCG Packaging's Code of Conduct and Corporate Governance Handbook shall also be applied to the operations.
8. Non-compliance with this Antitrust Policy is considered a violation of SCG Packaging's Code of Conduct.

## Trade Competition Guidance

This guidance is made to provide information, instruction and appropriate practice to ensure that employees of SCG Packaging will have knowledge and understanding of principles, reasons and practices considered risky to be wrongful act. This guidance covers the following scope:

1. Any business operation, trade and investment of the Company and its subsidiaries included in the consolidated financial statements (collectively called “SCG Packaging”);
2. Directors and employees of SCG Packaging including permanent employees under employment contracts, probationers and employees having special employment contracts with SCG Packaging in the countries where SCG Packaging has business operations;
3. Any legal action, contract, or any action between SCG Packaging and others no matter it is finance, business or asset involvement such as service, procurement, sale, engagement, financial support, technical or personnel support, etc. (collectively called “transaction”) made with other business operators such as suppliers of good or raw material, customers, purchasers who purchase products from the Company to re-sale or self-use, service provider or taker (collectively called “supplier”) and business operator of the same nature of goods or services or those which are substitutional (collectively called “competitor”).

If there may be any doubt regarding practices under the trade competition guidance, please consult your supervisor or legal adviser.

This guidance is divided into 3 main aspects as follows:

- 1) Business operator with a dominant position of market power and unfair trade;
- 2) Trade practice;
- 3) Joint agreement practice resulting in monopoly.

Details are as follows:

## 1. Business operator with a dominant position of market power and unfair trade

### 1.1 Business operator with a dominant position of market power

The first main principle of Trade Competition Act is to control practices of the business operator with a dominant position of market power which generally means a business operator having high market share and sales revenue in any good because the practice of the business operator with a dominant position of market power will materially affect competition in the market in terms of competition system, competitors, suppliers and consumers. According to the Trade Competition Act B.E. 2560, only having dominant position in the market is not wrong but it is wrong if the business operator with a dominant position of market power has abused its market power either by exploitative abuse or exclusionary abuse.

Definition of “business operator with a dominant position of market power” according to Trade Competition Act B.E. 2560

*“Business operator with a dominant position of market power” means:*

- (1) a business operator, in any good or service, having a market share of 50 percent or more and sales revenue of 1,000 million Baht or more in the previous year; or*
- (2) the top three business operators, in any good or service, having a combined market share of 75 percent or more and individually having sales revenue of 1,000 million Baht or more in the previous year.*

In determining the market share and sales revenue of a business operator, the market share and sales revenue of all companies in the same group shall be combined because they are considered as having the “relationship in policy or commanding power” and they are perceived as the single business entity without competition among themselves. Therefore, if a company in SCG Packaging may have its market share lower than the threshold to be qualified as a business operator with a dominant position of market power such as having less than 50 percent of market share in packaging paper market but if the combined market share in packaging paper market of such company and the other companies in SCG Packaging reaches 50 percent or more, it is considered that those companies of SCG Packaging, as the single business entity, are the business operators with a dominant position of market power in packaging paper.

Definition of “relationship in policy or commanding power” according to Trade Competition Act B.E. 2560:

*“Relationship in policy or commanding power” means a relationship between 2 or more business operators having direction, policy or management under the commanding power of the same business operator.*

*“Commanding power” means controlling power caused by any of the following:*

- (1) holding more than 50 percent of all voting rights of a business operator;*
- (2) having control over majority of votes at the general meeting of shareholders, either directly or indirectly, of a business operator;*
- (3) having the power to appoint or remove at least half of the directors, either directly or indirectly, of a business operator;*
- (4) having commanding power according to (1) or (2) and carrying on every series starting the first of series from a business operator.*

In determining a business operator with a dominant position of market power, the market share and sales revenue of such business operator will be firstly considered on scope of relevant market by including substitutional goods or services in calculation of the market share and sales revenue. Goods or services which are substitutional are perceived in principle that they are in relevant market. Substitution will be considered in several relevant aspects including specifications, prices, purposes of use, sale channels, group of customers, consumers’ point of view, etc.

However, in some cases a business operator may not be considered as having dominant position of market power although its market share or sales revenue meets the threshold prescribed by law because the Trade Competition Act allows to bring factors regarding competition of good or service markets into consideration including numbers of business operators in the market or entering into the market of new business operators, market expansion or capacity expansion of business operators in said market, etc.

## 1.2 Unfair trade

In addition to controlling the practices of business operators with dominant position of market power, the Trade Competition Act disallows any business operators to do **unfair trade practices no matter said business operator has dominant position of market power or not.**

However, practices of the business operator with dominant position of market power will be observed and risky to be against the Trade Competition Act easier because the law is desirous of controlling practices of major business operators more strictly than minor business operators.

**Unfair trade practices** may be in the forms of trade barrier, intervening, direct or indirect, other business operators, creating restrictions of doing business of other business operators, which incurs damage to other business operators and disadvantage or non-competition in the market.

The Trade Competition Act defines in principle that practices that may be subject to illegal either by a business operator with dominant position of market power or unfair trade shall be those conducted without justifiable reason or imposing unfair condition. Trade practices reasonably conducted with necessity underlying common practices or trade traditions may be considered not to be against the Trade Competition Act such as franchise business that a franchisor requires its franchisee to purchase raw materials from said franchisor or its assignee in order to maintain the standards of goods or services or quality control, etc.

## 2. Trade practice

Practices of a business operator with dominant position of market power or unfair trade practices are variety and may have different purposes. In general, they can be divided into 2 groups namely (1) price behavior and (2) non-price behavior. Details are as follows:

### 2.1 Price Behavior

Unfairly fixing or maintaining the level of purchasing or selling price of a good or service by way of the following relevant practices:

#### 2.1.1 **Unfairly fixing low purchasing price**

means fixing the purchasing price of a good such as raw material at a low and unfair price by fixing or reducing purchasing price to be lower than the market price at normal competition or the historical purchasing price which causes damage to the supplier of said good or raw material and may cause damage to other competitors who purchase such raw material at a higher price due to higher cost and non-competitiveness and eventually exit the market. This practice is frequently conducted when there are few suppliers of such good or service, the purchaser is hence powerful to force the price to be lower than the market price or the price ever purchased unreasonably.

#### 2.1.2 **Unfairly fixing high purchasing price**

means fixing the unfair purchasing price of a good or raw material by fixing or increasing purchasing price to be higher than the market price at normal competition or the historical purchasing price or the competitors' purchasing price in normal competition market which causes the competitors fail to purchase said good or raw material or their cost is highly increasing and cannot compete or causes difficulty for new comers to the market.

However, the purchasing price may be higher in case of shortage of goods due to rapidly increasing demand.

#### 2.1.3 **Unfairly fixing selling price below cost**

Sale below cost means fixing or reducing the selling price to be lower than average total cost which comprises of fixed cost and variable cost provided that said business operator who conduct sale below cost can carry the burden of loss for a while or can be contributed by profits of other goods and resulting in non-competitiveness of other business operators or barrier to new business operators due to worthless investment.



In case of sale promotion for new to market products, sale below cost might not a wrong-doing practice provided that such sale below cost is conducted not for a long period depending upon type and category of the goods or services which normally is no longer than 1 month except for the goods requiring fast selling to mitigate loss such as fresh goods, nearly expired goods, out-of-fashion goods, etc.

#### **2.1.4 Unfairly fixing high selling price**

means fixing high selling price or highly increasing the selling price unfairly compared with cost of production and sale without reasons from higher cost or higher increasing selling price over increasing cost which is the price at a level higher than market price at normal competition in order to gain undue profit margin or higher than possible profit margin at normal trade of each business or higher than the profit margin ever received which may cause damage to consumers or other relevant business operators.

In case of shortage of good due to rapidly increasing demand and inability to increasing production to meet with increasing demand, the selling price could be increased only during said period of shortage.

#### **2.1.5 Predatory pricing**

means fixing the selling price to be lower than average variable cost which is the cost of purchasing raw material for producing the good or the cost of purchasing good for re- sale, exclusive of sale and administrative expenses and other expenses which the business operator conducting this practice could bear loss for a period of time or could be contributed by profits of other goods resulting in non-competitiveness of other business operators and their exit from market. Once the competitors have been eliminated, the business operator can then raise the price to recoup its losses which cause damage to other business operators and consumers. However, this does not include the case of sale promotion of goods or services for interest of customers, provided that the period should not longer than 1 month and excluding releasing fresh goods, nearly expired goods, out-of-fashion goods, and going out of business operator.

#### **2.1.6 Price discrimination**

Discrimination by selling different prices for different suppliers, in principle, will cause advantage or disadvantage between suppliers and use discrimination power unfairly. However, if facts are different such as suppliers are in different industries and at different levels in the different markets, goods have different qualities or quantities or cost of sale to each supplier is highly different, the business operator can sell at different prices which is not considered as price discrimination.

Discrimination is also applied to non-price conditions such as offering commercial discount, trade terms, credit term, payment method, product delivery method differently to suppliers having same status or qualifications. For example, a business operator offers fidelity rebate by offering different discount to each distributor although they are in the same status (both distributors being large, ordering large amount of goods, trading for a long period and distributing goods in similar area). This practice could be considered as discrimination.

#### **2.1.7 Resale price maintenance**

Forcing other business operators to sell goods or services at the determined prices causing non-price competition of distributors or retailers is illegal under Trade Competition Act. However, suggested or recommended prices for resale distributors as guidance or recommendation of resale price without compulsory condition is not illegal.

### **2.2 Non-Price Behavior**

Besides price behavior, other type of practices irrelevant to prices of goods or services could be illegal if it is unfair to other business operators.

Non-price unfair trade practices are as follows:

#### **2.2.1 Exclusive Dealing**

To limit specific right as exclusive dealing, directly or indirectly, for other business operators to agree with unfair conditions without any benefits to the effectiveness or quality of the good or service including after sale services in order to gain monopoly power in the market of such good or service or obstruct other persons to enter into an agreement with a supplier of the business operator. Examples include the conditions that the business operator prohibits its re-sale distributors from purchasing the good from other business operators or the business operator prohibits its suppliers from selling raw material to the competitors of the business operator and the distributors and suppliers who violate such conditions will be punished such as not being sold the good or delay the delivery of good or no longer purchase the raw material.

#### **2.2.2 Tying Arrangement**

To set compulsory conditions, directly or indirectly, to force other business operators or customers to purchase another accompanying good without other choices although said accompanying goods could be sold separately or tying

arrangement is not much beneficial but resulting in non- tradable or non-competition of other producers of such accompanying good and lead to monopoly. However, tying arrangement for the purpose of using the main good efficiently or guaranteeing the quality of good or preventing damage or loss of efficiency of good such as selling copy machine with ink powder, where inefficient ink powder may breakdown the copy machine, is not deemed illegal. Moreover, sale promotion where other business operators or customers could buy both good and accompanying good at cheaper price than buying them separately (and other business operators or customers still have their own rights to choose purchasing the goods) is not deemed illegal.

### **2.2.3 Territories division**

To limit the territories or areas of sale (Territories Division), directly or indirectly, for other business operators to agree and comply unfairly in order to limit sale areas or define specific group of customers in each area to divide sale areas without any effect to efficiency or quality of goods or services is illegal. For example, a company allows its distributor to sell goods only in the Amphur Muang, Chiang Mai and does not allow this distributor to sell goods outside Amphur Muang, Chiang Mai, provided that if the distributor does not comply with the Territories Division, it will be punished such as not selling goods or reducing delivery of good below its normal quantity.

### **2.2.4 Refusal to supply**

To refuse having transaction with any business operator is deemed normal in business practice if reasonable such as non-justifiable investment, transportation restriction, untrusted profile of purchaser, undue payment history, shortage of goods. However, refusal to supply unreasonably such as refusal having transaction with suppliers or customers of its competitors may be considered as doing it to obstruct other business operators.

### **2.2.5 Purchasing and sale quantity forcing**

means forcing the trading partners who purchase goods or receive services from the business operator to purchase goods or services only at the quantity fixed by the business operator or forcing the trading partners to sell goods or services to its customers only at the quantity fixed by the business operator. The fixed quantity could be set in fixed amount, maximum or minimum amount or step amount. However, fixing the minimum quantity may not be illegal if supported by justifiable reason such as to meet break-even cost of operation.

### **2.2.6 Limit of seeking credits from other business operators**

means imposing any trading partner to seek credits only from a determined business operator or prohibiting any trading partner to seek credits from a determined business operator provided that said imposition and prohibition are not specified in writing and notified in advance in a reasonable time. Violation will be subject to punishment such as not selling the goods or not offering a discount as usually did. Limit of seeking credits from a determined business operator could be acceptable if supported by business reasons such as it is under bankruptcy filing. However, recommending, not forcing, any creditors to a trading partner and the trading partner is free to choose its creditors is not a wrongful act.

### **2.2.7 Limit the quantity of goods or services**

Limit the quantity of goods or services includes suspending, reducing or limiting service provision, production, buying, sale, delivery or importation into the Kingdom (such as reducing production, destroying goods in inventory, or any act to discourage importation).

Limit the quantity of goods or services which is illegal must be conducted for the purpose of reducing the quantity of goods or services to be lower than demand of the market and expecting the increasing of prices of goods or services which incurs damage to consumer without justifiable reasons. Said limitation may be associated with price behavior since limiting the quantity of goods or services would result in unfair price determination.

### **2.2.8 Intervening in the business operation of others**

Intervening in the business operation of other business operators unfairly and without any normal business reason causes economic loss to other business operators such as loss of revenue, loss of market value of products or services or loss of opportunity in production of goods or services.

Examples of intervention in other business operators include:

- Intervening or persecuting any other business operator by any means for its hardship in conducting business such as specifying that the quality of the company's goods could not be jointly used with the competitor's goods without any reason related to efficiency.
- Specifying that the trade partners must get consent of business operation from the business operator.
- Controlling the appointment of officers of the trade partners.
- Forcing remuneration in any form from the trade partners or requesting for benefit allocation for exchanging with right to buy goods of the company such as commission, additional charge.

- Forcing the trade partners to refuse selling goods or not contact with other business operators without any normal business reason.
- Intervening an internal administration of the competitors by using voting rights, appointing management or other means in the business of competitors.

#### **2.2.9 Any trade action for having others' trade secret information or technology**

means any acts conducted for receiving trade secret information or technology of other business operators or information beneficial to production, sale or any transaction of the business operator without consent from the owner or the person having rights on said information and by any means with the purpose of destroying, obstructing, discouraging, limiting operation of other business operators or disturbing normal trade.

