



## 1. Corporate Governance Policy

Thai Central Chemical Public Company Limited (“TCCC”) is well aware that good corporate governance and transparent management will increase the company’s competitive capability and management efficiency, which will be the key to long-term success and growth of the organization. TCCC thereby arranges the management system with ethical principles of having competent Board of Directors and management equipped with vision, accountability, explainable rationale, responsibility, fairness and integrity, transparency as well as the creation on control mechanism and balance of power. The Company’s Board of Directors will jointly take care, recommend and improve every system to operate according to the set policy and strategies, the respect for rights of all shareholders and stakeholders with equitable treatments, which would be the key factor maximizing the Company’s value and the returns to shareholders.

The Company duly applies Corporate Governance Code for listed companies 2017 issued by the Securities and Exchange Commission for its operation. The Company’s compliance with CG Code covers these following five topics:

1. Rights of Shareholders
2. Equitable Treatment to Shareholders
3. Concern of Stakeholders’ Roles
4. Disclosure and Transparency
5. Responsibilities of the Board

### 1. Rights of Shareholders

The company is highly aware of and always place importance on the rights of shareholders in order to encourage their trust and confidence in investing with the Company. Therefore, the Company has issued policies and guidelines to maintain the equal basic rights to every shareholder in compliance with the Articles of Association of the Company and related laws. For example, the shareholders have the right to receive profits/dividends equally, the right to attend the Annual General Meeting of Shareholders, the right to appoint a proxy to attend and vote on their behalf at the Annual General Meeting of Shareholders, the right to express their opinions and ask questions to the Board, and the right to receive sufficient and up-to-date information, and the right to be treated in equitable when buy back shares is conducted by the Company. Moreover, the Company has implemented the suitable management in effective manner.

In conducting the shareholders meeting, the Company sufficiently disseminated meeting notices and relative meeting documents to every shareholder in advance and has provided assistance to shareholders in the shareholders meeting. Moreover, the Company has posted the meeting’s information on the Company’s website for the shareholders to rapidly access to it, and this includes the minutes of the meeting within reasonable time. In addition, the meeting notice was specified each agenda with its reason, objective, and the directors’ opinion clearly. Besides, the Company provided opportunity to the shareholders to submit questions or propose additional agendas to be considered in the meeting in advance by sending such question or additional agenda directly to the Company or via the Company’s website.

For the 47 Annual General Meeting of 2019, it was held on 28 March 2019 at The Banyan Ballroom, the Banyan Tree Bangkok Hotel, South Sathorn Road, Bangkok, located in the city of major transportation zone; thus, the shareholders could conveniently travel to. Moreover, snack breaks were also provided to the shareholders.

In the meeting, directors including Chief Executive Officers attended the meeting, which presided by the Corporate Board Chairman, and had the lawyer of external law firm count and check the vote. Before the meeting had begun, the Chairman had informed the method of voting and vote counting, and, during the meeting, the Chairman gave the opportunity in reasonable and sufficient time to the shareholders to ask any questions to the Board.

For election of directors in the meeting, the Company proposes directors to be elected individually; thus, give chance to the shareholders to actually elect director whom they wish.

The Company recorded and noted the meeting thoroughly, and posted on the Company’s website so that the shareholders could examine the correctness. Besides, the Company regularly disseminates information under the Regulations to shareholders in a timely manner in order to support their effective decision-making through the Stock Exchange of Thailand (SET)’s channel including the Company’s website.

Moreover, the Company clearly discloses structure of revenue and shareholding in subsidiary and associated companies in the annual report and 56-1 Form, so the shareholders could be confident on the transparent and auditable operation. The Company has neither cross-holder structure nor pyramid-holder structure.

Last but not least, the Company appropriately arranged plant-site visit for interested investors and the Company's information can be obtained directly from Corporate Secretary.

## **2. Equitable Treatment to Shareholders**

The Company places great importance on its shareholders and manages to treat all with equitability and fairness by arranging transparent and efficient Annual General Meetings of Shareholders by running the meeting and holding votes in accordance with the sequence of the meeting agenda as notified in the invitation letter, and ensuring one share for one vote to every shareholder. For a shareholder, who is unable to attend the meeting, they could appoint one of the Independent Directors, or any relevant person to attend the meeting and vote. In this regard, the Company sends the proxy form A, B and C with the clear requirement of documents, evidence for proxy appointment to the shareholders and instruction of filling up the proxy together with the invitation letter, and also they could be downloaded on the Company's website as well. Moreover, the invitation letter and related documents are also provided in English version, and are sent to the foreign shareholders as well.

Any minor shareholder who wishes to propose the candidate for election of director before the Annual General Meeting of shareholder can do so by sending the proposal with resume of the candidate to the Company by mail or via website. The Company has announced this message via the SET and on the Company's website.

