

# Corporate Governance Policy



**Grandline Innovation Company Limited**

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**Corporate Governance Policy**  
**Grandline Innovation Company Limited**

Grandline Innovation Company Limited (“the Company”) recognizes and believes in the significance of good corporate governance as a major factor in enhancing the efficiency and effectiveness of its business operation which forms a basis to sustainable growth that contributes the maximum benefit to all associated stakeholders from employees, investors, shareholders, to other relevant stakeholders. For this reason, the Board of Directors deems it appropriate to establish a good corporate governance policy by emphasizing on roles and responsibilities of the Board of Directors as corporate leaders, the equitable treatment of shareholders, recruitment and enrichment of its personnel, employees development for far-sight visions towards long-term value creation of the Company, clear operations in a transparent and verifiable manner, outright morality and ethics in conducting business, responsibility for shareholders and other stakeholders along with the development or minimisation of environmental impact in order that the Company will be capable of adjusting under dynamic factors in conformity to sustainable development and the Corporate Governance Code for Listed Companies 2017 (CG Code 2017). The Company anticipates that this good corporate governance policy shall reflect the company's explicit intention and unhindered commitment for the highest benefit of all shareholders and stakeholders.

For the Company to implementing good corporate governance in accordance with the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission, the Board of Directors; thereby, formulate the comprehensive principles in relation to corporate governance as a code for conduct as follows:

1. Code of Practice for Corporate Governance
2. Charter of the Board of Directors
3. Charter of the Audit Committee
4. Charter of the Nomination and Remuneration Committee
5. Charter of the Executive Committee
6. Charter of the Risk Management Committee
7. Charter of the Company Secretary
8. Terms of transactions for directors, executives and related persons
9. Supervisory and control to ensure compliance with good corporate governance policy

## Chapter 1 Code of Practice for Good Corporate Governance

### Objective

The Company has established a corporate governance policy in respect to the Corporate Governance Code guidelines of the Office of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”) as a principle for the Board of Directors, executives, and employees of the Company to adhere to and comply with accordingly in order to creating sustainable value for the business and to promoting organisational efficiency in business operation in a transparent and a verifiable manner, besides to building confidence for shareholders, investors, and related parties. For the Company to remained competitive and produce remarkable performance by taking into account long-term consequences, to operate the business ethically, to be responsible for and respect rights of shareholders and stakeholders including to conduct its business for societal benefits, to develop or minimise environmental impact, and to be flexible under various altering factors, the essence of the Corporate Governance Policy can be divided into 8 principles of practice as follows:

### Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

The Company clearly defines the roles, duties and responsibilities of the Board of Directors as specified in the supporting document entitled “Corporate Structure and Charter of the Board of Directors (SP-BD-003)”. The Board of Directors has a vital role in formulating key policies and strategies in conducting business, including resources allocation by which the Board of Directors is at full recognition of the functions, duties, usefulness, and fundamental principles of good corporate governance that creating sustainable value for the business, and shall monitor and evaluate the Company's performance reports in order to meet its objectives and goals. In this regard, the Board of Directors shall supervise the Company's operations by taking into account its competitiveness and adjustability to facilitate changes from discrete factors for excellent long-term performance and shall ensure that the business is ethically conducted in a beneficial manner to the environment and the society, respect to and responsibility for its shareholders and stakeholders are consistently upholding with equitable treatment to our shareholders, roles of stakeholders are taken into consideration, disclosure of information and transparency are maintained, sustainable growth of the business is emphasised and innovation is being promoted such as designing products with customers to meet the needs of customers.

In addition, the Board of Directors clearly specifies the duties and scopes of responsibility of the other sub-committees, Chief Executive Officer (CEO), and Managing Director and shall supervise the directors and executives to perform their duties with responsibility, caution, and integrity, including to regulate of operations of the company in compliance with the relevant laws, regulations, resolutions of the Board of Directors' meeting Resolution of the shareholders' meeting and the Company's policies

## Principle 2: Define Objectives that Promote Sustainable Value Creation

The Board of Directors attaches great importance to the determination of vision and mission in its business conduct as specified in the supporting document entitled Business Plan (SP-BD-008) for the organization to grow in parallel with the society with sustainability, creating value and benefit to the organization, customers, partners, employees, shareholders, stakeholders, and society as a whole. The Board of Directors shall promote communication and strengthen the organization's vision and mission in the expectation that they are reflected in any decisions and individual conducts at all levels until they become an organizational culture under the principles of good corporate governance by which the Board of Directors has established strategies, working plans, and regularly monitors and evaluates if the operational performances are consistent with the achievement of the company's mission and vision by appropriately and safely integrating the application of Innovation and technology.