#### **2.2.10 Unfair trade practice related to using intellectual property rights**

Intellectual property rights include, for example, copyrights, patents, trademarks which are the rights protected by laws for the purpose to motivate investment, research and development of innovation in production of goods or services. However, if the owner of the intellectual property rights uses the rights for monopoly and restriction of competition in the market more than necessary and resulting in destroying, damaging, obstructing, discouraging or limiting business operation may be illegal and need to be considered case by case.

Examples of using intellectual property rights that are restricting competition more than necessary include:

- Executing a license agreement having a condition that the licensee must pay royalty fee longer than a period that such intellectual property is protected by laws (such as paying royalty fee although the patent is expired).
- Specifying any condition of granting the rights of use that discouraging others such as prohibiting of purchasing goods or receiving services from competitors without necessity or reasons related to efficiency or using the granted intellectual property.
- Specifying any condition of granting the rights of use that the licensee will be disadvantage more than common practice such as prohibiting the licensee to sue the licensor.
- Other agreements that use the intellectual property rights over the scope specified by laws.

### **3. Joint agreements resulting in monopoly**

Besides practices of a business operator with dominant position of market power and unfair trade practices, Trade Competition Act prohibits business operators to jointly consider or execute agreements resulting in monopoly or reduce competition in any market of goods or services (collusion), either directly or indirectly, between business operators or between a business operator and its trade partner and either in writing or not.

Effects from collusion include eliminating the competition between business operators and the price or quantity of a good or service is not derived from its cost of production or service and the demand of such good or service in the market but they are determined jointly by the business operators regarding their desirous level of price and quantity and the profit in return. Persons affected from collusion is the consumers who could not choose to purchase goods or services freely.

A business operator must avoid risky practices leading to or suspected leading to collusion such as contacting, discussing, or exchanging trade secret information with competitors or in the trade association such as selling price, marketing plan, production cost.

#### **3.1 Joint agreements between competing business operators**

means the joint agreements between 2 or more competing business operators in the same market which affect the market seriously and cause monopoly or restriction of competition in the market. The joint agreements may be made directly or indirectly by the following means:

##### **3.1.1 Bid-rigging**

Being the practice that the business operators jointly agree to determine the auction or bidding winner by an agreement not to participate in the auction or bidding or the business operator joining may propose the higher price to assist the determined business operator to win the auction.

##### **3.1.2 Price fixing**

Normally the business operator should be free to determine the price of its goods. The Trade Competition Act then prohibits the business operators to jointly determine the prices of goods or services. Such determined prices do not need be the same price. They could be determined in range. This also includes other kinds of agreements such as determining the value or ratio of increasing or decreasing the selling or purchasing prices, range of the selling or purchasing prices, minimum or maximum of the selling or purchasing prices, formulation for calculation of the selling or purchasing prices, discounts or rebate discounts, credit term, and structure or composition of selling or purchasing price (price method).

### **3.1.3 Quantity limitation**

Similar to the determination of prices, the business operators should normally be free to determine the quantity of goods to be sold in the market. The Trade Competition Act then prescribes that the joint determination of the business operators in fixing the quantity of production, purchasing, selling or rendering services or limiting the quantity is illegal such as setting quota or ratio of producing or selling goods in a period of time to be lower than the market demand.

### **3.1.4 Territory allocation**

The business operators agree to allocate the territory for selling goods or services in order that other business operator will not sell goods or services in the same territory and compete across the territory. The business operators may agree to allocate the territory to sell goods or services alternately. Territory allocation includes territory allocation for purchasing goods or services and territory allocation for purchasing goods or services alternately to build purchasing power in the market. It also includes the practice that the business operators jointly share or allocate their customers for selling or purchasing goods or services.

### **3.1.5 Other conditions which possess or control the market, distort market mechanism, joint control the market**

These include any practice that the business operators jointly conduct the marketing plan to possess the market, determine the licensed business operators and fix the list of good or services to be sold in the market.

### **3.1.6 Joint agreements to reduce the quality of goods or services to be lower than those ever produced or sold at the same price or higher**

These include the agreements to reduce the quality or standard of goods or services which may reduce cost of such goods or services but they could be sold at the same price or higher.

However, the above practices will be exempted from wrong-doing if the agreement is made between business operators having relationship in policy or commanding power.

## **3.2 Joint agreements between the business operator and its trade partners or competing business operators**

means Joint agreement between business operators which may be trade partners or competing business operators in any market (not required to be in the same market), which do not affect the market in a critical way, such as a joint agreement between manufacturers and retailers or distributors.

This kind of agreement between business operators and their trade partners or competing business operators is similar to the aforementioned joint agreements between competing business operators in terms that they will be an offense against the antitrust laws if the operators jointly conduct the plan to commit monopoly trading or limit the competitiveness in the market. The joint agreements between business operators and trade partners which may be considered offense against the antitrust laws are as follows:

**3.2.1 Joint agreements on purchasing or selling price fixing, quantity limitation or territory allocation**

The agreements could be made either directly or indirectly which affect the prices of goods or services. This is similar to the joint agreements between the competing business operators described in 2.1 but in this case the business operators do not compete in the same market.

**3.2.2 Joint agreements to reduce the quality of goods or services to be lower than those ever produced or sold at the same price or higher**

Reducing the quality of goods or services of each business operator may have different details.

**3.2.3 Joint appointment of a single person to be a distributor of goods or services in the same market**

The appointment could be made either in writing or other forms. The appointed person could be an ordinary person or juristic person whom appointed as a distributor of goods or services in the same kind of market.

**3.2.4 Agreement to jointly determine condition or trade method for each business operator to reduce or restrict the competition, either directly or indirectly.**

Moreover, it is caution that there may be notifications prescribing other kinds of joint agreements which will be deemed illegal under the Trade Competition Act. Therefore, it is recommended to keep update if there may be additional ministerial regulations.

However, joint agreements between a business operator and its trading partners could be exempted from wrong doing under the Trade Competition Act as determined case by case by the Office of the Trade Competition Commission who will consider factors and related environment because there may be reasons or business necessity aligning to normal business or trade practices.

Examples of joint agreements between a business operator and its trade partners which may not be considered as illegal include:



- (1) Activities among the business operators having relations in policy or commanding power as prescribed by laws.
- (2) Operations for development of goods or distribution to enhance technique or economy.
- (3) Business conduct as franchise, authorized dealer or license which the business operators must agree upon some conditions such as maintaining the required standard of goods or services, quality control of goods under the same standard of price, purchasing raw material from the required sources, etc.
- (4) Agreements or business models as prescribed in the ministerial regulations as advised by the commission.

Provided that the joint agreements in accordance with paragraph (1), (2) and (3) must not create any restriction more than necessary and should be reasonable and must not cause monopoly power or market restriction substantially, taking into consideration the impact to consumers in terms of prices, qualities, quantities or choices of use of such good or service.

## 2.2.8 Whistleblowing Policy

(Resolution of the meeting of the Board of Directors no. 211 (7/2019) on August 5, 2019, effective from August 5, 2019)

SCG Packaging Public Company Limited (“ Company”) realizes the importance of preventing corruption or misconduct of operation and contacting with persons having interests which may affect decision and business operation of the Company. Therefore, the Company establishes a mechanism for receiving whistleblowing and procedure in the event that whistleblowing regarding a breach of legal requirement, wrong doing of rules, regulations and code of conduct of the Company or suspected act of corruption including protection measures to bring fairness to whistleblower regarding corruption or non-compliance of laws, rules, regulations and code of conduct. The meeting of the board of directors No. 211 (7/2562) resolved to approve the Whistleblowing Policy to assure that clear guidance and efficient handling of whistleblowing regarding corruption and misconduct are in place.

### 1. Objectives

- 1.1 The receiving of whistleblowing regarding corruption, misdeed and misconduct of regulations of the Company is processed appropriately, efficiently and complies with good corporate governance principle.
- 1.2 Employees and any parties acting on behalf of the Company conduct the business lawfully, transparently, fairly and verifiably by following applicable laws, good corporate governance guidance, business ethics and regulations of the Company.
- 1.3 Any person willing to report the Company on misconduct of operation or suspicious of misconduct made by a director, employee or person acting on behalf of the Company can do so via channels provided by the Company.
- 1.4 The informants or whistleblowers or persons assisting the Company honestly are appropriately and fairly protected and prevented from maltreatment caused by raising the whistleblowing.
- 1.5 The concerned persons are prevented from any risk and damage arising from breach of laws, business ethics or acts of a director, executive and employee of the Company.

### 2. Definitions

- 2.1 “Misconduct” means any act of doing or not doing by the personnel which breaches laws, Articles of Association, Code of Conduct, working rules, policy and regulations of the Company.
- 2.2 “Personnel” means director, executive and employee of the Company and its subsidiaries.
- 2.3 “Subsidiary” means a subsidiary company included in the consolidated financial statements of the Company.
- 2.4 “Whistleblower” means the personnel including any person having interests who reports or raises any misconduct occurred in the Company.

### **3. Persons Having Rights to Raise Whistleblowing**

- 3.1 Any person or the personnel of the Company who witnesses misconduct.
- 3.2 An employee who is maltreated, threatened or disciplinary punished such as reduced salary level, suspended, fired or discriminated by unfair act related to employment conditions caused by his or her raising of whistleblowing, providing information or going to provide information, assisting during investigation process or collecting information to persons receiving whistleblowing including legal prosecution, being witness, giving statements, or any cooperating to court or government agency.
- 3.3 If there is sufficient evidence that the whistleblower has raised the whistleblowing dishonestly, the Company considers it is necessary to protect the reputation of the respondent as follows:
  - 3.3.1 investigating and punishing pursuant to the Company' s regulations if the whistleblower is the personnel of the Company;
  - 3.3.2 considering legal action if the whistleblower is an external party and damage occurs to the Company.

### **4. Scope of Whistleblowing**

- 4.1 The personnel or any person acting on behalf of the Company may be the respondent under this policy if he or she commits a misconduct.
- 4.2 However, the Company will not receive the following cases:
  - 4.2.1 a case that the general meeting of shareholders, board of directors, audit committee, management committee or Chief Operating Officer has already resolved according to its power of authorities;
  - 4.2.2 a case that has been processed in the court or already judged or ordered by the court;
  - 4.2.3 a case from non-personnel without genuine name and address of the whistleblower;
  - 4.2.4 a case without identified witness, clue, evidence or act of corruption or misconduct as sufficient to further investigate for more fact and finding;
  - 4.2.5 a case that the Human Resource Office of the Company or its subsidiaries or other authorized office has already received, considered or decided fairly and no additional material evidence is newly provided.

### **5. Channels for Filing Information or Raising Whistleblowing**

- 5.1 Employees can raise whistleblowing via the Company' s intranet website, which is accessible to every employee. Whistleblower can direct their whistleblowing, with or without identifying their names, to any of the following:

- Trusted supervisors
- The Director of the Corporate Human Resources Office
- The Director of Internal Audit Office
- The Secretary to the Board of Directors
- Any Director of the Company

The whistleblowing can also be submitted verbally or formally via letters or e-mails to any of the aforementioned parties.

5.2 For external parties, whistleblowing can be lodged on [www.scgpackaging.com](http://www.scgpackaging.com) under the Whistleblowing System. Whistleblowers are required to identify their names and can direct their whistleblowing to any of the following:

- Corporate Secretary Office
- Internal Audit Office
- An Independent Director
- Audit Committee

Whistleblowing can also be lodged in the form of a formal document submitted to any of the aforementioned parties.

## **6. Whistleblower Protection**

- 6.1 Whistleblowers who are personnel of the Company may choose to hide their identities if they feel that they might be adversely affected. However, valid details or evidences must be provided to prove that the reported corruption or misconduct is not fraudulent. However, if the whistleblowers reveal their names, the Company will be able to notify them of progress and mitigate impact with greater ease and convenience.
- 6.2 The Company considers all relevant information confidential and will reveal only as necessary, taking into consideration the safety and possible consequences to the whistleblowers, information sources, or parties related to the Company.
- 6.3 If the whistleblowers feel that their safety is threatened or that they may be affected, they may request appropriate protection measures from the Company. The Company may prescribe protection measures without such a request if it appears that the whistleblower is likely to be affected or put in danger.
- 6.4 Those affected will receive compensation through an appropriate and fair process.

## **7. Whistleblowing Investigation**

- 7.1 The whistleblowing recipient is to investigate and verify the validity or assign reliable persons or divisions to verify the validity. The preliminary investigation should reach a conclusion within 30-60 days, depending on its complicity. After the investigation is finalized, progress reports are also made to the whistleblowers within seven days if their identities are identified.

- 7.2 The whistleblowing recipient or the assigned person can invite any personnel to provide information or send any relevant documents for investigation.
- 7.3 If the investigation results that the misconduct is committed, the Company will proceed as follows:
  - 7.3.1 If the misconduct regards to breach of laws, rules, regulations or code of conduct, the case is to be proposed with opinion and correct guidance to the Company's authorized person to consider. The case which is considered material such as having impact to reputation or financial performance of the Company, conflict with the business policy of the Company, or related to executives of the Company is to be proposed to the Audit Committee or the Board of Directors for their consideration.
  - 7.3.2 If the misconduct brings damage to any party, the Company is to propose appropriate and fair remedy measurement to sufferers.

## **8. Punishment**

- 8.1 If the accused person commits the misconduct, he or she is to be considered and punished according to disciplinary punishment of the Company and if said misconduct breaches the laws, he or she will be legally punished according to civil, criminal or other laws. Disciplinary punishment and/or decision of the Audit Committee or the Board of Directors are considered final.
- 8.2 The personnel who acts with other person unfairly, with inappropriate method or causing damage to such person as resulted from such person's whistleblowing or reporting information or providing clues regarding misconduct is considered breaking discipline and subject to punishment, provided that the punishment may include those prescribed by laws if said misconduct is breach of laws.

## **9. Communication**

- 9.1 The Company will communicate and disclose this Whistleblowing Policy and whistleblowing channels to the personnel through several media such as new director and employee orientation, training, seminar, publishing in workplace and via electronics system of the Company, etc. to assure the understanding of the personnel and their strict compliance under this policy.
- 9.2 The Company will communicate and disclose this Whistleblowing Policy and whistleblowing channels to public, subsidiaries, affiliates and stakeholders through several channels such as the Company's website, annual report, annual registration statements, etc.

### **2.2.9 Policy on Investment in Subsidiaries and Associates**

(Resolution of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019, effective from August 21, 2019)

SCG Packaging Public Company Limited (“Company”) states its policy to invest in businesses supportive to its goals, vision and strategic plan as well as those related or similar to its business or creating synergy with current business of the Company. It aims to add more revenue channels and increase competitiveness which will bring long-term healthy and steady performances of the Company. Nevertheless, the Company may consider investing in other businesses having growth potential or capable to expand by using strengths of the Company in the areas such as technology, human resource, innovation that meets market demand, etc.

