

Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company in the following matters:

Policy and guideline on Corporate Governance

The Board of Directors of Thai Poly Acrylic Public Company Limited is obliged to perform its duties in the best interests of the Shareholders and shall treat its stakeholders and all parties concerned with utmost fairness and provide quality products and services to fit the needs and requirements of the customers.

The Board of Directors adheres to the principles of good corporate governance, and have introduced recommendations under the guideline for listed companies 2017 issued by the Office of Securities and Exchange Commission (SEC). The guideline consists of 8 practices for director and to be the norm in controlling business transparent management and fair for the mutual benefit of the shareholders of the company, stakeholders including society and communities in which the company operates as following detail ;

1. Recognizing the roles and responsibilities of the Board of Directors as leaders that create value for the business sustainably.
2. To determine the objectives and main goals of the business that are going for sustainability.
3. To strengthen the Board of Directors.
4. Recruiting and developing high-level executives and personnel management.
5. To promote innovation and responsible business operations.
6. Ensuring appropriate risk management systems and internal controls.
7. To maintain financial credibility and disclosure.
8. Support participation and communication with shareholders.

The Company has publicized “Corporate Governance, Business Ethics Rules and Anti-Corruption Policy” on its website <https://www.thaipolyacrylic.com>

The Company’s Corporate Governance performance can be summarized as follows :

1. RIGHTS OF SHAREHOLDERS

The rights of Shareholders include all basic rights such as the right as an investor and the right as an owner of the Company including for instance the rights to buy new shares, sell or transfer owned shares, the rights to receive dividends, the rights to attend the Shareholders’ meetings, the rights to express or raise questions at the meetings, the rights to make decision by voting on the important affairs of the Company i.e. nomination of Directors, amendment of Memorandum of Association and Articles of Association of the Company etc. and acknowledge the Minutes of Annual General’s Meeting.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company shall provide the equitable treatment to every individual shareholder, every group of shareholders, major or minor shareholders as well as the investors and foreign investment institutions. The fundamental rights of the shareholders are preserved regardless of gender, age, origin, nationality, religion, belief or social status.

3. ROLES OF STAKEHOLDERS

The Company conducts its business responsibly in order to provide mutual benefits to all groups of stakeholders, and thereby ensuring that the administration and the business operations of the Company shall not have any impact on the rights of any stakeholder concerned.

4. DISCLOSURE AND TRANSPARENCY

Disclosure of information is a key index of transparency and an important factor to create confidence among investors and stakeholders. The Company values accurate disclosure of information and creates variety channels of disclosure of information so that all stakeholders can gain easy access to information.

5. RESPONSIBILITIES OF BOARD OF DIRECTORS

The Board of the Directors recognizes its roles and responsibilities in instituting policies and directions of the Company's operations in compliance with the law, the Company's objectives and regulations as well as the resolution from the Shareholder's Meeting. The Company supervises and monitors departments to follow the set policies effectively to maintain the Company's interest, increase economic value to the business and promote stability among shareholders base on good corporate governance. The Board of Directors has followed up the implementation of strategies for sustainable business management. Roles and responsibilities of Board of Directors toward the Company and Shareholders are important since the Board consists of the expert persons with leadership skills, sharp vision, knowledge and high experience. They have honesty and independence for decision making, which is beneficial to the Company's maximum interest and overall shareholders.

Policy and guidelines related to shareholders and stakeholders

1. THE RIGHTS OF SHAREHOLDERS

- 1.1 Shareholders' Meetings - As a rule, the Company schedules an Annual General Meeting of shareholders (AGM) within 4 months of the annual closing date of its accounting books. For urgent matters that affect or involve the shareholders' interests or relate to conditions, regulations or laws that require shareholders' approval, it calls an Extraordinary General Meeting of the shareholders. In 2021, an Extraordinary General Meeting was not held.
- 1.2 In 2021, the Annual General Meeting of shareholders took place on 22 April 2021 at the S.D Avenue Hotel, Pinklao Room, 3rd floor, Borom Rajchonni Road, Bangbumru Sub-district, Bangplad District, Bangkok Metropolis.
- 1.3 Recognizing the importance of protecting and facilitating the exercise of Shareholders' Rights, the Company has established a policy of equitable and fair treatment for all shareholders as follows:
 - 1) Promoting Exercise of Shareholders Rights
 - The Company encourages all shareholders to exercise their rights in an equitable manner.
 - All shareholders are encouraged to attend the shareholders' meetings, and to provide comments and suggestions to the Board of Directors.
 - 2) Facilitating Shareholders Attendance and Voting at the Meetings
 - 3) The Company encourages shareholders' participation in decision making on important issues and voting on such issues at General Meetings. All resolutions are voted on by poll.
 - 4) Giving Information Relating to Shareholders' Meetings

