



CORPORATE GOVERNANCE POLICY  
EASTERN WATER RESOURCES DEVELOPMENT AND  
MANAGEMENT PUBLIC COMPANY LIMITED

CORPORATE GOVERNANCE – 2024

APPROVED BY BOARD OF DIRECTORS NO.16-2024 –

12<sup>TH</sup> NOVEMBER 2024

LEGAL AFFAIRS AND CORPORATE GOVERNANCE OFFICE

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## Message from the Chairman

Being a public listed company which investors are interested in an investment requires rigorous rules and regulations to ensure that the company is operated with efficiency, transparency, and fairness to all stakeholders. The Board of Directors has therefore emphasized on the review of the company's good corporate governance principles which has constantly been revised in accordance with the National Anti-Corruption Law, Good Corporate Governance Principles for Listed Companies 2017 of the Securities and Exchange Commission, and Public Limited Company Act B.E. 1992.

In the meeting No. 16/2024 held on 12 November, 2024, the Board of Directors had a resolution to approve the revision of good corporate governance principles and promulgated as the group's operation guidelines for its subsidiaries, directors, executives, and the group's and its subsidiaries' personnel. All the group's personnel are required to study and strictly apply the guidelines, practices, and policies in line with the newly-revised good corporate governance principles to support the Board of Directors in governing the organization and its business operations with sustainable management.

The Board of Directors has authorized the President & Chief Executive Officer (CEO) to publicize the principles to the employees within the group. All supervisors are responsible for communicating with their subordinates; emphasizing the principles, monitoring, and advising them to regularly comply with the established practices and guidelines. Additionally, the group shall further disseminate such principles to its business partners, stakeholders and related parties.

Mr. Chanin Kanhirun

Chairman

## Introduction

Eastern Water Resources Development and Management Public Company Limited has announced the first implementation of good corporate governance principles since 1 August 2003 with an objective to ensure personnel at all levels within the company and its subsidiaries to operate with "transparency, integrity, responsibility and competitiveness." The Board of Directors has assigned the Corporate Governance and Sustainable Development Committee to regularly revise the policy and guidelines for good corporate governance at least one time a year to escalate the company in continually developing and adjusting itself to cope with current situations.

The CEO Office has proposed the revision of Charters developed by every sub-committee and the policies have been attached as an appendix in the newly-revised Good Corporate Governance Principles for the expediency on information disclosure to the public, allowing the directors and the employees to acknowledge duties of all committees.

Good Corporate Governance comprises of eight principles that the Board of Directors, executives and employees must adhere as operational guidelines as follows;

- Principle 1 : Recognize Leadership Role and Responsibilities of the Board to Create Organization Value for Sustainability
- Principle 2 : Define Organization's Objectives and Goals to 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 : Engagement and Communication with Shareholders

## Definition

**“Company”** means Eastern Water Resources Development and Management Public Company Limited.

**“Subsidiary”** means a company with any of the following natures.

(1) Company with control over the business

(2) Company under the control of the company as stated in (1) in respective order, commencing from being under control of a company as stated in (1)

**“Group of Companies”** means Eastern Water Resources Development and Management Public Company Limited and its subsidiaries.

**“Listed Company”** means a company the shares of which are traded on the Stock Exchange of Thailand (SET).

**“Control”** means relations in any of the following natures.

(1) holding of shares with voting right of a juristic person in an amount exceeding 50 percent of the total number of voting rights of such juristic person;

(2) having control of majority voting rights in the shareholders' meeting of any juristic person, whether directly or indirectly or any other reasons;

(3) having control over appointment or removal of at least half of all directors, whether directly or indirectly.

**“The Board”** means Board of Directors of Eastern Water Resources Development and Management Public Company Limited.

**“Majority shareholder”** means the shareholder holding more than 10 percent of the total voting shares of the company, including the shares held by related persons.

**“Controlling Person”** means a shareholder or other person who de facto has significant influence over policies, management, or operations of the company, whether such influence comes from shareholding or authorization based on an agreement or by other means, especially a person of any of the following natures.

(1) Person directly or indirectly holding more than 25 percent of total voting shares of the company;

(2) Person who de facto has influence to control the appointment or removal of directors of the Company;

(3) Person who de facto has control over employees responsible for determination of policy, management, or operations of the company to follow his order in relation to policy, management, or operations of the company; and

(4) Person who de facto engages in the operations of the company or is responsible for the operations of the company in the same manner as director or executive, including a person holding a title with authority similar to such person of the company.

**“Independent Director”** means a director who has the following qualities.

- (a.) Holding less than one percent of the total voting shares of the company, subsidiaries, associated companies, majority shareholders or controlling persons. The count must be inclusive of shares belong to the independent director’s associates.
- (b.) Never or used to be executive director, employee, consultant with fixed salary or the company’s, subsidiaries’, associated companies’, and sister company’s controlling persons, majority shareholders, or the company’s authorized person, except being exempt from the above characteristics for at least two years prior to submitting the permit to the Securities and Exchange Commission Office. The above prohibited characters exclude the independent director who is a government employee or consultant who is majority shareholder or controlling person of the company.
- (c.) Don’t have a relationship directly or legally married to executives, majority shareholders, controlling persons or person who has been nominated an executive position of the company or the subsidiaries, including not being parents, siblings, children, and being in-law of such person as stated above.
- (d.) Never or used to have business relationship with the company, parent company, subsidiaries, majority shareholders, or controlling persons of the company of which obstructed independent judgment, including not being or used to be majority shareholder or controlling person having business relationship with the company, subsidiaries, associated companies, majority shareholders or controlling persons of the company, except being exempt from the above characteristics at least two years prior to the designation. Business Relationship under the first paragraph including any business trading to operate or lease property or transaction involving assets or services; or giving or receiving financial assistance with reception or loan, guarantee of assets as collateral as well as other circumstances with effects company or contract parties owed to the other party from three percent of the company’s tangible assets or from 20 Million Baht onward whichever is lower. By this, the calculations of liabilities are in accordance with the calculation of related transaction as announces from Capital Market Supervisory Board by defer only to consider the debt burden than total debts incurred during one year before the date of business relationship with the same person.

- (e.) Never or used to be an auditor of the company, subsidiaries, associated companies or majority shareholder of the company and not a significant shareholder, authorized person or partner of the auditing firm that the company, subsidiaries, associated companies, majority shareholders or controlling person of the company belong, except for being exempt from the above characteristics for at least two years before submitting an application to the Securities and Exchange Commission Office.
- (f.) Never or used to be a professional service provider whose business includes legal or financial consultation, who receives more than 2 Million Baht per annual service fee from the company, subsidiaries, associated companies, majority shareholders or controlling persons of the company and not a significant shareholder, authorized person or partner of the professional service provider; except for being exempt from the above characteristics for at least two years prior to the designation.
- (g.) Not an appointed committee by the representative of the company's director, major shareholders or shareholders who associate with majority shareholders of the company.
- (h.) Not operate the same business and a significant competitive business with the company or subsidiaries or not a significant partner in partnership or an executive director of such business, employees who earn fixed salary or hold more than one percent of the overall voting shares of another company which operates the same business and be a significant competitor with the company or subsidiaries.
- (i.) No other characteristics preventing the independent opinion on the company's operation.

**“Related Person”** means a person or ordinary partnership having relationship with person in any of the following natures.

- (1) Spouse of such person;
- (2) Underage child(ren) of such person;
- (3) Ordinary partnership of which such person or person as stated in (1) or (2) is partner;
- (4) Ordinary partnership of which person as stated in (1) or (2) is unlimited liability partner or limited liability partner holding shares of exceeding 30 percent of total shares of the said ordinary partnership;
- (5) Limited company or public limited company or person as stated in (1) or (2) or ordinary partnership as stated in (3) or (4) holding shares totaling more than 30 percent of total sold shares of the company;



- (6) Limited company or public limited company or person as stated in (1) or (2) or ordinary partnership as stated in (3) or (4); or company as stated in (5) holding shares totaling more than 30 percent of total sold shares of the company; and
- (7) Juristic person of which such person is authorized to act as its representative.

