

PROEN Public Company Limited Corporate Governance Policy

Introduction

PROEN Corp Public Company Limited or “**The Company** ” recognizes the importance of Corporate Governance and prepares the Good Corporate Governance process. The company has raised the awareness of business ethics in treatment of customers, business partners, competitors and employees with morality. The Company strongly believes that the good corporate governance consisted of a good management system, visionary and accountable directors and executives, a mechanism to control and balance of power in order to make the transparency and accountability to the management. Respect for the rights of equality of shareholders and having responsibility to all stakeholders will be the key factors to maximize the value and return of the company’s shareholders in the long term future. The Board of Directors is committed to manage the organization's work by adhering to the principles of good corporate governance, therefore governance mechanism policy and regulatory systems are established in order to operate the Company to be efficient and to achieve its objectives and goals based on business practices that adhere to transparency and responsibility to all stakeholders. The 8 categories of principle are determined as follows.

- Principle 1: Establish Clear Leadership Role and Responsibilities of the Board
- Principle 2: Define Objectives that Promote Sustainable Value Creation
- Principle 3: Strengthen Board Effectiveness
- Principle 4: Ensure Effective CEO and People Management
- Principle 5: Nurture Innovation and Responsible Business
- Principle 6: Strengthen Effective Risk Management and Internal Control
- Principle 7: Ensure Disclosure and Financial Integrity
- Principle 8: Ensure Engagement and Communication with Shareholders



Principle 1

Establish Clear Leadership Role and Responsibilities of the Board

Principle and Guideline 1.1

The Company realizes that the Board of Directors plays an important role in driving the Company to be efficient and to achieve its objectives and goals based on business practices that adhere to transparency and responsibility for all stakeholders. The Board of Directors must understand the roles and responsibilities of themselves as a leader in good corporate governance. The Board of Directors has to set objectives and goals, to establish strategies for operational management, to allocate important resources for achieving the objectives and goals, as well as to monitor the evaluation and the company performance on a regular basis.

Principle and Guideline 1.2

The Board of Directors oversees the company to ensure competitive business with good operating results, to conduct business ethically, to consider the long term impacts, to give benefits to society, to reduce negative impacts on the environment, to build corporate resilience under the upcoming changes, and to respect rights of shareholders and stakeholders in order to create sustainable business value. The company's Code of Conduct and policies are established as a guideline for directors, executives and employees. The policies will be reviewed at least once a year and published to directors, executives and all levels of employees.

Principle and Guideline 1.3

The Board of Directors supervises the directors and executives of the Company to perform their duties responsibly and carefully, to be honest to the Company, as well as to oversee the company operation in order to comply with law, articles of association, and shareholder meeting's resolutions to gain the most benefits to the company.

Principle and Guideline 1.4

For the reference in performance of duties and to clarify of the Board of Directors and subcommittees' scope of work and responsibilities, the Company has prepared the Board Charter and the Subcommittee Charter, which defines the scope of authority and responsibility of each committee. The duties of the board and the subcommittee clearly separated from the management, roles and responsibilities of the Chief Executive Officer and the management are clearly determined, and their performance will be evaluated as well. The charter will be reviewed at least once a year, in addition, the division of roles and duties of the Board of Directors, Chief Executive Officer and Management will be reviewed on a regular basis to comply with the direction of the organization.



Principle 2 Define Objectives that Promote Sustainable Value Creation

Principle and Guideline 2.1

The Board of Directors defines or supervises the company's objectives that promote sustainable value creation. The objectives and goals must be complied with the value creation for business, customers, stakeholders, and society. The company will consider a change on environment, an adoption of innovation and technology that can be applied to meet customers and stakeholders' requirements to increase the competitiveness of the company. It can be used as a key concept in business formulation and communication to drive everyone in the company to the same direction.

