

## Part 2

### Management and Corporate Governance

#### 7. Securities and Shareholder information.

##### 7.1 Register capital securities and paid-up capital securities

- The Company's registered capital is 381,145,725 Baht, paid up of 381,145,725 Baht, divided into 381,145,725 common shares and each with par value of 1 Baht.
- The company has no other securities such as preference share, warrant, debenture share chiefly.

##### 7.2 Shareholders

- Names of main shareholders at 31 December 2019 are as follows:

Major Shareholder		31 December 2018		31 December 2019	
		No. of Share	%	No. of Share	%
1	Northern Agricultural Company Limited	162,458,988	42.62	162,458,988	42.62
	Mr. Prayoon Pholpipattanaphong	306,517	0.08	306,517	0.08
	Mr. Ekapong Pholpipattanaphong	769,090	0.20	769,090	0.20
	Mr. Ankoon Pholpipattanaphong	3,702,600	0.97	3,702,600	0.97
	Mr. Nirand Pholpipattanaphong	2,876,000	0.75	2,876,000	0.75
	Mrs. Jarurat Pholpipattanaphong	181,500	0.05	181,500	0.05
	Ms. Phantira Pholpipattanaphong	181,500	0.05	181,500	0.05
	Ms. Atipa Pholpipattanaphong	181,500	0.05	181,500	0.05
	Total	170,657,695	0.05	170,657,695	0.05
			44.77		44.77
2	Mr. Lan Mu Chiou and spouse	24,030,830	6.30	24,030,830	6.30
3	Nomura Securities Co., Ltd.	19,057,313	5.00	19,057,313	5.00
4	Mr. Watchara Chanchaoenkij	8,810,000	2.31	9,500,000	2.49
5	Mr. Prapas Pholpipattanaphong	9,102,800	2.39	9,102,800	2.39
6	Miss Chang, Min-Fang	8,837,730	2.32	8,837,730	2.32
7	Mr. Lan, Ming-Shih	7,037,625	1.85	6,302,625	1.65
8	Mr. Lan, Ming-Te	7,209,514	1.89	5,889,139	1.55
9	Mr. Liu, Chi-Rong	5,717,250	1.50	5,717,250	1.50
10	Thai NVDR	3,902,551	1.02	3,915,023	1.03
	Total	264,363,308	69.35	263,010,405	69.01

Items	At 31 December 2018			At 31 December 2019		
	No. of holders	Shares	%	No. of holders	Shares	%
Thai nationality	3,015	293,580,540	77.03	2,657	293,579,940	77.03
Foreign nationality	34	87,565,185	22.97	35	87,565,785	22.97
Total shareholders	3,049	381,145,725	100.00	2,692	381,145,725	100.00
- Taiwanese	13	59,998,569	15.74	13	59,998,569	15.74
- Japanese	10	22,758,595	5.97	10	22,758,595	5.97
- Hong Kong	2	4,381,740	1.15	2	4,381,740	1.15
- USA	2	161,476	0.04	3	162,076	0.04
- Others	7	264,805	0.07	7	264,805	0.07

- The company has no agreement between main shareholders that will impact toward issuance and selling propose of securities or work execution of the company.

Strategic Shareholder	At 12 March 2018			At 13 March 2019		
	No. of holders	Shares	%	No. of holders	Shares	%
Directors and Executive including related person and who have relationship	22	222,595,058	58.40	23	224,133,358	58.81
Shareholder more than 5% with counting include related person	1	19,057,313	5.00	1	19,057,313	5.00
Minority shareholders (Free Float)	2,764	139,490,709	36.60	2,794	137,952,610	36.19
Holing lower 1 unit of buying-selling	205	2,645	-	196	2,444	-
Total	2,992	381,145,725	100.00	3,014	381,145,725	100.00

Strategic Shareholder	At 12 March 2018			At 13 March 2019		
	No. of holders	Shares	%	No. of holders	Shares	%
Hold excess 0.5% of share	27	294,097,988	77.16	28	289,062,579	75.84
Hold not excess 0.5% of share but not lower 1 unit of buying-selling	2,760	87,045,092	22.84	2,790	92,080,702	24.16
Hold share lower 1 unit of buying-selling	205	2,645	-	196	2,444	-
Total	2,992	381,145,725	100.00	3,014	381,145,725	100.00

Names of Institution Shareholders of the company

Name		At 12 March 2018		At 13 March 2019	
		Shares	%	Shares	%
1	Nomura Securities Co., Ltd.	19,057,313	5.00	19,057,313	5.00
2	BNP Paribas Securities	47,800	0.01	47,800	0.01
3	Commerz Bank Aktiengesellschaft	29,040	0.01	29,040	0.01
4	The Securities Srimite PCL	330	-	330	-
5	The Securities Seamico PCL	-	-	-	-
Total		19,134,483	5.02	19,134,483	5.02

Rights and equality of shareholders

Board of Company has fully realized an important of shareholders by intending the shareholders to be treated equally on the process of good corporate governance. The Company then opens a chance for the shareholders to participate by presenting the subject that think it important to put in the agenda of Ordinary Shareholder Meeting and presenting person name of knowledgeable, competent and appropriate qualified for receiving consideration of electing as company independent director and enable to send the question concerning agenda of meeting to the Board of Director in advanced before meeting day and the company is still aware of the right of shareholders in receiving the company information with correct, sufficient, in time and equal to make decision in Shareholder Meeting. Therefore, in every Shareholder Meeting, the company will send a letter of convening meeting with document information for meeting that contains full details and sufficient inclusive Board of Company comments in every agenda toward securities registrar of the company in order to reach in hand of the shareholders before meeting 21 days as fixed by law and the shareholders are still able to study an information for meeting in advanced through website of the company at least 30 days before Shareholder Meeting day to open a chance to

the shareholders having time to study such information in details. Besides, the company has still given facilities to the shareholders in participating the Shareholders Meeting by fixing day, time and venue to reach convenient and having appropriate size for serving meeting attendant sufficiently and in case the shareholders are unable to attend the meeting by themselves then able to delegate other persons or Independent Director of either of their company to attend and cast a vote by proxy.