**"Persons with Possible Conflict"** mean the following persons;

- (1) Executive of the company
- (2) Major shareholder of the company
- (3) Person having control over the company
- (4) Person having relationship through blood, marriage or by lawful registration with the person in (1), (2) or (3) namely father, mother, spouse, child or other relative.
- (5) Any juristic person over which the person in (1), (2) or (3) has shareholding or has control or has any significant conflict of interest whether directly or indirectly

**"Spouse"** means a person who is married by registering or not by registering the marriage with the board of directors, executives, full-time employees of the company and has one of the following characteristics;

- (1) Conducted a wedding ceremony or any other similar ceremony with the board of directors, executives, or full-time employees of the company in which family members or outsiders acknowledge that they live as husband and wife according to tradition.
- (2) The board of directors, executives, or full-time employees of the company apparently perform their husband-and-wife status or generally behave through social perception of having such status.

This shall include the person who is registered a marriage with the board of directors, executives or full-time employees of the company and later registered a divorce under the law but also showing or appearing by general society as having a husband-and-wife status.

**"Child"** means a legitimate child who is not yet of legal age and a legitimate adopted child that is not yet of legal age

**"Board Advisor"** means Advisor of the Board of Directors and Advisor of the Subsidiary.

**"Top Executive"** means a person at the level of senior executive vice president upwards.

**"Executive"** means a person at the level of vice president upwards.

**"Corporate governance"** means a regulatory relationship including the measures used to supervise the decision making of people in the organization in line with the objectives, which include (1) defining objectives and goals; (2) formulating strategies and policies and approving operational plans and budgets; and (3) monitoring, evaluating, and reporting operational performance.

“**Good corporate governance**” involves not only building investor confidence and trust but also ensuring business integrity and sustainably creating long-term business value.

## Board of Directors Structure

The company has established the structure of the Board of Directors in terms of size, composition, and appropriate proportion of independent directors that are essential to lead the company to achieve the specified objectives and goals in accordance with good corporate governance principles as follows;

### 1. Composition and Qualifications

1.1 The Board of Directors shall comprise a minimum of five directors and not over 12 directors and they shall be appointed and removed by the meeting of shareholders; and not less than half of the total number of directors must have residence in the Kingdom.

1.2 Nominees for directors and advisors of the company shall be of legal age and not over 70 years of age.

1.3 Directors and independent directors shall be qualified without any forbidden trait as prescribed in the board's stipulation and in accordance with Securities and Exchange Act, Public Limited Companies Act, Anti-Corruption Act, and other relevant legislations.

1.4 Directors should be of knowledge and competency in water resources or other professions related to business operations. At least one director shall be proficient in accounting and finance.

### 2. Term of Office

2.1 One-third of the Board of Directors shall retire at each annual general meeting of shareholders. If the total number of directors could not divide by three, the closet number shall be adopted. However, they may be re-elected for another term

2.2 Independent directors have a continuous term of not over nine years from the date of the first appointment.

2.3 Director shall end the term of office in the following events

- (1) Death;
- (2) Resignation;
- (3) Becoming disqualified or forbidden by law;
- (4) Being removed by the resolution of the shareholders meeting;
- (5) Being removed by the court order.

2.4 Reasons of retirement include end of term, resignation, death, and being disqualified and forbidden by laws in accordance with Public Limited Companies Act, B.E. 2535 (1992) Section 68; Securities and Exchange Act B.E.2535 (1992) Section 89/3, 89/4, and 89/6; and the Notification of the Securities and Exchange Commission No. KorChor. 3/2560 Re: Determination of Untrustworthy

Characteristics of Company Directors and Executives; or the resolution of the shareholders' meeting; or being removed by the court order for the reasons specified in the regulations.

2.5 In case of vacancy due to reasons other than retirement by rotation, the Board of Directors shall select qualified persons without any forbidden characteristics as stated in the public limited company law to fill in such vacancy in the following meeting of the Board except in a case where the remaining term of office of such Director is less than two months. The resolution of the Board of Directors shall constitute not less than three-fourth of the remaining directors. Such substituting directors shall serve for a period equivalent to the remaining term of office of the previous directors

Any director could resign by tendering resignation with the company, which shall be deemed effective on the date the document is received by the company

The meeting of shareholders may resolve to remove any director prior to his end of term, provided that the votes are not less than three-fourth of all the attending shareholders with voting right, and that total shares are not less than half of all shares held by shareholders with voting rights who attend the meeting.

### **3. Sub-Committee**

The Board of Directors appoints five sub-committees to enhance the efficiency of corporate governance and agenda scrutinizing as follows;

#### **1) Audit Committee**

The committee comprises of at least three independent directors with the duty to review the corporate's financial report to ensure its accuracy and completion with proper and efficient risk management processes and internal controls that complied with legal requirements and business ethics. The committee shall review all the practices within the organization to be in line with the anti-corruption measures and supervise the complaints.

#### **2) Governance and Sustainable Development Committee**

The committee comprises of at least three directors but not over five directors; which half of the total number of directors shall be independent directors. The committee shall consider and review the policies and practices related to good corporate governance and formulate policies, strategies, and operational plans for sustainable development that are in line with the company's economic, social and environmental operations.

#### **3) Nomination and Remuneration Committee**

The committee comprises of at least three independent directors but not over five directors; which half of the total number of directors shall be independent directors. The committee shall consider the structure and the composition of the Board of Directors; specify the criteria and

nomination methods for the Board of Directors; determine evaluation criteria for the company's annual performance in accordance with its business policy; scrutinize the remuneration of the Board of Directors and the company's sub-committees; and set criteria for the remuneration.

4) Risk Management Committee

The committee comprises of at least three directors but not over five directors with the duty to establish and review risk management policies for approval by the Board of Directors; and supervise and encourage risk management in accordance with the guidelines of the Stock Exchange of Thailand.

5) Executive and Investment Committee

The committee comprises of at least three directors but not over five directors with the duty to establish investment policy and criteria; scrutinize investment projects; follow up the progress of significant investment projects, provide advices or recommendations regarding investments for the company's management team and the Board of Directors.

Each sub-committee shall have a charter determining the composition and qualifications, term of office, authority and responsibility. (Details as per Annex 1-5)

6) Other sub-committees

The Board of Directors could appoint other sub-committees during the year to scrutinize and consider important matters as assigned by the Board of Directors.

#### **4. Nomination of the Board of Directors**

The Nomination and Remuneration Committee is responsible for recruiting qualified individuals to be the Board of Directors in place of those whose terms have expired or in other cases; and propose the nominees to the Board of Directors and/or the meeting of shareholders to vote for the next appointment. In this regard, the selection of directors shall be considered upon the appropriate qualifications; being a qualified person, expert, and professional with leadership, vision, morality and ethics having transparent working profile and the ability to express opinions independently.

In the nomination process, the company shall consider diverse skills of the nominees including being of knowledge in business, industry, finance and accounting; management skills; international-standard decision making skills; business strategy; crisis management; good corporate governance; and legal skills; which are in line with the company's business strategy.

The company should use a consultant and director database to foster its new director nomination process.

## **Essence of Good Corporate Governance**

The company operates its business in accordance with good corporate governance principles including opposing corruption in all forms to make the company's management be efficient, transparent, and examinable to benefit the group's overall performance with a concern of all stakeholders. All employees are responsible for supporting the Board of Directors by operating in compliance with this edition of good corporate governance principles that are used as an operational framework to create business values sustainably.

### **Principle 1 Recognize Leadership Role and Responsibilities of the Board to create Organization Value for Sustainability.**

#### **Principle 1.1**

The Board should understand the role and realize the responsibility as a leader that must supervise the company to have good management which covers:

- (1) Defining and/or reviewing the vision, mission and goals.
- (2) Set up strategy, operational policy including allocating important resources to achieve objectives and goals.
- (3) Follow up, evaluate and oversee the performance reporting.