Considering an investment project, the Company will analyze its feasibility study, investment ratio, estimated financial return, possible risks, sensitivity to major factors, social and environmental impact (if any) as well as financial status of the Company. The Board of Directors or the general meeting of shareholders (as the case may be) is to consider and approve the investment as stated in the power of delegation of the Company.

## **2.2.10 Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses**

(Resolution of the meeting of Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

To comply with the good governance principles regarding the implementation of scopes and mechanisms to govern the policies and operations of subsidiaries and other businesses in which the Company has substantial investments, that are suitable for each business, the Company's board of directors meeting no. 215 (11/2019) and no. 224 (8/2020) on November 25, 2019, and December 1, 2020, respectively, agrees to approve the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses with the purpose of implementing direct and indirect scopes and mechanisms to govern the policies and operations of subsidiaries and affiliates, and measures to follow up on their operating results at an appropriate level to ensure the efficient management of the Company's benefits from investments, with details provided below. This will raise the confidence of the Company's shareholders.

In this Policy, a "subsidiary" and an "affiliate" means a subsidiary or an affiliate that operates a core business as prescribed in article 24, and the total size of business must be consistent with the provision in article 23 (2) of Notification of Capital Market Supervisory Board No. Tor Jor. 39/2559 re: Application for Approval and Granting of Approval for the Offering of Newly Issued Shares (and the amendments to it), in combination with article 2 (11) and article 2 (13) of Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 re: the Determination of Definitions in Notifications Regarding the Issuance and Offering of Securities for Sale (and the amendments to it).

### **1. The appointment or nomination of directors and executives in a subsidiary or an affiliate**

1.1 The appointment of persons as directors and executives in a subsidiary or an affiliate to be in charge with the governance and management of the business of the subsidiary or affiliate is an important governance mechanism to ensure that the subsidiary efficiently complies with the policies, targets, vision, medium-term business plans, and growth strategies of the Company. Therefore, the Company should appoint persons as directors and executives in a subsidiary or an affiliate at least pro rata to its shareholding in that subsidiary or affiliate, unless the Company's board of directors agree that the structure of the board of directors and the management structure in which the persons are appointed as directors and executives in the subsidiary or affiliate at smaller proportion than its shareholding proportion in that subsidiary or affiliate will not affect its power to determine policies and take actions in material matters, or in matters that will have effects on the financial position or operating results of that subsidiary or affiliate, or that there are appropriate checks and balances in that subsidiary or affiliate.

1.2 The Company's board of directors will assign the Chief Executive Officer to consider the appointment and relocation of persons representing the Company as directors and executives in a subsidiary or an affiliate, and report to the board of directors in accordance with the Authority Manual. To be eligible for the appointment or nomination as a director or an executive in a subsidiary or an affiliate, a person must have the following qualifications:

- (a) the person must have all required qualifications, and must have no forbidden characteristics, as prescribed in relevant laws or provisions;
- (b) the person must have knowledge, ability, and experience beneficial for business operations and suitable for the performance of his or her duty;
- (c) the person must have leadership, and must be able to offer extensive viewpoints and ideas that are necessary to drive and fulfill the objectives of that subsidiary or affiliate; and
- (d) the person must make appropriate decisions, in accordance with the Company's corporate governance and ethics.

To appoint a person, in addition to the requirements above, the specific characteristics or other conditions of each subsidiary or affiliate must be taken into consideration, including:

- (a) its existence under complicated or high-risk principles or regulations, such as being a public limited company listed on domestic and foreign securities markets;
- (b) the Company's shareholding in the subsidiary, if there is a joint venture partner, as the terms and conditions of the joint venture agreement must be taken into consideration; and
- (c) statutory provisions of the country in which the subsidiary or affiliate is incorporated or operated.

1.3 Directors and executives appointed or nominated by the Company will have the following duties and responsibilities.

- (A) They must ensure that the subsidiary or the affiliate complies with relevant law, ordinances, rules and regulations; has good management; complies with the Company's governance principles, ethics, and anti-corruption policies, and other policies of the Company or that are consistent with the Company's policies.
- (B) They must provide guidelines on the determination of the direction of the subsidiary's strategies, policies, and business plans, which must be consistent with the Company's direction. They must also promote the use of innovations and technologies to improve the subsidiary's competitiveness.



(C) They must report the subsidiary's operating results and disclose its information to the Company accurately, completely, and in a timely manner, as prescribed in this Policy.

(D) They must ensure efficient business operations by the subsidiary, and appropriately manage its investment returns.

1.4 Unless otherwise specified in this Policy, or unless otherwise determined by the Company's board of directors, the 1.4 Unless otherwise specified in this Policy, or unless otherwise determined by the Company's board of directors, the directors and executives appointed or nominated by the Company will consider and vote at board of directors meetings of the subsidiary or affiliate at their discretion in matters regarding the general management and normal course of business of the subsidiary or affiliate, as the directors and executives consider appropriate for the utmost benefits of the Company and the subsidiary or affiliate.

**2. Matters that need approval or agreement from the Company's board of directors or board of directors meetings before they take effect**

Directors and executives of a subsidiary or affiliate that are appointed or nominated by the Company must ensure that before the subsidiary or affiliate enters a transaction or takes any action that is of significance, or that will affect the subsidiary or affiliate's financial position or operating results, as described in its Authority Manual or Articles of Association, the transaction or action must be agreed upon or approved by the Company's board of directors or board of directors meetings, as the case may be, before the subsidiary or affiliate holds its own board of directors meeting and/or shareholders meeting to consider and approve that matter.

Any transaction or action to be taken by subsidiary in the following cases must be approved by the Company's board of directors or at a shareholders meeting, as the case may be.

2.1 Matters that must be considered and approved by the Company's board of directors meeting are as listed out below.

(1) An appointment or nomination of the subsidiary's directors and executives at least pro rata to the Company's shareholding in the subsidiary.

Unless otherwise specified in this Policy, the directors and executives so appointed or nominated shall have the discretion to vote at the subsidiary's board of directors meetings on matters regarding its general management and business operation as these directors and executives deem appropriate for utmost benefits of the Company and the subsidiary, except for matters in which these directors and executives have special interests.

Directors appointed under the previous paragraphs must be the persons whose names are included in the Whitelist and possess the qualifications, duties, roles, and responsibilities prescribed by relevant laws, including the characteristics of trustworthiness in accordance with the Notification of the Securities and Exchange Commission on the determination of untrustworthy characteristics of a company's directors and executives.

- (2) A capital increase by issuance of the subsidiary's newly issued shares, the allocation of shares or the reduction of the subsidiary's registered and/or paid-up capital that is not pro rata to the existing shareholding of the shareholders, or any other action that will result in more than 10 per cent decrease in the proportion of the Company's voting rights, direct or indirect, in any tier, of the total votes at the subsidiary's shareholders meeting, or in the subsidiary's paid-up capital, as the case may be, unless this is in the subsidiary's business plan or annual budget that has been approved by the board of directors of the Company.
- (3) The payment of the subsidiary's annual dividends and interim dividends (if any).
- (4) An amendment to the subsidiary's Articles of Association, except for amendments to the Articles of Association on significant matters in accordance with Article 2.2(1), which must be approved at the subsidiary's shareholders meeting.
- (5) Consideration and approval of the subsidiary's annual budget.
- (6) An appointment of the subsidiary's auditor, provided that the auditor is not registered under the audit firm that is a Full Member in the same network as the Company's auditor, which is inconsistent with the Company's auditor appointment policy that requires the subsidiary's auditor to be in the same network of the Company's auditor.

Items from (7) to (10) are deemed as significant transactions, and participation in any of them would significantly affect the subsidiary's financial position and operating results. Therefore, approval from the Company's board of directors is required. This is however provided that the size of a transaction to be entered into by the subsidiary, when compared to the size of the Company (the criteria prescribed in the Notifications of the Capital Market Supervisory Board and of the Board of Governors of the Stock Exchange of Thailand regarding the Acquisition or Disposition of Assets or Connected Transactions, or amended notifications, as the case may be, shall be applied mutatis mutandis), meets the threshold for consideration and approval from the Company's board of directors. These transactions are listed below.

- (7) The subsidiary's agreement to enter into a transaction with a connected person of the Company, or a transaction regarding the acquisition or disposition of the subsidiary's assets, including but not limited to the following:
  - (a) the transfer or waiver of rights and privileges, including the waiver of claims against any person causing damages to the subsidiary;
  - (b) the sale or transfer of the subsidiary's business, in whole or in material part, to another party that is not an affiliate of the Company;
  - (c) the subsidiary's purchase or acceptance of the transfer of the business of another company that is not an affiliate of the Company; or
  - (d) the entering into, or the amendment or termination of a lease agreement of the subsidiary's business, in whole or in material part, including the assignment of another party to manage the subsidiary's business; or the merger of the subsidiary's business with another party that is not an affiliate of the Company.
- (8) Borrowing money, lending money, giving credits, giving guarantees, taking a juristic act to bind itself to additional financial obligations, or providing any other financial assistance to another party in a significant amount which is not part of its normal business, except for the loans between the Company and the subsidiary, or between companies within the Company's group.
- (9) Dissolution of the subsidiary.
- (10) Other transactions that are not the subsidiary's normal business transactions, and that will significantly affect the Company.

2.2 Prior to the subsidiary entering into the following transactions, it must obtain an approval at the Company's shareholders meeting with at least three quarters of the total votes by shareholders present and having the right to vote.

- (1) An amendment to the subsidiary's Articles of Association with respect to matters that may significantly affect its financial position and operating results, including but not limited to an amendment to any of the Articles of Association that may affect the Company's right to nominate or appoint directors or executives of the subsidiary pro rata to the Company's shareholding in the subsidiary, to vote at the subsidiary's board of directors meeting and/or shareholders meeting, or to pay dividends.

For items from (2) to (5), only when the size of a transaction to be entered into by the subsidiary, when compared to the size of the Company (the criteria of transaction calculation prescribed in applicable notifications of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand shall be applied *mutatis mutandis*), meets the threshold for consideration and approval from the Company's shareholders meeting.

- (2) The subsidiary's agreement to enter into a transaction with a connected person of the Company, or a transaction relating to the acquisition or disposition of the subsidiary's assets.
- (3) A capital increase by issuance of the subsidiary's newly issued shares, the allocation of shares, or the reduction of the subsidiary's registered and/or paid-up capital that is not pro rata to the existing shareholding of the shareholders, or any other action that will result in a decrease in the proportion of the Company's shareholding and/or voting rights, direct or indirect, in any tier, of the total votes at the subsidiary's shareholders meeting, to a level lower than that prescribed in the laws applicable to the subsidiary, consequently depriving the Company's power to control the subsidiary.
- (4) Dissolution of the subsidiary.
- (5) Other transactions that are not the subsidiary's normal business transactions, and that will significantly affect the Company.

### **3. Disclosure of the subsidiary's information**

- 3.1 The subsidiary must disclose complete and accurate information regarding its financial position, operating results, connected transactions, the acquisition or disposition of assets, and/or other significant transactions, to the Company in a timely manner, as prescribed by the Company. To consider entering a connected transaction, or the acquisition or disposition of the subsidiary's significant assets, relevant notifications of the Capital Market Supervisory Board and notifications of the Board of Governors of the Stock Exchange of Thailand will apply mutatis mutandis.
- 3.2 Directors and executives of the subsidiary must avoid transactions that may cause a significant conflict of interest with the subsidiary's interest. If such transaction occurs, they have the duty to inform the subsidiary's board of directors, and the Company's board of directors has the duty to inform the Company's board of directors within the period of time determined by the Company so as to support the consideration or approval in which general benefit of the subsidiary and the Company will be taken into consideration.

The directors of the subsidiary shall not take part in approving any matter in which they have interest or conflict of interest, directly and/or indirectly.

The following actions which result in the subsidiary's directors or related parties receiving financial benefits other than those they are normally entitled to, or cause damage to the subsidiary or the Company, shall be assumed actions significantly cause a conflict of interest with the Company's interest:

- (a) transactions made between the subsidiary and a director or related party which are not in accordance with the criteria of the notifications regarding connected transactions and/or relevant notifications as amended being enforced at the time;
  - (b) the use of the information of the Company or subsidiary that comes to knowledge, unless it has been disclosed to the public; or
  - (c) the use of the assets or business opportunities of the Company or subsidiary in the same manner as that of the Company, which violates the rules or general practices designated by the Capital Market Supervisory Board.
- 3.3 The subsidiary must report its business operation plans, business expansion plans, large investment projects that have been approved by the Company, and joint investment with other business operators, to the Company through its monthly performance report, and must give clarification and/or submit documents to support the consideration of those matters at the Company's request, except in the case that such operations are within power of authority or are not required to be approved by the Company by the subsidiary's Articles of Association or relevant laws.
- 3.4 The subsidiary must give clarification and/or information or documents relating to its operations to the Company if reasonably requested.
- 3.5 The subsidiary must give clarification and/or relevant information or documents to the Company, if Company detects any significant issue.
- 3.6 The directors and executives of the subsidiary must ensure that it has an internal control system, a risk management system and an anti-corruption system that is appropriate, efficient, and circumspect enough to assure that its operations will truly and continuously comply with the Company's policies and Articles of Association; law and notifications regarding the good governance of a listed company, including the relevant notifications, regulations, and rules of the Capital Market Supervisory Board, the Office of Securities and Exchange Commission, and the Stock Exchange of Thailand. They must also ensure that it has a clear work system that can prove that the subsidiary has sufficient information disclosure systems, and a channel for the Company's directors to efficiently follow up on the subsidiary's disclosure of its information regarding the financial position, operating results, connected transactions, the acquisition and disposition of assets, transactions that may cause conflicts of interest, and/or other transactions significant to the subsidiary. In addition, the company must have mechanisms to examine these work systems by allowing the Company's internal auditors and directors to have direct access to data and reporting the results of the examination of these work systems to the Company's directors and executives to ensure that the subsidiary always complies with the arranged work systems.

**4. Use of the subsidiary's internal information**

No director, executive, officer, employee, worker of, or person designated by the subsidiary, as well as their spouses and minor children, is allowed to use the internal information of the Company or the subsidiary obtained through their performance of duty or otherwise that has or might have significant effects on Parent Company's securities price, for the benefits of themselves or others, directly or indirectly, regardless of whether any return is received.