#### Shareholders Meeting Facilitation

On the meeting day, the Company has put important to shareholders equitably including individual investors and institutional investors, and determine to fully support the shareholders to attend the meeting both Annual General Meeting and Extraordinary General Meeting. The Company shall hold the meeting venue where the transportation is convenience and easy to access with public transportation, also arrange sufficient parking space for those who use personal transportation. The meeting date shall not be arranged on public holidays. The meeting time shall be arranged during 8.00 – 16.00 hrs. The Company shall also arrange staff and necessary equipment to support the registration with barcode system, the availability of duty stamp for proxies. The registration shall be allowed minimum 2 Hours prior the meeting start and during the meeting as well to ensure the voting right on every agenda that's not yet resolved in the meeting

#### Shareholders' Meetings

Board of Company managed to have Shareholder Meeting and it is Annual Ordinary Meeting within 4 months from the date of cycle year of account and extraordinary shareholder meeting in case of asking special resolution from shareholders. The Company pays an important to every shareholder both institution shareholders and small shareholders, the company then invites and supports institution shareholders and small shareholders to join the meeting in order to inquire suspicion express one's thought and give various advise that will be useful toward conductive business in which the company is ready to give facilities to every shareholders equally and uses the rights to vote transparently, justice by providing to have the meeting set in agenda order that formulated in an invitation letter. For electing agenda of directors, the company has separated the matter to allow the shareholders use the rights to vote for electing directors individually along with arrange to have an representative of the shareholders in counting the vote for correction and make disclosure of the shareholder meeting resolution with voting result at time 09.00 a.m. of the next working day from the date of shareholder meeting and arrange completely of meeting report and diffuse meeting report toward the Securities and Stock Exchange of Thailand and report through the company website within 14 days from the date of shareholder meeting.

#### Basis and method of casting a vote in electing director are as follows:

1. One shareholder has a vote equal to one share/one vote.
2. Each shareholder must use all existing vote as 1 to elect one person or many persons as director but can't share the vote to anyone more or less.
3. A person which receives maximum vote respectively shall be elected as director equal to number of available director as it must be and must elect in that time. In case a person which is elected respectively by having equal vote exceed number of director that must have or must elect in that time, let the Chairman vote for arbitrating.

### 7.3 Other securities issuance

The company issues the securities as ordinary share only, not issues other securities such as preference share or warrant or debenture share chiefly.

### 7.4 Dividend payment policy

Normally, the company has a policy to pay dividend not less than 60% of net profit except in case there is a plan to expand investment, then will consider to paid dividend as financial appropriate.

#### Record of Dividend

Operation result of year	Rate (Baht/share)	Amount of shares (Shares)	Date of closing register book for the right of dividend	Dividend payment dates
2015	0.20	381,145,725	Mar. 14-15,2016	May 12, 2016
2016	0.35	381,145,725	Mar. 13-14,2017	May 12, 2017
2017	0.14	381,145,725	Aug. 25-28,2017	Sep. 8, 2017
	0.20		Mar. 12,2018	May 14, 2018
2018	0.10	381,145,725	Oct. 24,2018	Nov. 8,2018
	0.11		Mar. 13,2019	May. 9,2019
2019	0.06*	381,145,725	Mar 18, 2020*	May 14, 2020*

Items	Unit	2016	2017	2018	2019
Net profit Consolidated	Million Baht	196.38	160.41	97.48	34.76
Amount of shares	Million Share	381.14	381.14	381.14	381.14
Par value	Baht/share	1.00	1.00	1.00	1.00
Profit per shares	Baht/share	0.52	0.42	0.26	0.09
Book value	Baht/share	3.85	3.79	3.74	3.69
Annual dividend	Million Baht	133.40	129.59	80.04	22.87*
Annual dividend	Baht/share	0.35	0.34	0.21	0.06*

Items	Unit	2016	2017	2018	2019
Pay out ratio	%	67.93	80.79	82.11	65.78*

**Remark:** \*Ratio of dividend payment and dividend pay out date from an operation result of the year 2019 are still uncertain. It depends on the resolution of Ordinary Shareholder Meeting for annual 2020 which will be meeting on 29 April 2020.

## 8. Management structure

### 8.1 The Board of Company

#### The Board of Directors

Names	Position	Type of director
1. Mr. Prayoon Pholpipattanaphong	Chairman of Board of Director and Authorized Director	Executive director
2. Mr. Prapas Pholpipattanaphong	Chairman of Executive Committee and Authorized Director	Executive director
3. Mr. Ankoon Pholpipattanaphong	Managing Director and Authorized Director	Executive director
4. Mr. Lan, Mu -Chiou	Director	Non-executive director
5. Mr. Amnuay Yossuck	Director	Independent director
6. Mr. Ampon Ruayfupant	Director	Independent director
7. Dr. Phusit Wonglorsaichon	Director	Independent director
8. Miss Chutima Tangmatitham	Director	Independent director
By having Mr. Tewin Rungratanapitak as Secretary to the Board of Company		

#### Authorized Directors

“Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Ankoon Pholpipattanaphong, Managing Director or Mr. Prapas Pholpipattanaphong to give signature with company seal”

#### Audit Committee

Names	Position	Type of director
1. Mr. Amnuay Yossuck	Chairman	Independent director

