

## Corporate Governance Policy

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Prima Marine Public Company Limited

2021 Revised Edition

## Corporate Governance Policy

Prima Marine Public Company Limited (the “Company”) realizes the importance of the good corporate governance, for it is striving to be a successfully leading company that can create long term value to its shareholders and stakeholders. In order to achieve the goal, the Company operates adhering to the good corporate governance by improving its staffs in all levels’ conscious of his/her duties, as well as comply it with moral and ethical behavior. The Company believes that the good corporate governance and code of conduct are regarded as the key maximum success factor in the business operation that results in the trust from society and reflection of good reputation of the Company and its subsidiaries.

The Company therefore documents Corporate Governance Policy in accordance with the guideline prescribed by the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), to be used as an operational guideline for the Board of Directors, executives, and staffs to adhere and perform with integrity, ethics, and compliance with related laws and regulations, as well as to achieve the effective performance and show all investors the transparency, resulting in the outsider’s confidence towards the Company’s business operations. The Company’s Corporate Governance Policy covers 5 main sections as follows:

### **Section 1 The Rights of Shareholders**

The Company recognizes and values the fundamental rights of shareholders, both as a securities investor and as a company owner, especially the fundamental rights of shareholders, including the right to buy, sell, or transfer shares of the Company, the right to acquire profits of the Company, the right to receive adequate information, the right to attend shareholder meetings, the right to express his/her opinions, the right to make a necessary decision i.e., dividend payment, appointment or removal of directors, appointment of auditors, approval of important transactions impacting the Company’s business operations, amendment of articles of association and memorandum of association etc.

The following are the Company's guidelines for promoting and facilitating shareholders' rights:

(1) The Company delivered the invitation letter with information related to meeting agenda to all shareholders at least 7 days in advance or any other period as prescribed by relevant laws or regulations. Each agenda contains the Board of Directors' opinions as well as sufficient information for the meeting to provide shareholders time to study the information prior to the meeting date. In addition, the invitation letter will be published on the Company's website prior to the meeting date.

(2) Any shareholders who are unable to attend the meeting in person may authorize independent directors proposed by the Company to act as their attorney in attending the meeting and voting on their behalf by completing one of the proxy forms provided by the Company and included with the meeting invitation letter.

(3) The Company selects an appropriate date for the shareholders' meeting and holds it in a convenient location. A map of the meeting location will be included in the invitation letter for shareholders. Furthermore, the Company ensures that enough time is set out for the meeting.

(4) Prior to the meeting date, the Company's shareholders are provided the chance to submit comments, recommendations, or inquiries in accordance with the criteria established by the Company and published on the Company's website. Prior to voting, the Company provides an opportunity for shareholders to express their opinions, make suggestions, or ask questions in each agenda. The Company's directors and executives attended the shareholders' meeting in order to respond to shareholders' questions.

(5) For transparency and accountability, the Company promotes the use of ballots for voting in all agenda.

(6) After the finish of shareholders' meeting, the Company shall prepare complete and accurate minutes of the shareholders' meeting, which will include all questions, comments, and proposals for shareholders to review.

## Section 2 The Equitable Treatment of Shareholders

The Company has stipulated that all shareholders are equally treated, whether they be major shareholders or minor shareholders, shareholders who are executives or non-executive shareholders, holding Thai nationality or being foreigner as follows:

(1) In every shareholder's meeting, the Company shall ensure that all shareholders have an equal opportunity. Before starting the shareholders' meeting, the Chairman of the meeting explained all shareholders about rules and regulations applied in the meeting, voting procedures and vote counting as well as voting rights. The Company ensure that all shareholders and proxies attending the meeting have equal chance to express their opinions, suggestions, and inquiries about each agenda item in timely and suitable manner. In the shareholders' meeting, the Chairman of the meeting will conduct the meeting according to the specified agenda and executives are not allowed to propose any additional agenda that is not notified to shareholders in advance without necessity, especially the important agenda that shareholders require time to study information before making a decision.

(2) The Company will support separate vote for each director in the election of directors' agenda.

(3) The Company requires all directors and executives to report the interests of their own selves and their relative persons by submitting the form specified by the Company. To prevent any conflicts of interest, the Company has required that directors notify their interests in any meeting agenda at least prior to considering the relevant agenda in the Board of Directors' meeting and record such interests in the minutes. The director is not permitted to take part in the consideration and approval of such a matter.