Principle and Guideline 2.2

The Board of Directors formulated strategies and annual plans to comply with the objectives and goals of the company considering the environmental factors of the business at that time with acceptable opportunities and risks. The Board of Directors supports for a formulation and reviewing of objectives, goals, and strategies for an intermediate term of 3-5 years to ensure that the strategies and annual plans take into account the longer-term impacts, and is reasonably predictable in formulating strategies and annual work plans. The Board prepares for an environmental analysis, internal and external factors and risks that may affect stakeholders, including factors that may impact the Company's goals, encourages the use of innovation and technology to create competitiveness, as well as keeps monitor the implementation of the strategies and annual plans to oversee the allocation of resources and to control the operations as appropriate to comply with the plan, also encourages the use of innovation and technology to create competitiveness appropriately and safely.

Principle 3 Strengthen Board Effectiveness

Principle and Guideline 3.1

The Board of Directors defines and reviews the Board structure in terms of scale, structure, and proportion of independent directors that suit to lead the Company to reach its objectives and goals.

The Board of Directors consisted of qualified directors, who are experts having knowledge, ability and experience in various fields in order to bring the experience, knowledge and capability to develop and formulate policies and directions for the company's business operations effectively to gain the most benefits to the Company and its shareholders. The Company consisted of (8) eight directors, divided into (4) four executives, (3) three non-executives (independent directors), and (1) one director who is neither executive nor director. The Directors structure will create a balance in voting for various matters, in addition, the Board of Directors has appointed subcommittees to assist in the corporate governance as follows.



1. Executive Directors; the Company consists of at least (4) four Executive Directors, who will guide and determine strategies to meet the Company's goals determined by the Board of Directors in order to manage the company with flexibility.

2. Audit Committee: the company consists of (3) three audit committees to perform their specific duties, and to propose agendas to the Board of Directors for consideration and acknowledgement. The audit committee has rights and duties as defined in the authority of the audit committee.

The company has at least (1) one audit committee who is expert and experienced in accounting, and has adequate accounting knowledge and experience to be able to perform the duties in reviewing the reliability of the Company's financial statements.

The company has determined the qualifications of the directors, term of office, authority, responsibility, and performance evaluation in the Board Charter and Subcommittee Charter. The information of the Board of Directors, including number of years in office and position in other listed companies will be disclosed in the Company Annual Report.

Principle and Guideline 3.2

The Company's policy determines that the chosen Chairman of the Board of Directors and the Chief Executive Officer must not be the same person. The Chairman has been assigned to oversee the effective performance of the Board of Directors to reach the company objectives and goals, encouraging the Board of Directors to discuss important issues and provide independent opinions at meetings. The Board of Directors has appointed a sub-committee to consider specific issues and to screen the information. After the Company is listed on the Stock Exchange of Thailand, the company will formulate a policy for the information disclosure in the Annual Report regarding the roles and responsibilities of the Board of Directors, a number of times each director attended the meeting in each year.

Principle and Guideline 3.3

The Company established a policy for the nomination and selection of directors with a transparent and clear process. Since the Company has no nomination committee, the Board of Directors will consider the nomination of Directors from knowledge, abilities, and qualifications required by law, then propose to the shareholders meeting to consider choosing the directors according to the criteria and procedures stipulated in the Company Articles of Association. The Board of Directors will provide information about the nominated person for consideration.

Principle and Guideline 3.4

The company clearly established a remuneration policy with transparency. Since the company has no remuneration committee, the Board of Directors is therefore responsible for determining the structure and director's remuneration. The remuneration of the Board of Directors will be considered appropriate with the responsibilities and must be able to motivate the directors to drive the company to achieve its short-term and long-term goals, and will be proposed to obtain approval from the shareholders meeting accordingly. After the Company is listed on the Stock Exchange of Thailand, the



company will formulate a policy for the information disclosure in the Annual Report regarding the remuneration of the Board of Directors.

Principle and Guideline 3.5

The Company provides opportunities for directors and/or shareholders to hold directorship positions in other companies, however, being a director in other companies must not be an obstacle to performing the duties of the Company's directors and can devote sufficient time to perform duties in the Company as stated in the Board Charter and notified to all directors. The Directors are required to attend at least 75% of the meetings each year, and to disclose the information of the other company's position. In addition, the company has an information control policy in order to prevent directors or employees from using inside information for their own or any other benefits before that information is made public.