2. Mr. Ampon Ruayfupant	Director	Independent director
3. Miss Chutima Tangmatitham	Director	Independent director
Mr. Ampon Ruayfupant - Master of Business-Finance, Cornell University, USA., has good knowledge and experience in the field of financials and accounting. By having Mr. Weerawat Sakulmeerit, Vice Internal Audit Manager as Secretary to the Board of Audit Committee		

Board of Executive Directors

Names	Position	Type of director
1. Mr. Prapas Pholpipattanaphong	Chairman	Executive director
2. Mr. Prayoon Pholpipattanaphong	Executive Director	Executive director
3. Mr. Ankoon Pholpipattanaphong	Managing Director & Secretary	Executive director

Nomination and Remuneration Committee

Names	Position	Type of director
1. Mr. Amnuay Yossuck	Chairman	Independent director
2. Mr. Ampon Ruayfupant	Director	Independent director
3. Miss Chutima Tangmatitham	Director	Independent director
4. Mr. Prapas Pholpipattanaphong	Director	Executive director
5. Mr. Ankoon Pholpipattanaphong	Director	Executive director
By Mr. Wanchandr Sivaboonyawongs, Legal Advisor and Secretary		

Corporate Governance Committee

Names	Position	Type of director
1. Dr. Phusit Wonglorsaichon	Chairman	Independent director
2. Mr. Ankoon Pholpipattanaphong	Director	Executive director
3. Mr. Ampon Ruayfupant	Director	Independent director
4. Mr. Tewin Rungratanapitak	Director	Financial Controller
5. Mr. Sakda Phimmuang	Director & Secretary	Accounting Manager
6. Mr. Vanchandr Sivaboonyawongse	Consultant	Legal advisor

### Risk Management Committee

Names	Position	Type of director
1. Mr.Prapas Pholpipattanaphong	Chairman	Executive director
2. Mr.Ankoon Pholpipattanaphong	Director	Executive director
3. Dr. Phusit Wonglorsaichon	Director	Independent director
4. Mr. Tewin Rungratanapitak	Director	Financial Controller
5. Mr.Sakda Phimmuang	Director & Secretary	Accounting manager

### Biography of the Directors

#### 1. Mr. Prayoon Pholpipattanaphong

Type of director	Executive director (Chairman of Board of Director, Authorized Director)
Age	86 years
Education	Accounting profession
Other qualifications	Honorary Doctor, Agricultural, Maejoe University
Director training program/year	DAP-15/2004
Experience	Chairman of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present Chairman of Agrifood Processing Co., Ltd., from Jun. 6, 2003-Dec 21,2015
Positions in other listed companies	None
Positions in non-listed companies	Sino Thai Freeze and Dry Co., Ltd., from May 2017-present
Positions in rival companies / related companies	None
Meeting attendance in 2019	Board of Company Meeting 6 / 6 times Board of Executive Director Meeting 7 / 7 times



Date and no. of years on the board	November 3, 1988, 32 years
CM Shareholding on 31 Dec. 2019	306,517 shares or 0.08%

## 2. Mr. Prapas Pholpipattanaphong

Type of director	Executive director (Chairman of Executive Committee, Chairman of Risk Management Committee, Authorized Director)
Age	71 years
Education	High school certificate
Director training program/year	DAP-8/2004
Experience	Managing Director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-Dec 31, 2015  Chairman of Executive Committee of of Chiangmai Frozen Foods PCL., from Jan 1, 2016-present  Authorized Director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present
Positions in other listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd., from Jun. 6, 2003-December 21, 2015
Positions in rival companies / related companies	None
Meeting attendance in 2019	Board of Company Meeting 6 / 6 times Executive Director Meeting 7 / 7 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Risk Management Meeting 3 / 3 times
Date and no. of years on the board	November 3, 1988, 32 years

CM Shareholding on 31 Dec. 2019	Private 9,102,800 shares or 2.39% Spouse - shares or - % Total 9,102,800 shares or 2.39%
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### 3. Mr. Ankoon Pholpipattanaphong

Type of director	Executive director (Managing Director, Authorized Director)
Age	50 years
Education	Master of Business Administration-Colorado University, USA Bachelor of Communication, Bangkok University
Director training program/year	DAP-12/2004, UFS-10/2005
Experience	Executive director & Marketing Manager of Chiangmai Frozen Foods PCL., from Apr. 27, 2000-present Assis.Managing Director of Chiangmai Frozen Foods PCL., from Feb. 1, 2007-Dec. 31, 2015. Managing Director of Chiangmai Frozen Foods PCL., from Jan. 1, 2016-present Company's Secretary of Chiangmai Frozen Foods PCL., from Feb. 28, 2008-Dec. 31, 2015. Authorized director of Agrifood Processing Co., Ltd., from Jun. 6, 2003-Dec 21, 2015
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2019	Board of Company Meeting 6 / 6 times Board of Executive Director Meeting 7 / 7 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Corporate Governance Meeting 3 / 3 times Board of Risk Management Meeting 3 / 3 times
Date and no. of years on the board	April 27, 2000, 20 years
CM Shareholding on 31 Dec. 2019	Private 3,702,600 shares or 0.96% Spouse 181,500 shares or 0.05% Child 363,000 shares or 0.10% Total 4,247,100 shares or 1.11%

4. Mr. Lan Mu Chiou

Type of director	Non-executive director
Age	72 years
Education	High school certificate
Director training program/year	None
Experience	Director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2019	Board of Company Meeting 4 / 6 times Board of Non-Executive Director Meeting 1 / 1 time
Date and no. of years on the board	November 3, 1988, 32 years
CM Shareholding on 31 Dec. 2019	Private 18,886,724 shares or 4.96% Spouse 5,144,106 shares or 1.35% Total 24,030,830 shares or 6.30%