(4) The Company has established guidelines for maintaining and preventing the use of the Company's inside information by prohibiting individuals or agencies that know the inside information to disclose such information to other unrelated agencies or individuals. Any person discloses such information or uses that information for his/her own or others'

benefit or makes any transaction that may cause the conflict of interests will be considered a serious offense and will be disciplinary punished. All the Company's directors and executives are required by law to report their securities holdings to the company secretary on a regular basis and disclose them in the Form 56-1 One Report.

(5) In the connected transactions between the Company and its subsidiaries, and connected persons, the Company will comply with the Law on Securities and Exchange, notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand, Connected Transactions Between the Company & Its Subsidiaries policy, as well as adhering to all applicable laws, notifications, rules, and regulations.

### **Section 3 The Role of Interested Persons**

The Company places importance on the rights of all stakeholders, whether they are internal stakeholders such as the Company's shareholders and employees, or external stakeholders, i.e., business partners, customers, etc., the Company realizes that the supports and comments from all stakeholders will be beneficial to the Company's operation and business development. Therefore, the Company will comply with relevant laws and regulations to ensure that the rights of those stakeholders are well treated. In addition, for the business operation, the Company also considers the rights of all stakeholders as follows:

**Shareholders**                      The Company will operate its business with transparency and efficiency by aiming to create good performance and stable growth to maximize benefits for shareholders in long term, to disclose information with transparency and reliability to shareholders, to present business turnover, financial status, accounting, and other reports on a regular basis with completeness and fact.

**Employees**                         The Company will equally, fairly treat all employees, and provide them the appropriate compensation in accordance with the Company's short-term and long-term performance. In addition, the Company also sees importance of regularly developing employees' skills, knowledge,

capability, and potentials by providing opportunities in training, seminars and coaching to all employees, and tries to motivate employees who have high knowledge and ability to stay with the Company for further organizational development. As part of the Company's personnel management and development, anti-corruption measures have been implemented, as well as training for all workers on how to comply with applicable laws and regulations. Furthermore, the Company is responsible for the safety, occupational health, and working environment of its workers and their property.

**Business Partners**

The Company has a process to select business partners by allowing them to compete based on equal information and select business partners with justice under the criteria for evaluating and selecting the Company's business partners. In addition, the Company has prepared a suitable and fair contract form for all parties and provided a tracking system to ensure that the conditions of the contract are fully fulfilled, as well as the fraud and misconduct are prevented in every step of the procurement process. The Company purchases products from business partners in accordance with commercial conditions and strictly complies with the contract by not requesting/ receiving/ paying any dishonest benefits in trading with business partners.

**Customers**

The Company is responsible for customers by maintaining the quality and standards of its product and service as well as completely and comprehensively responding to customers' needs as most as possible in order to focus on long-term customer satisfactions. Additionally, the Company also considers the health and hygiene of customers in consuming the Company's products, providing accurate and complete information about products to customers, and providing channels for customers to report problems of improper products or services to

the Company so that the Company will quickly prevent and solve problems related to its products and services.

**Creditors**

The Company will strictly comply with various conditions in accordance with the agreement with the creditors, including the repayment of principal, interest, and maintenance of various collaterals under related agreements.

**Competitors**

The Company maintains its good competition boundary with ethics and within the legal framework as well as supports and promotes the free and fair competition policies.

**Community, Society  
and Environment**

The Company conducts its business operations with a responsibility to the community, society, and environment. It provides its employees with environmental education and training, as well as adhering to all applicable rules and regulations. In addition, the Company tries to participate in various activities that create and maintain good environment and society.

**Human Rights**

The Company respects and promotes the protection of human rights by treating its stakeholders fairly and in accordance with humanity values, concerning on equality and equal freedom, non-violation of fundamental freedoms, and non-discrimination whether in the matters of race, nationality, religion, language, skin color, sex, age, education, physical condition, or social state. The Company also supervises its business not to be involved with the violation of human rights, for instance, a use of child labor, sexual harassment, etc.

**Intellectual Property  
Rights**

The Company respects the intellectual property rights of others by complying with laws and regulations relating to intellectual property rights as well as encouraging and training the Company's employees at all levels to improve awareness and understanding of intellectual property rights and laws.

**Anti-corruption**

The Company is against all form of corruptions by adhering and complying with Anti-corruption laws that is relevant in Thailand. The directors, executives, and employees in all levels must strictly comply with the Anti-Corruption Policy and law without both direct and indirect involvement in corruption. The Company will not support the business, group of the persons or person that are involved in the undue exploitation either directly or indirectly from the exercise of the wrongful authority. In addition, the Company applies the assessment and risk management to corruption, internal control system and internal audit to prevent corruption effectively and efficiently, as well as consecutively monitoring on Anti-corruption policy compliance assessment.