**5. Transactions by a director, an executive, or a related party of the subsidiary**

The directors, executives, or related parties of the subsidiary can enter a transaction with it only after the transaction has been approved by the board of directors of the subsidiary and/or the Company, and/or the shareholders meeting of the subsidiary and/or the Company (as the case may be), based on the transaction size calculated (the criteria of transaction calculation as prescribed in the notifications of the Capital Market Supervisory Board, and the Notification of the Board of Governors of the Stock Exchange of Thailand relating to Connected Transactions and/or amended notifications being enforced at the time shall be applied mutatis mutandis), unless the transaction is a commercial agreement that a reasonable person would enter into with any contract party in general under the same situation, by the exercise of commercial bargaining power without influence from the position of director, executive or related person, as the case may be, and being approved by the Company's board of directors, or in accordance with the principles approved by the Company's board of directors.

## 2.2.11 Risk Management Policy

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

SCG Packaging Public Company Limited (“the Company”) gives priority to good corporate governance as it is important for driving growth of the organization and stability of the business as well as producing strong financial status and suitable returns to shareholders. Business competition faced by the Company currently has been changed endlessly no matter from external or internal factors which may affect capability to achieve goals and key missions of the Company and its subsidiaries. The Board of Directors of the Company therefore approves the Risk Management Policy to assure that the Company implements the enterprise risk management system effectively and efficiently.

### 1. Definitions

“**Risks**” mean probabilities/ uncertain situations or factors causing failure to plan or current operation to achieve their goals/ expected targets and resulting in negative impact to SCG Packaging either financial impact or impact to reputation of SCG Packaging.

“**Risk management**” means the process conducted by the board of directors, executives and all personnel in SCG Packaging to assist strategy formulation and operation by designing the risk management process that could indicate possible situations and their impact to SCG Packaging and manage their risks to be within an acceptable level to reasonably assure that the goals set by SCG Packaging will be achieved.

### 2. Objectives of Risk Management

- 2.1 Introduce risk management system at international standard and integrate it to organization-wide system as a part of decision-making on strategy formulation, business planning and operation of SCG Packaging.
- 2.2 Define measures and guidance of risk management to mitigate risks to remain at an acceptable level by considering effective measures to reduce possibility and/or impact from possible risks and contribute to the achievement of defined goals of the organization at both the Company's and division's levels.
- 2.3 Identify risk or unexpected crisis and mitigate loss or damage to SCG Packaging appropriately and timely.
- 2.4 Inform the Risk Management Committee and the Audit Committee the information on key risks, trends and overall risks as well as oversee the risks effectively and efficiently.

- 2.5 Delegate all units in the organization to define, evaluate, establish risk management operational plan and manage key risks consistently including when there is any case, activity, process and/or significant project or material change in SCG Packaging by considering risk appetite and practicability at appropriate cost.
- 2.6 Communicate and train on risk management to employees consistently. Improve their common understanding and focus as risk owners to manage the risks across multiple functions jointly.
- 2.7 Separate risk management functions from business units which are risk taking functions as to comply with good corporate governance principle and for check and balance. Moreover, to manage risks effectively, the Company establishes the Risk Management Committee assigned by the Audit Committee to monitor risk profile and manage risks appropriately and timely.

**3. Risk Management Framework**

SCG Packaging establishes its enterprise risk management framework in alignment with international standards which includes the following contexts:

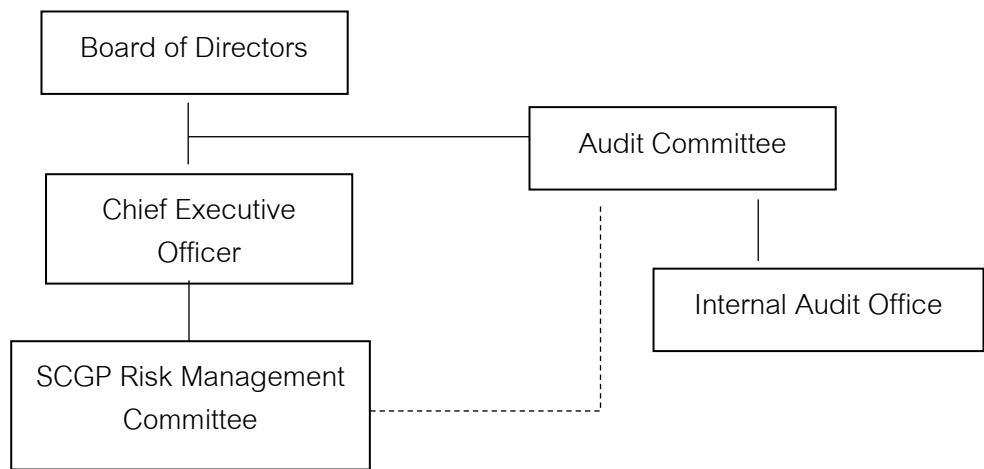
**3.1 Strategy Formulation**

SCG Packaging defines the objectives and risk appetite in managing risks clearly so that overall risk management is exercised on an enterprise-wide basis.

**3.2 Structure and Accountability in Risk Management**

The organizational structure of risk management of SCG Packaging is illustrated below:

Integrated Risk Management Organizational Structure



----- Reporting line



#### The Board of Directors and the Audit Committee

The Audit Committee, on behalf of the Board of Directors, establishes risk management policies and oversees the risk management process and practice of the Company. The Audit Committee also evaluates the risk management system to ensure efficiency, effectiveness, and compliance with established guidelines.

#### Internal Audit Office

The Company's Internal Audit is responsible for conducting an audit of the first line (operating units) and the second line (management level, risk management and compliance, and other supporting functions) to provide assurance on the efficiency and effectiveness of risk management. Internal Audit Office also reports the outcomes to the Audit Committee as well as provides consultation and communicates the Audit Committee's opinions and recommendations to the first line and functions that are being audited for improvement.

#### SCG Packaging's Risk Management Committee

SCG Packaging's Risk Management Committee consists of the Chief Executive Officer who serves as the Committee Chairman, the Chief Operational Officer of each business unit, the Chief Regional Officer and the Chief and the Chief Financial Officer. The Risk Management Committee has the following core responsibilities:

- (1) Determine risk management structure and assign accountabilities for risk management;
- (2) Consider and approve risk management policies, strategies, framework, and plans;
- (3) Review the risk profile and track the risk management practices of the entire organization.

### **3.3 Risk Management Process**

SCG Packaging's risk management framework is applied in three primary areas: strategic risk management, investment project risk management, and operational risk management. The risk management process comprises as follows:

- (1) Risk/opportunity identification;
- (2) Risk assessment;
- (3) Risk response including defining the key risk indicators and key performance indicators, which are the leading and lagging indicators, in order to anticipate risk events and to manage risk levels to be in line with the targets.
- (4) Risk reporting to SCG Packaging's Risk Management Committee before presenting a report to the Audit Committee on a quarterly basis.

The risk management of the following issues shall be assessed.

- (1) Safety, Health and Environment Risk
- (2) Compliance Risk
- (3) Intangible Risk
- (4) Hazard Risk
- (5) Input Risk
- (6) Process Risk
- (7) Financial Risk
- (8) Business Risk

### **3.4 Building a Corporate Risk Culture**

SCG Packaging recognizes that risk culture is a critical component of risk management.

SCG Packaging has, therefore, set measures as follows:

- assigned top executives to communicate the significance of risk management (tone at the top) and be role models in risk management. This includes establishing practical guidelines on the common risk language, risk appetite, common risk assessment systems;
- assigned and accountability of each risk owner;
- encouraged each company to include risk management as part of the agenda in major meetings;
- designated risk management as a component of training and development programs for employees;
- encouraged experience sharing across departments and companies to continually communicate the benefits of risk management.

### 2.2.12 Disclosure Policy

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

SCG Packaging's disclosure of information is committed to integrity, transparency and verifiability according to the Corporate Governance principles. The Board of Directors, by the resolutions of the meeting of the Board of Directors no. 216 (12/2019) and no. 224 (8/2020) held on December 16, 2019 and December 1, 2020, respectively, has resolved to approve SCG Packaging's Disclosure Policy to ensure accuracy, compliance with the law, and equality

#### Definitions

**Key information** means information regarding SCG Packaging's business operations which, if disclosed via improper methods, may have material effects on SCG Packaging's ability to operate its business or on stock prices, or influence investment decisions, whether such information is related to finance, investments or trade secrets, as follows:

1. Financial statements (financial position statement, profit and loss statement, cash flow statement, statement of changes in owner's equity, notes to financial statement) and material changes in accounting policies
2. Information regarding important mergers, acquisitions and dispositions of associated companies/subsidiaries that may affect or change SCG Packaging's business structure.
3. Information regarding acquisitions and expenditures of assets or information related to investment, divestment, capacity expansion or capacity reduction important to SCG Packaging.
4. Information regarding payments or non-payments of dividends, or changes in dividend policies of the securities issuing companies in SCG Packaging.
5. Information regarding the securities of securities issuing companies in SCG Packaging; for instance, capital increases, reissuing securities, and changing of par values.
6. Information regarding important legal disputes of SCG Packaging.
7. Information regarding productions or ceases of production of SCG Packaging's important goods.
8. Information regarding operational policies or strategies of SCG Packaging.
9. Information regarding states, business directions as well as forward-looking Information of SCG Packaging, in particular profit and loss summary.
10. Other information regarding SCG Packaging deemed likely to affect stock prices or influence investment decisions.

Note that important information is deemed as such based on the criteria for information disclosure defined in the Securities Exchange of Thailand's notifications about information disclosure practices of listed companies.

**Securities issuing companies in SCG Packaging** means SCG Packaging Public Company Limited or its subsidiaries with listed securities in the Securities Exchange of Thailand or foreign stock markets.

**Effects on stock prices** means effects causing the stock prices of the securities issuing companies in SCG Packaging to increase, decrease, stabilize or support for the stock prices.

**SCG Packaging** means SCG Packaging Public Company Limited and subsidiaries of SCG Packaging Public Company Limited according to the consolidated financial statement.

### Disclosure Policy

1. SCG Packaging is committed to compliance with disclosure laws in all countries in which SCG Packaging operates or will operate its business.
2. SCG Packaging must perform disclosure of material non-public information with caution, accuracy and completeness and without material faults, in consistent with laws, rules, standards and practices of relevant agencies, in a timely, fair and thorough manner. Actions must be taken to ensure sufficient, equal and easily accessible information for decisions of the shareholders or investors via disclosure channels on SCG Packaging's website or other channels specified by relevant agencies in each matter, as appropriate. Note that time period for such disclosure should be taken into account with caution.

Furthermore, SCG Packaging must designate parties with the rights to disclosure of material non-public information and explicitly define the parties' scope of responsibilities to ensure that SCG Packaging's communications of material information are from the same source and consistent across the parties without causing any confusion while prohibiting employees from disclosing material non-public information at any time, unless assigned by the Chief Executive Officer of SCG Packaging.

3. SCG Packaging must performed explicit and full disclosure of material public information without causing any confusion. Moreover, provision of additional information regarding the disclosed material information must be clear and consistent without misrepresenting the disclosed information.
4. SCG Packaging must performed disclosure of information regarding the business operation's state and direction, as well as SCG Packaging's forward-looking information, with caution and without causing any confusion in the matter, while offering explanation about the conditions and assumptions applied alongside the prediction. Within such process, SCG Packaging must also verify information sources and determine the validity of such information before being utilized in the analyses or predictions.

5. SCG Packaging must performed disclosure of other non-material information on the basis of reality neither with intention of misrepresenting facts regarding financial status, performance, stock prices, nor in a manner which misleads others into thinking that the stock prices may be affected.
6. SCG Packaging must not perform disclosure of material information or other related information regarding highly sensitive matters before the date on which such disclosure will be performed to the Securities Exchange of Thailand or foreign stock markets and the public.
7. In conducting disclosure of material information to the public, SCG Packaging must implement a procedure which ensure transparency, clarity, validity, timeliness and sufficiency for investment decisions.
8. To comply with this Policy, SCG Packaging's Code of Conduct and Corporate Governance Handbook must also be applied.
9. Failure to comply with this Policy is considered a violation of SCG Packaging's Code of Conduct.

## **Practices**

### **1. Implementation of a system for material information disclosure**

- 1.1 The Investor Relations Office must implement a disclosure system for material information necessary for investment decisions in SCG Packaging's securities to ensure transparency, clarity, validity, timeliness and sufficiency for investment decisions.
- 1.2 The Investor Relations Division must regularly review the system for material information disclosure of the divisions involved in the disclosure of material information to ensure better efficiency and effectiveness.

### **2. Management of material information disclosure**

- 2.1 All divisions involved in the disclosure of material information must compile a register of material information to be disclosed to monitor the material information of which such divisions must performed disclosure with transparency, clarity, validity, timeliness and sufficiency for investment decisions.
- 2.2 All divisions involved in the disclosure of material information should establish an operation standard concerning disclosure of material information to the Securities Exchange of Thailand, foreign stock markets, relevant governing agencies as well as the public, while taking into account the following laws, standards and best practices:

- 2.2.1 Disclosure of material information of the securities issuing companies in SCG Packaging must be performed in a manner that ensure valid, complete, sufficient and genuine information. Such information must be up-to-date and disclosed in a timely, thorough and fair fashion. Such disclosure or provision of information must not be exclusive to specific groups or individuals. Furthermore, such disclosure of material information must not be performed before the date on which such disclosure will be performed to the Securities Exchange of Thailand, relevant foreign stock markets and the public
- 2.2.2 Disclosure of material information to analysts, shareholders or other specific individuals must be performed with the certainty that such disclosed material information is the information thoroughly disclosed to the public beforehand.
- 2.2.3 The content and disclosure period of the material information to be disclosed must comply with the requirements of the Securities Exchange of Thailand and relevant foreign stock markets, as well as standards and practices of relevant agencies.
- 2.2.3 (1) Accurate, clear information
- 2.2.3 (2) Numerical information sufficient for the investors to compare activities of the securities issuing companies in SCG Packaging
- 2.2.3 (3) Unbiased, straightforward information: no concealment or mutilation of certain facts which may cause misunderstanding
- 2.2.3 (4) Simple language which is accessible to the general public and not overly technical
- 2.2.3 (5) No inappropriate language or unnecessarily excessive disclosure which may mislead the investors or result in price changes or unreasonable purchases/sales of stocks
- 2.3 In case where notices of material information of the securities issuing companies in SCG Packaging to the Securities Exchange of Thailand, foreign stock markets or relevant governing agencies are underway, relevant employees of SCG Packaging must not disclose such material information to the public as this may cause confusion among investors and unequal distribution of such information. Therefore, the order of disclosure procedure in various channels must be established and introduced in training sessions to employees of SCG Packaging who involve in such disclosure: starting with disclosure of material information to the Securities Exchange of Thailand, foreign stock markets or relevant governing agencies, after which it is disclosure, such material information can then be disclosed to mass media, investors and via other channels.