5. Mr. Amnuay Yossuck

Type of director	Independent director (Chairman of Audit Committee, Chairman of Nomination & Remuneration Committee)
Age	83 years
Education	Master of Economic (Agriculture), Arisona University, USA. Bachelor of Economics, Thammasat University
Other qualification	Honorary Doctor, Cooperative Agricultural, Maejoe University
Director training program/year	DAP-15/2004
Experience	Deputy Minister, Ministry of Public Health(1981-1983) Deputy Minister, Ministry of Finance (1983-1985) Deputy Minister, Ministry of Commerce (1985-1986) Prime Minister Adviser (1988-1990) Deputy Minister, Ministry of Foreign Affairs (1985-1986) Independent Director-Chiangmai Frozen Foods PCL., from Mar. 12, 1993-present
Positions in listed companies	None
Positions in non-listed companies	Chairman of Piriapol International (1986-present) President of Mae Joe University Council (1999-present)
Positions in rival companies / related companies	None
Meeting attendance in 2019	Board of Company Meeting 6 / 6 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Non-Executive Director Meeting 1 / 1 time
Date and no. of years on the board	March 12,1993, 27 years
CM Shareholding on 31 Dec. 2019	667,920 shares or 0.18%

6. Mr. Ampon Ruayfupant

Type of director	Independent director (Audit Committee)
Age	51 years

Education	Master of Business-Finance, Cornell University, USA. Bachelor of Business Administration, Assumption University
Director training program/year	None
Experience	Risk Management Manager of GE Capital(1994-1996) Independent Director-Chiangmai Frozen Foods PCL., from Apr. 26, 2006-present Director-Amarin Printing PCL., from 2013-2017)
Positions in listed companies	Director-Amarin Printing PCL., from 2013-2017)
Positions in non-listed companies	Executive director of Pilot Knit Sport Wear Co., Ltd. (2000-present)
Positions in rival companies / related companies	None
Meeting attendance in 2019	Board of Company Meeting 6 / 6 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Corporate Governance Meeting 3 / 3 times Board of Non-Executive Director Meeting 1 / 1 time
Date and no. of years on the board	April 26, 2006, 14 years
CM Shareholding on 31 Dec. 2019	71,874 shares or 0.02%

7. Dr. Phusit Wonglorsaichon

Type of director	Independent director (Chairman of Corporate Governance Committee)
Age	49 years
Education	Ph.D. - Business Administration Nova South Eastern University, USA. Ph.D. - Education Chulalongkorn University, USA.

	Master of Business Administration (Honor) Indianapolis University. Master of Accounting, Thammasat University. Bachelor - Material Science, Ceramics Chulalongkorn University
Director training program/year	None
Experience	Thai Chamber of Commerce.-started Sep. 28, 2012-present Independent Director-Chiangmai Frozen Foods PCL., from Apr. 30, 2010-present
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2019	Board of Company Meeting 6 / 6 times Board of Corporate Governance 3 / 3 times Board of Risk Management Meeting 3 / 3 times Board of Non-Executive Director Meeting 1 / 1 time
Date and no. of years on the board	April 30, 2010, 10 years
CM Shareholding on 31 Dec. 2019	None

8. Miss Chutima Tangmatitham

Type of director	Independent director (Audit Committee)
Age	51 years
Education	Bachelor degree: B. Eng (Industrial), Chulalongkorn University Post-grad: MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
Director training	DAP.67/2007, AACCP.26/2017

program/year	
Experience	1990-2015: M.K. Real Estate Development PCL, Latest position: Authorized director and assistant managing director for finance and accounting
Positions in listed companies	None
Positions in non-listed companies	Authorized director: Samukkee Cement Company Limited
Positions in rival companies / related companies	None
Meeting attendance in 2019	Board of Company Meeting 6 / 6 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Non-Executive Director Meeting 1 / 1 time
Date and no. of years on the board	Company Director on April 26, 2016, 4 years
CM Shareholding on 31 Dec. 2019	None

Other important information of directors, independent directors and high rank executives

- Directors or high rank executives of the company have not ever been the officials or partners of outside public account company that the company was using the service in last 2 years.
- No independent directors of the company hold an office in registered company in the Securities and Stock Exchange more than 3 places.
- No executive of the company hold an office more than 3 places in registered company in the Stock Exchange of Thailand.
- The company has at least one none – executive having working experience in related with company business.

Change on holding securities of company director in the year 2019

Names - Surname			Position	Share held at the beginning of the year	Share held at the end of the year	Change
1	Mr.Prayoon Pholpipattanaohong		Chairman of Board of Director and Authorized Director	306,517	306,517	-
	Ohters concert party			3,645,090	3,645,090	-
	Northern Agricultural Co., Ltd.			162,458,988	162,458,988	-
	Total			166,410,595	166,410,595	-
2	Mr.Prapas Pholpipattanaphong	Private	Chairman of Executive Committee and Authorized Director	9,102,800	9,102,800	-
		Spouse		-	-	-
		Total		9,102,800	9,102,800	-
3	Mr.Ankoon Pholpipattanaphong	Private	Managing Director and Authorized Director	3,702,600	3,702,600	-
		Spouse		181,500	181,500	-
		Child		363,000	363,000	-
		Total		4,247,100	4,247,100	-
4	Mr.Lan, Mu-Chiou	Private	Director	18,886,724	18,886,724	-
		Spouse		5,144,106	5,144,106	-
		Total		24,030,830	24,030,830	-
5	Mr.Amnuay Yossuck		Independent Director	667,920	667,920	-
6	Mr.Ampon Ruayfupant		Independent Director	71,874	71,874	-
7	Dr.Phusit Wonglorsaichon		Independent Director	-	-	-
8	Miss Chutima Tangmatitham		Independent Director	-	-	-
Total				204,531,119	204,531,119	-
% of paid capital of the company (381,145,725 shares)				53.66	53.66	-