Principle and Guideline 3.6

To supervise the operations of subsidiaries and associated companies, the company has a policy to send directors or executives having qualifications and experiences suitable for running business, to oversee subsidiaries and associated companies for the formulation of important policies and business operations control of the subsidiaries and associated companies. The Company's directors, who are representative of the Company, have to perform duties in supervising subsidiaries and/or associated companies in managing or carry out various tasks according to the policy set by the Company. The representative directors also have to exercise their discretion according to the resolutions of the Board of Directors meeting and/or the shareholders meeting of the Company that approves important matters of the subsidiaries and/or associated companies in order to achieve the most benefits and the sustainable growth of the company.

Principle and Guideline 3.7

The Company requires the Board of Directors and the Subcommittees to evaluate their performance at least once a year in order for the Board of Directors to jointly consider the performance and problems for the improvement to meet the most effectiveness of the Company and shareholders.

Principle and Guideline 3.8

The Company has a policy to encourage directors to understand the business characteristics, the company risks, and related laws, and to provide training programs to suit their duties and responsibilities in various matters related to the company on a regular basis.

Principle and Guideline 3.9

The Company requires the Board of Directors to attend at least 4 meetings a year, and additional special meetings may be scheduled as necessary. Meeting agendas are clearly set for each meeting, and the meeting invitation along with details is sent (7) seven days in advance so the Board of Directors has sufficient time to study the information before attending the meeting. The minutes of the meeting are recorded in writing, and the minutes approved by the Board of Directors are stored and auditable by the Board of Directors and the concerned persons. asx

In addition, to ensure the operation of the Board of Directors in order to proceed smoothly with necessary information accessibility, the company appointed a secretary to oversee and advice the Board of Directors, executives about compliance with legal, regulations, rules, and Articles of Association, and to keep monitoring to ensure that they are practiced correctly and regularly. The secretary is responsible



for meeting arrangements, including Board of Directors meeting and shareholders meeting, as well as supervising and coordinating for the implementation of resolutions of the meeting, and responsible for any other duties as required by law.

Principle 4

Ensure Effective CEO and People Management

Principle and Guideline 4.1

In recruiting appropriate persons to serve as the Chief Executive Officer, the Board of Directors considers qualifications, characteristics, skills, and experiences that are necessary to lead and drive the company towards its goals. Qualifications of the Chief Executive Officer defined by the Board of Directors according to the details in the succession policy for recruiting top management. In addition, authority, roles and responsibilities of the Chief Executive Officer are clearly determined in the policy.

Principle and Guideline 4.2

The Board of Directors supervises the remuneration structure of the top management to be appropriate considering duties, responsibilities, and the company performance, complying with objectives and goals, and the Company benefits in the long term. Moreover, the company takes into account the principle of justice, and can be comparable to other companies in the same industry with similar size. The performance of the Company executives and employees is evaluated by the Key Performance Indicators (KPIs).

Principle and Guideline 4.3

The Board of Directors understands the structure and the relationship of shareholders that might affect the management and the company operations, nevertheless, the Board of Directors will supervise the relationship structure or any agreements to avoid any obstacle to the performance of the Board of Directors' duties. After the company is listed on the Stock Exchange of Thailand, information about agreements affecting the business control will be disclosed accordingly.

Principle and Guideline 4.4

The Board of Directors will monitor and prepare for people management and development to meet the suitable number of people, skills, experience, and incentives, as well as encouraging training and educating people involved in the corporate governance system of the company, such as directors, audit committees, executives, and secretaries. The Company has established a provident fund for employees to have sufficient savings retirement.

Principle 5

Nurture Innovation and Responsible Business

Principle and Guideline 5.1

The Board of Directors encourages usage of innovation and technology in services, causing mutual benefits to the Company, customer, and business partners, and will be used as part of a strategic



review to define business models, to improve business operation plans, and to follow up the performance.

Principle and Guideline 5.2

The Board of Directors will monitor the management to operate business with environmental and social responsibility, reflecting in the operation plan to ensure all parties in the organization operate in accordance with the objectives, the main goals, and sustainable strategic plans of the Company. The company and stakeholders define a guideline together as follows.

Responsibility to employees: the company equally and fairly treats its employees, for instance, the compensation and benefits are not less than the legal requirement. Employers and employees should respect each other in terms of human rights. The company provides a working environment with occupational health and safety conditions, and supports learning and human resource development to enhance the employees work professionally.