- 2.4 The securities issuing companies in SCG Packaging have responsibilities for prompt disclosure of material information to the Securities Exchange of Thailand and relevant foreign stock markets when the material information of the securities issuing companies in SCG Packaging regarding operations, or events, or securities trading status of the securities issuing companies, which may produce significant effects on the securities trading prices of the securities issuing companies in SCG Packaging, or such information is of great importance and benefit to investors in analyses by analysts or experts in investment decisions, or such information have, or may have, impacts to the shareholders' benefits.
- 2.5 In case where material information or events, or important projects which meet the following criteria, all relevant divisions may decide to refrain from prompt disclosure of information, where confidentiality of such information must be ensured beforehand.
- 2.5.1 Prompt disclosure of material information will significantly jeopardize SCG Packaging's interests or have negative effects on SCG Packaging's ability to fulfill SCG Packaging's business objectives; for instance, disclosure of real estate purchases may lead to rise in the real estate prices, so it should be delayed until a more appropriate time.
- 2.5.2 When facts are subject to changes, constant disclosure of the same matter to the public based on the changed facts may cause confusion or mislead such public. For example, during a negotiation of acquisition where certain conclusion is yet to be reached, such certain conclusion must be reached first, without necessity of explicit announcement of each negotiation's step.
- 2.6 In case of disclosure of predictions or analyses of information regarding status, business directions as well as forward-looking Information of SCG Packaging, the source of such information utilized in such predictions and analyses must be verified and the validity of such information must be determined before being utilized in such predictions or analyses. Moreover, such predictions must neither be exaggerated nor inaccurate, while such disclosure must be performed with caution without misrepresenting the essence, and must involve explanation of conditions or assumptions used in conjunction with such predictions. Sources of such information must be verified and its validity must also be determined beforehand.
- 2.7 The securities issuing companies in SCG Packaging are not required to disclose estimations or predictions related to profits or other information intended for SCG Packaging's internal use. However, if such disclosure is to be performed, the companies issuing securities must proceed with caution and reasonable assumptions while informing facts with appropriate conditions. Note that if such estimations or predictions are later revealed to be erroneous, the securities issuing companies in SCG Packaging must troubleshoot accordingly and inform the Securities Exchange of Thailand and relevant foreign stock markets immediately.

- 2.8 In case of rumors and news regarding future predictions of total sales, profits or other information, typically the securities issuing companies in SCG Packaging are not required to take any actions unless such rumors or news are highly erroneous to the point that they may explicitly exert effects on stock prices or investment decisions; in which case, the securities issuing companies in SCG Packaging should then consider, as appropriate, inform the Securities Exchange of Thailand and relevant foreign stock markets of the facts.
- 2.9 In case of unusual trading of securities of the securities issuing companies in SCG Packaging based on the market condition, all relevant divisions should monitor such unusual situation and attempt to identify the cause of it: whether it is from any specific information of SCG Packaging. If it is disclosed information, the securities issuing companies in SCG Packaging are not required to take any actions. If there is a potential insider information leak, the securities issuing companies in SCG Packaging should consult specialists to consider taking measures.

3. **Assignment of personnel and responsibilities related to disclosure of material information**

3.1 Spokesperson

The individuals with the right to respond to inquiries or provide SCG Packaging's material information yet to be disclosed to the public include:

- (1) Chief Executive Officer of SCG Packaging;
- (2) Chief Financial Officer;
- (3) Investor Relations Manager or Manager – Brand Management Office of SCG Packaging;
- (4) All individuals assigned by the individuals stated in (1) or (2) (only for assigned matters).

3.2 Divisions in charge of governing material information disclosure

All divisions responsible for controlling and examining disclosure of SCG Packaging's material information to the third party include:

- (1) The Brand Management Office, which is responsible for communication of material information to mass media;
- (2) The Corporate Secretary Office and Accounting Office, which are responsible for disclosure of material information to the Securities Exchange of Thailand, foreign stock markets and relevant governing agencies;
- (3) The Investor Relations Office, which is responsible for provision of material information for analysts or asset management companies.
- (4) All divisions designated by the Chief Executive Officer of SCG Packaging or the Chief Financial Officer (only for assigned matters).



### 3.3 Employees of SCG Packaging

The Corporate Secretary Office must communicate and raise awareness of all SCG Packaging's employees about the effects following disclosure of SCG Packaging's material information. All employees involved in such disclosure of information may disclose only the information that has already been disclosed to the public beforehand.

All employees without responsibilities for disclosure of material information must also disclose SCG Packaging's information with caution to prevent confusion. Therefore, they should not disclose any material information that has come to their knowledge until SCG Packaging has already published such material information to the public.

## 4. Development of knowledge, understanding and awareness

4.1 The Corporate Secretary Office must arrange a training session for the executives of listed companies and subsidiaries that are likely to perform disclosure of information to third parties, the objectives of which are for such companies to acknowledge their scope of responsibilities regarding disclosure of material information as well as best practices of material information communication to third parties.

4.2 The Corporate Secretary Office must raise awareness about and foster a culture of material information disclosure, where the process must be carried out while putting priorities on transparency, accuracy and SCG Packaging's reputation, for the employees of SCG Packaging.

4.3 Due to the importance of material information disclosure to the securities issuing companies in SCG Packaging, especially disclosure to the shareholders and investors, as well as the Securities Exchange of Thailand and foreign stock markets, any questions or doubts should be consulted with SCG Packaging's relevant experts, including legal advisors, the Corporate Secretary Office, the Brand Management Office and the Investor Relations Office.

## 5. Monitoring and reporting

5.1 Designate the divisions involved in disclosure of material information and the Internal Audit Office to monitor and report disclosure of material information to ensure SCG Packaging's proper and complete compliance with applicable laws, policies and practices.

5.2 Designate the divisions involved in disclosure of material information to report to their superiors and top executives promptly when requests from the Securities Exchange of Thailand and foreign stock markets are received, by informing about material information or any events that occur for the executives to make decisions regarding further disclosure of information.

5.3 The executives must provide SCG Packaging's employees with support that enables them to report any behaviors or actions that may involve sharing, publishing and approving false information, or disclose to third parties the results of analyses or predictions of SCG Packaging's operations using false, incomplete or misrepresented information, which may bring about impacts on stock prices or effects on investment decisions in securities. SCG Packaging's employees may report such behaviors or actions to their trusted superiors or the individuals responsible for complaint management as assigned by SCG Packaging, or via the Whistleblowing System.

In addition, the reporters or information providers are protected under the Whistleblowing Policy.

#### **Scope of practices**

1. The securities issuing companies in SCG Packaging with transactions which are related to material information and warrant responsibilities for disclosure of information as required by the laws.
2. All directors, executives and employees of SCG Packaging must comply with applicable laws concerning disclosure of information.
3. SCG Packaging's provision of information, including in writing or verbally; via phone call or through online media, press conferences to shareholders, correspondents, or investors; teleconferences; video conferences via various methods; as well as provision of information via channels established by government agencies or other individuals for the general public's access.
4. Compliance with applicable laws concerning disclosure of information in all countries in which SCG Packaging operates or will operate its business.

#### **Roles and responsibilities**

1. All directors, executives and employees of SCG Packaging must understand their own roles and responsibilities in disclosure of SCG Packaging's material information and strictly comply with applicable laws and policies on disclosure of SCG Packaging's information.
2. The Investor Relations Division must establish a system for disclosure of material information to ensure transparency, clarity, validity, timeliness and sufficiency for investment decisions. The Compliance Division must also arrange communication, promotion and support in conjunction with knowledge, understanding and skill expansion for SCG Packaging's employees regarding proper and regular compliance with applicable laws, policies and practices, as well as establish monitoring measures to ensure that SCG Packaging properly and completely comply with applicable laws, policies and practices.

3. SCG Packaging's employees involved in disclosure of material information must understand their own roles and responsibilities regarding compliance with this Disclosure Policy, by developing knowledge, understanding and skills in their own responsibilities as individuals with in-depth knowledge, attention and care for their assigned responsibilities and tasks.

**How to submit inquiries**

To comply with this Disclosure Policy, use SCG Packaging's Code of Conduct and Corporate Governance Handbook as references, and for any inquiries, consult your superiors or relevant support divisions, including the Investor Relations Officer, Brand Management Office, legal advisors or Corporate Secretary Office, etc.

## **2.2.13 Insider Information Management and IT Governance Policy**

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

### **Insider Information Management Policy**

To operation SCG Packaging Public Company Limited (“the Company”), any director, executive, employee and engaged person will consider and be informed of information that may affects the price of the security and not yet be able to disclosed to shareholders, investors or general public, then it is important to administrate the use of insider information so that it will not be leak or used inappropriately and bring advantage over other persons which will be not only illegal but also impact reputation of the Company. Therefore the Board of Directors of the Company approved the Insider Information Management and IT Governance Policy in order that all directors, executives and employees will conduct and communicate correctly under the following details:

In this policy “insider information” means the information which has not yet been disclosed to public whose material content could influence changes in securities prices or values.

1. The Company commits to operate in accordance with any laws concerning insider trading in every country it has or going to have business.
2. Any director, executive, employee of the Company and other person working with the Company who accesses or possesses insider information must:
  - 2.1 maintain insider information of the Company with due care and safe in order to prevent its leakage.
  - 2.2 not disclose insider information of the Company to any other person not being engaged with assigned work in order to prevent usage of insider information for benefits of such person or others.

This is because it may influence prices or values of the securities of the Company or other listed companies relating to insider information or influence investment decision.

3. Any director, executive, employee of the Company and other person working with the Company who accesses or possesses insider information must not purchase or sell securities relating to insider information which he or she gains more advantage than other persons not knowing insider information.
4. Any director, executive and employee working in the division relating to insider information must comply with the blackout period measurement as prescribed in this policy to prevent them from the risk of wrongful use of insider information.
5. The Company must implement a security system to prevent leakage of insider information that it will not be used for purchasing or selling securities for his or her own benefits or others.

6. The directors, executives and employees of the Company have their own duties to strictly comply with their charters, code of conduct and corporate governance handbook of the Company as well as the rule of using insider information under the Securities and Exchange Act B.E. 2535 (and its amendments) (“Securities Act”) and Public Limited Companies Act B.E. 2535 (and its amendments) and other applicable rules.
7. Any director, executive and employee of the Company who does not comply with this policy is considered breaking discipline and subject to punishment including those prescribed by laws if it is breach of laws.

#### **Blackout period measurement**

The Company’s directors, executives including persons holding an executive position in accounting or finance at a divisional manager or equivalent level, employees of the offices relating to insider information including their spouse or cohabiting couple knowing insider information are prohibited from trading the securities of the Company or other listed companies relating to insider information during a period of 1 month before disclosure of any quarter and annual financial statements and within 24 hours after such disclosure.

Moreover, the Company’s directors, executives, employees of the offices relating to insider information including their spouse or cohabiting couple knowing insider information of the Company or other listed companies relating to insider information are prohibited from trading the securities of said companies until after 24 hours from the time of disclosure of all said insider information to public.

#### **Reporting of Holding and Changing of Holding of Securities and Derivatives**

1. The Company will provide knowledge to the board of directors and executives of the Company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level regarding their duties on preparing, disclosing and submitting the reports on their holding and changing of holding of securities and derivatives, and their spouse or cohabiting couple and minor children to the Office of the Securities and Exchange Commission (“Office of SEC”) according to Securities Act, Notification of the Securities and Exchange Commission and applicable notifications of Capital Market Supervisory Board including punishment according to relevant laws.
2. The board of directors and executives of the Company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level of the Company must prepare, disclose and submit the reports on holding and changing of holding of their securities and derivatives and their spouse or cohabiting couple and minor children including juristic persons under Securities Act, Notification of the Securities and Exchange Commission and applicable Notification of the Capital Market Supervisory Board to the Company Secretary before every submitting to the Office of SEC in a form and within the following periods:

- 2.1 within 7 working days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives in the case where the person with the duty to report is a director or an executive of the Company, and in accordance with all of the following regulations:
- (a) the Company shall report the names of the directors and executives through the Directors and Executives Information System according to the method specified by the Office of SEC in the Notification of the Office of SEC concerning Forms and Methods for Reporting or Changing the Information of Company Directors and Executives;
  - (b) the persons with the reporting duty report shall report purchase, sale, transfer or acceptance of transfer of securities or derivatives before having their names listed in the Directors and Executives Information System under (a).
- 2.2 within 3 working days from the date of purchase, sale, transfer, or acceptance of transfer of securities or derivatives in any case other than 2.1.

#### **Maintaining and Protecting Usage of Insider Information**

Insider information is deemed a valuable information. Using insider information jointly must be made within assigned duty and responsibility only. Disclosing insider information to public including communicating any information relating to insider information must be agreed by the Chief Executive Officer or the Chief Financial Officer or authorized persons only.

#### **IT Governance Policy**

The Company emphasizes on utilizing information technology system efficiently and safely by stating its e-policy as approved by the Chief Executive Officer or the IT Director or designated person including provision of security protection measures for computer and information system as follows:

1. Using computer and information technology of the Company in accordance with the Computer-related Crime Act and other applicable laws.
2. Limiting assessment to insider information to only the Chief Executive Officer, the Chief Financial Officer, the Company Secretary and the Management in relevant organization structure and disclosing to the Company's employees on necessity basis and informing the Company's employees of the confidentiality and limitation of use of the information.
3. Not changing, copying, deleting or destroying information of the Company and not disclosing information in the system of the Company without permission from the Company.
4. Implementing security system to prevent assessment and usage of information folder and confidential documents.

5. Using information technology system correctly according to permitted rights, keeping and not allowing other person using password to access the information technology system.
6. Not using information technology system to access or send information having content immoral, relating to gambling, affecting national security or violating other person's rights.
7. Communicating through social media must be made appropriately, accurately and truly as well as considering fairness to all stakeholders and not incurring damage to the Company by strictly following brand communication guidance and social media policy as approved by the Chief Executive Officer.

## **2.2.14 Human Rights Policy**

(Resolution of the meeting of the Board of Directors no. 217 (1/2020) on January 28, 2020, effective from January 28, 2020)

SCG Packaging aims to conduct business with ethics, adhering to responsibility toward society and all groups of stakeholders based on Good Corporate Governance principles and SCG Packaging's Code of Conduct. Regarding human rights protection, SCG Packaging has strictly complied with laws and international standards especially providing support to and complying with United Nations Global Compact: UNGC and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

To ensure that SCG Packaging's business is free from human rights violation, the meeting of the Board of Directors No. 217 (1/2019) on January 28, 2020, has thus resolved to issue the Human Rights Policy and practice guidelines to prevent violation of human rights in every business activity of SCG Packaging including its Business Value Chain.