In addition, for the benefit of the minor shareholders, the Company conducts the cumulative voting to give the minor shareholders the chance to actually elect director whom they wish.

To assure shareholders that directors, management, employees and relevant insiders would not use undisclosed inside information for their personal benefits, the Company has stipulated this issue in the Compliance Program and the Code of Conduct & Ethics under the category of The Company Information as the guideline to prevent any misuse of inside information that would be unjustified to the shareholders by laying that such insiders shall not disclose inside information to any persons except for a person who needs to know, and shall not use the inside information for their own or for their relatives' benefit. The Company printed the Compliance Program and the Code of Conduct & Ethics, and distributed to directors, management and employees, and they shall provide signatory evidence for acknowledgment. In this regard, the Company shall hold the training of the Compliance Program and the Code of Conduct & Ethics for directors and employees annually. The Company erects the measure to prohibit directors, managements, and employees, who acknowledge the Company's inside information not to buy or sell the Company's shares during the period of 30 days before publicly disclosure of financial statement or any important information which may affected to the share prices. Furthermore, the Company complies with the SET regulation that all directors and the management must report their TCCC shareholding when first appointed to the position and disclose on every change in shareholding according to rules and procedures set in the Securities and Exchange Act. B.E 2535 and by the Securities and Exchange Commission. The policy and measure taking care on the use of inside information for the directors and management has been stated in the Code of Conduct and Ethics under category: Use of Inside Information. In addition, they will strictly take the same procedures according to those set in the Securities and Exchange Act B.E. 2535.

In the event of connected transaction, the Company implements the term and conditions in the Company's schedule of authority, which complies with Tor.Jor. 21/2551 Re. Connected Transaction Regulation, announced by Capital Market Supervisory Board, by categorizing the transactions in type and value, and consider which procedure should be applied i.e. disclosure to the SET, approval from the Corporate Board or approval from the shareholders meeting. The transaction shall be fair and at arm's length. The Company also disclosure details of the related transaction in the Annual Report with clarification of its reason and necessity.

## **3. Concern of Stakeholders Roles**

The Company conducts business by adhering to responsibility for the rights of both internal and external stakeholders for sustainable benefits which including shareholders, employees, suppliers, competitors, creditors, customers, including society and surrounding community on the basis of honesty, fairness and transparency. The Company will not seek any personal benefit which may cause conflict of interests with the Company's or the stakeholders. In order to ensure that fair treatment is provided for each group of stakeholders in accordance with their rights and agreements, the Company prescribed the measures for dealing with each group of stakeholders as follows:

3.1 Shareholders : the Company is committed to responsibility to create the highest satisfaction for shareholders on the basis of sustainable growth, continually suitable returns on investment and transparent action along with good corporate governance policy.

3.2 Employees : the Company values employees as the valuable resource and a key to success of the Company. Therefore, the Company endeavors to develop human resource continuously, and also ensure safety and benefit of employees by setting the policy upon these following fields.

Safety and Health: the Company has policy on work safety and security by setting safety standard operation procedure to create a safe and convenient working atmosphere that helps employees work effectively. Especially, at the plant sites, there are safety rules to regulate the work mandatory, which they are superior to those stipulated by the laws. All employees, workers and subcontractors must acknowledge and comply with them strictly. In this regard, the Company also records accident, injury and leaves affected by works of all employees for making the statistic to be disclosed and improve the safety of the work place aiming at the maximum level.



**Skill and Knowledge Improvement:** The Company provides annual training courses and useful seminars to every employee in every division based on evaluation of their performance and need. Each employee is scheduled for training courses and seminars in specific average hours, and shall be evaluated for the result of training plan.

**Remuneration and Benefits:** Stated in the Work Rules, the Company provides a reasonable and fair remuneration and benefits, which it is referred to and based on the standard of its industry, to all employees such as salary rate, provident fund, medical allowances, annual physical check-ups, accident and life insurances, uniforms, canteen in the plant site, accommodation, transportation, scholarship, cremation funds of which covering to the member family of employees and others including bonus of which depending on the Company's performance in each year. The Company also established Welfare Committee which comprises of representative from employee and the Company. The committee shall consider welfare of the employee and propose any improvement (if any) to the Company for consideration.

**Human Rights:** Human rights and freedom is stipulated as the basic and fundamental rights in the Company's Code of Conduct & Ethics. It is essential to respect the rights and freedom; no discrimination on ethnics, colors, religious, Gender, orientation, age, and social status, etc. The Company strongly refuses to child labors, and opposes to all kinds of violations. Moreover, the Company pays attention to the opinions and suggestions of employees at every level to construct and improve the good cultural organization and working atmosphere.