Responsibility to customers: the company fairly treats customers, keeps confidential information of customers, takes care and be responsible for customers, provides standard service, uses quality products when providing services, be able to fully fill the needs of customers, including after sales service, as well as monitoring and measuring customer satisfaction results in order to develop and improve the company's products and services. Moreover, the company pays attention to the determination of the selling price and the conditions that are suitable for the customers equally.

Responsibility to business partners: the company fairly treats business partners, operates the business with good faith without exploitation, maintains benefits with business partners, conducts business ethically, as well as strictly complies with the commercial terms and/or mutual agreements that are made to develop business relationships of both parties.

Responsibility to community: the Company operates business considering the effect on communities, occupational health and safety, focusing on the raise of awareness in community and social responsibility in the company continuously. The company applies business knowledge and expertise for the community development, supports activities that benefit the public welfare, and does not take any illegal actions.

Responsibility to environment: the Company analyzes surrounding risks, environmental and safety in every business process, and effectively utilizes resources with energy saving according to the world class standards.

Fair trade agreement: the company operates its business with transparency to compete and behave in accordance with the rules of fair competition and all required law, maintains the regulations and the norms of competition, and avoids dishonesty that damages competitors.

Anti-corruption policy: the company fights against corruption for both internal and external the company, the company is auditable for transparency. The company cooperates with various organizations to fight against the corruption and to support its employees realize the anti-corruption by an establishment of the anti-corruption policy with communication to all employees.



Principle and Guideline 5.3

The Board of Directors defines policies, business goals, plans as well as the budgets of the Company, and supervises the management to operate according to policies and budgets for the most benefits of the company and shareholders. The company will review business plans, budgets on a regular basis, making the company efficiently and effectively allocate resources to comply with the company objectives and goals with sustainability.

Principle and Guideline 5.4

The Company give an important on Information and technology (IT) management in corporate level to meet the business requirements, and IT risk of that may arise. The Company then formulate a policy to control, to manage and to secure of IT for the IT risk management covering all the corporate.

Principle 6 Strengthen Effective Risk Management and Internal Control

Principle and Guideline 6.1

Since the Company has no department that oversees the risk management of the Company directly, the Company then appointed the risk assessment committee and prepared an action plan to propose for an approval from the Company Board of Directors. All of the company's plans will be used to assess annual risk events, to prepare for a risk management plan, to request for approval from the Board of Directors, and to prepare a report on the risk management results for reporting to the committees quarterly.

Principle and Guideline 6.2

The Board of Directors appointed the Audit Committee to support the Board of Directors on supervising the company for the Corporate Governance process and give an opinion to the Financial Statements, internal audit process, and risk management, as well as to determine the operation framework for working in the risk management process for driving everyone in the company to the same direction. The Audit Committee consists of (3) three committees, they are independent committees having qualifications according to the criteria of the Securities and Exchange Commission, Thailand (SEC). The roles and responsibilities of the Audit committee determined in the Board Charter can be summarized as follows.

- Review financial reports correctly and completely
- Review the internal control and internal audit process appropriately
- Review the legal compliance



- Authorized to appoint, to transfer, or to terminate internal audit supervisor and to consider an independent of the internal audit department
- To consider, to choose, to propose an independent person to be an auditor, to consider remuneration of the auditor, and to arrange meetings with the auditor at least once a year without the management team attending the meeting
- Consider connected transactions that may be a conflict of interest for the legal compliance, to ensure that the transaction is reasonable and is for the best interests of the company
- Review on the management and the risk management policy compliance

The Board of Directors provides the Audit Committee necessary information to perform the assigned duty. The Audit Committee will give opinions on the sufficiency of the risk management system and internal control. After the Company is listed on the Stock Exchange of Thailand, the company will disclose the Audit Committee's opinion in the Annual Report.