All stakeholders can ask for detail, complain, notify clues of illegal activity, error in financial report, internal control, or code of conduct through the channel provided in the Whistleblowing policy. The Company shall investigate the detail and clues with independence and fairness to obtain proofs that can support or oppose the notified information. The culprit shall be put under disciplinary punishment and/or legal proceeding according to the Whistleblowing Policy. The notified complaints and clues shall be kept as confidential information and forbid the disclosure to any persons, except the necessity of operation, or compliance with relevant laws. In addition, the Company shall protect the whistleblower or the person who notified the clues, as well as the person who cooperates or assists in the case with good intention.

**Section 4 Disclosure and Transparency**

(1) The Company requires the directors and executives report the Company to acknowledge his/ her own interests and relative persons.

(2) The Company gives the important to the disclosure of accurate, complete, adequate, and transparent information in a timely manner for financial information, general information and other information affecting or possibly affecting the Company's securities price, resulting in the decision process of the Company's investors and stakeholders. The

Company will disclose such information in accordance with the criteria prescribed by the Office of Securities and Exchange Commission, the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

(3) The Company appoints Investor Relations staffs to communicate with investors or shareholders. The Company will regularly hold the meetings to analyze the performance and will publicize the Company's financial information, and general information to shareholders, securities analysts, credit rating agencies and relevant government agencies to acknowledge them via many channels, which is the reporting to the Securities and Exchange Commission and the Stock Exchange of Thailand and the Company's website. The Company also discloses information in both Thai and English version via the Company's website and regularly update information for shareholders. The information is including vision and mission, financial statements, press release, annual report, organizational Structure and executives, shareholding structure and list of major shareholders, invitation letter to the General Meeting of Shareholders, registration documents and charters.

(4) The Company sees importance of the Company's financial statements and financial information reported in the Form 56-1 One Report, the Audit Committee will review the quality of financial reports and internal control system as well as the adequate disclosure of important information in the notes to the financial statements, and then report to the Board of Directors. The Audit Committee will provide a report on the responsibility of the Board of Directors for the financial report presented in conjunction with the auditor's report in the Form 56-1 One Report. In addition, the Board of Directors also encourages the preparation of the Management Discussion and Analysis as reference for the disclosure of financial statements in every quarter.

(5) The Company has continuously disclosed the information related to each directors, roles and duties of the Board of Directors and the Sub-committees, number of meetings and attendance in previous year and comments from performing duties, training and professional knowledge development in the Form 56-1 One Report, as well as

compensation payment policy, form, and details of compensation for directors and top executives of the Company and its subsidiaries (if any).

(6) The Company discloses the audit fee and other service fees for auditor.

(7) The Company gives importance to seriously and consistently keeping the customer's confidential information without using such information for the benefit of itself and those involved unless it is the information that is required to be disclosed to the third parties under related laws. In the event that a third party participates in a special work involving the information that has not been disclosed to the public and is in the process of negotiation of that work, this is considered as the confidentiality of inside information that may affect the movement of the Company's securities price, that third party is required to enter into the Confidentiality Agreement with the Company until the information is disclosed to the Stock Exchange of Thailand and the Securities and Exchange Commission.

(8) The Company has provided a report on corporate governance policy, code of conduct, risk management policy and corporate social responsibility policy that has been concluded in summary and the performance of such policies, as well as the cases that failed to comply with such policies along with reasons, and reported through many channels such as the Form 56-1 One Report and the Company's website etc.

## **Section 5 Responsibilities of the Board of Directors**

### **1. Structure of the Board of Directors and Subcommittees**

1.1 The Board of Directors require that directors shall have knowledge, ability, and profitable experience. The Directors are the key persons who shall defy business overview and policies, as well as supervising, monitoring, and evaluating operations to be in accordance with business plan. The number of directors shall be appropriate and competent to supervising the Company's business, which consists of no less than 5 persons as specifies by law, and no more than 12 persons. The proportion of directors

shall be consisted of Executive Director and Non-executive Directors to display and balance their authority properly.

1.2 To balance the authorities of their consideration and voting appropriately, at least one-third of the Board of Directors shall be independent directors, and in any cases, the number shall not be fewer than three.

1.3 The Board of Directors appoints subcommittees to assist in supervising the Company as follow:

- (1) Board of Executive consists of at least three members to assist the Board of Directors in managing the Company's business to be in line with the Company's policies, plan, principles, and regulations, as well as the specific objective under the guideline that is assigned by the Board of Directors.
- (2) Audit Committee consists of three members to assist the Board of Directors in supervising and examining business operation, internal control, and compliance to the related laws, as well as conducting of financial report to operate the business and disclose company's information in transparent and trustworthy manner.
- (3) Nomination, Remuneration, Corporate Governance, and Sustainable Development Committee consists of at least three members to nominate qualified persons to be directors and executives. The committee also considers the form and payment criteria of remuneration for directors and executives, as well as improving corporate governance and sustainability development of the Company.
- (4) Risk Management Committee consist of three members to assist the Board of Directors to conduct risk management policy that cover the whole company, as well as to obtain a system or process of risk management to decrease effects on the company properly.