#### **Principle 1.2**

In creating the business values sustainability, the Board should supervise the business to lead to a governance outcome at least as follows:

- (1) Be able to compete and have good turnover, taking into account long-term effects.
- (2) Conduct business ethically, right respectability and responsibilities to the shareholders and interested parties.
- (3) Beneficial to society and develop or reduce negative impact on environment.
- (4) Can be adjusted under any change factors.

#### **Guidelines**

1.2.1 In define the success of business operation, the Board should consider ethics, The impact on society and the environment is significant. Aside from financial results.

1.2.2 The Board takes important role in creating and driving organizational culture strictly adhere to ethics where the Board should behave as a role model as a leader in corporate governance.

1.2.3 The Board has established policies for directors, executives and staffs to demonstrate written principles and guidelines for operations.

1.2.4 The Board assigns Chief Executive Officer to supervise communication so that directors, executives and staffs understand and ensure having sufficient mechanisms to facilitate the implementation of the above policies. Follow up the result of performance and regularly review policies and practices including the dissemination of related policies to third parties as well.

1.2.5 Subsidiary should establish good corporate governance principles in consistent with the company's good corporate governance principles.

### **Principle 1.3**

The Board has a duty to ensure that all directors and executives perform duties with responsibility, caution (duty of care) and loyalty to the organization (duty of loyalty) and to ensure that operations are in compliance with laws, regulations and resolutions of the shareholders' meeting.

### **Guidelines**

1.3.1 To consider whether directors and executives perform their duties with responsibility, caution and integrity to the company shall be at least consider according to relevant laws, rules and regulations such as the Securities and Exchange Act, Public company limited Act etc.

1.3.2 The Board shall ensure that the company has sufficient system or mechanisms to ensure that the operation of the company is in compliance with laws, regulations, resolutions of the shareholders' meeting as well as policies or guidelines defined including having approval process for any significant operations ( such as investment, transaction that have a significant impact on the business, transaction with connected persons, acquisition/disposition of assets, dividend payment etc.) shall be in accordance with law.

### **Principle 1.4**

The Board clearly understands the scope of duties and responsibilities of the Board and defines the scope of of duties and responsibilities for Chief Executive Officer and the executives as well as monitoring and ensure that Chief Executive Officer and the executives perform their duties as assigned.

### **Guidelines**

1.4.1 The Board shall establish charter or the Board Charter which specifies the duties and responsibilities of the Board for reference in the performance of all directors and requiring regular review of such charter at least once a year. Should also review the division of duties of the Board, Chief Executive Officer and the executives regularly to be in consistent with the organization's direction.

1.4.2 The Board should supervise the company to disclose the approval authority in various matters in accordance with laws, regulations and the company's regulations.

1.4.3 The Board and management clearly separate the roles and responsibilities. The Board will not involve in the management's obligation in order to create balance between management and corporate governance including following up the management to ensure that the policies and appropriate processes have been implemented in practice effectively.

1.4.4 The Board should understand the scope of their duties by separating roles and duties from the management clearly and assign business management authority to the management which should be recorded in writing, nevertheless, such assignment does not release the responsibilities of the Board. The Board should also monitor the management to perform their assigned duties. The scope of duties of the Board, Chief Executive Officer and management shall be divided as follows:

**Matters should be monitored** means the matter the Board is responsible mainly to having the appropriate action where the Board must have good understanding and consideration. In considering the process, the Board may assign the management to propose the matters for consideration.

- Define objective and main goals of doing business
- Create an ethical corporate culture including behaving as a role model
- Maintenance of the Board's structure and performance suitable to achievement of the main objectives and goals of doing business effectively.
- Recruitment, development, determination of remuneration and performance assessment of Chief Executive Officer.
- Determination of the compensation structure which is an incentive for personnel to perform duties in accordance with the organization's main objectives and goals.

**Matters dealt with the management** means the matter the Board, Chief Executive officer and the management should consider together in which the management proposes to the Board for approval. The Board should supervise the overall policies to be inline with the main objectives and goals of doing business including assign the management to proceed where the Board follows up and the management shall report the Board for acknowledgement from time to time appropriately such as

- Defining and reviewing annual strategy, goals and action plans.
- Overseeing the appropriateness of the risk management system and internal control.
- Determining the operational authority appropriate to the responsibility of the management.
- Determining framework of resource allocation, development and budget such as policy and personnel management plan and information technology policy.



- Monitoring and performance assessment
- Ensure that disclosure of financial and non-financial information is reliable

**Matter the Board should not proceed** means the matter the Board should oversee at the policy level by assigning Chief Executive Officer and the management to be the primary responsible person for the operation.

- Management in accordance with strategies, policies, action plan approved the Board. (The Board should let the management to be responsible for decision-making in proceeding, procurement, personnel recruitment etc. as per the specified policy framework and monitoring the result without interfering their decision unless there is any necessity.)

- Any prohibited matters such as approval for transaction in which the director has interest.

## **Principle 2 Define Organization's objectives and Goals to Promote Sustainable Value Creation**

### **Principle 2.1**

The Board should set or ensure that the company's objectives and goals are sustainable which such objectives and goals are in consistent with creating value for the company, customers, interested parties and society as a whole.

#### **Guidelines**

2.1.1 The Board should be responsible for ensuring the business has objective or key objective which is clear and appropriate, able to be used as the main idea for defining business model and communicated to everyone in the company to drive in the same direction by establishing vision, mission and values or principles and purposes or others likewise.

2.1.2 To achieve the main objectives or goals, the Board should define business model that can create value for the company, interested parties and society as a whole by taking into account.

1) Environment and changes of various factors including the use of innovation and technology appropriately.

2) The needs of customers and interested parties.

3) The readiness, expertise and competitiveness of the company.

2.1.3 The company's values should reflect the characteristics of good corporate governance such as responsibility of performance (accountability), integrity, transparency, due consideration of social and environmental responsibilities.

2.1.4 The Board should encourage communication and strengthen the main objectives and goals of the company in reflecting the decisions and operations of personnel at all levels until becoming a corporate culture.

### **Principle 2.2**

The Board should ensure that the objectives and goals as well as the company's strategy for medium term and /or annual is consistent with the achievement of the main objectives and goals of the company by using innovation and technology that are used appropriately and safely.

### **Guidelines**

2.2.1 The Board should oversee that the annual strategy and action plan be prepared in consistent with the main objectives and goals of the company by taking into account regarding the environment factors of the company at that moment as well as the acceptable opportunities and risks where should support the establishment or review of objectives, goals and strategies for the medium term for 3-5 years to ensure that the annual strategies and plan taking into account of the effects in a longer period and still be reasonable forecasted.

2.2.2 Regarding determination of annual strategies and action plan, the Board should oversee the analysis of environment, various factors and risks which may affect relevant interested parties throughout value chain including various factors that may affect achievement of the main goals of the company which should have a mechanism to truly understand the needs of the interested parties.

(1) Clearly specify method, process, channel of participation or communication between the interested parties and the company in order to enable the company to access and receive information, issue or the needs of each group of the interested parties correctly and as closely as possible.

(2) Identifying the related interested parties inside and outside either individual, groups, organization such as employees, investors, customers, business partners, communities, society, environment, government agencies, regulatory agencies etc.

(3) Specifying issues and expectation of the interested parties in order to analyze and categorize such issues as per the importance and impact which will occur to the company and the interested parties to select important matters that will create value together with the interested parties regarding the implementation.

2.2.3 To setting up the strategies, the Board should supervise encouraging the innovation and utilizing innovation and technology to create competitiveness and respond to the needs of the interested parties while still being based on social and environment responsibilities.

2.2.4 The setting goals should be suitable to the business environment and the company's potential. The Board should set both monetary and non-monetary targets. In addition, it should be aware of the risks of setting goals that may lead to illegal action or lacking of ethics.

2.2.5 The Board should supervise that the objectives and goals are relayed through strategies and action plans throughout the company.

2.2.6 The Board should supervise the allocation of appropriate resources and operational controls including monitoring the implementation of the annual strategies and action plan which may require a responsible person to oversee and monitor the operational results.

### **Principle 3 Strengthen Board Effectiveness**

#### **Principle 3.1**

The Board has established and reviewed the Board structure both side, composition, proportionate independent directors appropriately and necessary to lead the company to the specified objectives and key goals.