Change on holding securities of Executive officers and Manager in the year 2019

Names – Surname			Position	Share held at the beginning of the year	Share held at the end of the year	Change
1	Mr.Prayoon Pholpipattanaohong		Chairman of Board of Director and Authorized Director	306,517	306,517	-
	Others concert party			3,645,090	3,645,090	-
	Nortern Agricultural Co., Ltd.			162,458,988	162,458,988	-
	Total			166,410,595	166,410,595	-
2	Mr.Prapas Pholpipattanaphong	Private	Chairman of Executive Committee and Authorized Director	9,102,800	9,102,800	-
		Spouse		-	-	-
		Total		9,102,800	9,102,800	-
3	Mr.Ankoon Pholpipattanaphong	Private	Managing Director and Authorized Director	3,702,600	3,702,600	-
		Spouse		181,500	181,500	-
		Child		363,000	363,000	-
		Total		4,247,100	4,247,100	-
4	Mr. Tewin Rungratanapitak		Financial Controller (CFO) Company's Secretary	-	-	-
5	Miss Warissara Kangkanda		General Manager and Acting Office Manager 2	-	-	-
6	Mr.Rangsit Ojaroen		Office Manager 1	-	-	-
7	Miss Piyalak Chuapoodee		Plant Manager 1	-	-	-
8	Mr. Tummarat Charoensanti		Plant Manager 2	-	-	-
9	Mr. Sairung Boontom		Agricultural Promotion Manager	-	-	-
10	Mr.Sakda Phimmuang		Accounting Manager	-	-	-

Names – Surname	Position	Share held at the beginning of the year	Share held at the end of the year	Change
	(Accountant)			

Important qualifications and guideline of directors and executives

1. Be a director in registered company in the Securities and Stock Exchange not excess 3 companies.
2. Must not ever been the officials or partners of public account company that the company was appointed the service in last 2 years.
3. Must manage to make buying-selling securities report of the company in order to report toward Securities and Stock Exchange within 3 working days and report to the company secretary or person that Board of Company assigned for acknowledgement.
4. Prohibit to make buying-selling 14 days prior or after financial statements report.
5. Prohibit directors, executives to use internal information for buying-selling securities.
6. Must report of having common interest to the Board of Company for acknowledgement.
7. To make important subject among themselves must receive consideration and approval from Board of Company.

Remark: Number of years on the Independent Director (A), Director in the company investment more than 10% (B), Other registered company (C), Experience in related business (D) Knowledge in accounting (E) (\*can read F/S \*\*can analyze \*\*\*master of accounting) and Seminar about duty of director (F)

Name	Type of directors	A	B	C	D	E	F
Mr. Prayoon Pholpipattanaphong*	Chairman	-	✓	-	✓	✓	-
Mr. Prapas Pholpipattanaphong*	Managing Director	-	-	-	✓	✓	-
Mr. Ankoon Pholpipattanaphong*	Executive Director	-	-	-	✓	✓	-
Mr. Lan, Mu – Chiou	Non-executive Director	-	-	-	✓	-	-
Mr. Amnuay Yossuck*	Independent Director	27	-	-	-	✓	-
Mr. Ampon Ruayfupant**	Independent Director	14	-	-	-	✓	-
Dr. Phusit Wonglorsaichon***	Independent Director	10	-	-	-	✓	-
Miss Chutima Tangmaticham**	Independent Director	4	-	-	-	✓	-

#### Independent Directors definition

1. Not holding a share excess 0.50% of paid capital of the company, subsidiary company, corporate company or related company, all this include a share hold by related person.  
Which stricter than requirement of the SEC stated not exceed 1.0%
2. Be a director in other registered company not excess 3 companies. Which stricter than requirement of the SEC stated not exceed 5 companies.
3. Not participate in administration, not be the officials, employee, advisor with regular salary or control authorize company, subsidiary company, corporate company, related company or company that major shareholder hold a share both direct and indirect or a person who has conflict of interest by must not having interest or having common interest in such character for not less than 2 years.
4. No relationship on business or service provider on profession public account to the company, subsidiary company, corporate company, related company or juristic person that having conflict of interest except would escape from such character not less than 2 years.
5. Is freely or not relate with executive section and major shareholder of the company.
6. Not be a director in others registered company in the group of the company, subsidiary company, corporate company, related company or the company that major shareholder hold a share both direct and indirect.
7. At least one independent director must have good knowledge and experience in the field of financials and accounting.
8. No prohibit character according to the policy of Corporate Governance of the company.
9. No prohibit character according to the formulated of Securities and Exchange Commission and the Stock Exchange of Thailand.

#### Role of Chairman

1. Consult with Managing Director in considering the subjects for Board of Director and Shareholder Meeting
2. Responsible in his capacity as leader of Board of Director to follow, oversee an administration of Board of Executive and other Sub – Board of Director to achieve object as formulated plan.
3. To act as Chairman of Board of Director Meeting and Shareholder Meeting of the Company.
4. Responsible person who casts a vote for arbitration in a case that there are having to cast a vote in the Board of Company Meeting and Shareholder Meeting which two side votes are equal

