



## Corporate Governance Policy

### Chememan Public Company Limited

The Company realizes the importance of overseeing that the Company's business conduct is in line with its objectives, main goals, strategies, policies, plans and specified budget, with appropriate performance monitoring, evaluation and reporting. This is performed through ethical business practices, respecting the rights and being responsible to the shareholders and stakeholders, with consideration to social benefits, environmental impacts and being adaptable to changing circumstances. To ensure competitiveness and good long-term business performance of the Company, the Board of Directors has laid down the corporate governance policy with following eight principles as guidelines for its employees to follow:

#### **Principle 1 : Establish Clear Leadership Role and Responsibilities of the Board in Creating Sustainable Value to the Organization**

The role and responsibilities of the Board are clearly stated in the Charter of the Board of Directors. Major responsibilities of the Board are to set objectives, main business goals, financial policies, risk management and operational strategies, including as well to allocate resources necessary for the Company's personnel to achieve the laid down objectives. The Board shall monitor, evaluate and ensure the appropriate reporting of the Company's performance.

The Board shall oversee that the Company conducts business ethically, respects the rights and being responsible to the shareholders and all stakeholders; contributes to social benefit and concerns the environment; is adaptable to changing circumstances, while maintaining its competitiveness for long-term benefits of the shareholders.

The Board also determines the role and responsibilities of the Chief Executive Officer, and shall oversee that all directors and management are responsible, careful and honest in performing their duties; and that the Company's operations are in accordance with applicable laws, regulations and resolutions of the shareholders' meeting.



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

The main goal of the Company set by the Board is to be a leading lime producer. To achieve such goal, the Board determines Company's vision, corporate values, strategies, objectives and annual plans for the employees to perform their duties to drive the Company towards the goal within set timeframe.

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

The Board is comprised of knowledgeable, capable and experienced directors who are reputable and capable to perform duties for the best interest of the Company. The Board plays an important role in setting the Company's policies. According to the Company's Articles of Association, the Board shall consist of not less than 5 but not more than 12 directors who are executive directors, non-executive directors and independent directors to ensure a proper balance of power. Details of the Board's composition, qualifications, term of office, roles and responsibilities are set out in the Charter of the Board of Directors.

The Company has appointed a company secretary to perform duties related to the Board of Directors' meetings, shareholders' meetings and to support duties of the Board as well as to ensure compliance to the Board's resolutions.

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

The Board has laid down the policy on nomination of directors and executives, and the succession plan as the guidelines for selecting qualified and experienced candidates to join the Company for its best interest. Details of which are stated in the policy on nomination of directors and executives, and the succession plan.

The Board shall ensure that remuneration and performance evaluation are appropriate and commensurate with the roles and responsibilities of the Board. The executives shall receive compensation in form of salaries and annual bonuses based on performance of the Company and the individual's abilities.



For continual improvement and development, the Board encourages seminars and trainings on corporate governance to concerned personnel such as directors, members of Audit Committee, executives and company secretary. Such seminars and trainings may be in-house or outsourced.

In case of changes in directors or new directors joining, the management shall provide information and documentation useful for the new directors to perform duties. Orientation to introduce business overview, scopes and characteristics shall also be provided to the new directors.

The Board shall also arrange for job rotation according to the aptitude of the person, with main considerations to the appropriateness of the type and time of work. The Chief Executive Officer shall determine the time schedule and evaluate the work performance for personnel development and succession plan, in order to develop knowledge and skills of the management and employees and enable job rotation.

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

The Board places a great deal of emphasis on innovations for sustainable development. Innovation is nurtured from the use of modern technology in production process with consideration to sustainable usage of natural resources, investment in research laboratory to develop and inspect the product qualifications to meet different requirements of the customers from various industries and the constant production process improvement to increase efficiency.

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

The Board has appointed an Audit Committee to support the Board's role in overseeing that the Company has effective governing system. The Audit Committee is to provide honest opinions on the financial statements and internal control system, and to allow discussions with the management and auditors on the mitigation of possible risks, as well as to ensure that the financial statements are credible, of good quality and with value added to the organization. The Audit Committee shall consist of at least three independent directors with qualifications as required by the Capital Market Supervisory Board and the Stock Exchange of Thailand, with at least one member possessing the knowledge or experience in accounting and finance, as well as understanding on the factors affecting the change in financial



standing. Details of composition, qualifications, term of office and roles and responsibilities of the Audit Committee are stated in the Charter of the Audit Committee.