**3.3 Customers :** the Company focuses on customers' satisfaction by assuring that customers would receive good quality product at reasonable price. Guideline on how to treat the customers is also stipulated in the Code of Conduct & Ethics such as product qualities and product liabilities; hence, the Company shall deliver the products with the best quality to the customers only, and the related product information and quality are warrantied as well. Moreover, the Company has the policy to keep customers' information in confidential and will not use or disclose it without permission. This policy also strictly applies to all employees.

**3.4 Suppliers / Creditors :** Policy and procedure of selecting vendors and supply chain dealers is stipulated in the Code of Conduct & Ethics; therefore, the Company shall comply to such policy and procedure to undertake the due diligence for ensuring that vendors and supply chain dealers are in a good reputation, able to comply with contractual mandatory, and not on the government watched list. Moreover, the business transaction must not against or evade the laws and free from any conflict of interest. In addition, to protect the benefit of vendors and supply chain dealers, the Company shall make the non-disclosure agreement on personal information or any other information with them.

**3.5 Competitors :** the Company sets policy and procedures in the Code of Conduct & Ethics relating to free trade and fair competition according to international principles under competition practice legal frame of a fair trade competition, without any agreements that would obstruct the business competition or any market manipulation such as flood the market or price listed conspiracy.

**3.6 Social, Community and Environment :** the Company gives high priority towards social responsibilities by stipulating the policy related to construct and develop social, community and environment in the Code of Conduct & Ethnics, and also make the annual plan of such scheme of which appearing in the social responsibility report. In addition, the Company initiated various projects which help reduce pollution and consume natural resources effectively as stated in detail in CSR report which has been disclosure to the public. Moreover, the Company sets up "Community Relationship Committee" to co-ordinate regarding safety standard concerning health and environment including cooperate with government sector to support on social activities within the community.

The Company believes that the anti-corruption principal is the most crucial policy for the sustainability growth of business; thus, stipulating this policy in the Code of Conduct & Ethics. The Company protests to any bribery and any kind of corruption such as not offering or proposing any benefits to any officer or any person who uses the state power for any unlawful fruit in return including not to bribe any officer for any services. In the event that a transaction shall be conducted through agents or representatives, the Company shall review their qualification, and the value of such transaction shall not be higher than the market price, and all related document of such transaction shall be filed and recorded for the undertake of the Company's internal audit. For the purpose of aforementioned, the Company shall provide the training course of the anti-corruption to all employees, which it is a part of human resource development plan.

Moreover, the Company opens for any interested parties to participate in monitoring the Company's law compliance, good governance, Code of Conduct and Ethics compliance, or any complaints on unlawful action that may constitute corruption. In this regards, the Company provides channel for the stakeholder to submit or propose any complaints, opinions and recommendations to the Company as following:-

An employee can complain any misconduct of the Company's rules and regulations, or express an opinion to their superior or General Manager or Executive Officer. If they feel uncomfortable or inconvenient to do so, they can complain or express to the President via the President Hotline. The Hotline is comprised of different channels such as email, letter and telephone, separately from other stakeholders, which shall be directly reached the Chairman of Compliance Committee or the President. Should the compliant or the opinion has been made, the Chairman of Compliance Committee shall deliberate it, and may call for the meeting among the Committee to investigate the evidence and further undertake any reasonable action.

Furthermore, employees and any other stakeholders could complain directly to the Board of Director via email: [compliance@thaicentral.cot.th](mailto:compliance@thaicentral.cot.th), or telephone: 02-639-8888 or to the Company's Secretary at the address of 21/35-46, Thai Wah Tower 1, 15 Floor South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120. The Secretary shall gather the complaint and all related details, and circulate them to the Compliance Committee or the Board of Directors for further processing.

The Company stipulated the guideline of procedure and punishment in the Code of Conduct and Ethics. The Company shall protect the employees or the stakeholders who make a complaint or expresses their opinion. Any information related to such employee or stakeholders and details of such case shall be kept in confidential and shall be destroyed when the investigation has been accomplished.

#### **4. Disclosure and Transparency**

The Company gives importance to the disclosure of information which shall be accurate, complete, transparent and comprehensive, in reports of both financial and general information, and including the essence of information which may effected to the Company's share price. Various information and news had been disseminated to investors and interested parties through various outlets and media of the Stock Exchange of Thailand ([www.set.or.th](http://www.set.or.th)) and the Company's websites; [www.tcccthai.com](http://www.tcccthai.com), and call center 02-639-8888 Ext. 1411 or e-mail address: [mailbox@thaicentral.co.th](mailto:mailbox@thaicentral.co.th) which Investor Relations and Public Relations provide services of information and news of the Company's activities to investors, analysts and general public.