#### Limit of duty authority of Board of Company and Board of Executive Directors (Management Division)

Authority of Board of Company	Authority of Board of Executive Directors
<ol style="list-style-type: none"> <li>1. Board of Company have an authority according to the regulation of the company which include supervision and management the company in accordance with laws, objective, regulation and resolution at the shareholder meeting.</li> <li>2. To formulate visibility, direction and tactics of the company.</li> <li>3. To give approval for important tactics and important policy including objective, financial target and company plan also follow up, supervise to have practice as planned.</li> <li>4. To manage having account system, financial report and auditing inclusive supervise for having an internal control system and internal audit to be efficiently and effective.</li> <li>5. To investigate supervising and manage to amend problem of conflicts of interest that may arise inclusive related subject.</li> <li>6. To formulate line of risk management comprehensively and supervise executive for having system or efficiently process in risk management.</li> <li>7. To supervise in having system or mechanism of paying suitable remuneration to the high rank of executive to create inducement power both in short-run and long-run.</li> <li>8. To supervise for having appropriately channel of communication with each group of shareholder and stakeholder of the company.</li> <li>9. Allow to have disclosure of correct information, clear, transparent, reliably and high standard.</li> <li>10. To be a leader and good example in practice.</li> </ol>	<ol style="list-style-type: none"> <li>1. Formulate execution policy and operating direction to coordinate with the policy and objective of the company by intending to build up security and maximum advantage to the company.</li> <li>2. Oversee the management to proceed work as formulated policy strictly.</li> <li>3. Authorize in approving and making juristic act under the frame formulated by the Board of Company.</li> <li>4. Any other acts as assigned by the Board of Company.</li> </ol>

#### Authorization for the Board of Director

According to the Company's Article of Association, the Board of Director has been authorized to exercise decision regarding below issue, subject to the approval from the shareholders in the meeting.

1. Approval on the Company's Financial Statement

2. Approval to allocate the profit and dividend
3. The appointment for the director who reached tenure/ or appointment for the additional director
4. The approval on the directors remuneration
5. The appointment for the auditor and auditing fee
6. The amendment for the Company's Affidavit and Article of Association
7. The increase/decrease of the Company's registered capital, the transferred capital to compensate retained loss, the dividend payment, the offering and allocation of newly issued shares, and the offering of the Company's debenture.
8. The acquisition /disposition of assets, in which the value of such assets considered at 15%
9. Buying, selling, transfer of business (subsidiary is included). Engaging, amendment, and cancellation of the Company's lease agreement.
10. The merger and acquisition of the Company

#### Balance of power for Non-Executive Directors

Board of Company consist of 8 Directors as follows:

- 3 Executive Directors
- 1 Non-executive Directors
- 4 Independent Directors

Chairman of the company though it may have blood relationship with Managing Director but viewpoint in operation are freely each other, also structure of Board of Company comprises executive directors and non-executive directors in which in number of non-executive directors are having number of Independent Directors one third of the whole Board or not less than 3 persons make capable to inspect an administration freely. So every group of stakeholder can convince that the Chairman and Managing Director have performed their duty fairly, equality in their capacity as representative of shareholders and having balance of power appropriately.

#### Aggregation or segregation of positions

The Chairman and Managing Director are not the same person so as to make the role separated clearly.

### Board of Directors' Meeting

1. The Company formulates advance table of the Board of Director Meeting yearly by formulating to have a regular meeting at least one time/quarter and each director acknowledges of it. The Company have meeting plan in year 2020 details as follow:

Meeting No.	DD-MM-YY	
1	Wednesday	26 February 2020
2	Wednesday	29 April 2020
3	Wednesday	13 May 2020
4	Tuesday	11 August 2020
5	Wednesday	11 November 2020
6	Wednesday	16 December 2020

2. The Chairman and Managing Director joint in consideration for agenda meeting.
3. To manage in sending invitation letter for meeting, agenda of a meeting and document for meeting to the directors in advanced at least 7 days before meeting enable to have time for considering information sufficiently.
4. To formulate in having not less than two third of the directors attend the meeting with quorum when having considered to resolve in important matters such as list of obtained or distributed assets of the company and subsidiary company that impact to the company, expansion of investment project, formulate work level of executive power, formulate policy of financial management and risk management chiefly.
5. In the meeting, if any director who is a stakeholder in the considering agenda, must depart from the meeting before begin considering in that agenda.
6. Every director has a right to present the subject to the agenda of a meeting, examine document for meeting and other important documents. If any doubt, other directors and management must operate for answering that doubt.
7. Company Secretary or one who has assigned must manage minutes of the Board of Director Meeting completely within time formulated by the laws.

Meeting attendance of each director concludes as follows:

Name list	Period of rank hold	Attending meeting / total meeting (times), % of Meeting (In the year 2019, the of Company's had gather meeting 6 times)			
		Normal meeting	Special meeting	Total	%
1.Mr. Prayoon Pholpipattanaphong	3 years	6 / 6	-	6 / 6	100
2.Mr. Prapas Pholpipattanaphong	3 years	6 / 6	-	6 / 6	100
3.Mr. Ankoon Pholpipattanaphong	3 years	6 / 6	-	6 / 6	100
4.Mr. Lan, Mu-Chiou	3 years	4 / 6	-	4 / 6	66.67
5.Mr. Amnuay Yossuck	3 years	6 / 6	-	6 / 6	100
6.Mr. Ampon Ruayfupant	3 years	6 / 6	-	6 / 6	100
7.Dr. Phusit Wonglorsaichon	3 years	6 / 6	-	6 / 6	100
8.Miss Chutima Tangmatitham	3 years	6 / 6	-	6 / 6	100
Every director are having portion of attendance Board of Director Meeting, equivalent to 91.67% of whole year meeting in the year 2019.					