### **Terms for Human Rights Policy**

"Human Rights" means basic rights every human being receives or rights to be protected from discrimination due to differences in physical and mental appearances, race, nationality, religion, gender, language, age, skin, education, social status and any other factors according to the laws of each country and the treaty each country has commitment to comply with.

SCG Packaging means SCG Packaging Public Company Limited and the subsidiaries of SCG Packaging Public Company Limited according to the consolidated financial statement.

### **Human Rights Policy**

Board of Directors, executives and SCG Packaging's employees of every level shall recognize the importance of Human Rights Policy and respect human rights of every individual in every aspect, including the society and community at large, in compliance with the laws of each country and the treaty each country is committed to, as well as adopting the following practices.

- Treating others equally and indiscriminately on the basis of human rights.
- Refraining from acting in a way that may be considered violation of human rights.
- Encouraging and supporting human rights.
- Communicating, disseminating, educating and understanding human rights, determine guidelines, oversee and provide other kinds of supports to the parties which involved in the business operation and the business value chain, such as suppliers, contractors, and joint ventures. These are to ensure their engagement in the business conduct in a fair and moral manner, their respect to human rights, and their treatment toward others on a basis of human rights according to this policy.



## Practice Guidelines

1. Respecting human rights and treat each other with respect, honor and equality, without discriminating others based on their differences in physical and mental appearances, races, nationalities, religions, genders, languages, ages, skin colors, education, social status and any other factors.
2. Performing one's duties with prudence to prevent risks from violation of human rights in business conduct, as well as overseeing that respect for human rights are instilled.
3. Encouraging practices aiming for protection of human rights.
4. Communicating, disseminating, educating, understanding, determining guidelines and providing support in any other ways to persons in the business value chain who involved in the business operation, including suppliers, contractors, and joint ventures. These are to ensure that the business will be conducted with ethics and respect for human rights, while treating others on the basis of human rights according to this policy.
5. Overseeing that respect for human rights is instilled in the organization. One shall not neglect or ignore when having witnessed any action relating to SCG Packaging which may be considered a violation of human rights and must notify his/her supervisors or persons-in-charge, as well as cooperating in the investigation. Should there is any query or question, one shall consult his/her supervisors or persons-in-charge through provided channels.
6. SCG Packaging shall fairly treat and protect any whistleblower of human rights violation concerning SCG Packaging under the protection measures for whistleblower or any person giving cooperation as stipulated in the Whistleblower Policy.
7. SCG Packaging shall continuously develop and carry out Due Diligence Process to identify risks in violation of human rights, identify groups of people or persons affected, plan and define corrective and preventive actions for violation of human rights, solve and prevent issues concerning human rights violation, as well as keep track of the results. In case that there is violation of human rights, SCG Packaging shall determine proper actions to alleviate the impacts.
8. SCG Packaging shall determine to build and maintain an organizational culture that adheres to human rights in alignment with this Human Rights Policy.
9. Any person committing a violation of human rights, which is also a violation of SCG Packaging's Code of Conduct, shall be considered receiving disciplinary penalties according to the regulations stipulated by SCG Packaging, as well as possible legal punishments should his/her deed also violates the laws.

## **2.2.15 SCGP Privacy Policy**

(Resolution of the meeting of the Board of Directors no. 220 (4/2020) on June 2, 2020, effective from June 2, 2020)

SCG Packaging respects the privacy of customers, shareholders, SCG Packaging's employees, and persons relevant to SCG Packaging. To ensure that the rights of said persons shall be protected under the Personal Data Protection Act (PDPA), the Board of Directors of SCG Packaging Public Company Limited, by the resolution of the meeting of the Board no. 220 (4/2020) on June 2, 2020, has thus resolved to issue the SCGP Privacy Policy so that SCG Packaging can have clear and proper guidelines, mechanisms, governance measures, and management for personal data.

### **1. Scope of Application**

This Privacy Policy is applied to SCG Packaging, SCG Packaging's employees, and any person relating to personal data processing as instructed by or on behalf of SCG Packaging.

### **2. Definitions**

2.1 Processing means any operation performed on personal data such as collecting, recording, organizing, structuring, storing, editing, retrieving, disclosing, forwarding, disseminating, transferring, combining, erasing, and destroying.

2.2 Personal Data means information that relates to an individual and thus makes it possible to identify the individual, either directly or indirectly, such as name, surname, e-mail, phone number, IP Address, image, nationality, religion, political opinions, Genetic data, and Biometric data.

2.3 Data Subject means any natural person who can be directly or indirectly identified by personal data.

2.4 Data Controller means a natural person or a juristic person that is authorized to make decisions concerning personal data processing.

2.5 Data Processor means a natural person or a juristic person which carries out operations concerning personal data processing as instructed by or on behalf of the Data Controller.

2.6 SCG Packaging means SCG Packaging Public Company Limited and its subsidiaries according to the consolidated financial statements of SCG Packaging Public Company Limited.

### **3. Privacy Policy: Personal Data Protection Governance**

3.1 SCG Packaging shall issue the structure of personal data governance so as to define proper methods and measures, in compliance with laws, as follows:

- (1) Setting up Organizational Structure and clearly defining roles, missions and responsibilities of relevant departments and persons, so as to establish governance mechanisms, control, responsibility, operation, implementation, and monitoring of personal data protection measures in compliance with laws and SCGP Privacy Policy;
  - (2) Appointing SCG Packaging Data Protection Officer (SCG Packaging DPO) with roles and duties as specified in SCGP Privacy Policy.
- 3.2 SCG Packaging shall issue policies, standards, guidelines, procedures, and other documents relating to personal data protection in alignment with the law and SCGP Privacy Policy.
  - 3.3 SCG Packaging shall issue Policy Management Process to oversee that SCGP Privacy Policy is being constantly adhered to.
  - 3.4 SCG Packaging shall regularly carry out training for SCG Packaging's employees so that the employees will recognize the importance of the Privacy Policy, and to ensure that all of SCG Packaging's relevant employees are well-trained, understand personal data protection, and adhere to SCGP Privacy Policy.

#### **4. Privacy Policy: Personal Data Processing**

- 4.1 SCG Packaging, as a data controller and data processor, shall conduct personal data processing in a fair and transparent manner in compliance with laws while taking into account the accuracy of such personal data. The determination of scopes and objectives of personal data processing as well as the period of time personal data shall be stored, shall be carry out as necessary under lawful objectives and SCG Packaging's business practices. In addition, SCG Packaging shall sufficiently maintain confidentiality, integrity, and security of personal data.
- 4.2 SCG Packaging shall issue a process and oversee to manage personal data at every step to comply with laws and SCGP Privacy Policy.
- 4.3 SCG Packaging shall issue and retain Records of Processing (RoP) for recording transaction and any activity relating to personal data processing in compliance with laws. In addition, Records of Processing shall be revised should there be any change of transactions or relevant activities.
- 4.4 SCG Packaging shall issue clear process to ensure that notice of objectives, and accumulation and details of personal data processing (Privacy Notices), as well as seeking consent from the data subjects are in compliance with laws. Governance measures for and validation of the said issues shall also be implemented.

- 4.5 SCG Packaging shall establish mechanisms for personal data validation and personal data correction.
- 4.6 In the case where SCG Packaging send, transfer, or allow any other person to use personal data, SCG Packaging shall have an agreement with data receivers or users to define rights and duties in compliance with laws and SCGP Privacy Policy.
- 4.7 In the case SCG Packaging send or transfer personal data abroad, SCG Packaging shall proceed in accordance with laws.
- 4.8 SCG Packaging shall destroy personal data when it is due in compliance with laws and SCG Packaging's business practices.
- 4.9 SCG Packaging shall assess risks and set measures to prevent risks and reduce effects which may occur with personal data processing.

**5. Privacy Policy: Data Subject's Rights**

SCG Packaging shall provide measures, channels, and means so that the data subject are able to exercise their rights as stipulated by laws, and shall record and assess the response to data subjects' rights of access.

**6. Privacy Policy: Personal Data Security**

- 6.1 SCG Packaging shall sufficiently set forth personal data security measures, and prevent the personal data leaks and the use of personal data without permission.
- 6.2 SCG Packaging shall issue the Privacy Incident Management Policy and Incident Response Program so as to promptly identify and handle privacy incidents.
- 6.3 SCG Packaging shall provide notification process for data subjects, government officers, data controllers (in case SCG Packaging is the data processor or joint data controller), and other persons in compliance with laws.

**7. Privacy Policy: Personal Data Protection Compliance**

- 7.1 SCG Packaging shall provide monitoring process in case there is any amendment of laws, and regularly keep personal data protection compliance up-to-date and compliant with laws.
- 7.2 SCG Packaging shall regularly review and revise the policy, standards, guidelines, procedures, and other documents relevant to personal data protection in order to keep them up-to-date, and compliant to the law and situation in each period.

**8. Roles, Duties and Responsibilities**

- 8.1 The Board of Directors have roles duties, and responsibilities as follows:
  - (1) Oversee that the structure for personal data governance and internal control concerning SCG Packaging are set forth to ensure compliance with laws and SCGP Privacy Policy.

- (2) Oversee and support SCG Packaging to carry out personal data protection with efficiency and compliance to laws.

## 8.2 Privacy Committee

Risk Management Committee shall be appointed to act as the Privacy Committee, which have roles, duties, and responsibilities as follows:

- (1) Set up the structure for personal data governance, relevant internal control, Privacy Incident Management Policy, and Incident Response Program so as to promptly identify and handle privacy incidents.
- (2) Assess the efficiency of compliance with SCGP Privacy Policy and report the assessment results to the Board of Directors on a regular basis at least once a year, as well as supervise to ensure that any risk relating to personal data is properly handled and that proper risk management practices are implemented.
- (3) Define and review the standards and guidelines so that SCG Packaging's operation complies with laws and SCGP Privacy Policy.
- (4) Appoint SCG Packaging Data Protection Officer (SCG Packaging DPO).

8.3 The executives have roles, duties, and responsibilities to supervise departments in charge of overseeing compliance with SCGP Privacy Policy and promoting awareness among SCG Packaging's employees.

8.4 SCG Packaging's DPO has roles, duties, and responsibilities as stipulated by laws, include:

- (1) Regularly report data protection status to the Privacy Committee and provide feedbacks so as to keep SCG Packaging's personal data protection up-to-date and compliant with the law.
- (2) Giving advice to SCG Packaging's employees regarding compliance with laws and SCGP Privacy Policy.
- (3) Supervise the operations of divisions in SCG Packaging to comply with laws and SCGP Privacy Policy.

8.5 SCG Packaging employees have roles, duties, and responsibilities as follows:

- (1) Comply with SCGP Privacy Policy, standards, guidelines, procedures, and other documents relevant to personal data protection.
- (2) Report privacy incidents, and non-compliance with laws and SCGP Privacy Policy to superior.

## 9. Punishment for Non-Compliance with SCGP Privacy Policy

Non-compliance with SCGP Privacy Policy might be guilty of misconduct and lead to disciplinary actions, including punishments as specified by laws.

### 2.2.16 Tax Policy

(Resolution of the meeting of the Board of Directors no. 229 (5/2021) on July 27, 2021, effective from July 27, 2021)

Philosophy of SCG Packaging Public Company Limited and its affiliates (“SCGP”) is to conduct business with fairness, adhering to social and stakeholder’s responsibility, all in accordance with its corporate governance policy and code of conduct. With respect to tax policy, SCGP ensures that its business is operated with transparency, fairness and fully comply with laws and regulations in all countries where SCGP operates, as follows:

1. SCGP shall conduct its business and manage tax in conformity with commercial substance, transparency and verifiable.
2. SCGP shall comply with taxation laws and regulations of Thailand and the countries where SCGP operates including filing tax payment in timely manner and fully cooperating with all government tax authorities.
3. SCGP may have business transactions in or with countries having lower tax rate to the extent necessary. Such transaction shall be implemented with accuracy, transparency, verifiable and fully comply in all respects with applicable laws. SCGP shall not engage in business setting up activities in tax haven for illegal tax avoidance.
4. SCGP shall openly and transparency comply with transfer pricing laws of Thailand and countries where SCGP operates and fully comply with arm’s length principles.

## **2.2.17 Investor Relations Code of Conduct**

(Resolution of the meeting of the Board of Directors no. 221 (5/2020) on July 24, 2020, effective from July 24, 2020)

SCG Packaging Public Company Limited has developed this Investor Relations Code of Conduct to establish guidelines for correct and proper practices to which investor relations officers (IROs) can adhere. The Code of Conduct details fundamental principles regarding information disclosure, protection of insider information, fair and equitable treatment of stakeholders, and working with integrity, all of which are in alignment with SCG Packaging Corporate Governance. This, in turn, will add value to the Company and inspire confidence in its shareholders, investors, the public, and all stakeholders. The Investor Relations Code of Conduct comprises four main principles as follows:

1. Accurately, sufficiently and timely disclosing information crucial to investment decisions
2. Handling and protecting insider information
3. Disclosing information equitably and fairly
4. Performing duties with professional integrity

### **1. Accurately, sufficiently and timely disclosing information crucial to investment decisions**

- 1.1 Disclose information crucial to investment decisions in an accurate, sufficient, and timely fashion in accordance with the rules and regulations of the authorities concerned such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
- 1.2 Exercise their discretion and caution in disclosing information and refuse to divulge trade secrets or information that may compromise the Company's competitiveness.
- 1.3 Disclose information in a regular and clear manner and exercise caution to prevent misunderstanding or misinterpretation. In additions, they must provide both positive and negative facts, ensure sufficient details for a clear understanding, and recognize that a disclosure of complete information will enable information receivers to achieve a more accurate prediction and expectation of the Company's current and future performance.
- 1.4 Clarify facts to the public in a timely manner in compliance with the rules and regulations of the SET and relevant authorities upon the surfacing of rumors, news leaks, inaccurate understanding among stakeholders, or any information about the Company that may significantly influence investment decisions or the price or value of the Company's securities.
- 1.5 Refrain from disclosing inaccurate information or information that is conjectural or predictive in nature, either verbally or in written forms, prior to public disclosure with the intention to manipulate the purchasing of the Company's shares.

- 1.6 Do not provide negative or slanderous information about the Company's competitors or stakeholders.
- 1.7 Establish information dissemination channels or sources to ensure equitable disclosure of information.