Principle and Guideline 6.3

The Board of Directors will monitor and manage the conflicts of interest that may occur between the company and the management, the Board of Directors, or shareholders, as well as prevent the misuse in assets, data, and opportunities of the Company. Also, to prevent the unreasonable connected person transactions, the beneficial person will not have the right to make any decision regarding such transactions. The company has established a connected transactions policy and a conflict of interest policy, according to the announcement of the Stock Exchange of Thailand (SET), the Capital Market Supervisory Board (CMSB), and the Securities and Exchange Commission, Thailand (SEC), as a practice when making connected transactions and conflicts of interest. Furthermore, the Company will review the connected transactions, according to the audit plan, then the internal audit department will report to the Audit Committee and conduct a measure to control and inspect to ensure that the transactions are randomly reviewed to comply with the agreements, policies or conditions.

After the company is listed on the Stock Exchange of Thailand, the company will disclose information on transactions that may have conflicts of interest, connected transactions, or related transactions to comply with the Financial Standard, and criteria specified by SET, CMSB, and SEC, disclosed in the form 56-1 and the Annual Report.

Principle and Guideline 6.4

The Company has a policy to operate business in accordance with the law, to support its employees to perform their duties with virtue, and to encourage business partners to operate their business with transparency. The Board of Directors has clearly prepared for the Anti-Corruption Policy, which has been communicated to employees and third parties to ensure the implementation of the policy.



Principle and Guideline 6.5

The Company has set a mechanism for receiving complaints and to take action in case of whistleblowing, and protecting the whistleblowers and related person by determining in the whistleblowing policy. The complaints can be submitted through 5 channels as follows.

- 1) Mail to: 72 4th, 18th FL., CAT Telecom Tower Charoen Krung Road, Bangrak, Bangkok, Bangkok 10500 Thailand.
- 2) Telephone: 02-639-7888
- 3) Facsimile: 02-639-7892
- 4) Via email address: company.secretary@proen.co.th
- 5) Via website: <https://investor.proen.co.th/en/corporate-governance/whistleblowing-channel>

Furthermore, the Company has a policy to protect the whistleblowers, information about complaints and the information of the whistleblower will be kept as confidential, and not be disclosed to people who are not involved unless required by law.

Principle 7 Ensure Disclosure and Financial Integrity

Principle and Guideline 7.1

The company gives importance to the information disclosure with correction, completion and transparency, including financial reports and general information according to the criteria of the SEC and SET, as well as the important Information affecting securities price that affect the decision-making process of the investors and stakeholders of the company. The Board of Directors ensures that personnel involved in the preparation and disclosure of information have the knowledge, skills and experience suitable for their duties and responsibilities ensuring the sufficient number of the information disclosure. Such person mean Chief Financial Officer, accountant, internal auditor, and the Company secretary. In this regard, the Board of Directors will give an approval for the information disclosure considering the evaluation results regarding the adequacy of the Company's internal control system, audit committee opinion, consistency of objectives, strategies and the Company policies.

The Board of Directors will oversee the information disclosure, including financial statements, annual reports, form 56-1 to reflect the company financial position and performance. The Company is supported to prepare for the Management discussion and analysis (MD&A) for disclosing together with the financial statements to make investors better understand the change in the financial position and performance other than only financial figures.

Principle and Guideline 7.2

The Board of Directors will supervise the management to monitor and to evaluate the company's financial situation on a regular basis, and will be looking for solutions when there is a sign of financial liquidity problem and debt service coverage problem. Quarterly reports should be prepared for the Board of Directors accordingly.



Principle and Guideline 7.3

The Company has a policy to manage and solve financial problems considering Stakeholder rights. When the company is unable to repay debts or having financial problems, the Board of Directors will closely supervise the business operation with special care, and to solve the problems. The management will regularly report to the Board of Directors to ensure the decisions in financial solving, either way must be reasonable. Financial problems solving plans must be determined considering the fairness of all stakeholders. The company must comply with the information disclosure regulations by completely disclosing information to shareholders.

Principle and Guideline 7.4

The Board of Directors considers the suitability of information disclosure, legal, code of conduct compliance, anti-corruption policy, and treatment of employees and stakeholders, including equitable treatment and human rights, as well as social and environmental responsibilities. The company takes into account a nationally or internationally recognized reporting framework, in this regard, the company may disclose information in the Annual Report or may be prepared as a separate book as appropriate for the business.