Meeting attendance of each sub-committee concludes as follows:

Remark: BED=Board of Executive Directors, BAC=Board of Audit Committee, BNR=Board of Nomination & Remuneration Committee, BCG=Board of Corporate Governance Committee, BRM=Board of Risk Management Committee, BNE=Board of Non-Executive Director

Name list	BED	BAC	BNR	BCG	BRM	BNE
Number of Sub Committees Meeting of 2019 (times)	7	4	2	3	3	1
1.Mr. Prayoon Pholpipattanaphong	7 / 7					

Name list	BED	BAC	BNR	BCG	BRM	BNE
2.Mr.Prapas Pholpipattanaphong	7 / 7		2 / 2		3 / 3	
3.Mr.Ankoon Pholpipattanaphong	7 / 7		2 / 2	3 / 3	3 / 3	
4.Mr.Lan Mu Chiou						1 / 1
5.Mr.Amnuay Yossuck		4 / 4	2 / 2			1 / 1
6.Mr.Ampon Ruayfupant		4 / 4	2 / 2	3 / 3		1 / 1
7.Dr.Phusit Wonglorsaichon				3 / 3	3 / 3	1 / 1
8.Miss Chutima Tangmatitham		4 / 4	2 / 2			1 / 1
9.Mr.Tewin Rungratanapitak				3 / 3	3 / 3	
10.Mr.Sakda Phimmuang				2 / 3	2 / 3	



## 8.2 Executive officers and Manager

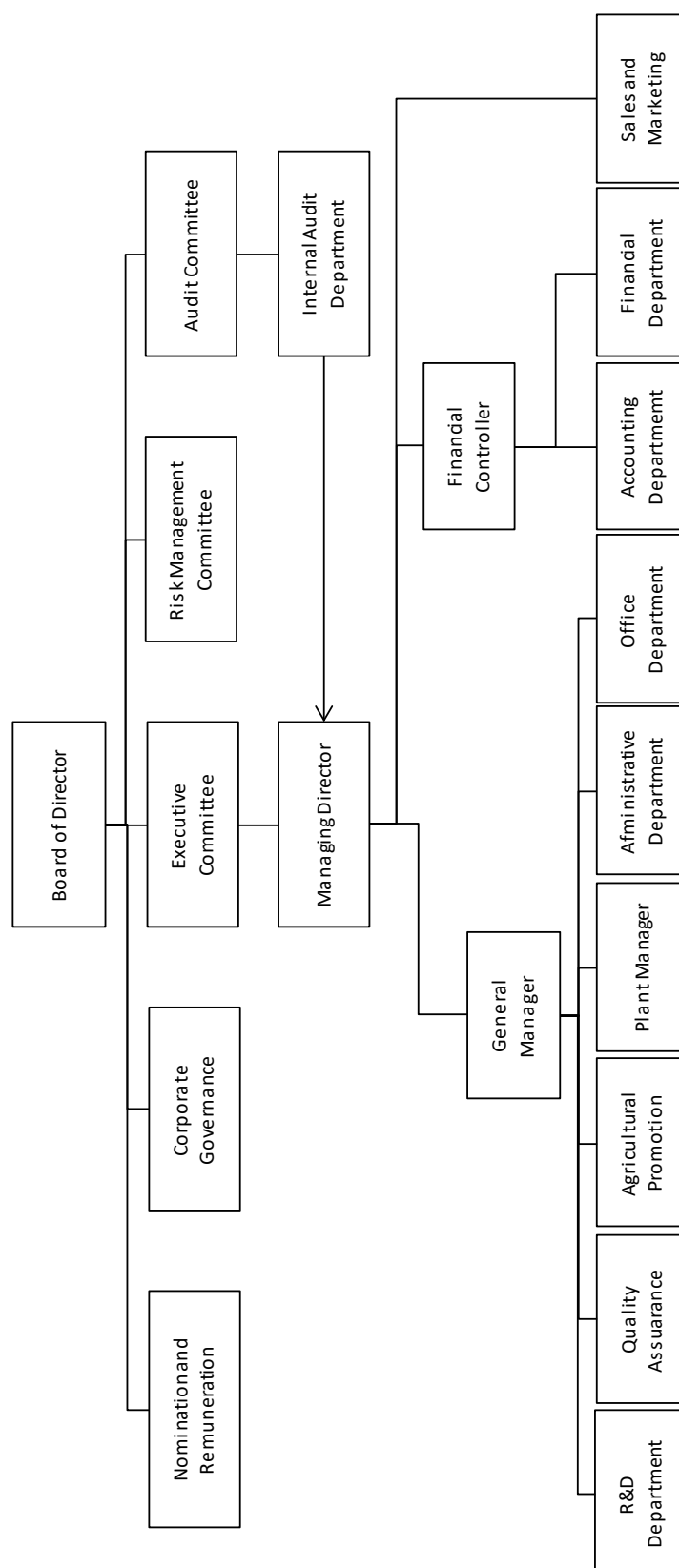
### a) Executives (according to the definition of SEC)

<b>Name</b>	<b>Position</b>	<b>Education</b>
1. Mr.Prayoon Pholpipattangphong	Chairman of Board of Director, Authorized Director	Accounting profession, Honorary Doctor, Agricultural, Maejoe University
2. Mr. Prapas Pholpipattanaphong	Chairman of Executive Committee, Authorized Director	High school certificate
3. Mr.Ankoon Pholpipattanaphong	Managing Director, Marketing Manager	Master of Business Administration, Colorado University, USA. Bachelor of Communication, Bangkok University
4. Mr. Tewin Rungratanapitak	Financial Controller (CFO) and Company's Secretary	Master of BA in Finance, Birmingham City University Bachelor of BA, International
5. Miss Warissara Kangkanka	General Manager and Acting Office Manager plant 2	Diploma
6. Mr. Rangsit Ojaroen	Office Manager plant 1	Bachelor of Art in Economic
7. Miss Piyalak Chuapoodee	Plant Manager plant 1	Bachelor of Food Science
8. Mr. Tummarat Charoensanti	Plant Manager plant 2	Mechanical Engineer, Master of Agro Industry Management
9. Mr. Sairung Boontom	Agricultural Promotion Manager	Agricultural Education Horticulture
10. Mr.Sakda Phimmuang	Accounting Manager (Accountant)	Bachelor of Accounting, MBA