The Company will ensure that shareholders are informed in advance of General Meetings, of important information, criteria and procedures for those meetings, including the voting procedure for each agenda item. The Company will strive to provide all information regarding General Meetings to all Shareholders 21 days (but not less than 7 days) in advance, so that Shareholders can study all the information prior to attending the meeting. In addition, the Company will post all information on the Company's web site prior to sending out the notice of the meeting.
 - 5) Giving Opportunity to Shareholders to ask questions and express their Opinions in the Annual General Meetings.
 - 6) The Company will, at all General Meetings, provide the opportunity to all Shareholders to ask questions, express comments or offer any suggestions.

1.4 Disclosure of Resolutions of Shareholders' Meetings

The Company will submit the summary of resolutions of Shareholders' Meetings to the Stock Exchange of Thailand within the date after the meeting or 9 am of the next working day at the latest. The Company will also submit the report of the Shareholders' Meeting with Minutes (each agenda item clearly separated), number of Directors in attendance and/or absent, questions raised by Shareholders and answers from the Directors and voting tallies of each agenda item to SET within 14 days and to the Ministry of Commerce within 30 days after the meetings. All meeting information will be accessible through the Company's website.

THE EQUITABLE TREATMENT OF SHAREHOLDERS

2.1 Proposing Additional Meeting Agenda Items and Nomination of Directors

- To enable minor shareholders to take part in the operations of the Company, the Company has established criteria and process for them to propose meeting agenda items and/or nominate Directors in advance.
- The Company will post such criteria on its website and post an announcement on the website of SET to enable shareholders to propose meeting agenda items and/or nominate Directors in advance.

2.2 Facilitating Shareholders at the Meetings

As most shareholders attending the Shareholder Meetings are Thais, the meetings will be conducted in the Thai language. The Company's website is bilingual.

2.3 Appointing Proxies

To maintain the rights of shareholders who cannot attend Annual General Meetings in person, they have the right to appoint proxies or delegate their votes to any Independent Director in attendance. The Company will state the names of these Independent Directors in the proxy forms as defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The Company treats proxies as shareholder votes. Thirty days ahead of each meeting, the Company discloses the proxy form and procedures on its website. Shareholders may make further inquiries about this by phone or through other channels such as the Company's website and e-mail.

3. THE ROLES TOWARD STAKEHOLDERS

• To Shareholders

Operating a profitable business that leads to sustainable growth. The Company is committed to corporate governance in tandem with corporate social responsibility (CSR) to ensure investors that the Company provides sound investment returns and is sustainable. The Company has established channels for all stakeholders to contact directly through whistleblowing via its website www.thaipolyacrylic.com.

• To Employees

The Company regards all employees as the most valuable asset and shall continue to develop the competencies and the integrity of the employees. The Company shall provide its employees with good benefits and provide a workplace that is safe within a healthy environment. Professional development opportunities are provided for all employees, helping to continuously and sustainably increase their productivity. The Company has indicated the employee's performance by using performance indicator to measure the employee's performance. The Company will provide reasonable benefits to all employees based on their capabilities and competencies as well as career path and succession plan.

The employee benefits are divided into two categories: Short – term benefits, and post – employment benefits and other long – term benefits.

1. Short – term employee benefits

The Company has a policy to consider remuneration for employees and executives in term of considering adjusting the rate of employment for employees and executives, they will consider the working conditions, intentions of work assigned, duties and responsibilities, other abilities, the Company’s performance and also comparison with market competition. In part of considers the annual bonus, the Company has a policy to pay every year. However, some criteria will be taken into consideration for approval, including the annual operating results of the Company, both financial and non-financial. The work of the staff and the team dedication to work under responsibility etc.

2. Post-employment benefits and other long-term employee benefits

2.1 Defined Contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by Employees and by the Company.

2.2 Defined Retirement Benefit plans and other long – term employee benefits

The Company has obligations in respect of the severance payments to employees upon retirement under Labor Law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long – term employee benefit plan, namely long service awards.