4.1 The Company has disclosed detail of the Company's information in Annual Report and Form 56-1, such as, shareholding structure of the Company, name, biography, shareholding proportion, authority of the Board of Directors and the Audit Committee, the meeting attendance of the directors, policy and amount of director remuneration, the Company's financial position and performance, nature of business and competition, major risks, dividend policy, whistle blowing policy, connected transaction, auditor fee and other fee paid to the auditor.

4.2 The Company provides fair and equal opportunity for the shareholders and investors to access the Company information. For such purpose, the Company has prepared Annual Report, quarterly performance report provided on the Company's website. In addition, the Management occasionally meets the investment analysts.

4.3 The Company has stipulated policy that all directors shall report every purchase of the Company's share including Report of Interest of directors upon appointment as a director. In the first Board of Director meeting after the Annual General Meeting of shareholders, such policy shall be reminded to the directors for compliance.

4.4 Remuneration of Directors and Executives, the Company has defined clear policy with regards to the remuneration of Directors by having compared with the director remuneration in the same industry. The remuneration of Directors and Executives for the year 2019 has already been disclosed under the heading of Directors and Executives Remuneration.

4.5 The Board of Directors is responsible for the Company's financial statements, consolidated financial statements and the financial information appear in the Annual Report. These financial statements are prepared in accordance with generally accepted accounting principles recognized in Thailand. Suitable accounting policies have been chosen and applied consistently, with discretion used cautiously and the best estimates used. There has also been adequate disclosure of important information in the notes to the financial statements. The Board of Directors has the opinion that the Company's overall internal control systems are at a satisfactory level, and can give reasonable confidence in the credibility of the Company and its subsidiaries' financial statements as of December 31, 2019 that already been disclosed in Annual Report.

#### **5. Roles and Responsibilities of the Board**

The Company's Board of Directors is responsible for managing the business to create the maximum benefits for the Company. The roles, duties and responsibilities of the Board of Directors are to act within the laws, the Company's regulations, resolution of the Annual General Meeting of Shareholders and good corporate governance principles with honesty, integrity, responsibility and transparency. Furthermore, the Company's management performance to meet corporate goals, create the highest returns for shareholders and uphold benefits of stakeholders in order to implement the Company's good corporate governance more efficiency.

## **2. Sub-Committee**

### **2.1 The Board of Directors**

The Board of Directors comprised of high competent and experienced professionals and to balance the authority of management, The Company's Director structure has been set up with the Executive Directors, Non-Executive Directors and Independent Directors, who are appointed to be the Audit Committee. All directors shall possess the qualifications according to the Public Company Act B.E. 2535 (and amendments), the Securities and Exchange Act B.E. 2535 (and amendments) including rules and regulations of SEC and SET. The Company's Article of Association states that the Board of Directors shall consist of at least 7 directors and there shall be independent directors at least 1 in 3 of the total member of the Board but not less than 3 directors must be independent directors. At present, there are 3 members of Audit Committee, which is calculated as 1 in 3 of the number of directors.



The Board of Directors comprised of Nine directors as follows :-

### Three Executive Directors

Six Non-Executive Directors in which three directors are Independent Directors and the Audit Committee. List of the Board of Directors

1. Mr. Toshiaki Miyabe	Corporate Board Chairman
2. Mr. Yoshihiro Tamura	Director & President
3. Mr. Takayuki Tohei	Director & Executive Vice President
4. Mr. Jiro Nishiyama	Director & Senior Vice President
5. Miss Kanokporn Aungsoontornsarid	Director
6. Mr. Suvij Suvaruchiporn	Director
7. Mr. Suvat Suebsantikul	Independent Director & Audit Committee Chairman
8. Mr. Opas Sripornkijachorn	Independent Director & Audit Committee Member
9. Mr. Kasemsak Masayavanich	Independent Director & Audit Committee Member

The Board of Director stipulates the policy to support the Company director to attend training or courses to develop competency of directors.

The Board of Directors held the Board Meetings in accordance with the yearly advance planned schedule. The Company has sent the notice to all directors together with agenda and supporting documents at least 7 days prior to the meeting date. In the year 2019, the Board of Directors held 5 meetings which lasted about 3-4 hours each time. Each director expressed the opinion freely and the minutes of each meeting was proposed for adoption and kept for the concerned parties' inspection.

### Roles and Responsibilities of the Board of Directors

1. The Board of Directors participates in setting direction of the Company's vision, mission, objective, business plans and budget as well as supervises the management to conduct operations according to the predetermined strategic plans and budgets, efficiently and effectively, to maximize the Company's value and shareholders wealth.

2. The Board of Directors has also established internal control system and monitoring their implementation in a consistent, ever manner. The Board of Directors has stipulated a strict segregation of operational responsibilities and duties amongst members of the Board and Management clearly defined each aspect of managerial authority, particularly financial authority.