1.4 The Company assigns the Corporate Secretary to operate Directors' meeting, and Annual General Meeting, as well as supporting Directors' operation by giving advice

regarding principles, laws and regulations that related to the directors' operation, including monitoring the operation on the Board Resolutions.

## 2. Role and Responsibility of the Board of Directors

The Board of Directors is responsible to the shareholders for business operation and determination of policy, vision, mission, strategy, and significant business plan for business operation, as well as regulation of the management to be in line with vision, mission, policy, direction, strategy, and plan for long-term benefit of stakeholders in accordance with law and code of conduct framework. In addition, the directors consider the benefit of all stakeholders, and have vision, mission, policy, direction, and strategy regularly reviewed every year. The Board of Director's role and responsibility detail is according to the Board of Directors' Charter.

### 2.1 Corporate Governance Policy

The Company conducts the Corporate Governance Policy in writing to have it approved in the Board of Directors' meeting, as well as conducts a Code of Conduct Handbook to be a framework for directors, executives, and all staffs to comply. The Company shall have the policy reviewed yearly.

### 2.2 Business Code of Conduct

The Company establishes Code of Conduct Policy in order to operate with transparency, integrity, and be responsible to all stakeholders as well as to society and environment. The Company put regulation for practice in writing for the Board of Directors, executives, and staffs to adhere to as follow.

- (a) Moral Responsibility to Shareholders
- (b) Ethical Customer Relationships
- (c) Ethical Relationship to Suppliers, Competitors, and Creditors
- (d) Moral Responsibility to Employees
- (e) Moral Responsibility to Society and Environment

### 2.3 Conflict of Interest

The Company establishes a policy to carefully prevent the conflict of interests with integrity, rationality, and liberty under ethical framework for the utmost benefit of the Company. The policy specifies that the person who related to the issue on investigation shall disclose his/ her situation related to the issue to the Company, avoid attending the examination, as well as has no approval authority regarding the issue.

The Company establishes a Related Parties Transaction and Conflict of Interest Policy to be in line with law and regulations of the Securities and Exchange Commission under the Securities and Exchange Commission Board, and the Capital Market Supervisory Board, as well as the Stock Exchange of Thailand. In addition, the issue will be disclosed in Form 56-1 One Report.

### 2.4 Internal Control

The Company provides an internal control system to efficiently conduct internal control on management level and operation level. The Company establishes the Internal Audit Department which is an independent department that responsible for evaluating the sufficiency of internal control system and reporting directly to the Audit Committee as planned.

### 2.5 Risk Management

The Company provides the Risk Management Committee to assist the Board of Directors to define the Risk Management Policy that cover the whole organization, as well as provides risk management system or process to properly reduce the impacts on the Company.

### 2.6 Committee's Report

The Audit Committee audit financial report together with Accounting Department and Auditor and report the financial report to the Board of Directors quarterly. The Board of

Directors is responsible for consolidated financial statements of the Company and its subsidiaries as well as the financial information published in the Form 56-1 One Report.

### **3. Scope of Duties, Authorities and Responsibilities of the Chairman**

3.1 The Board Chairman or person designated by the Board Chairman has a duty to call for a meeting of Board of Directors and to encourage all directors to attend the meeting.

3.2 Determining the meeting agenda with the Chief Executive Officer.

3.3 Acting as the Chairman of the Board of Directors' Meeting to conduct the meeting in compliance with the meeting agenda, Articles of Association, and laws, also control the meeting to run effective with sufficient time for the presentation of information, give the directors an opportunity to inquire and express opinions freely, and controlling the discussions and summation of the meeting's resolutions.

3.4 Acting as the Chairman of the Shareholders' Meeting to conduct the meeting in compliance with the meeting agenda, Articles of Association, and laws, as well as controlling the meeting to run effective with sufficient time, give the shareholders an opportunity to inquire and express opinions equally, and respond to all questions raised by shareholders.

3.5 Promoting the Company's Corporate Governance Policy among directors, executives, and staffs.

3.6 Communicating all essential information to directors.

3.7 Supervising and following up the directors to perform their duty in the scope of authorities and responsibilities to meet the Company's objectives and targets as well as compliance with the laws and the Company's Corporate Governance Policy.