## 2. Handling and protecting insider information

- 2.1 Do not use insider information which is important and yet to be publicly disclosed for IROs' own interest or the interest of others and must not disclose such information until it has been publicly disclosed in accordance with relevant rules and regulations.
- 2.2 Comply with laws, rules, regulations, and the Company's policies related to handling of inside information. Material information that may affect performance should be disclosed through channels provided by the SET before it is relayed to any specific investor group.
- 2.3 Adopt a "Quiet Period" of at least two weeks prior to the disclosure of the Company's financial statements, during which IROs will not host a meeting or provide analysts and investors with information or answer questions related to the Company's short-term performance.

## 3. Disclosing information fairly and equitably

- 3.1 Host activities for different stakeholder groups as deemed appropriate to offer opportunity to each group for equal and fair access to information and ensure that no group is placed in a disadvantageous position or has their investment opportunities compromised.
- 3.2 Provide channel with equal opportunity for all stakeholders to contact and make enquiries and must not extend special privileges to any particular group of stakeholders.
- 3.3 Disclose promptly the information presented in exclusive meetings such as roadshow and analyst presentations on the Company's websites and the channels provided by the SET after such meetings so that it becomes publicly available.
- 3.4 Treat each stakeholder group as the following guidelines:
  - (1) Investors
    - Treat all investors, both retail or institutional, equally.
    - Provide opportunity to retail investors for the same level of access to data as analysts and institutional investors.
    - Do not discriminate in accepting one-on-one meetings with institutional investors or investor groups.
  - (2) Analysts
    - Offer analysts from every securities company equal opportunities to attend Analyst Meetings arranged by the Company.



- Do not give any gift or reward to analysts with the intention to influence them to write analysis for the Company or write reports on the Company in a positive light.
- Respect the report and opinion of analysts. Should such a report of opinion includes or provides inaccurate information, IROs may offer clarifications.

(3) Media

- Give opportunity to the media equal access to accurate, clear, and pertinent information.
- Do not disclose information that is about to be publicly disclosed in the media to any specific media outlet in advance.
- Do not give any gift or reward to analysts with the intention to influence them to write groundless news or articles for the Company.

(4) Regulators

- Cooperate in providing vital and appropriate information when requested by regulators.
- Do not give any gift or reward to regulators with the expectation of special treatment in return.

(5) Internal parties

- Host activities occasionally so that the executives of the Company can meet different stakeholder groups as deemed appropriate.
- Report to the Board of Directors and the executives all useful information that helps add value to the Company such as results of investor relations activities, opinions of analysts and investors, and capital market movements.
- Communicate the Company's Investor Relations Code of Conduct to employees with responsibilities relating to investor relations so as to establish a uniform practice in alignment with that of IROs.

(6) Other stakeholders

- Accurately, sufficiently, timely, and equitably disclose information to other stakeholders. Should a disclosure be necessitated for certain business operations, utmost caution must be exercised to safeguard confidentiality.

4. Performing duties with professional integrity

- 4.1 Refrain from receiving gifts or rewards that may be construed as personal incentives or gains.
- 4.2 Avoid actions that constitute conflicts of interest with the Company such as the use of the Company's assets or information for personal gain.
- 4.3 Do not exploit their relationship or information obtained as IROs to seek personal gain.
- 4.4 Comply with SCG Packaging's policies and Code of Conduct and report to supervisors should noncompliance of the Investor Relations Code of Conduct arise.

## 2.3 Policies and Guidelines for Key Stakeholders

### 2.3.1 Stakeholders Engagement Policy

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

SCG Packaging has always paid close attention to the engagement of stakeholders. This is evident from the corporate philosophy of engaging in business based on morality and responsibility to society as well as being a good citizen, implementing the code of conduct as a basis of work of all employees, employing the good corporate governance as a principle of management and exercising the sustainable development of SCG Packaging.

Along with the changing of the society, environment, and business conditions, groups of stakeholders are more complicated and carry higher expectations of fair treatment and demand participation in the expression of opinions, process of decision-making, and governance of affected issues. The engagement of stakeholders is thus more important than ever. The meeting of the Board of Directors on December 16, 2019, has thus resolved to issue the Stakeholder Engagement Policy as a clear guideline for SCG Packaging's employees in conducting business so as to offer shareholders long-term value added as well as more concerns over the benefits of stakeholders of SCG Packaging.

#### Definition of Stakeholders

Stakeholders are persons or groups of persons who are directly or indirectly affected by a business operation of SCG Packaging, as well as those who may have interests in a business operation of SCG Packaging, or abilities to influence over the outcomes of a business operation of SCG Packaging such as customers, employees, communities, shareholders, business partners, government agencies, intellectual leaders, etc.

#### Stakeholder Engagement Policy

SCG Packaging is committed to acting as a good citizen of society, especially in every community where SCG Packaging has business operations. It honors the rights of stakeholders and treats them fairly, listens to their opinions and concerns, builds understanding with stakeholders, encourages co-operation constructively in matters that interest stakeholders, and takes part in developing society and environment so that SCG Packaging continues developing its business sustainably.

## Guidelines for the Engagement of Stakeholders

### 1. Determining, Identifying, and Analyzing Stakeholders

Clearly determine, identify and categorize stakeholders taking into consideration the connection with each business unit in order to be able to analyze the risks and impacts, direct or indirect, incurred to each group of stakeholders comprehensively and clearly by bearing in mind that each group of stakeholders has its own set of perspectives and expectations. Different strategies and priorities of implementation thus need to be formulated for each respective group.

Determine material sustainable development issues that affect decision making, operations, and operational effectiveness of SCG Packaging or stakeholders. In the formulation of business strategy formulation, identify the relationships and materiality of issues to SCG Packaging and stakeholders.

Develop stakeholder maps to identify stakeholders and relevant parties in SCG Packaging and to understand the perspective of stakeholders, potential impacts, and expectations of each stakeholder group. These stakeholder maps will be used in designing means of responding to the needs of stakeholders as well as appropriate strategies and communication methods that will sustainably influence the operation of SCG Packaging.

Good relations with stakeholders should be initiated from the very beginning, that is, from the planning stage, so that plans can be adjusted or work procedures can be revised on time.

### 2. Adopting Communication Strategies

Closely communicate and persistently build understanding with stakeholders in order to gain correct perception and lead to good relationship with and trust from stakeholders by adopting particular communication strategies, methods, formats, and procedures suitable to each group of stakeholders, situation, duration, and local culture. This may be determined by the degree of damage or the possible impact incurred from negligence or inaction.

### 3. Disclosing Information

Disclose information accurately, explicitly, transparently, and comprehensively in order to assure that the stakeholders received sufficient, consistent, and timely information. For example, the disclosure of useful information should be done at the appropriate time, stated the real purpose of information and assured that there is a transparent process of reporting information to stakeholders.

However, in disclosing information, one should consider a factor of appropriateness and follow SCG Packaging's Disclosure Policy.

#### 4. Encouraging Participation

Encourage stakeholders to participate in matters that affect them; provide channels for receiving suggestions, problems, and complaints from stakeholders; give priority; welcome opinions and exchange views (Stakeholder Dialogue) constructively in order to perceive ideas, expectations, and needs of stakeholders. In doing the Stakeholder Dialogue, one must recognize that differences of stakeholders may affect the opinions, e.g. age, gender, education, experience, attitudes, etc. Moreover, one should provide preliminary information prior to discussion, report outcomes of the discussion, disseminate reports to participants, and collect information systematically. SCG Packaging should also consider participating in giving opinions and identifying problems or obstacles to those having roles in regulating rules and orders which could pose an impact to the business operation of SCG Packaging.

#### 5. Managing risks related to stakeholder engagement

Anticipate, identify, and prioritize risks related to stakeholder engagement in order to prepare plans to handle and manage potential risks from a constructive exchange of opinions with shareholders. Risks that should be considered include reluctance to participate, fatigue, dissatisfaction with SCG Packaging's responses, presence of reserved stakeholders among those who prefer to share their opinions, presence of stakeholders who intentionally obstruct an exchange of opinions, presence of stakeholders who have not received information, presence of stakeholders who do not have leverage, technical problems, and conflicts among stakeholder groups.

#### 6. Reviewing and reporting

Inspect and assess stakeholder engagement systematically to continuously enhance stakeholder engagement; develop action plans; foster cooperation between stakeholders and related parties in SCG Packaging, track the cooperation development process, and report to stakeholders. In addition, SCG Packaging must also disclose the overall results of its stakeholder engagement to the public, including obtained results, impact, and operation scopes, as well as demonstrate the relations between benefits from stakeholder engagement and SCG Packaging's operations.

### The Duty of the Management

The duty of the management is to ensure efficient and effective stakeholder engagement operations in accordance with the policy by providing suitable resources, such as allocating budgets and assigning knowledgeable, skilled and sufficient person-in-charges, and by putting in place systems for taking suggestions from stakeholders, compiling information, monitoring progress, and conducting assessment. Information on stakeholder engagement will be integrated into the Company's corporate governance, strategies, and management at every level to create acceptance and develop sustainable business practices across the organization.

## SCG Packaging's Policies and Practices towards Stakeholders

SCG Packaging has established policies and practices for 12 groups of stakeholders as guidelines for its business operations, added value creation, and sustainable development, as detailed below.

### Policies and Practices towards Stakeholders

SCG Packaging places great importance on its shareholders. Accordingly, the Board of Directors, the executives and the employees of SCG Packaging are committed to carrying out business in line with the principles of good corporate governance and SCG Packaging's own business philosophy to ensure maximum benefits and long-term economic value for shareholders. The guidelines to achieve such purposes have thus been set forth as follows:

1. To operate the organization in accordance with SCG Packaging's corporate vision and corporate governance principles with honesty and prudence, and without conflict of interest, while creating good returns for every shareholder in a sustainable manner.
2. To respect the rights of shareholders and provide equitable and fair treatment to every one of them. Accordingly, to not perform any act that might violate or restrict the rights of shareholders.
3. To provide shareholders the right to propose the agenda of the Annual General Meeting of Shareholders and to nominate any qualified person to be a director with sufficient time in advance.
4. To provide shareholders with all significant details concerning the Shareholders' Meeting and the Meeting agenda items to be considered by the shareholders with sufficient time in advance.
5. To prevent the directors, executives, and employees in the involved departments as well as their spouses and children from making use of inside information for their own benefit or that of others, which is considered shareholder exploitation, before disclosure to the public.
6. To assign independent directors to take care of minor shareholders and to receive complaints or suggestions from shareholders through easily accessible channels established by the Company.
7. To establish efficient measures for internal control, internal audit, and risk management.
8. To disclose the Company's significant information, financial reports, and operating results on an accurate, complete, timely, transparent, and reliable basis through easily accessible channels to consistently keep shareholders abreast of the Company's operating performance.

## Policies and Practices towards Employees

SCG Packaging firmly believes that employees are its most valuable assets and a vital contributing factor to the Company's success. As a consequence, the Company treats employees fairly with respect to human rights in accordance with SCG Packaging's human rights policy and with concern for their needs. The goals are to foster a good relationship between the Company and its employees, to promote ongoing development of employees' skills and potential, and to provide job security and career advancement. The guidelines for practice toward employees are as follows:

1. To recruit employees through a fair and efficient selection system and employment conditions to find "smart and ethical" employees having strong qualifications and integrity to join the Company.
2. To treat employees with sensitivity and fairness while paying due respect to their personal rights, protecting these rights from being violated. Likewise, to support and respect the right of employees to express their opinions independently.
3. To provide channels for employees to file grievances and report any act of impropriety in violation of the SCG Packaging's Code of Conduct as well as to protect the complainant from retribution or penalty related to filing a complaint (Whistleblowing Policy).
4. To provide employees in every field of work and at all levels sufficient and continuous professional development appropriate for their duties and responsibilities and to instill ethical awareness into every employee.
5. To promote and encourage working as a team to create unity and to raise employees' awareness about work discipline.
6. To evaluate employees' performance and provide fair remuneration on the basis of the suitability, capability, and competence of each individual. The Company is also committed to providing fair and appropriate benefits to employees. The benefits will be constantly improved to keep them on a par with those of leading companies in the same industry.
7. To raise awareness and promote employees' occupational health and safety while maintaining a congenial work environment that enables employees to feel like being part of a family.
8. To operate in compliance with internationally accepted occupational health and safety standards as well as environmental management standards.
9. To encourage employees to find a balance between personal life and work.
10. To provide channels where important information can be disclosed to employees to keep them informed of the operations and operating results of all SCG Packaging's business units.

### Policies and Practices towards Customers

SCG Packaging pledges to ensure that its products and services offer maximum benefits and complete satisfaction in terms of quality and fair price to customers. Likewise, the company pledges to develop and maintain a sustainable relationship with customers. The practice guidelines are as follows:

1. To deliver products and services that address the needs of consumers and the general public and to play a part in contributing to better quality of life and the sustainable development of society.
2. To constantly drive innovation and research & development to generate high quality, high value-added products and services that meet the needs of customers in multiple ways.
3. To develop environmentally-friendly products and services with a focus on resource-efficiency, energy-efficiency, recyclability, and long life of service.
4. To produce safe, reliable products and services as well as to give accurate and adequate information about them to customers.
5. To store customers' information safely and systematically, and to refrain from abusing the information.
6. To set the prices of products and services at reasonable rates.
7. To implement a quality management system that matches international standards.
8. To set up a customer support office to provide product information, advice, and solutions to problems, while also handling complaints, to ensure customers' highest satisfaction in both products and services

### Policies and Practices towards Suppliers

SCG Packaging always obeys fair competition standards and strictly complies with all contractual obligations, the SCG Packaging's Code of Conduct, and all promises to suppliers. The guidelines are as follows:

1. To determine and establish fair and reasonable prices by taking into account the reasonableness of the offered prices, quality, and service levels and to be able to provide appropriate reasons during any audit.
2. To pay suppliers accurately and on time.
3. To establish clear procurement regulations.

4. To operate business sustainably and transparently by complying with all the terms and conditions agreed upon in a transaction and treating all involved parties fairly.
5. To refrain from demanding or accepting any improper benefits from suppliers.
6. To pay regular visits to suppliers to exchange ideas and listen to their suggestions or advice on improvement.
7. To support procurement of eco-friendly and community products.
8. To refrain from purchasing products from suppliers that violate human rights or intellectual property law.
9. To refrain from disclosing information of suppliers to others without their prior consent.
10. To refrain from dealing in any business with any supplier that carries out illegal acts or acts against public order and good morals.
11. To provide support and encourage suppliers to adopt the principle of sustainable development through social and environmental responsibility in their business operations, in accordance with SCG Packaging's Supplier Code of Conduct.