3. To carry out duties in accordance with the laws, the objectives, the Articles of Association of the Company, and the resolutions of the shareholders' meetings in good faith and with care to preserve the interests of the Company.

4. To determine vision, policy, operational plan and budget of the Company as well as to oversee and superintend the management to be in line with the assigned policy. The Board of Directors also supervises the performance of the Company's management by requiring them to report on business progress and the Company's earnings on a monthly basis at the Board of Directors' Meeting. Furthermore, the Board is fully aware of pertinent laws and regulations and requires management to report every important issue related to the Company in order to run the business efficiently and correctly.

5. To consider and approve important transactions, such as new business investment project, asset acquisition or disposition and other transactions specified by the law specification.

6. To appoint or delegate any power to any other persons to conduct the Company's business subject to the control of and within the time as may be specified by the Board, whereby such appointment or delegation of power may, at anytime, be canceled, revoked, withdrawn or amended.

7. To approve or agree to the related transactions in compliance with the relevant notifications, regulations and guideline of the Stock Exchange of Thailand.

8. To consider transaction which may causes conflict of interest with care, reasonable transparency and independence under good corporate governance in order to avoid personal benefit or having any relation in financial and/or in person with outsiders which may cause damage to the Company.

### The Authorized Director to sign binding the Company

The directors and the number of them, whom are authorized to sign binding the Company, are from group A: Mr. Yoshihiro Tamura or Mr. Jiro Nishiyama, jointly sign with group B: Mr. Takayuki Tohei, in total of 2 directors, and seal of the company.

## Training of Directors

The Board has the policy to promote and encourage all directors to attend or participate in the directors' knowledge and skills development program. In the year 2019, there was a director who attend the training as follows.

1. Mr. Opas Sripornkijachorn attended
  - DCP Series: 4/2019 - How to Develop a Winning Digital Strategy
  - Chairman Forum 2019 - Successful Corporate Culture Change from Policy to Practices
  - Audit Committee Forum 2019 - Strategic Audit Committee: Beyond Figure and Compliance Organized by Thai Institute of Director Association (IOD).
2. Mr. Takayuki Tohei
  - CFO Professional Development Program 5/2019, Thai Listed Companies Association ( TLCA )
  - CFO Orientation course 2020, The Stock Exchange of Thailand (SET )

## 2.2 Audit Committee

The Audit Committee consisted of 3 directors from the Board whose fully qualified in accordance with the Public Company Act B.E. 2535 (1992) (and amendments), the Securities and Exchange Act B.E. 2535 (1992) (and amendments), the criteria under the Announcement of the Securities and Exchange Commission, the Announcement of Capital Market Supervisory Board No. Tor.Jor. 39/2559, and other relevant of Announcements of the Stock Exchange of Thailand. The term of Audit Committee will be same as the Company directors' term. The Audit Committee member is eligible for re-election. In the year 2019, the Audit Committee consisted of :

- |                              |                          |
|------------------------------|--------------------------|
| 1. Mr. Suvat Suebsantikul    | Audit Committee Chairman |
| 2. Mr. Opas Sripornkijachorn | Audit Committee Member   |
| 3. Mr. Kasemsak Masayavanich | Audit Committee Member   |

Mr. Opas Sripornkijachorn is the well-knowledged and experienced in auditing the Company's financial statements.

In year 2019, the Audit Committee Meeting was held for 5 times, the details of the attendance are as following:-

- |                              |                                  |
|------------------------------|----------------------------------|
| 1. Mr. Suvat Suebsantikul    | Attended the meeting for 5 times |
| 2. Mr. Opas Sripornkijachorn | Attended the meeting for 5 times |
| 3. Mr. Kasemsak Masayavanich | Attended the meeting for 5 times |

## Authorities and responsibility of the Audit Committee

1. To review the Company's financial reporting process to ensure that is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine the internal audit office's independence, as well as to approve the appointment, transfer and dismissal of the chief of the internal audit office or any other unit in charge of the internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Stock exchange of Thailand regulations, the laws relating to the Company's business, including review compliance with any rules and policies which have stipulated.
4. To consider, select, nominate and dismissal an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, follow up to the Stock Exchange of Thailand regulations, as well as to ensure that their transactions are reasonable and highest benefit of the Company.
6. Report on progress of the Audit Committee's operation frequently as deem appropriate.
7. To prepare and disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of the following information:
  - 7.1 The number of the audit committee meetings, and the attendance of such meetings by each committee member.
  - 7.2 Opinion of audit committee as to the following,
    - 1) The accuracy, completeness and creditability of the Company's financial report.
    - 2) The adequacy of the Company's internal control system.
    - 3) The compliance with the law on securities and exchange, the Stock Exchange of Thailand Regulations, or the laws relating to the Company's business
    - 4) The suitability of an auditor.
    - 5) The transactions that may lead to conflicts of interests.
    - 6) An opinion or overview comment received by the audit committee from its performance
    - 7) Other transactions which according to the audit committee's opinion, should be known to the shareholders and general investors.