Principle and Guideline 7.5

After the company is listed on the Stock Exchange of Thailand, the company will provide an agency or a person in charge of Investor Relations to communicate with shareholders and stakeholders such as Investors, analysts to be appropriated, equally, and timely.

Principle and Guideline 7.6

To provide stakeholders with more equitable and comprehensive information, the Company published an update information in Thai and English version in other channels, such as the Company's website, other than information disclosure according to the specified criteria and through the channels of the Stock Exchange of Thailand.

Principle 8

Ensure Engagement and Communication with Shareholders

Principle and Guideline 8.1

The Company aware of and pays attention to the basic rights of shareholders, which are the right to purchase, to sell, or to transfer their own shares, the right to gain profits from the company shares, the right to receive adequate information on the Company's business, the right to attend shareholders meeting for voting and exercising the right to vote at the shareholders' meeting to appoint or remove Directors, to appoint auditors, and to vote for matters that affect the company, for example dividend allocation, prescribing or revising regulations and Articles of Association and regulations, as well as capital increase or capital decrease. The Board of Directors ensures the important matters, covering law and legal matters that might affect the company operations, must be passed or approved by shareholders. The important matters will be considered as shareholders meeting agendas. The shareholders meeting invitation with related documents will be mailed to shareholders, and will be published on the company



website in advance for the period of time required by relevant law or regulations, so the shareholders have time to consider each agenda. After the Company is listed on the Stock Exchange of Thailand, the Company will stipulate criteria that allows minority shareholders to propose meeting agendas and the nomination of Directors candidate.

Principle and Guideline 8.2

Under the supervision of the Board of Directors, the operation in the Annual General Meeting of Shareholders date will be neat, transparent and effective, and shareholders will be facilitated to exercise their rights. Date, time and venue of the meeting will be determined by the Board of Directors, considering the convenience of shareholders, such as suitable and sufficient meeting time for discussion, and an easily-access venue. The Board of Directors will facilitate to avoid any action that limits meeting attendance opportunity, or to overburden shareholders. The Board of Directors encourages the use of technology in the shareholders meeting such as registration and vote counting.

The Chairman of the Board is the Chairman of the Shareholders' meeting, who is responsible for supervising the meeting to comply with law, related regulations, and the company articles of association. Periods of time for each agenda will be allocated properly as specified in the meeting invitation. The Company gives opportunities to shareholders to comment and to make inquiries related to the Company.

The Board of Directors will not give support to adding unnecessary agendas that are not notified in advance, especially important agendas that shareholders require time to study before making decisions.

All members of the Board and related executives should attend the meeting, so shareholders can inquire for related matters.

Before the meeting commenced, the Board of Directors will notify Shareholders for the number and shareholder proportion of shareholders who attended the meeting, details of shareholders attending the meeting in person or appointing proxies, regulations, meeting procedure, and voting and vote counting procedure. Any agenda consists of various items, the Chairman will arrange the separated voting for each agenda, such as Director appointment, the Board of Directors encourages having independent people to help on checking the accuracy of the vote counting.

Principle and Guideline 8.3

The Company ensures that the minutes of the meeting are prepared and published correctly, the minutes of the shareholders' meeting shall contain at least the following details.

1. A list of Directors and Executives attending the meeting, a proportion of directors who attend the meeting/not attend the meeting
2. Vote casting and counting procedures, resolutions, and voting results (Agree/disagree/ abstain) of each agenda
3. Questions and answers at the meeting, including name, surname of the questioners and respondent



The company is required to publish resolutions with a ballot within the day next to the meeting date through the SET's channel and the company's website. A copy of the minutes of meeting must be submitted to the SET within 14 days after the meeting date.

Review

The Board of Directors reviews the suitability of the CG Code implementation at least once a year, and records as a part of the Board of Directors resolution.

Effective Date

The Good Corporate Governance Policy approved by the Board of Directors meeting no. 5/2019 held on August 14, 2019, and effective from August 15, 2019 onwards.

This Good Corporate Governance Policy has been audited and reviewed with additional revision by the Board of Directors meeting no. 1/2021 held on February 10, 2021.

(Signature)
Mr. Kittipan Sri-bua-iam
Chief Executive Officer