Besides, the Board of Directors recognizes the risk of goal-settings which may lead to illegal or unethical conducts and shall supervise to ensure that corporate mission and vision are inherited to corporate strategies and operational plans thoroughly by considering business plans and corporate strategy, taking into account the sustainable value creation to shareholders, stakeholders, society, and the environment. This includes the recruitment of knowledgeable and competent personnel, the realization of personal development importance that results in regular trainings, the appointment of corporate social activities such as encouraging employees to attend work-related apprenticeships and internships, promoting the employment of workers from the nearby community to ensure income distribution in the community and local economic development in the area.

## Principle 3: Strengthen Board Effectiveness

The Board of Directors consists of individual with knowledge, capabilities, expertise, and experience to perform their duties for the benefit of the Company. In any case, the Board of Directors must be qualified and do not have any prohibited characteristics as prescribed by law. The Board of Directors has duties and responsibilities in defining and reviewing the Board structure. The Board of Directors consists of independent directors at least one third of all directors and not less than 3 persons by which the independent directors of the Company must have eligible qualifications and do not have any prohibited characteristics as specified by the Board of Directors which is as strict as the qualifications prescribed by the Securities and Exchange Commission. At present, the Board of Directors of the Company composed of 3 independent directors from 7 individual to balance the power appropriately as well as to appoint sub-committees in assisting the Board of Directors to manage according to the scope specified in the charter of each department in order to promote efficiency and effectiveness in the performance of the Board of Directors.

The Board of Directors has appointed the Nomination and Remuneration Committee to serve in supporting the Board of Directors in selecting qualified directors through a transparent and clear process and consider appropriate remuneration before proposing to shareholders for approval.

The Board of Directors will ensure that all directors are responsible and allocate sufficient time for their duties, disclose the roles and duties of the Board of Directors, number of meetings, as well as number of times each director attended the meeting in the past year, and report the performance of all committees. The Board of Directors must evaluate the performance every year and must assess both on a faculty and individual basis by taking the assessment results into consideration of the suitability of the board's composition. The Board of Directors must also ensure that the directors are continually developing the necessary and relevant knowledge.

In addition, the Company has provided a company secretary to support the board's operations, including coordinating the implementation of the board's resolutions, managing board meetings and shareholders' meetings.

Principle 4: Recruitment and development of high-level executives and personnel management (Ensure Effective CEO and People Management)

The Company determines the qualifications of directors and high-level executives to ensure that the company has selected the directors and high-level executives who are suitable and sufficient for the implementation of the business plan and personnel recruitment guidelines in accordance with the operating procedures on recruiting and selection of personnel (P-HR-002) of the Company. In addition, the Board of Directors also recognizes the importance to understanding the structure and relationship of major shareholders that may affect the operations and the controlling power of the management so it is not hinder the performance of duties of the Board of Directors and will ensure that information which may affect such control is properly disclosed.

In practice, the Board of Directors has established a remuneration structure for directors and executives in addition to an assessment that is appropriate to the scope of responsibility of the assigned duties. There is a Nomination and Remuneration Committee to supervise the Company's policies.

To the personnel Development, the Board of Directors will monitor the management and arrange training according to the Succession Plan and practical procedures regarding training (P-HR-001) to develop personnel to possess knowledge, Experience, skill, and appropriate level of motivation, to be able to operate and manage the business in accordance with the good corporate governance policy effectively as well as being able to continually improve the operation.

Principle 5: Promote innovation and operate business with responsibilities (Nurture Innovation and Responsible Business)

The Board of Directors emphasizes and supports the creation of innovations that bring value to the business in accordance with the supporting document titled Business Plan (SP-BD-008) by focusing on product research and development to create innovations into products to meet customers' needs. The Company also promotes the creation of various innovations by developing products with advanced

technology to meet the needs of the application and ensure that the customers shall receive quality products. In addition, the company also cooperates with customers in designing, installing, and after-sales services to cover their needs.