8. Other assignments as resolved by the Board of Directors.

The Company has an Internal Audit Office reports directly to the Audit Committee. The Internal Audit Office works independently in auditing the operation of various departments. Furthermore, the Internal Audit duties are to inspect and review the accuracy and completeness of data including assessing an adequate and efficiency of the internal control systems. The Internal Audit Office will audit and monitor the procedures in compliance with the objectives to achieve the efficient and effective Company's operations. Mr. Pitoon Inuthai is the General Manager, who oversees the Internal Audit Office.

### 2.3 Executive Board

The Company's Executive Board is responsible for internal affair management and administration. The Executive Board has 8 persons as the executive officer. (Please see 52)

#### Roles and responsibilities of the Executive Board

1. Administrate the Company's affair to align with the Company's policy by having clear specific scope of authority in writing in the Schedule of Authority i.e. procurement, production and selling, accounting and finance and human resources according to plan or budget which is approved by the Corporate Board of Directors with strict compliance, honesty and considering the best interest of the Company and shareholders.
2. Provide advice and suggestion to the President & CEO in decision making of the important issues relating to strategy and direction of business operation, business plan, budget and resources allocation.
3. Initially consider the meeting agenda before proposal to the Corporate Board of Directors.

#### Segregation of the Chairman and the President & CEO Positions

The Chairman of the Board of Directors shall not be the Chief Executive Officer, in order to clearly segregate duties in setting corporate policy and daily management. Schedules of Authorities for the Board of Directors is setting for approve on major and material matters. The Company operating performance is reported to the Board of Directors Meetings, and the Board is able to review and question the operating performance and the management.

### 2.4 Compliance Committee

The Compliance Committee is set up in accordance with the Compliance Program to act for considering the contents and monitoring the application of the Code of Conduct & Ethics which is the fundamental policy covering and governing all business operation of the Company.

The Code of Conduct & Ethics shall apply to the Company, Directors and all employees; they shall strictly comply with the Code. The practice of the Code is based on moral, ethics, and honest principle aiming for all employees to adhere the highest standard of ethic and prevent any conduct which breach the law and the Company rules and regulations; thus, it will achieve the trustworthy of the shareholders and the investor. In addition, this will promote the sustainability growth of the Company. The content of the Code is categorized in 3 chapters: Our Employees, Our Business Conduct and Our Assets and Information. All employees have the duty to study and understand the contents, and shall apply it to any business conduct including keep monitoring any business conduct to prevent any violation to the Code.

#### Compliance Committee is comprised of:

- |                         |                                       |
|-------------------------|---------------------------------------|
| 1. The President        | The Chairman of Compliance Committee  |
| 2. Executive Officers   | The Member of Compliance Committee    |
| 3. Head of Legal Office | The Secretary of Compliance Committee |

#### Roles and Responsibilities of the Compliance Committee

1. Plans the application and compliance of the Code of Conduct & Ethics in order to achieve the objective, and educate the Code to all employees including considers and approves the plan of application and compliance of the Code that proposed by the related divisions.
2. Provides and monitors the emergency hotline for using in reporting and complaining any unlawful act or any misconduct to the Company's rules and regulations or any doubtful act.
3. Set up the investigation team as deemed fit to finding facts of the illegal acts or the misconduct to the Company's rules and regulations, and deliberate the punishment for those acts including find the appropriate measure to deal with the case, and also prevent occurrence of such case in the future.
4. Educates and trains all employees to understand and acknowledge their duties and responsibilities under the Code of Conduct & Ethics.

## 2.5 Risk Management Committee

The Board of Directors have concerned of business risks therefore they have appointed the Risk Management Committee to establish the risk management policy for clear and proactive risk management systems which also support for effective decision making as well as reduce any possible loss. Risk Management Committee has adopted standard principles of enterprise risk management widely applied in listed companies for implementation in the Company.

**Risk Management Committee comprises of the following:**

1. Chief Executive Officer & President - Chairman of Risk Management Committee
2. Chief Financial Officer & Executive Vice President, Executive Officer & Senior Vice President - Members of Risk Management Committee
3. Head of Internal Audit Office — Secretary of Risk Management Committee

### **Roles and Responsibilities of the Risk Management Committee**

1. Prescribe policies and suggest measures for the appropriate and efficient management of risks associated with the business operation of the Company.
2. Prescribe risk management and procedures to cover the entire organization.
3. Review risks and their mitigation measures as evaluated by the risk owners, and provide recommendation for improvement.
4. Follow up and evaluate the performance in accordance with the organization-wide risk management framework, and regularly review risk management policy.
5. Engage in any other duty as assigned by the Board of Directors.