• To Customers

Ensuring customer satisfaction and loyalty by delivering world-class quality products and services at competitive prices. The Company takes customer satisfaction seriously, since customers are buyers and users of our products and services. The Company offers fair prices, quality products and accountability to customers and consumers, and is committed to consistently develop its products and to provide safe, integrated, attentive quality services in response to their needs. The Company has implemented quality, security, safety and occupational health standards in its operations in order to focus on quality management through efficient work processes with a view to deliver products and services that satisfy customers.

• To Business Partners

Observing fair and mutually beneficial business practices with all business partners while promoting trust as well as relationship and cooperation with a view to expand business capabilities and increase efficiency in a long-term partnership. Business partners are the key to business success through mutual support, and the Company treats them fairly. The Company strictly complies with contracts and values procurement processes. Clear procurement procedures have been formulated to ensure transparency, openness to scrutiny and mutual benefit.

The Company requires business partners to strictly conform to the rules about work safety and handling of tools, as well as other regulations, particularly in the type of work affecting health, safety and the surrounding environment.

The Company’s approved Vendor List is prepared through a detailed selection process that reviews business /operational procedures of candidates to ensure that the business partners selected for the Vendor List are efficient and are capable of delivering products/services that meet the Company’s requirements.

- **To Creditors**

Maintain good relationship with creditors in such a way that mutual trust and confidence are gained. In doing so the Company shall commit to and honor promises, and obligations agreed with the creditors. The Company ensures strict compliance with all terms of any loan agreement it enters into in a responsible and transparent manner. The Company will not conceal any information or hide any facts that might possibly result in the realization of losses for its creditors.

- **To Business Competitors**

The Company's policy is that it shall treat its business competitors in a manner that is acceptable in accordance with International law and generally accepted principles and standards. The Company shall furthermore operate its business within a fair, but competitive context and shall not take unfair advantage of its business competitors. The framework of this policy has been shaped by related laws and regulations as well as concepts related to generally accepted business codes of conduct. The collection of insider information from a business competitor is expressly prohibited. The policy further prohibits the infringement of intellectual property rights and trade secrets. Furthermore, it includes provisions that prohibit the slandering of business competitors and any form of collusion in conflict with existing laws and regulations.

- **Community and Society**

The Company shall continue to operate its business in a manner that is beneficial to the society and the community in which it operates. The Company shall co-operate with the community and relevant authorities to prevent any business transaction with any party that might be hazardous to the community and the society as a whole.

4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company promotes awareness among Directors, the Management and the employees of the importance of good corporate governance and transparency in their work, and creates appropriate mechanisms to receive complaints and fair treatment both for those who file complaints and those who have been complained against.

The Company offers opportunities for the public to file complaints on improper behavior of Directors, the Management and staff or their violation of Company's business ethics.

- (1) Department Manager and / or Human Resources Manager
- (2) Audit Committee Email: Audit.Committee@thaipolyacrylic.com
- (3) Corporate Whistle Blower
Hotline URL : (Thai site) <https://www.hotline.tokyo.jp/multi/mchc-th/access/login>
(English site) <https://www.hotline.tokyo.jp/multi/mchc-en/access/login>
password: MCHCthai

The Company will listen to all complaints equally, transparently, caring and giving fairness to all parties as appropriate action.

The Company discloses information of the Company and financial statements to the Stock Exchange of Thailand completely, accurately, adequately and in time. In addition, the Company has disclosed other information. More to achieve transparency in operation.

1. Allow the investors, community, institutions and interested persons to access the information of the Company through Company website.
2. Recognizing the fact that some Directors reside abroad, and may consequently be excused from attending all Board Meetings, the Board encourages all Directors to attend the meetings when important issues are raised in the meeting agenda, such as the consideration and approval of future investments for plant expansion projects, and the consideration and approval of the annual financial statements and the annual budget proposals, etc.

3. Publish the corporate governance policy and Anti-Corruption policy on the Company's website.
4. Disclose the direct shareholding of directors and executives and indirect shareholding of spouses, or/and minor children of the "Directors Shareholding" and "Executive Shareholding" in Annual Report.
5. The Company has a policy that all directors must report their interests with the Company or that is expected to be immediately available for further in order to consider and disclose.
6. Provide the opportunity for the shareholders to propose matters to be included as agenda items for the Annual General Meeting of Shareholders ("AGM") and to nominate person(s) to serve as the Company's director(s). The criteria and procedures have been disclosed on the Company's websites at <http://www.thaipolyacrylic.com>
7. Appointment for Auditor's Remuneration
Agenda for an appointment of auditors clearly includes names of auditors, affiliated Company, auditor licenses, experience, auditors' competency, years of auditing for the Company, issues relating to the independence of auditors and auditors' remuneration with the opinion of the Board of Directors according to recommendation of the Audit Committee.