The Board of Directors has established risk management to allocate and manage resources in all areas with efficiency and effectiveness including requiring an organizational risk assessment (F-MR-053) and determining the level of confidentiality of information as per the supporting document entitled Communication and Disclosure Policy (SP-BD-006), taking into account confidentiality, maintaining credibility, and preventing the misuse of information. In the part of the Personal Data Protection Act., the Company has required compliance with the Personal Data Protection Act in accordance with the Personal Data Protection Manual (SP-LW-001) to respect the privacy rights of individuals. as well as to ensure that the persons receive complete protection of their rights.

the Board of Directors shall supervise the Company to operate in conformity with laws, regulations, and standards. and has established a business continuity plan in times of crisis or emergency (Business Continuity Plan: BCP) according to the supporting document titled Business Continuity Management Plan in Emergency Situations (SP-BD-005)

In addition, the Board of Directors will monitor and ensure that the management operates business in parallel with creating benefits to all stakeholders involved and is responsible for society and the environment by promoting operations which adding values of the Company during the ever-changing environmental factors. This shall cover the formulation of the business model (Business Model), the perspectives on the design and development of goods and services, research, improvement of delivery, and work processes, as well as collaborating with business partners. The Company is determined to operate its business with honesty, integrity, transparency, and fairness as the key to provide excellent service to customers and visitors. The Company is willing to compete in business fairly and do not take advantage or seek unlawful benefits. The Company strictly operates within the framework of good governance. The Board of Directors realizes the importance of the role of stakeholders and treats all groups of stakeholders with transparency, appropriateness, equality, and fairness, including:

- Employees to remunerate employees based on the principle of fairness and measurable performance under the specified criteria and aim to continuously promote and develop personnel to possess knowledge and competence. It is important to provide opportunities for employees to file complaints in case of unfairness through various channels.
- Customers to build long-term relationships and cooperation with customers by adhering to the principles of honesty, creditability, and trust. The company has a duty to create the highest satisfaction for customers with responsibility and prioritizes the problems and needs of customers by adhering to ethical principles and providing good and efficient service

- Creditors to build relationships and treat creditors by adhering to the principles of honesty, credibility, and trust and is responsible for and pays attention to the conditions of an agreement with the creditors at their best
- Business partners to treat business partners with honesty and equality for fair business operation and mutual benefit, sustainable development and being a long-term partner with the Company by selecting to do business with partners based on conditions such as price, quality, trustworthiness, adherence to the right manners as well as technical, legal, and environmental protection expertise.
- Community and environment to operate the business with responsibility which gives benefit to society and community, holding a duty to act towards the communities nearby with friendliness by assisting and supporting the development of better life quality.
- Relevant government agencies to monitor the Company's operation to be compliance with associated laws and regulations and treating the government and various governmental agencies with impartiality as set out in the Code of Conduct and anti-corruption policies.

Principle 6: Ensuring an appropriate risk management and internal control system (Strengthen Effective Risk Management and Internal Control).

The Board of Directors will supervise and ensure that the Company has a risk management system in accordance with supporting documents entitled Risk Management Manual (SP-BD-002) and internal control to achieve effective objectives. The practice is in accordance with the relevant laws and standards. The Board of Directors has appointed the Audit Committee, which is an independent director of the whole committee and does not have any prohibited characteristics under the relevant laws including having qualifications and duties in accordance with the rules of the SEC and SET, to perform duties efficiently and independently in various functions with respect to the Audit Committee Charter approved by the Board of Directors. This includes the duty to review financial reports and internal control system. In addition, the Board of Directors has appointed the Risk Management Committee to assist the Board of Directors in overseeing the risk management system as stipulated in the supporting document entitled Structure and Charter of Company Directors (SP-BD-003).

At any rate, to ensure that the Board of Directors can effectively supervise the risk management system and internal control, the Board of Directors has established various related policies to support in management of governance:

1. Business Ethics and Code of Conduct
2. Risk Management Policy
3. Confidentiality Policy data retention and use of inside information
4. Anti-Corruption Policy
5. Complaint Policy (Whistleblower Policy)



6. Protecting the Company's Interests and taking care of the Company's assets

7. Authority to approve operations at the management level

The Company communicates at all levels of the organization and third parties to achieve implementation and the Board of Directors supervises the operation to be efficient and effective.

Principle 7: Maintain Financial credibility and Disclosure integrity (Ensure Disclosure and Financial Integrity)

The Board of Directors is responsible for ensuring that financial reports and important information disclosures are accurate, adequate, timely and in accordance with relevant rules, standards and guidelines by ensuring that there are qualified personnel suitable for the preparation of financial reports and disclosure of the Company's information; in addition to monitoring the adequacy of financial liquidity, debt repayment ability , and a remedial plan in case that financial problems may arise, taking into account the rights of stakeholders

In this regard, the Company has established a communication and disclosure policy (SP-BD-006) and investor relations. It is responsible for communicating and disseminating information that is beneficial to shareholders, investors, analysts, and related parties appropriately, equally and in a timely manner according to the criteria prescribed by the Securities and Exchange Commission Stock Exchange of Thailand and related agencies by the annual report and/or the Company's website, etc., as well as important information that affects the price of the Company's securities which affects the decision-making process of investors and stakeholders of the Company accurately and sufficiently for investors' decision-making.