#### **Guidelines**

3.1.1 The Board stipulates that the Board of Directors shall consist of directors with diverse qualifications in respect of skill, experience, abilities and specific characteristics as well as gender and age that are necessary to reach the company 's objectives and goals by creating table for the skill matrix to ensure that there wil be an overall Board with appropriate qualification being able to understand and respond to the needs of the interested parties and also require at least 1 non-executive director with experience in the main business or industry in which the company operates and having at least 1 director who is knowleageable and expertise in accounting and finance.

3.1.2 The Board stipulates the Board of directors has proportion between the executive directors and non-executive directors that appropriately reflect the balance authority by

(1) Should be mostly a non-executive director who can provide comment pertaining to the management's performance independently.

(2) Having the number and qualification of the independent director according to the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and ensure that the independent director is able to work efficiently with all of the Board and express opinion independently.

3.1.3 The company discloses various policies regarding the composition of the Board of Directors and directors' information such as age, gender, educational background, experience. shareholding proportion, number of years holding director's position and director positions in other listed companies in the annual report and teh company website.

### **Principle 3.2**

The Board selects the suitable person to be the Chairman of the Board where ensure that the composition and the operation of the Board contribute to discretion of independent decision-making.

#### **Guidelines**

3.2.1 The Chairman of the Board is an independent director and not being a chairman or member in any sub-committees.

3.2.2 The Chairman of the Board and Chief Executive Officer must be knowledgeable, experienced and appropriate qualifications which must not be the same person in order to balance the power by separating the supervision and administration from each other.

3.2.3 The Chairman of the Board takes leadership role of the Board with the following duties

(1) Supervise, monitor and ensure that the Board's performance is carried out efficiently and achieve the main objectives and goals of the company.

(2) Ensuring that all directors are involved in promoting ethical corporate culture and good corporate governance.

(3) Convene the meeting and act as the Chairman of the Board of Directors' meeting. Set the agenda for the Board 's meeting by discussing with Chief Executive Officer and set up measurement to ensure any significant matters have been proposed in the meeting agenda. Should one vote is equal, the Chairman will have the casting vote and act as the Chairman of the meeting.

(4) Providing sufficient time for the management to propose the matter as much as the director to carefully discuss significant issues and encourage directors to use prudent discretion in providing opinion independently.

(5) Strengthen good relationship between executive director and non-executive director including the Board of Directors and the management.

3.2.4 In the event that the Chairman of the Board and Chief Executive Officer position are not clearly separated from each other such as are the same person, the Chairman of the Board is not an independent director, the Chairman of the Board and Chief Executive Officer are members of the same family or the Chairman is a member of the executive directors or working group or assigned to be responsible in management, the Board should encourage the balance of power between the Board and the management by considering

(1) The composition of the Board consists of more than half of independent directors.

Or

(2) Appointing an independent director to jointly consider determine the meeting agenda of the Board.

3.2.5 The company discloses the roles and responsibilities of the Board of Directors and Sub-Committees, number of meetings and number of times each director attends the meeting in the past year and report on the performance of every Sub-Committees.

### **Principle 3.3**

The Board has established Corporate Governance and Sustainable Development Committee where the roles and responsibilities has been specified in the Corporate Governance and Sustainable Development Committee Charter summarized as follows

#### **1) Governance**

Consider and review the policies and guidelines relating to good corporate governance including monitoring implementation of policies both legally and non-law.

#### **2) Sustainable Development**

Establish policies, strategies and operational plans for sustainable development in consistant with the business operations in term of economics, social and environment of the company as well as encouragement and supporting the company's various activities to achieve goals according to the sustainable development policy.

### **Guidelines**

3.3.1 The Board has established Corporate Governance and Sustainable Development Committee in order to consider and review the policies and guidelines relating to good Corporate Governance, Anti - Corruption in the organization and Business Ethics Code of the East Water Group companies to be updated at least once a year.

3.3.2 Corporate Governance and Sustainable Development Committee is responsible for determining policies, strategies and operational plans for sustainable development, consider and approve for susutanability report including encouragement and supporting the company's various activities to achieve goals according to sustainable development policy.

3.3.3 In case the Board has appointed any person to be a consultant of Corporate Governance and Sustainable Development Committee, the company will disclose such consultant's information stating in the annual report including independence or no conflict of interest.

### **Principle 3.4**

The shareholders shall approve for the proposed compensation of the Boards. where the Board considers the appropriate structure and compensation rates suitable to responsibilities and motivating the Board to lead the organization to carry out either short or long- term goals.

## Guidelines

3.4.1 The Board has established Nomination and Remunation Committee to consider the criteria for recruitment of the qualified directors to enable the the Board composition having appropriate knowledge and expertise including review of such person's background and proposing to the Board prior to proposing to the Shareholders' meeting for appointment of directors. In addition, the shareholders should have sufficient informatin regarding the nominated person to support their decision which roles, duties and responsibilities has been specified in the Nomination and Remunation Committee Charter.

3.4.2 Nomination and Remunation Committee should review the criteria and procedures for recruitment of directors to propose to the Board prior to recruiting of directors who retires. In the event that Nomination and Remunation Committee nominates the same directors, the performance of such directors should be also considered.

3.4.3 Nomination and Remunation Committee is responsible for considering the policies and criteria for determining the remuneration by determining the Board's remuneration to be in consistent with the company's strategies and long-term goals, experience, duties, scope of roles and responsibilities (accountability and responsibility) including the expected benefits of each director. Directors who are assigned for additional duties and responsibilities such as being a member of the Sub-Committee should also receive appropriate additional remuneration which is in a comparable level with same industry practice.

3.4.4 The shareholders shall approve the structure and the Board's remuneration rate either monetary and non - monetary which the Board should consider each remuneration mode appropriately either fixed rate ( such as regular remuneration , meeting allowance) and remuneration based on the company's performance ( such as bonus, reward) which should be linked to the value the company generates to the shareholders, however, the level should not be too high causing focus on the short- term period.

3.4.5 The Board discloses the policy and criteria for the directors' remuneration reflecting duties and responsibilities of each director including the form and the amount of remuneration. Also, such disclosed remuneration amount should include the remuneration each director receives from being a director of subsidiary.

3.4.6 In case the Board has appointed any person to be a consultant of Nomination and Remunation Committee, the company will disclose such consultant's information stating in the annual report including independence or no conflict of interest.

### **Principle 3.5**

The Board supervises that all directors are responsible for performing duties and allocating sufficient time.

#### **Guidelines**

3.5.1 The Board ensures that there is a mechanism to support the directors to understand their roles and responsibilities.

3.5.2 The Board stipulates the criteria for the directors to hold directorship in other listed companies totaling not more than 5 listed companies.

3.5.3 All Directors, Top Executives and Management shall report to the company regarding the holding of securities and report their own interests or related persons which is an interest related to the business management of the company or subsidiary according to the rules, conditions and procedures prescribed by law.

Directors, Board Advisor, Management and permanent employees including spouses and children of the said person are refrained from buying , selling or transferring the company's shares during the period of 1 month prior to disclosure of financial statements to the Stock Exchange of Thailand and during the 3-day period after disclosure of financial statements to the Stock Exchange of Thailand to enable the shareholders and investors have sufficient time to access and understand the essence of the company's information or financial statements that being already disclosed to the Stock Exchange of Thailand.

Directors and Top Executive shall notify the corporate secretary regarding trading company's shares at least 1 day in advance prior to trading.

Directors shall disclose the company's trading report to the Board for acknowledgement every time. As a result, the corporate secretary shall notify via electronic mail or letter of acknowledgement.

3.5.4 Directors must not have interests in the business having done with the company or subsidiary where being a director or in the business which compete with the company or subsidiary where being a director either directly or indirectly.

3.5.5 Directors must not do any acts indicating any management or arrangement of the company and subsidiary in respect of destroying the benefits of the company or subsidiary where being a director or benefit facilitating any person or juristic entity no matter doing for own sake or others.