Furthermore, Risk Management Committee has appointed the Risk Management Sub-Committee comprising of divisional heads of all business units to proceed with risk management in divisional-level, with facilitation and support by Internal Audit Office.

## 3. Recruitment and nomination of director and executive officer

### 3.1 Director

#### **Appointment and Dismissal of Director**

According to the Company's Article of Association, director shall be appointed by the shareholder meeting or the Corporate Board of Directors meeting. The Company's Board of Directors shall consist of at least 7 directors and at least half of which must have residence in the Kingdom. The Board of Directors must have at least 2 Independent Directors and 1 Director from outside.

The Company's Article of Association stipulates that the voting of directors shall be Cumulative Voting and the following rules and procedures apply:

- (1) Each shareholder shall have votes equal to the number of shares held multiplied by number of Directors to be elected.
- (2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as directors. In the event of electing several persons as directors, he may allot his votes to any such person at any number.
- (3) Persons who gain the highest vote and the following order, equal to the number of directors to be appointed, shall be the Company's directors. If the number of the following orders of the same vote exceeding the number of directors to be appointed then the Chairman shall a casting vote.

At each Annual General Meeting, all members of the Board of Directors shall vacate their office, and the meeting shall vote for the new members of the Board of Directors according to the above mention voting. The Director retired on term may be re-elected. However, the former Board of Directors shall remain in office to carry on the business of the Company only as necessary until the new Board of Directors assumes office.

In addition, directors shall vacate office upon death, resignation, loss of qualifications or disqualification under Section 68 of the Public Company Act B.E. 2535 or unqualified according to the Securities and Exchange Act B.E 2535. For any vacancy in the Board of Directors as the previous mention, the Company's Article of Association stipulates that Board of Directors may select duly qualified person without disqualification under Section 68 of the Public Company Act to replace the vacating director at the next board meeting except where the remaining term of office of such director is less than two months. The person who becomes a director in place of the vacating director shall hold office only for the remaining term of the director whom he/she replaces.

The Company's Article of Association also states the mean of dismissal of director by having shareholders pass a resolution to remove any director prior to his/her end of the term by a vote of not less than three-fourths of the number of shareholders attending the meeting and entitled to vote and holding shares in an aggregate number of no less than half of the shares held by shareholders attending the meeting and entitled to vote.





### Nomination of Director

In case of vacancy of Director(s), either by resignation or by term, the Corporate Board of Directors will select person(s) who is qualified without disqualification under the law, competent and suitable to fit the directorship and propose to the Corporate Board of Directors Meeting or Shareholder Meeting as the case maybe stipulated in the Company's Article of Association. The Company does not have the Nomination Committee for selection of Director(s).

If selection of director(s) has been conducted, the Company by the Corporate Secretary shall provide the orientation to the new director(s) with all information, rules and regulations related to the Company's business including the duty under the rules and regulations of a director in a listed company.

### 3.2 Independent Director

The independent director is not nominated by the Nomination Committee because the Company has no such a Committee. The nomination process has been conducted by consent of the Corporate Board meeting by selecting a person whose qualifications meets the Public Company Act B.E. 2535 (and amendments), the Securities and Exchange Act B.E. 2535 (1992) (and amendments) , the Announcement of Capital Market Supervisory Board No. Tor.Jor. 39/2559 including the relevant of Announcement of the Securities and Exchange Commission and Announcement of the Stock Exchange of Thailand.

### 3.3 Executive Board

#### Nomination of the Executive Board

The Corporate Board of Directors will nominate the President and the Executive Officers after the Annual General Meeting. The term of the President and the Executive Officers is 1 year. The nominated Executive Officer is selected from the member of the Corporate Board of Directors, Senior Vice President or an outside person who is competent and well-knowledgeable. In the event of vacancy of Executive Officer, the President shall propose the nominated person to replace the vacancy to the Corporate Board of Directors for approval. The new Executive Officer shall serve its term for the remaining period of the former Executive Officer whom he/she is replaced.

## 4. Supervision on operation of the subsidiary company and the associated company

The Company sent the representatives of the Company to hold the position of directors of the subsidiaries and the associated company for supervision on operation of those subsidiaries and associated company in accordance with shareholding proportion. The representatives shall participate in policy making and take part in significant decision regarding business operation. They also ensure that those subsidiaries and associated company comply with rules and regulation of the related regulators i.e. SEC and SET in regards to information disclosure, connected transaction, acquisition and sale of asset etc. as the same compliance as the Company. In addition, accounting system of the subsidiaries and the associated company shall comply with the same standard as the Company in order to be consolidated in the financial statement.

## 5. Internal information usage

The Company has stipulated policy in regards to internal information usage as the guideline to prevent any misuse of inside information which is unjustified to the shareholders. This is to assure shareholders that directors, management, employees and any relevant insiders will not use undisclosed inside information for their personal benefits.