Principle 8 Encourage participation and communication with shareholders (Ensure Engagement and Communication with Shareholders)

The Board of Directors recognizes the importance of the Company's shareholders. The Company shall ensure that shareholders are treated equitably and they are well-communicated with shareholders to receive information and news thoroughly. Shareholders are able to exercise their fundamental rights as shareholders in full compliance with the principles of equitable treatment of shareholders. This is a part of good corporate governance principles.

In addition, the Board of Directors shall realize and give importance to the rights of shareholders and ensure that no actions are violating the rights of shareholders. This will ensure that shareholders are involved in making decisions on important matters of the Company. The company will ensure that the operation on the date of the shareholders' meeting is orderly, transparent, efficient, and allowing shareholders to exercise their rights by ensuring that the resolutions of the shareholders' meetings and the preparation of the minutes of the shareholders' meetings are disclosed correctly and completely.

**Section 2 Charter of the Board of Directors**

The Company realizes the importance of good corporate governance; therefore, it considers appointing the Board of Directors to represent an important mechanism in supervisory the operations of

the company for effectiveness, transparency, and credibility formation. To be compliance with the policy, the company therefore by resolution, determining the scope of duties responsibility of the Board of Directors as per the supporting document entitled “Corporate Structure and Charter of the Board of Directors (SP-BD-003)”, in which the Board of Directors is the representative of shareholders appointed by the shareholders. The Board of Directors has the duty to supervise the company’s business in order to prosper and achieve the greatest benefit to shareholders, hence, the Board of Directors must realize the importance of good governance in promoting and building trust among shareholders. stakeholders as well as the public and believes that compliance with good governance will benefit the shareholders. To achieve the Company’s vision, the Board of Directors must act in accordance with the Code of Business Conduct and comply with the law for the best interests of shareholders and fairness to stakeholders.

### **Chapter 3 Charter of the Audit Committee**

The Board of Directors realizes the importance of a good corporate governance process; therefore, it considers appointing the Audit Committee, which consists of independent committees, to help supervise the company’s operations. The Company has formed internal control systems and adequate supervision processes for efficacy, transparency, credibility building in information disclosure of the Company’s financial transactions. To comply with the policy, the Board of Directors, therefore, has a resolution to determine scope of duties and responsibilities of the Audit Committee as outlined in the supporting document entitled “Corporate Structure and Charter of the Board of Directors (SP-BD-003)” in order for the Audit Committee to define its powers, roles, and responsibilities of the Audit Committee to the audit administration, the internal control, the risk management and good corporate governance. This includes to prepare financial reports with respect to accounting policies and regulations systematically and continuously with efficiency for maximum benefits and in accordance with the principles of audit and good corporate governance.

### **Chapter 4 Charter of the Nomination and Remuneration Committee**

The Board of Directors has resolved to appoint the Nomination and Remuneration Committee to promote good corporate governance. The Nomination and Remuneration Committee is one of the sub-committees of the Company; therefore, the Nomination and Remuneration Committee must be qualified, knowledgeable, and competent that meet the Company requirement. This ensures that the Nomination and Remuneration Committee shall effectively perform its duties and achieve organization’s goals. Duties and composition of the Nomination and Remuneration Committee are specified in the supporting document entitled “Corporate Structure and Charter of the Board of Directors (SP-BD-003).” At any rate, the Nomination and Remuneration Committee shall formulate the nomination process of the directors and the determination process of the director’s remuneration with transparency of which shall bolster the effective performance of the Board of Directors as per the principles of good corporate governance. This will build confidence for shareholders,

investors, and stakeholders in order to sustain the interests of the Company and shareholders with the highest efficiency

#### **Chapter 5 Charter of the Executive Committee**

The Board of Directors has resolved to appoint the Executive Committee for promote and follow good corporate governance principles. Duties and composition of the Executive Committee are defined in the supporting document entitled “Corporate Structure and Charter of the Board of Directors (SP-BD-003)”; hence, the Executive Committee shall monitor, reinforce, and bolster the performance of the Company's management to be in line with the policies, plans, and established goals. The Executive Committee shall consider readjusting the Company's business plan as deem appropriate including performing management in accordance with the related regulation and code of conduct to promote good corporate governance.