3.5.6 In the event that the director or Executive having interest either directly or indirectly in other business which has conflict or being able to take opportunity or the company's

information for his own interest, the Board must ensure that the company has suffice preventive measures and notifying the shareholders for acknowledgement appropriately.

3.5.7 Each director should attend the meeting not less than 75% of total number of the Board of Directors' meetings the company holding yearly.

3.5.8 The Board and Chief Executive Officer should participate in Shareholder meeting. Unless prevented by force majeure, The Board and Chief Executive Officer must inform the corporate secretary of such force majeure.

### **Principle 3.6**

The Board supervises setting up the frame and mechanism of substantially monitoring the policies and business operation of subsidiaries and other businesses that the company invested on a suitable level of each business whereas subsidiary and other businesses the company invested are on the same page.

### **Guidelines**

3.6.1 The Board stipulates the management policy for subsidiary (Details as per appendix 6) which will cover:

(1) The criteria for appointment of directors, executive or the controlling person of subsidiary has been stated in writing where the Board shall be the appointer unless such company is small company which is operating arms of the business, thus, the Board may authorized Chief Executive Officer to be the appointer.

(2) Define the scope of duties and responsibilities of the person who are the company's representatives according to item (1) that requires the company's representatives to monitor in compliance with subsidiary's policies. In the event, subsidiary has other investors, the Board should specify in the policy that the representatives must do the best for the benefit of subsidiary to be inconsistent with the parent company's policies.

(3) The internal control system of subsidiary must be provided appropriately and sufficiently careful where any transactions shall be done legally and in compliance with relevant rules.

(4) Disclosure of information regarding financial status and operational result, transaction with related person, acquisition or distribution of assets, other significant transaction, capital increase, capital decrease, dissolution of subsidiary etc.

3.6.2 In case being joint venture in other business such as shareholding proportion for voting right as from 20% , but not more than 50% and the amount of invested money or may make additional investment that it is significant to the company, then, in case of necessity, the Board shall provide shareholders' agreement or other agreements to be cleared regarding the management



authority and participation in making decision in any significant matters, following- up operational result regarding information for preparing the company's financial report in accordance with the measure and specified time.

### **Principle 3.7**

The Board provides annual performance evaluation of the Board, Sub-Committees and individual directors which the evaluation results will be used for further development of performance.

### **Guidelines**

3.7.1 The company arranges for the evaluation of performance of the Board of Directors either team or individual and Sub-Committees once a year.

3.7.2 The company will send the performance evaluation form at the end of every year for all directors to evaluate the performance of the current year and return to the company such within the specified time so that the company can gather information to notify the results to the Board of Directors for acknowledgement.

3.7.3 Performance evaluation methods are self-evaluation or the Board may consider the use of cross evaluation as well including disclosure of criteria, process and as evaluation result as a whole in the annual report.

3.7.4 The Board may consider providing the external consultant to assist determining the guidelines and recommend the issues regarding the performance evaluation of the Board at least every 3 years and disclose such actions in the annual report.

3.7.5 The evaluation result of the Board will be used for further consideration of the suitability of the Board composition.

### **Principle 3.8**

The Board supervises that the Board and each director has knowledge and understanding of roles and responsibilities, nature of business and laws related to business operation as well as encouraging all directors to enhance skill and knowledge for performing their duties regularly.

### **Guidelines**

3.8.1 The company arranges for orientation for the new directors every time to listen to a briefing by Chief Executive Officer and executive pertaining to objectives, main goals, vision, mission, corporate values as well as nature of business and guidelines for the company's business operation including related laws and regulations and other information relating to the company business operation for the sake of new directors' duties performing.

3.8.2 The Board ensures providing training and necessary knowledge development to directors continuously.

3.8.3 The Board ensures that directors understand laws, rules, standards, risks and environment related to business operation including being updated of information regularly.

3.8.4 The Board discloses information regarding continuous training and knowledge development of the Board in the annual report.

### **Principle 3.9**

The Board ensures that the operations of the Board are completed, be able to access the necessary information and there is a corporate secretary with knowledge and experience suitable to supporting the operations of the Board.

### **Guidelines**

3.9.1 The Board schedules the Board of Directors meetings in advance through out a year for facilitating directors to be able to arrange time to attend the meeting and notify all directors of such schedule. The Chairman of the Board and Chief Executive Officer who acts as the Secretary to the Board of Directors jointly define scope, importance level and matters to be defined as the agenda by specifying important issues in the agenda for consideration and prioritize the urgent agenda in order by sending invitation letter and meeting documents to the Board of Directors in advance not less than 5 working days prior to a meeting date unless urgent requirement.

Besides, other than the company's Articles of Association re: Quorum and the Board of Directors' meeting, at the time the Board will vote in the Board of Directors meeting, also requires directors at least 2 out of 3 of total number of directors.

3.9.2 The company schedules the Board of Directors meeting at least once a month. In the event there is no monthly meeting, the management must report the operational result to the Board in the month that the meeting is not held in order for the board to be able to monitor and supervise the operation of the management continuously in a timely manner.

3.9.3 The Board ensures providing some mechanism for each director including the management being free to propose any matters that are beneficial to the company as the agenda.

3.9.4 The Board encourages Chief Executive Officer to invite the executive to attend the Board of Directors meeting to provide additional details of information related to the problem directly where taking the opportunity to know the management for consideration and succession plan.

3.9.5 The Board can access additional necessary information from Chief Executive Officer, Corporate Secretary or other executive assigned within the scope of specified policy and if necessary, the Board may seek independent opinions from the external consultant or professionals at the company's expense.

3.9.6 The company requires a meeting of non-executive directors at least once a year to discuss various issues regarding management without participation of the management and notifying Chief Executive Officer of the meeting results.

3.9.7 The Board determines qualifications and experience of the Corporate Secretary suitable to perform duties of providing legal advice and regulations the Board must know, ensures preparing the Board meeting documents, important documents and activities of the Board as well as coordinating the implementation of the Board's resolutions. In addition, the Board must disclose the qualifications and experience of the Corporate Secretary in the annual report and the company's website as well.

3.9.8 The Corporate Secretary must be continuously trained and developed knowledge that will be useful for the performance and in the event that there is a certified program, the Corporate Secretary must also attend such training course.

#### **Principle 4 Ensure Effective CEO and People Management**

##### **Principle 4.1**

The Board ensures recruitment and development of Chief Executive Officer and the executive having knowledge, skills, experience and characteristics necessary to driving the organization to its goals.

##### **Guidelines**

4.1.1 The Board assigns Nomination and Remuneration Committee to consider the criteria and procedures for recruiting qualified person suitable to the position of Chief Executive Officer.

4.1.2 The Board monitors Chief Executive Officer to ensure there are suitable executive. At least the Board or Nomination and Remuneration Committee should join Chief Executive Officer to consider the criteria and procedures for recruitment and appointment of person, approve for the person proposed by Chief Executive Officer to be the Top Executive.

4.1.3 The Board oversee the succession plan in order to prepare the succession of Chief Executive Officer and the executive and requires Chief Executive Officer to report the performance of the succession plan to the Board for acknowledgement at least once a year.

4.1.4 The Board encourages and support training and development for Chief Executive Officer and the executive to enhance knowledge and experience that are beneficial to the operation.

4.1.5 Chief Executive Officer, Top executive and the executive will take the position of director of other listed companies totaling not more than 2 listed companies. In order for the Chief Executive Officer to take the position as a director more than 2 listed companies, the Chief Executive Officer must inform to the Board in advance.

## **Principle 4.2**

The Board supervises setting up the compensation structure and performance evaluation of Chief Executive Officer and the executive appropriately.

### **Guidelines**

4.2.1 The Board determines the compensation structure as an incentive for Chief Executive Officer, the executive and every personnel level to perform duties in accordance with the objectives and main goals of the organization and in consistent with the long-term interest of the business including:

(1) Considering the appropriateness of the proportion of remuneration which is salary, short-term performance such as bonus and long-term performance such as Employee Stock Ownership Plan.

(2) Establishing compensation policies taking many factors into account such as compensation levels greater than or equal to the industry level by estimating business operation results.