5.1 The Company prepared the Compliance Program and the Code of Conduct & Ethics which contains topic of Information of the Company and Insider Trading and distributed to directors, management and employees, and they shall provide signatory evidence for acknowledgment. In this regard, the Company holds training of such topic for directors, management and employees. These people shall not use information which they have acknowledged from working to seek for unlawful personal benefit.

5.2 Directors and Executives of the Company shall prepare the report on change of the Company's securities held and submit it to the SEC in accordance with Section 59 of Securities and Exchange Act B.E. 2535 and the directors and executives are prohibit to seek any benefit from substantial information which have not yet disclosed publicly including buy and sell the Company's securities. The directors and executives shall be prohibited from buy and sell the Company's securities within 30 days prior to disclosure to the public of financial statement including any substantial information which may impact to the Company's securities.

5.3 The Company subsidiaries shall also comply with the Compliance Program and the Code of Conduct as they have announced these regulations as their internal regulation.

## 6. Corporate Secretary

To comply with the Securities and Exchange Act, the Company appointed Mr. Photchara Wattanawinij to be a corporate secretary to take care the Corporate Board of Directors meeting and the Executive Board meeting, prepare and maintain important documents including notice of the Corporate Board of Directors meeting, Annual Report, notices of shareholders meeting, minutes of shareholders meeting and Report on Interest of Directors and Executives, including providing advice on law, rules and regulations to support compliance of the Corporate Board of Directors and the Executive Board.

Mr. Photchara Wattanawinij holds the law degree from Thammasart University and the University of Sydney, Australia. He passed the training on Fundamental Practice for Corporate Secretary (FPCS) #23 held by the Company Secretary Club, Thai Listed Companies Association.

## 7. Remuneration of auditor

The Company's auditor is Mr. Manoon Manusook, Certified Public Accountant No. 4292 (affixed his signature on the Company's financial statement from 2015 to 2019) and/or Mr. Mongkol Somphol, Certified Public Accountant No. 8444 (never affixed his signature on the Company's financial statement) and/or Mr. Choopong Surachutikarn, Certified Public Accountant No. 4325 (never affixed her signature on the Company's financial statement) of Deloitte Touche Tohmatsu Jaiyos Audit to be the auditors of the Company for the financial year 2019 with the following details of remuneration:-

ค่าตอบแทนที่จ่ายให้ผู้สอบบัญชี

Remuneration of the Auditor

สำหรับปี 2562 สิ้นสุด ณ ธันวาคม 2562 / For The Year 2019, as of December 31, 2019

(หน่วย : บาท) / (Unit : Baht)

ที่ No.	ชื่อบริษัท Company	ผู้สอบบัญชี Auditor	ค่าสอบ บัญชี Audit Fee	ค่าบริการ อื่น Non-Audit Fee	รวม Total	ค่า ตอบแทน ค้างจ่าย Accrued Audit/ Non-Audit Fee
1	บริษัท ไทยเซ็นทรัลเคมี จำกัด (มหาชน) Thai Central Chemical Public Company Limited	บริษัท ดีลอยท์ ทูช โรมัทสู ไชยยศ สอบบัญชี จำกัด Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.	2,350,000	-	2,350,000	1,184,000
2	บริษัท เอ็มซี อะโกร-เคมิคัล จำกัด MC Agro-Chemicals Co., Ltd.	บริษัท ดีลอยท์ ทูช โรมัทสู ไชยยศ สอบบัญชี จำกัด Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.	766,000	-	766,000	557,600
3	บริษัท เอ็น.ไอ.เอ็ม. จำกัด N.I.M. Co., Ltd.	บริษัท สหการบัญชี พี เค เอฟ จำกัด United auditing PKF Limited.	132,000	-	132,000	60,000
4	บริษัท ไทยเซ็นทรัลเคมี จำกัด (มหาชน) สาขาย่างกุ้ง Thai Central Chemical Public Company Limited (Yangon Branch)	Myanmar Vigour & Associates Limited	-	148,282*	148,282	-
5	บริษัท ทีซีซีซี เมียนมาร์ จำกัด TCCC Myanmar Limited	Myanmar Vigour & Associates Limited	864,504	-	864,504	427,671
รวมทั้งสิ้น Grand Total			4,112,504	148,282	4,260,786	2,229,271

หมายเหตุ : \* ค่าบริการอื่นของสาขาย่างกุ้ง เกี่ยวเนื่องกับการชำระบัญชี เช่น ค่าธรรมเนียม ค่าที่ปรึกษาทางกฎหมาย.

Remark : \* Non-Audit Fee of Yangon branch relate to liquidation such as tax clearance, fee, legal consultant.