3.8 Promoting good relationship between executive directors and non-executive directors including the directors and management team.

#### **4. Separating the Board of Directors' and Management's duties and responsibilities**

The Board of Directors is responsible for developing significant policies, visions, missions, directions, strategies and plans for the Company's business operations, as well as supervising the executives in implementing such policies, visions, missions, directions, strategies and plans into action. This includes having to consider, comment and vote on critical issues so that the Board of Directors, led by the Chairman, to be able to make decisions independently, set policies and effectively monitor management's operations. Furthermore, the Company has separated the duties and responsibilities of the Chairman of the Board and Chief Executive and the director in both positions must not be the same person.

#### **5. Directors' Terms**

5.1 The term of the Company's directors is accordance with the Company's Articles of Association. In every Annual General Meeting of Shareholders, one-third of the directors shall vacate office. If the number of directors cannot be divided exactly into three parts, directors in a number closest to one-third who stay in the position for the longest shall vacate office. The director who vacates office may be re-elected.

5.2 The independent directors will have the office term for not more than 9 years in consecutive manner.

#### **6. The Meeting of the Board of Directors**

6.1 Throughout the year, the Board of Directors sets a meeting schedule in advance and informs each director to allocate time for the meeting.

6.2 The Board of Directors shall convene not less than 6 meetings per year. A special meeting may be conduct if it is deemed necessary. The agenda for the meeting is clearly set out in advance. It includes an agenda to follow up on operating results on a regular basis. The meeting invitation letter and supporting documents must be delivered to all directors at least 7 days prior to the meeting date so that the directors have adequate time to study the information before attending the meeting unless in case of urgency. The minutes of the meeting are created and recorded for reference and examine. Every

meeting, the executive and relevant parties attended the meeting to provide information and details in order to make correct and fast decisions.

6.3 For the best practice, the Board of Directors should have a quorum at least two-thirds of the total number of directors present while making a decision.

6.4 A decision of the Board of Directors meeting shall be by a majority of votes. In casting votes, each director shall have one vote, provided that any director who has any interest in a particular matter may not vote on such matter. In the case of an equality of votes, the person presiding over the meeting shall have an additional vote as a casting vote.

## **7. Holding a directorship in other companies**

7.1 The director shall not hold the office in more than four companies of other listed companies in the Stock Exchange of Thailand. However, the holding of the office in such companies shall not obstruct the duty performance of the Company's director, and not have any conflict of interest.

7.2 In case where the Chief Executive Officer or top executives of the Company will hold the office in other companies outside the Group of the Company, the prior approval of the Board of Directors must be given.

7.3 The Company's director and executive can hold the director or executive office of the companies in the Group.

## **8. Remuneration**

The directors' remuneration must be consistent with each member's responsibilities and performance, as well as at an adequate level when compared to the remuneration of other companies listed on the Stock Exchange of Thailand in the same industry. The amount of executive's remuneration and the directors' annual evaluated bonus shall not be excessive when compared to an adequate level of the directors and executives' remuneration of other companies in the same industry and must be concentrated on the utmost benefit for the Company and shareholders.

## 9. The Performance Assessment

9.1 The company determines that the Board of Directors must assess himself/ herself as entire committee and as individual once a year in order to use the assessment result to improve the director's performance. The criteria topics of the assessment shall be defined in advance of the assessment. The opinion in the assessment shall be collected and presented in the meeting of the Board of Directors, as well as disclose the assessment's rules, measurement, and overall results in the Form 56-1 One Report.

9.2 The company determines that all the subcommittees must assess himself/ herself as entire committee and as individual once a year. The assessment result shall be reported to the Board of Directors.

## 10. Directors and Executives Development

10.1 The Board of Directors has a policy to promote and facilitate the training and education for those involved in the Company's corporate governance system, such as directors, audit committee, executives, and company secretary, etc., in order to continuously improve the operation. The training and education are possible to be organized within the Company or use the services of external institutions.

10.2 In the event that any directors are changed, or new directors are appointed, the management will provide documents and information that are useful to new directors' performance and introduce the name of the Company's business and business operation to new directors.

10.3 The Board of Directors will conduct the rotation of assigned work based on the aptitude of executives and employees by considering the appropriateness of work and time. The Chief Executive Officer will set the period and consider the said performance to be the Company's development and succession plan, and to develop executives and employees to have more working knowledge and skills so that they can replace each other.

This Policy is effective from 23<sup>rd</sup> December 2021 onwards.

-Signature-

(Mr. Bowon Vongsinudom)

Chairman of the Board

Prima Marine Public Company Limited