(3) Establishing policies regarding the criteria for evaluation and communication to be acknowledged.

4.2.2 The Board excluding the executive directors take a role regarding compensation and performance evaluation of Chief Executive Officer at least the following matters:

(1) Approval of the criteria for evaluation of Chief Executive Officer performance where such criteria should motivate Chief Executive Officer to manage the business in accordance with the objectives, main goals, strategies and in line with long - term business interest by communicating to Chief Executive Officer in advance of the evaluation criteria.

(2) Evaluating Chief Executive Officer performance annually or assign Nomination and Remuneration Committee to assess where the Chairman of the Board will communicate the evaluation result including issues for development to Chief Executive Officer for acknowledgement.

(3) Approval of annual compensation for Chief Executive Officer and also review the performance evaluation result of Chief Executive Officer and other factors.

4.2.3 The Board approves for the criteria and factors for performance evaluation as well as approve for the compensation structure of the management and following up Chief Executive Officer to evaluate the management in accordance with such evaluation.

4.2.4 The Board supervises establishing criteria and factor for evaluating performance of the entire organization.

### **Principle 4.3**

The Board must understand the structure and relationship of the shareholders that may affect the management and business operation.

#### **Guidelines**

4.3.1 The Board must understand the structure and relationship of the shareholders which may be in the form of internal family business agreement whether written or not, shareholders agreement or the policies of the parent company group which affect the authority to control the company's management.

4.3.2 The Board shall ensure that agreements specified in clause 4.3.1 are not hindered to the Board's performance such as having suitable person to inherit the position.

4.3.3 The Board shall ensure providing disclosure of informations according to various agreements that affects the business control.

### **Principle 4.4**

The Board shall monitor and manage the personnel development to have the appropriate knowledge, skill, experience and motivation.

#### **Guidelines**

4.4.1 The Board shall ensure that Human Resource management is consistent with the direction and strategy of the organization, employees at all levels are knowledgeable, appropriate ability and motivation and being treated fairly in order to maintain the talented personnel of the organization.

4.4.2 The Board shall oversee establishment of provident fund or other mechanism to ensure that employees have sufficient saving to support retirement including encouraging employees to have knowledge and understanding in financial management, selecting investment policies in consistent with the age range, risks level or supervising provide life path investment policies.

## **Principle 5 Nurture Innovation and Responsible Business**

### **Principle 5.1**

The Board shall pay attention and support nurture innovation that create business value while simultaneously creating benefits for customers or related parties including responsible to society and environment.

#### **Guidelines**

5.1.1 The Board shall place importance to creating an organization culture to nurture innovation and supervise the management to be part of the strategy take this matter as a part of strategy review, development planning for improvement of operations and performance tracking.

5.1.2 The Board shall encourage creating innovation to add value of business in accordance with the changing environmental conditions which may include business model, thinking method, design perspective and development of products and services, research, improvement of production process and work process including cooperation with the partners.

### **Principle 5.2**

The Board shall monitor the management to conduct business with social and environment responsibility which is reflected in the operational plan ensuring that all departments of the company have implemented in accordance with the objectives, key goals and strategic plan of the company.

### **Guidelines**

5.2.1 The Board is responsible for providing a mechanism to ensure that the company operates ethically, having social and environmental responsibility and not violating the right of the interested persons in order to be a guidelines for all parts of the organization to achieve sustainability objectives and key goals which create policies and guidelines where at least should include the following matters:

(1) Responsibility to staffs and employees by complying with relevant laws and standards where treating the staffs and employees fairly and respecting human rights such as set up compensation and other benefits fairly, providing welfare not less than law required or more appropriately, health care and work safety, training for knowledge, potential development and progressive encouragement including giving employees the opportunity to improve skills in other areas.

(2) Responsibility to customers by complying with relevant laws and standards and take into consideration of health, safety, fairness, customers data retention, after sales service throughout shelf life of products and services, monitoring of customers satisfaction to develop products and service including public relations advertising and sales promotion (Sale Conduct) must be done responsibly not cause misunderstanding or taking advantage of customers misunderstanding.

(3) Responsibility to business partners by providing procurement process and contract terms or fair contracts, knowledge to develop potential and upgrading capability of production and standard service, explain and ensure that business partners respect human rights and treat their workers fairly where responsible for social and environment including monitoring and evaluating business partners for sustainable business development.

(4) Responsibility to the community by utilizing business knowledge and experience to develop projects that can be benefit to the community in concrete, furthermore, monitoring and measuring progress and long-term success are required.

(5) Environment responsibility by preventing , reducing, managing and ensuring that the company will not create or cause negative impacts on the environment which covers the use of raw materials, power consumption (For production, transportation or in the office) water use, renewable resource usage, taking care and restoration of biodiversity affected by conducting business, releasing and managing waste occurred from business operation.

(6) Fair competition by conducting business openly, transparently and without creating an unfair competitive advantage.

(7) Anti-corruption by complying with relevant laws and standards and requiring the company to provide and announce of anti-corruption policy to public which may join as a network associates to anti corruption including supporting other companies and partners to have and announce of anti-corruption policy and also join as a network associate.

### **Principle 5.3**

The Board monitor the management to allocate and manage resource efficiency and effectively by considering the impact and development of resource through out the chain (Value Chain) in order to achieve the objectives and key goals sustainably.

#### **Guidelines**

5.3.1 The Board is aware of the necessity of the required resource including recognizing that the use of each resource type will affects each other.

5.3.2 The Board realizes that different business models have different impacts on resources, therefore, to making a decision of selecting business model should consider the effects and worthiness of resources while still being on the basis of ethics, responsibilities and creating sustainable value for the business.

5.3.3 The Board ensures that to achieving business objectives and key goals, the management will review developing and supervising resources efficiency and effectively by always considering change of internal and external factors.

#### **Description**

*There are at least 6 types of resources that the enterprise considers such as financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.*

### **Principle 5.4**

The Board provides a framework for the supervision and management of information technology at the enterprise level which is in line with the needs of business including supervising the use of information technology to increase business opportunities and develop operations, risk management so that the business can achieve its objectives and key goals.

### **Guidelines**

5.4.1 The Board established policies regarding allocation and management of information technology resources which cover allocation of resources sufficient for business operations and setting guidelines for supporting in the event that cannot allocate sufficient resources as required.

5.4.2 The Board ensures that the organization's risk management covers the management and risk management of information technology as well.

5.4.3 The Board establishes policies and measures for securing information technology.

## **Principle 6 Strengthen Effective Risk Management and Internal Control**

### **Principle 6.1**

The Board ensures that the company has risk management and internal control system to achieve the objectives efficiently and in compliance with relevant laws and standards where the company assigns Risk Management Committee to monitor risk management by defining roles and responsibilities in the Risk Management Charter.

### **Guidelines**

6.1.1 The Board must understand the significant risks of the company and approve acceptable risks.

6.1.2 The Board will consider and approve for risk management policy that is in consistent with the company's objectives, key goals, strategies and acceptable risks as the framework for everyone in the company to performing duties with risk management process to be in the same direction. In addition, the Board must pay attention to early warning sign and supervise review of risk management policy regularly such as once a year.

6.1.3 The Board must ensure that the company has identified the risks by considering both external and internal factors that may result the company not being able to achieve the objectives.

6.1.4 The Board must ensure that the company has evaluated the impacts and opportunities of the identified risks to prioritize the risks and take appropriate risk management method.

6.1.5 The Board may assign Risk Management Committee or Audit Committee to scrutinize clause 6.11-6.14 prior to proposing to the Board for consideration as appropriate for the business.

6.1.6 The Board must regularly monitor and evaluate the effectiveness of risk management of risk management.



6.1.7 The Board is responsible for the company to operate business in accordance with relevant laws and standards both locally and internationally.

6.1.8 In the event that the company has subsidiary or other business the company invests significantly (for example shareholding proportion with voting right as from 20% but not more than 50%). The Board should apply the result of assessment of internal control and risk management as a part of the the consideration of clause 6.1.1-6.1.7

### **Principle 6.2**

The Board must establish Audit Committee who can perform duties efficiently and independently.