#### **Chapter 6 Charter of the Risk Management Committee**

The Board of Directors recognizes the importance of managing associated risks that may affect the business operations; therefore, it was resolved to appoint the Risk Management Committee as a sub-committee of the Company in order to promote good corporate governance of which its scope of powers, duties, and composition of the Risk Management Committee are stipulated in the supporting document entitled “Corporate Structure and Charter of the Board of Directors (SP-BD-003).” In this regard, the Risk Management Committee shall be responsible for supporting and implementing risk management policies extended to entire organization and supervising the establishment of a risk management system or process that appropriately minimizes the impact on the Company's business. Besides, the Risk Management Committee shall ensure that the Company's risk management process remains efficient and effective by which risks are at an acceptable level and properly linked to the internal control system, which leads to resource utilization. The Risk Management Committee is also responsible for promoting the value creation to the Company and stakeholders from the Company's operations.

#### **Chapter 7 Charter of Company Secretary**

The Board of Directors shall consider appointing qualified individuals with the necessary knowledge and experience for the secretary position of which to ensure that the Board of Directors' agenda is in accordance with relevant laws, rules, and regulations, as well as to coordinate and follow up with the management to ensure compliance with the resolutions of the Board of Directors and the resolutions of the shareholders' meeting. The Company Secretary has duties and responsibilities as stipulated in the supporting document entitled “Corporate Structure and Charter of the Board of Directors (SP-BD-003)”.

#### **Chapter 8 Terms of transactions of Major Shareholders, Directors, Executives and Related Persons**

The Company holds high regard to the transactions terms of major shareholders, directors, executives and related persons as an important policy by not allowing the major shareholders, directors, executives and related persons to take advantage of being the major shareholders, directors, executives and related persons or misuse power to seek for personal benefits. The Company, therefore, prescribes a code of practice for major shareholders, directors, executives, and other persons related to the Company as follows:

1. Avoid making connected transactions related to oneself that may lead to conflicts of interest with the Company
2. If deemed necessary to make such transactions for the benefits of the Company or its subsidiary, the transactions shall be made in a similar manner as being made with the external party by which the major shareholders, directors, executives, and related persons who have interest in such transactions shall not involve in the consideration for approval.
3. In case the transactions are considered connected transactions as per the announcement of the Stock Exchange of Thailand, the Company shall strictly comply with the rules, procedures and disclosure of related transactions in accordance with the listed company regulations by:
  - 3.1 The transaction of which carries commercial agreement in the same manner that a person of ordinary prudence shall carry out with ordinary contractual party under the same circumstance thereof, by commercial bargaining power without influence in regard to his status as a director, major shareholder, executive, or any connected person (as the case may be), the transaction must seek for approval of its principles and transaction budget from the Board of Directors or in pursuant to the regulations approved by the Board of Directors
  - 3.2 Prepare a transaction summary report showing the transaction size following the principles approved under Clause 3.1 to report at the Board of Directors' meeting every quarter or upon the request of the Board of directors.
4. In case the transactions are considered connected transactions of which not complying with the nature of the commercial transaction as specified in Clause 3.1, the entering into such transaction shall seek approval from the shareholders' meeting of the Company prior to making the transaction for case-by-case basis.

#### **Chapter 9 Supervisory and control to ensure compliance with good corporate governance policy**

##### **1. Control and supervisory to ensure compliance**

The company shall preserve and review its internal control system, including financial aspects, supervisory of operation, risk management, attention paid to early warning signs and irregularities, in addition to the settlement of a separated internal audit section as a single department. Nevertheless, the implementation of the good corporate governance policy shall be reflected from the attainment level of the business ethics, including how complete the Charter of the Board of Directors is performing its designated duties by which

the Board of Directors shall review the good corporate governance policy with respect to the Company's context on a yearly basis and shall consider for alternative measures (if any) when any policies are found inappropriate to the context of the Company. The Board of Directors shall jointly consider the operational performances, execute improvements, and disclose procedural guidelines and the assessment results in the company's annual report. Besides, the assessment result will be used in enhancing knowledge and specialization development for individual directors in order to elevate management level and internal control for better efficiency.

When a person is found to not adhering to good corporate governance, the Company shall arrange for the supervisor of each department to proceed with the initial investigation and summarize the issue to the high-level executives and relevant department for consideration of conclusion and determination of disciplinary actions. The actions are verbal admonition, admonition notice, temporary suspension, termination of employment without compensation, respectively, depending on the severity of the non-adherence offence or may even be subjected to legal punishment (as the case may be).

This good corporate governance policy becomes effective from 28 September 2020 onwards and scheduled to be reviewed at least every 1 year.

(Mr.Ormsin Chivapruck)  
Chairman of the Board of Directors  
Grandline Innovation Company Limited