#### **Policies and Practices towards Business Contractors**

SCG Packaging assists its contractors with respect to human right standards, environment, work safety, and remuneration. Furthermore, the Company is resolved to develop the capabilities and knowledge of contractors both related to work and beyond to enable them to work more efficiently. The guidelines are as follows:

1. To determine appropriate and fair remuneration and ensure that the amount of remuneration paid by the contractors to their workers shall not be less than the wage rate stipulated by law.
2. To promote safety awareness among contractors and oversee a safe work environment in their operations.
3. To open up opportunities for contractors to meet with executives to listen to their opinions and concerns so they can work more efficiently to achieve goals.
4. To encourage contractors to develop their knowledge to ensure maximum work efficiency.
5. To provide support and encourage contractors to adopt the principle of sustainable development through social and environmental responsibility in their business operations, in accordance with Supplier Code of Conduct of SCG Packaging.



### **Policies and Practices towards Joint Venture Partners**

SCG Packaging respects the rights of joint venture partners and treats every partner equitably and fairly. It also promotes fair treatment of relevant parties in the business operations in accordance with the Company human rights policy. In addition, the Company works collaboratively with joint venture partners to ensure that the joint ventures achieve the shared goals. The relevant guidelines are as follows:

1. To collaborate with joint venture partners in supporting and strengthening the joint venture operations.
2. To encourage the exchange of ideas and suggestions with the joint venture partners and to jointly define the business plans to ensure the sustainable growth and development of the joint ventures.
3. To monitor the operations of the joint ventures in order to ascertain that they comply with the law and the sustainable development approach.
4. To work with the joint venture partners in allocating profits from the joint ventures in a fair and transparent manner.
5. To refrain from taking advantage of the joint venture partners in any way.

### **Policies and Practices towards Creditors**

SCG Packaging has a policy to treat its creditors equitably, fairly, and transparently with commitment to strictly comply with all terms and conditions agreed upon. The guidelines are as follows:

1. To enter into contract with all types of creditors legally, equitably, fairly, and transparently without taking advantage of the contract party.
2. To refrain from resorting to dishonest means or concealment of any information that might harm the Company's creditors.
3. To strictly abide by any term or condition stated in any contract entered into with all types of creditors accurately and straightforwardly.
4. To repay loans and interest in full to all types of creditors on time as agreed upon.

### **Policies and Practices towards the Community**

SCG Packaging conducts business with respect to human rights and equitable treatment to others, commitment to fairness to all stakeholders, and concern for social responsibility. SCG Packaging also provides constant support to activities that contribute to the improvement of living standards and the development of the communities and societies in which it operates, both in Thailand and the ASEAN countries. It also encourages employees and other concerned parties to be good citizens contributing to communities and society. The guidelines are as follows:

1. To support and provide proper assistance to society and communities, especially the communities surrounding SCG Packaging's plants.
2. To preserve the environment nearby the communities and to control and manage waste from the production process and general consumption as well as contamination released into the environment through the use of efficient technology and close monitoring.
3. To promote and support carrying out of activities/projects designed to develop the potential and capabilities of youths in the areas of education, science, technology, sports, and art as well as instilling ethics and morals into young people so they are both smart and ethical individuals.
4. To support activities/projects dedicated to providing immediate assistance to those affected by disasters and to improve the potential and living standard of people in the society through various efforts such as career development and building strong communities to enable people to become self-reliant sustainably.
5. To support medical and public welfare activities/projects to enable people in local communities and society at large to have better health and better quality of life.
6. To promote and support activities in the areas of art, cultural heritage preservation, and sustaining religion as appropriate.
7. To provide support to foundations and charitable organizations to help and provide opportunities to the disenfranchised in society, empowering them to lead better lives. This support also extends to organizations carrying out activities beneficial to human resources development.
8. To open up opportunities for communities and other stakeholders to take part in the activities/projects, to voice their opinions and suggestions, or to file complaints as a result of SCG Packaging's operations, with the goal of allowing industry and the community to coexist sustainably

#### **Policies and Practices towards Government Agencies**

SCG Packaging places great importance on government agencies as stakeholders of the Company. Guidelines for engaging in transactions with government agencies are defined in SCG Packaging's Code of Conduct to allow employees to proceed appropriately and in compliance. The Company also cooperates with government agencies, providing technical assistance and support for various activities. The guidelines are as follows:

1. To strictly abide by applicable laws and regulations and keep in mind that laws, regulations, cultures, and traditions in each locale may have different conditions, procedures, or practices.
2. To refrain from influencing government officers to abet and collude in improper acts.
3. To build a body of knowledge in community development for government agencies such as local administration organizations.
4. To provide support to activities undertaken by government agencies
5. To participate in meetings to share ideas, support and provide technical assistance on a continuous basis.
6. To receive visits from government agencies.
7. To receive comments and suggestions from government agencies.

#### **Policies and Practices towards the Media**

SCG Packaging stresses the importance of disclosing information to the media so they can communicate the information to the public accurately and rapidly. The guidelines are as follows:

1. To disclose information to the media equitably. The information must be accurate, clear, and right to the point.
2. To communicate information on a quick and timely basis.
3. To provide opportunities for the media to closely meet and talk with top executives.
4. To facilitate the media to get in contact with the Company.
5. To establish good relationships with the media through various activities such as business and plant visits to allow the media to observe the production process and plant management as well as obtain accurate information.

#### **Policies and Practices towards the Civil Society Sector, Academia, and Opinion Leaders**

SCG Packaging conducts business with concern for social responsibility and all stakeholders. In addition to full and accurate disclosure of information, SCG Packaging is also open to comments and suggestions from every part of the civil society sector to ensure a shared approach to operating business sustainably alongside social and community development. The guidelines are as follows:

1. To disclose information regarding business operations transparently and verifiably.
2. To disclose information in the annual report, sustainability report, articles and news releases, as well as in the form of electronic documents and information.
3. To carry out business with concern for impact on the environment and the community and to encourage involved persons to take part in protecting the environment.
4. To collaborate with the agencies concerned to foster a relationship with the community and promote community involvement.
5. To receive comments, suggestions, or complaints from the concerned parties to find means for collaboration and to meet the needs of all stakeholders.

#### **Policies and Practices towards Competitors**

SCG Packaging has a policy to treat competitors fairly within the framework of honest competition. The Company is committed to carrying out business fairly in compliance with the law and SCG Packaging's Code of Conduct and with concern for trade ethics and antitrust laws. The guidelines are as follows:

1. To operate under a fair competition framework and applicable laws ethically and transparently and to refrain from taking advantage of competitors unlawfully.
2. To refrain from obtaining confidential information through fraudulent or improper means.
3. To refrain from violating the intellectual property rights of competitors.
4. To refrain from attacking and destroying competitors' reputations by defaming them with any false statement.
5. To promote and support free trade and avoid entering into any agreement with competitors that may reduce or restrict competition.

### **2.3.2 Dividend Policy of the Company and its Subsidiaries**

(Resolution of the meeting of the Board of Directors no. 211 (7/2019) on August 5, 2019, effective from August 5, 2019)

SCG Packaging Public Company Limited (“Company”) states its policy to pay dividend at not less than 20 percent of its net profit on consolidated financial statements after payment of corporate income tax and deduction of all reserves as required by laws and the Company’s provisions in each year. Said ratio could be changed upon the operating performance, financial structure and financial health, liquidity, additional investment necessity, investment plan, business expansion, reserve for loan repayment or working capital of the Company, terms and conditions stated in loan agreements and other factors pertaining to management.

Dividend policy of each subsidiary will be as resolved by its board of directors and approved by the annual general meeting of shareholders unless it is an interim dividend which the Board of Directors is authorized to approve when it considers that there is sufficient amount of profit to do so in accordance with laws of the country where the subsidiary is registered and the Board of Directors shall report for information at the next general meeting of shareholders. The Board of Directors of the subsidiary will consider its dividend payment by taking into account various factors for the main benefits of shareholders such as operating performance, financial structure and financial health, liquidity, additional investment necessity, investment plan, business expansion, reserve for loan repayment or working capital of the subsidiary, terms and conditions stated in loan agreements and other factors pertaining to management as deemed appropriate by the Board of Directors/ and or shareholders, as the case may be.

### **2.3.3 Policy and Guidelines for the Procurement and Selection of Vendors of SCG Packaging**

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

The meeting of the Board of Directors No. 216 (12/2019) on December 16, 2019, has resolved to approve the setting up and disclosure of the Procurement and Vendor Selection Policies and Guidelines of SCG Packaging to ensure that the selection process of SCG Packaging will be systematic, fair and transparent. SCG Packaging endorses vendors who are committed to ethical business practices and responsibilities toward society and environment and will not conduct transactions with any person who is involved in illegal or fraudulent activities or is suspected to do as such.

#### **Definitions**

**Procurement** means the purchase, hire of work, outsource service, transportation service, lease and hire purchase.

**Vendor** means a seller/supplier, contractor, service provider, lessor or hire purchase provider who delivers goods or services to SCG Packaging.

**Vendor List** means a list of Vendors who conduct transactions with SCG Packaging and whose names are listed in SCG Packaging's system.

**Approved Vendor List** means Vendors listed in the Vendor List who have undergone SCG Packaging's selection and performance evaluation processes for the relevant goods and service categories.

**SCG Packaging** means SCG Packaging Public Company Limited and the subsidiaries of SCG Packaging Public Company according to the consolidated financial statement.

#### **Procurement and Vendor Selection Policies of SCG Packaging**

SCG Packaging will conduct its Procurement in a systematic manner according to the strict controlled procurement regulations of SCG Packaging, taken into account the needs of SCG Packaging in terms of quality, price, quantity, time, service, delivery, after-sale service, warranty, and other requirements. SCG Packaging will not conduct transactions with any person who is involved in illegal or fraudulent activities or is suspected to do as such.

SCG Packaging's Vendor Selection shall be systematic, fair and transparent. SCG Packaging also endorses Vendors who are committed to ethical business practices and responsibilities toward society and environment.

### Qualifications of SCG Packaging's Vendors

1. The Vendor shall be a manufacturer, entrepreneur, dealer, service provider or contractor, who has verifiable business facilities.
2. The Vendor shall have reliable staff, machinery and equipment, products, services, warehouses, financial status and performance records.
3. The Vendor shall agree to comply with SCG Packaging's Supplier Code of Conduct
4. The Vendor shall have satisfactory performance records, which will be evaluated by SCG Packaging on the basis of the quality of goods and services, including the delivery, after-sale services, warranty or other transactional requirements.
5. The Vendor shall have no conflict of interest with SCG Packaging's business.
6. The Vendor shall never been banned from doing business due to fraudulent conducts.

### Application for Vendors of SCG Packaging

1. Prospective vendors can submit an application form provided by SCG Packaging together with detailed information and supporting documents, which include a registration certificate or identity certificate, other certificates issued by government authorities, power of attorney documents, bank account numbers and copies of registration certificates issued by the Department of Revenue such as a copy of the Certificate of Value Added Tax (Por Por 20). The application form and supporting documents shall be submitted to SCG Packaging's procurement unit.
2. SCG Packaging's Vendor shall sign its agreement to comply with SCG Packaging's Supplier Code of Conduct.

### Business Transaction Procedures with SCG Packaging

1. SCG Packaging only deals business with Vendors listed in the Vendor List, except for the cases of a price quotation or a tender where the non-listed Vendors may be invited to submit a quotation or tender and can apply for a Vendor status thereafter if selected. SCG Packaging may ask its Vendors to agree to electronic transactions in accordance with the applicable electronic transactions laws for convenience and speed of the transactions.
2. A written purchase order or an agreement between a Vendor and SCG Packaging will be considered constituting the transactional obligations between both parties.

3. For submitting a price quotation or entering into an agreement, SCG Packaging may request in writing a performance bond from the Vendor, which will be returned after all transactional obligations are completed
4. Upon the completion of their obligations under an agreement, contract or purchase order, Vendors shall submit the relevant tax invoices, receipts and/or other necessary supporting documents to SCG Packaging for payment at the time and place specified by SCG Packaging. This is to provide convenience and speed of operation for all work units. SCG Packaging will pay the Vendors for the prices of the delivered goods/services after deducting the withholding tax required by laws, and other expenses incurred as stipulated by the government and under the agreement such as a performance bond. The payment will be transferred into the bank account notified by the Vendors unless a cheque payment is requested. SCG Packaging reserves the right to issue only account payee cheques.
5. Vendors may request an amendment of their data in the SCG Packaging system by contacting SCG Packaging's procurement unit and submitting supporting documents certified by the Vendors' authorized person.
6. Vendors may file a complaint on unfair treatment under the SCG Packaging's Corporate Governance Principles through the specified channel at SCG Packaging's Whistleblowing System, <https://whistleblower.scgpackaging.com>.



#### 2.3.4 SCG Packaging's Supplier Code of Conduct

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

SCG Packaging has developed the Supplier Code of Conduct in order to develop correct understanding among suppliers of SCG Packaging and to serve as a mutual business standard to be adopted. SCG Packaging's Supplier Code of Conduct comprises the five following principles.

- 1) **Business ethics**: Conduct business with honesty; uphold fairness for all stakeholders; disclose correct and complete information; protect confidentiality; and respect intellectual properties of others.
- 2) **Labor and human rights**: Do not discriminate; attach importance to labor protection, especially child labor, women's labor, and alien labor; do not use or exploit forced labor; and ensure correct and fair remuneration, benefits, and work periods.
- 3) **Occupational health and safety**: Keep the work environment hygienic and safe; control risks of accidents and potential health impacts while on duty; and provide sufficient and ready personal protective equipment.
- 4) **Environment**: Conduct business with consideration to impacts on natural resources and the environment as per the principles of 3Rs: namely reduce, reuse/recycle, and replenish.
- 5) **Laws and regulations**: Abide by all applicable laws, rules and regulations.

"SCG Packaging" refers to SCG Packaging Public Company Limited and subsidiaries of SCG Packaging Public Company Limited according to the consolidated financial statements.

## Part 3: Appendix

### 3.1 Definitions

**SCG Packaging** means:

- 1) SCG Packaging Public Company Limited; and
- 2) The subsidiaries of SCG Packaging Public Company Limited.

**The Company** means SCG Packaging Public Company Limited.

**Subsidiaries** mean the subsidiaries according to the consolidated financial statements of SCG Packaging Public Company Limited.

**The Board of Directors** means the Board of Directors of SCG Packaging Public Company Limited.

**Employees** mean any persons entering into hire-of-service contracts or special contracts with SCG Packaging.

**Stakeholders** mean any persons having relations with SCG Packaging in various aspects such as the Company's directors, employees, shareholders, counterparties, contractors, persons involving in the Company's businesses, creditors, debtors, society and communities surrounding factories.