### **Guidelines**

6.2.1 The company has Audit Committee consists of at least 3 independent directors having qualifications and duties according to the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

6.2.2 The Board defines the duties of Audit Committee in the charter which specify the composition and qualifications, tenure, authority and responsibilities, Details of which stated in Appendix 1 which at least the following duties:

(1) Review to ensure that the company has accurate and complete financial report (Accuracy and Completeness).

(2) Review to ensure that the company has appropriate and effective internal control system and internal audit system.

(3) Review to ensure that the company has comply with relevant laws and standards.

(4) Consider the independence of internal control department as well as approving for the appointment, transfer and dismissal of the Head of internal audit or any other department responsible for internal audit.

(5) Considering and selecting the independent person to act as auditor and considering the remuneration of such person including meeting with the auditor without the management at least once a year.

(6) Considering connected transactions or transactions that may cause conflicts of interest to ensure in compliance with relevant laws, reasonable and is in the best interest of the business where the company has policies regarding conflicts of interest.

(7) Review the accuracy of the referenced documents and form of self-assessment pertaining to anti-corruption measures of business according to the Thai Private Sector Collective Action Against Corruption (CAC).

6.2.3 Audit Committee can access the information that necessary to perform the assigned duties such as calling the relevant persons to provide information, discussion with the auditor or seeking independent opinions from any other professional advisors for Audit Committee's consideration.

6.2.4 The company has internal audit department that is independent to perform duties responsible for developing and reviewing the efficiency of risk management and internal control system as well as reporting to Audit Committee and disclosing the review report in the annual report where the company provides internal control policy as per details stated in Appendix 10.

6.2.5 Audit Committee must provide comment on the sufficiency of the system of risk management and internal control and disclose in the annual report.

### **Principle 6.3**

The Board must monitor and manage potential conflicts of interest between the company and management, Board of Directors or shareholders including prevention of act in bad faith use of the company's asset, information and opportunities and conducting transactions with persons who are connected with the company in an inappropriate manner.

#### **Guidelines**

6.3.1 The Board must supervise providing data security system which includes establishing policies and procedures for maintaining confidentiality (Confidentiality), integrity and data availability (Availability) including management of information that may affect market price information (Market sensitive information). Besides, the Board must ensure that director, executive and employees including related third parties such as legal advisor, financial advisor has complied with data security system in which the company has policy regarding the business information of the group companies. (Appendix 18)

6.3.2 The Board shall ensure having management and monitoring of transactions that may cause conflicts of interest as well as providing guidelines and procedures for such transaction to be in line with the procedures and disclosure of information as required by law and for the benefit of the company and shareholders as a whole whereas the interested party should not be involved in the decision making.

6.3.3 In the Board of Directors meeting should any director has an interest or conflicts of interest in the considered agenda, such director is not allowed to attend the meeting and abstain from voting on the consideration of such agenda.

### **Principle 6.4**

The Board shall supervise establishment of a clear anti - corruption policy and guidelines and communicate with all levels of the company including third parties for actual implementation

where the company has a policy against corruption within the organization which details as per Appendix 8.

#### **Guidelines**

6.4.1 The Board must provide a project or process for anti corruption including supporting activities that promote and instill all employees to comply with relevant laws and regulations.

#### **Principle 6.5**

The Board must supervise the company to have a mechanism for receiving a complaint and taking action in case of clues.

#### **Guidelines**

6.5.1 The company provides a channel to report clues or complaint concerning illegal action or unethical, inaccurate financial report, violation of rights, corruption or deficient internal control system and mechanisms to protect the whistleblowers to jointly monitor the company's interest more efficiently by making a complaint through the following channels:

1. Company website : [www.eastwater.com](http://www.eastwater.com)
2. Web Portal
3. Electronic mail : Chairman: [Chairman@eastwater.com](mailto:Chairman@eastwater.com)  
: Audit Committee: [AC\\_EW@eastwater.com](mailto:AC_EW@eastwater.com)  
: Chief Executive Officer: [CEO@eastwater.com](mailto:CEO@eastwater.com)  
: Corporate Secretary: [Whistleblowing@eastwater.com](mailto:Whistleblowing@eastwater.com)
4. Normal letter : Chairman or Audit Committee or Chief Executive Officer  
Eastern Water Resources Development and Management  
Public Company Limited  
Eastwater Building 25<sup>th</sup> Floor, No. 1 Soi Vibhavadi Rangsit 5,  
VibhavadiRangsit Road, Chomphon Subdistrict,  
Chatuchak District, Bangkok 10900

The company has disclosed the channel of receiving complaints on the website or the company's annual report.

6.5.2 The company has set up the process for receiving clues or complaints such as checking operational information and reporting to the Board in the Business Ethics Code of Conduct of the East Water Group.

6.5.3 The company has a policy to protect employees and related parties regarding whistleblowing and filing a complaint in the Business Ethics Code of Conduct of the East Water Group.

## **Principle 7 Ensure Disclosure and Financial Integrity**

### **Principle 7.1**

The Board is responsible for ensuring the systems of financial reporting and disclosure of important information are accurate, sufficient, timely in accordance with the relevant rules, standards and guidelines.

#### **Guidelines**

7.1.1 The Board shall ensure that the personnel involved in the preparation and disclosure of information must have knowledge, skill and experience appropriate to their responsibilities and suffice where such personnel include the top executives of accounting and finance, accountant, internal audit, corporate secretary and investor relations.

7.1.2 With regard to approval for disclosure of information, the Board shall consider the related factors. In case of financial report at least the following factors should be considered as well:

- (1) Assessment result of the adequacy of internal control system.
- (2) Auditor's opinion in financial report and observation of the auditor regarding internal control system including auditor's observation through communication in other channels (if any).
- (3) Audit Committee's opinion
- (4) Consistency of the company's objectives, key goals, strategies and policies.

7.1.3 The Board shall ensure that disclosure of information which includes financial statements, annual report (Form 56-1 One Report) are suffice to reflect financial status and business performance as well as supporting the company to provide management discussion and analysis or MD&A for the quarterly financial statement disclosure.

7.1.4 In the event that disclosure of any particular information being involved with any particular director, such director should ensure that his/her part of disclosure is complete and accurate such as shareholder information of his/her group, disclosure in connection with shareholders' agreement of their own group.

### **Principle 7.2**

The Board shall monitor the adequacy of the company's liquidity and ability to pay off the company's debts.

#### **Guidelines**

7.2.1 The Board shall supervise the management to monitor and assess financial status of the business and regularly report to the Board. Moreover, the Board and the management should cooperate work together to find a solution quickly if signs of financial liquidity and debt repayment capability begin.

7.2.2 Regarding approval for any transaction or proposing an opinion to the shareholders meeting for approval, such transaction must not affect the continuity of the business operation pertaining to financial liquidity or debt repayment capability.

### **Principle 7.3**

In the circumstance the company faces financial problem or is likely to encounter, the company must have a plan for solving problems or other mechanism that can solve financial problem whereas the right of the interested parties should also be considered.

### **Guidelines**

7.3.1 In the event that the company tends to be unable to pay debts or have financial problems, the Board must closely monitor and supervise the company to conduct business with caution and comply with disclosure of information requirement.

7.3.2 The Board shall ensure that the company has a plan for solving financial problem by taking into account the fairness to the interested parties which includes creditors as well as following up solutions by requiring the management to regularly report status.

7.3.3 The Board shall ensure that any consideration and decision making in solving the company's financial problem regardless any methods must be reasonable.

### **Principle 7.4**

The Board requires preparation of sustainability report.

### **Guidelines**

7.4.1 The Board should consider the appropriateness of disclosure of information regarding compliance with laws, Code of Conduct, anti-corruption policy, and stakeholder engagement policy including fair treatment and respecting human rights including social and environmental responsibilities by considering reporting framework that is acceptable in the country or international level. Such information may be disclosed in the annual report or may create a separate book as appropriate for the business.

7.4.2 The Board should ensure that the disclosed information is important and reflect the practices that will lead to sustainable value creation for the business.