The Board has set policies as guidelines for appropriate risk management and internal control as follows:

1. Business Code of Conduct
2. Risk Management Policy
3. Insider Trading Policy
4. Policy on Avoidance of Conflict of Interest
5. Policy on Connected Transactions
6. Anti-Corruption Policy
7. Policy on Investment and Governing the Operations of Subsidiaries and Joint Ventures
8. Dividend Payment Policy of The Company and Subsidiaries

In case any stakeholder has any observations on the Company's business operation, the person can ask for details, submit a complaint or sources of illegal acts, mistakes in financial reports, deficiencies of internal control system or unethical conducts of the Company, through the Company's independent directors or the members of Audit Committee. The information on the complaint and sources shall be kept confidential. The independent director or the member of Audit Committee shall order an examination on the information and look for remedies (if any) and report such to the Board of Directors.

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

1. The Board recognizes the importance of both financial and non-financial information disclosure which must be done in a correct, complete, adequate, transparent and timely manner, including as well other information that will or may affect the price of Company's share. All such information affect the decisions of the investors and the Company's stakeholders. The Company shall disclose the information in compliance with the regulations of the Office of the Securities Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand.
2. The Company has assigned Investor Relations officer to communicate with investors or shareholders. Analyst meetings shall be organized regularly to discuss on the Company's operational results. The Company's general and financial information shall be disseminated to



shareholders, analysts, credit rating agencies and related government authorities, via various channels such as reports to the Office of Securities Exchange Commission, the Stock Exchange of Thailand and the Company's website. The Company also emphasizes on regular disclosure of information to the shareholders via Company's website, where the information are up to date. Such information include vision, mission, financial statements, news, annual report, Company's structure and executives, shareholding structure, major shareholders, shareholders meetings invitation, corporate documents and charters.

3. The Company emphasizes on the importance of financial statements and financial information presented in the annual report. The Audit Committee shall review the quality of the financial reports and the internal control system, as well as the adequate disclosure of significant information in the notes to the financial statements, and shall report the observations to the Board of Directors. The Report on the Board of Directors' Responsibilities on the Financial Statements shall be presented together with the Auditor's Report in the Company's annual report.
4. The Company shall disclose information of each director, roles and responsibilities of the Board of Directors and sub-committee, number of meetings and attendance in the previous year, opinion on the duty performed, professional trainings activities, remuneration policies, types and details of the remunerations to the directors and executives of the Company, in the annual report and the annual registration statement.
5. The Company shall disclose audit fees and other service fees paid to the auditor.
6. The Company shall arrange to have the report on corporate governance policy, business code of conduct, risk management policy and corporate social responsibilities policy, with results of such policies implementation accompanied by the reasons for non-compliance cases, which shall be reported through various channels such as annual report and website.

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

1. The Company shall submit the invitations to the shareholders' meetings, together with agenda attachments, to the shareholders at least 7 days prior to the meeting or any required period as prescribed by the relevant laws and regulations. Each agenda item shall include the Board's opinion and adequate supporting information to ensure the shareholders' sufficiency of time and information



for studying all details prior to the meeting. The Company shall also disclose such information via the Company's website prior to the meeting.

2. The Company provides opportunities for the shareholders to propose comments, suggestions or questions in advance before the shareholders' meeting, under the criteria disclosed by the Company on the website.
3. For convenience of the shareholders, the shareholders' meeting shall be held at an easy to access location with map of the meeting venue attached to the invitation letter. Date and time of the meeting shall also be appropriately selected with allocation of sufficient meeting time slot.
4. In the event that any shareholders unable to attend the meeting in person, proxy assignment to the independent directors or any other persons are allowed using the proxy form enclosed in the meeting's invitation.
5. In the shareholders' meeting, all shareholders are entitled, with equal rights, to freely express opinions, suggestions or raise questions on the related agenda before voting upon. The directors and concerned executives of the Company shall attend the shareholders' meeting to answer such questions.
6. The Company encourages voting by ballot on every agenda for transparency and verification of the voting results.
7. The Company shall arrange to have an independent person to witness the counting of votes on each agenda.
8. After the meeting, the Company shall disclose the voting results of each agenda item to the shareholders via SET Portal system of the Stock Exchange of Thailand and on the Company's website.
9. The Company shall completely and accurately, in all material respect, record the minutes of meeting and shall include significant questions, comments and suggestions for shareholders' inspection.

This policy is effective as of July 21, 2017.

- Signature -

(M.L. Chandchutha Chandratat)

Chairman of the Board