5. BOARD RESPONSIBILITIES

Company has prescribed that the Board shall comprise of 9 Directors consisting of 3 Independent Directors (Company has Independent Directors not less than 3 persons and not less than one third of total directors of the Company), 3 Executive Directors and 3 Non-Executive Directors (Representatives of its major shareholder) Audit Committee is appointed by the Board of Directors, and consists of 3 members and all must be Independent Directors. Nomination and Remuneration Committee will be selected from Board of Directors, and consists of 3 members out of which the Chairman of the Committee and at least one member must be Independent Directors. Nomination and Remuneration Committee serve for 3 years per term.

TERM OF DIRECTORS

In compliance with the Public Companies Limited Act one third of the directors retire by rotation at the Annual General Meeting every year but are eligible for re-election. It is the policy that the tenure of an Independent Director should not exceed a cumulative term of 9 years from the first day of appointment as Independent Director. Upon completing 9 years, an Independent Director may continue to serve on the Board, subject to the Board's rigorous review of his/her continued independence.

APPOINTMENT AND DISMISSAL OF DIRECTORS

According to the Company's Articles of Association, one third of Directors shall be retired on the rotation basis at every Annual General Meeting, however, the retired Directors can be re-elected at the Shareholders' Meeting. In the case any Director has tendered a resignation or is to be retired for any other reasons prior to the end of the term, the Board can appoint a succeeding Director and he or she can remain in the position to complete the remaining term of the former Director.

SEGREGATION OF DUTIES OF THE CHAIRMAN AND THE MANAGING DIRECTOR

To segregate policy-making duties from those of day-to-day management and to enable Directors to oversee, look after and assess performance effectively, the Company requires that the Chairman and the Managing Director are always two distinct and separate persons to ensure the balance of authority. The role of the Chairman is the Head at the policy level and the role of the Managing Director is the Head of Operational Management who look after the daily management of the Company. The Company has decided to appoint Chairman, who is not an Independent Director as defined in the SET guidelines, but whose interests are fully disclosed to the Board. However, the Board has appointed one of the Independent Directors to participate in setting the agendas for Board Meetings

ORIENTATION FOR NEW DIRECTORS

The Board of Directors establishes an orientation for every new Directors to create knowledge and understanding in the business including the Company's operations such as capital structure, shareholders, performance and system information including laws and regulation that useful for being a Director. This aims to prepare readiness of new Directors, enabling them to recognize their roles and responsibilities. There is a policy to enhance conceptual knowledge so that Directors can hold positions with efficiency.

SUCCESSION PLAN

The Board of Directors has established a succession plan in the management level and positions in the main line by considering performance, potential and readiness of the individual. The Company has equipped a successor with knowledge development, skills required by job positions so that he or she will take important positions in the future.

DEVELOPMENT OF DIRECTORS

The Board of Directors has a policy to promote and facilitate training and education for the Directors. In order to improve and perform continually, training courses inside and outside the country are offered to the Directors, enabling them to understand the Directors' performance. Due to the Covid – 19 situation therefore, In 2020 there is no Board of Director participated in Training course.

POLICY OF DIRECTORSHIP IN OTHER COMPANIES

The Company has carried out policy to allow Managing Director to assume directorship in other companies which the Company invests in, in joint venture companies or any other companies authorized by the Board of Directors to manage those companies according the Company's policies. The directorship in other companies should not disrupt his main duties in the Company.

RISK MANAGEMENT

The Board has established a risk management system and has applied this throughout the Company's operations in order to prevent and manage identified risks. Moreover, the Company has a monitoring and assessment system in place. The Board has assigned the Audit Committee to oversee and audit the risk management system in order to ensure that risks being identified are addressed suitably and sufficiently.

The Audit Committee reviews the risk management processes with relevant department / function and the internal auditor. Its opinion is that the Board maintains adequate risk management practices that are relevant, suitable and sufficient.

Business code of conduct

The Company has disclosed the Corporate governance policy, business code of conduct and anti- corruption policy on Company website. For more details, please visit our website <https://www.thaipolyacrylic.com>