### **Principle 7.5**

The company has Financial Analysis and Investment Relations Department who communicate with the shareholders and other interested parties such as investor, analyst appropriately, equitably and timely.

### **Guidelines**

7.5.1 The company has communication policy and disclosure policy to ensure that communication and disclosure of information to third parties has been done equally, appropriately

and timely using the right channel, protect confidential information and data that affects stock price including communication to all in organization on the same page in complying with such policies which detail is specified in Business Ethics Code of Conduct of the East Water group companies.

7.5.2 The Board requires Chief Executive Officer or Senior Executive Vice President, Finance & Accounting or Financial Director and Financial Analysis and Investment Relations Manager to be the responsible person for providing information to third parties.

7.5.3 The Board should ensure that the management set up direction and support investor relation such as providing guidelines for releasing information, information management policy that affects stock price as well as clearly define duties and responsibilities of the investor relation for effective communication and disclosure.

#### **Principle 7.6**

The Board encourages the use of information technology for dissemination of information.

#### **Guidelines**

7.6.1 The company disseminates information in accordance with the specified criteria and through the channels of the Stock Exchange of Thailand and distribute via [www.eastwater.com](http://www.eastwater.com) and [www.uu.co.th](http://www.uu.co.th) in both Thai and English in which management presents the most current information including providing information to the Investor Relations Department of the company. The information disclosed on the company's website consists of :

- (1) Corporate vision and values
- (2) Nature of the company's business
- (3) List of the Board of Directors and executive
- (4) Financial statements and reports on both current and previous financial status and operational result
- (5) Annual Report (Form 56-1 One Report) that can be downloaded
- (6) Information or other documents presented by the company to the analyst, fund manager or various media
- (7) Direct and indirect shareholding structure
- (8) The group companies structure including subsidiary, associates, joint venture and special purpose enterprises/vehicles (SPEs/SPVs)
- (9) Direct and indirect major shareholders group holding 5% of total sold shares and having voting right
- (10) Direct and indirect shareholding of director, major shareholder and top executives

(11) Notice of the Annual General Meeting and Extraordinary General Meeting of Shareholders

(12) Articles of Association and Memorandum

(13) Corporate Governance policy, anti-corruption policy, compliance policy pertaining to managing information technology, risk management policy including method for managing various risks

(14) Charter of the company sub-committees

(15) Code of Conduct and Supplier Code of Conduct

(16) Contact information of departments or complaint or the person responsible for investor relations, corporate secretary such as name of person who can provide information, phone number, e-mail.

## **Principle 8 Ensure Engagement and Communication with Shareholders**

### **Principle 8.1**

The Board must ensure that the shareholders are involved in making decision in the company's important matters.

#### **Guidelines**

8.1.1 The Board must ensure that any significant matters either the issue required by law and the issue which may impact on the company operational direction have been reviewed and/or approved by the shareholders in which such significant matters shall be specified in the agenda of the shareholders meeting.

8.1.2 The Board must support shareholders participation such as:

(1) Set up criteria for minority shareholders to propose additional meeting agendas prior to the shareholders meeting date where the Board should consider adding the matters proposed by the shareholders to the meeting agenda. In case the Board refuses to propose the matter to the shareholder propose as an agenda, the Board must notify the reason the the shareholders meeting for acknowledgement.

(2) Criteria for minority shareholders to nominate person to be director.

In this regard, the Board must ensure that the aforementioned rules have been disclosed to shareholders in advance.

8.1.3 The Board must ensure that the notice of the shareholders meeting consist of accurate, complete and sufficient information for the shareholders to exercise their rights.

8.1.4 The Board must ensure that the notice convening the shareholders meeting together with relevant documents has been sent and published via the company website at least 28 days prior to the meeting date.

8.1.5 The Board must give opportunity for the shareholders to submit questions in advance prior to the meeting date by specifying criteria for sending questions in advance and publish such criteria via the company website as well.

8.1.6 Notice of the shareholders' meeting and related documents must be prepared and published in both Thai and English versions.

Notice of the shareholders' meeting must consist of:

(1) Date, time and venue of the shareholders' meeting.

(2) Meeting agendas has to be stated that the agenda for acknowledgement or approval including clearly divided into various matters such as the agenda pertaining to the directors, election of directors and approval for the directors' remuneration have been separated in each agenda.

(3) The objectives, reasons and the directors' comments on each proposed meeting agendas shall include:

A. Agenda for approval of dividend payment – dividend payment policy, dividend rate proposed with reason and supporting information. In case proposing not to pay dividend, reason and supporting information should also be provided.

B. Agenda for appointment of directors- specify name, age, educational background and work experience, number of listed companies and private companies holding position of directors, recruitment criteria and method, type of proposed directors and in case of nominating the former director to be reappointed requires specifying the information of meeting attendance of the previous year and the date of being appointed as a director of the company.

C. Agenda for approval of remuneration of directors - policy and criteria for determining remuneration for each position and all forms of remuneration of directors both monetary and other benefits.

D. Agenda for appointment of the auditor – name of auditor, under which company, working experience, independence of the auditor, audit fees and other service fee.

(4) Power of attorney in accordance with Form required by Ministry of Commerce.

(5) Other meeting information such as voting procedures, counting and notification of vote, the right of each type of share for voting, independent director's information the company proposes as a proxy of the shareholder, required documents the shareholder must present prior to the meeting, supporting documents of the proxy and map of the meeting venue etc.



## **Principle 8.2**

The Board must ensure that the operation on the shareholders meeting day has been carried out completely, transparently, effectively to facilitate the shareholders to exercise their rights.

### **Guidelines**

8.2.1 The Board should set the date, time and venue of the meeting by considering the convenience of shareholders meeting such as appropriate and sufficient meeting time for discussion, meeting place that convenient for travelling etc.

8.2.2 The Board must ensure that no actions limit the opportunity to attend the meeting or create too much burden to the shareholders such as should not require the shareholder or proxy to bring more documents or identified evidence than specified in the guidelines of the relevant regulatory agencies.

8.2.3 The Board should encourage use of technology in the shareholders' meeting including shareholder registration, counting and displaying the results to enable the meeting to be carried out fastly and accurately.

8.2.4 The Chairman of Board of Directors is the Chairman of the shareholders' meeting responsible for ensuring the meeting is in compliance with relevant laws and rules including the company's Articles of Association, allocate appropriate time for each agenda specified in the Notice of the meeting and give opportunity to the shareholders to express opinion and ask question at the meeting regarding matters related to the company.

8.2.5 To enable the shareholders to make important decisions where director as the attendee and as shareholder should not support adding unnecessary agenda that not being notified in advance especially the important agenda the shareholder need to spend time to study information prior to making decision.

8.2.6 All directors and relevant managements should attend the meeting so that the shareholders can ask questions on various related issues.

8.2.7 Prior to the beginning of meeting the shareholders should be informed of number and proportion of shareholders attending the meeting in person and the proxy, meeting method, voting right and vote counting.

8.2.8 In case of many agenda items, the Chairman of the meeting should arrange the voting separately for each item such as the shareholder exercising the right to appoint individual director in the agenda of the appointment of directors.

8.2.9 The Board should encourage the use of ballots in important agenda items and the independent person to count or check the votes in the meeting and reveal the voting results that

agree or disagree and abstain in each agenda for the meeting to acknowledge and record in the Minutes of meeting.

### **Principle 8.3**

The company discloses resolution of the shareholders meeting and the Minutes of shareholders meeting has been done accurately and completely.

### **Guidelines**

8.3.1 The company discloses resolution of the shareholders meeting with voting result within the next working day through the news system of the Stock Exchange of Thailand and via the company website.

8.3.2 The company sends a copy of the Minutes of shareholders meeting to the Stock Exchange of Thailand with 14 days as from the date of the meeting.

8.3.3 The Minutes of shareholders meeting recorded at least the following information:

(1) List of directors and the executive attending the meeting and proportion of directors attending and not attending the meeting.

(2) Voting and counting method, meeting resolution and voting result (approval, disapproval, abstention) of each agenda.

(3) Questions and answers at the meeting including the name- surname of the questioner and respondent.