b) Officers & Manager

<b>Name</b>	<b>Position</b>	<b>Education</b>
1.Mr. Apidej Koonprayong	Vice Plant Manager	Bachelor of Food Science
2.Mr. Boonmee Saman	Vice Plant Manager	Bachelor of Plant Science (Agronomy)
3.Mr. Thanom Chaiwong	Vice Quality Assurance & Development Manager	Master of Food Science
4.Mr. Chanwit Suwannarat	Vice Quality Assurance & Development Manager	Bachelor of Food Science
5.Mr. Thanamet Sutta	Vice Accounting Manager	Bachelor of Accounting, MBA
6.Mr. Weerawat Sakulmeerit	Vice Internal Audit Manager	Bachelor of Accounting
7.Mr. Wittaya Kumlungkeng	Assis. Office Manager	Master of Business Administration
8.Miss Ratinuch Wongwissawakit	Senior Assis. Marketing Manager	Bachelor of Arts, MBA
9.Mr. Wises Wiwatkultorn	Assis. Marketing Manager	Bachelor of BBA
10.Mr.Chaiwat Treeyanurux	Assis. Office Manager	Master of Management

Management Structure of The Company



### 8.3 Company's secretary

The Company manages to have company secretary to perform duty of governance activity of the Board of Company inclusive to coordinate in the following various matters:

- To give primary advice to the directors concerning provision, rule, discipline and various regulations of the company and follow up to act properly and regularly inclusive alteration report of important point to the directors.
- To manage shareholder meeting and Board of Director Meeting in accordance with laws, regulation of the company and various performance points.
- To record the proceedings of Shareholder Meeting and Board of Company Meeting inclusive follow up to act as resolution at the Shareholder Meeting and resolution at the Board of Company.
- To governance in having disclose information and report news in responsible part in accordance with discipline and provision of Securities and Stock Exchange of Thailand and Securities and Exchange Commission.
- To contact and communicate with General Shareholders to learn about various right and information of the company.
- To governance activity of the Board of Company.

Current Company's Secretary is Mr. Tewin Rungratanapitak, Age 37 years, who has qualification as follows

#### Education

- Master of Business Management – Financial, Birmingham City University, UK
- Bachelor Degree – International Business Management and General Management, Assumption University, Thailand

#### Financial Expertise

- Has financial working background and accounting knowledge

#### Working Experience

- Financial Controller – Chiangmai Frozen Foods PCL., Jan 2016 – Present
- Manager – Absolute Advisory Co., Ltd, May 2012 – June 2015
- Sales Executive – Qatar Petrochemical (Thailand), June 2008 – July 2010
- Sales Executive – Seabra Trans International Co., Ltd, Jan 2005 – May 2008

#### Training and Certification

- CFO in Practice (Certification Program) Class 7/2016 by the Federation of Accounting Professions
- ACPG -22/2015, CSP -84/2017

- Level II, CFA candidate
- SEC Financial Advisor Licenses

#### 8.4 Remuneration for directors and executives

The Company has fixed clearly and transparently the remuneration for Directors and Executives in the appropriate basis to uphold as Directors and Executives with required qualification. The Directors that assigned as Audit Committee will receive additional remuneration according to the volume of work.

##### 8.4.1 Remuneration Policy

Board of Nomination and Remuneration Committee perform duty in proposing remuneration of Board of Company, Board of Sub-Committee, Managing Director, Executives and High Rank Executives that appropriate to their knowledge, expertise, and the increasing work volume, purposely to ensure the performance which lead to the sustainable growth of the Company and generate return to shareholders, employee, and stakeholders.

##### 8.4.2 Remuneration Criteria

The Company's remuneration determined by comparing the remuneration of other company in the same industrial information or remuneration information report of Thai Company Director Institution Promotion Co., Association or equal to remuneration in the previous year and are remuneration suitable with work volume, knowledge and ability that would last for directors and executives required by the company to propose the shareholders for considering approval every year in which the company has a policy to pay remuneration of Board of Company, Board of sub-committee, Managing Director, Executive Directors and High Rank of Executives in the suitable degree to coordinate with directors task that have to perform in accordance with the laws and related discipline.

##### 8.4.3 Remuneration Structure

8.4.3.1 3 Executive Directors – Annual Remuneration THB 400,000 /person

8.4.3.2 5 Non-Executive Director – Annual Remuneration 400,000 / person.

The Chairman of Audit Committee received remuneration THB 40,000 / month, 2 Audit Committee member received remuneration THB 20,000

8.4.3.3 Other Remuneration – Non-Executive Director, and other committee member shall not receive other remuneration include, meeting payment, Bonus, insurance, office car.

8.4.3.4 Executive Director shall receive other remuneration include salary, bonus, cost of living allowance, provident fund 3%, and office car.

8.4.3.5 High Rank Executive shall receive salary, bonus, cost of living allowance, provident fund 3%, and office car

#### 8.4.4 Remuneration payment

Remuneration paid in the year 2019, the company has paid various remuneration to the Directors and Executives as following details:

(Unit: Baht)

Names	Position	2018	2019
1.Mr. Prayoon Pholpipattanaphong	Chairman	400,000	400,000
2.Mr. Prapas Pholpipattanaphong	Managing Director	400,000	400,000
3.Mr. Ankoon Pholpipattanaphong	Executive Director	400,000	400,000
4.Mr. Lan, Mu-Chiou	Director	400,000	400,000
5.Mr. Amnuay Yossuck	Independent Director	400,000	400,000
6.Mr. Ampon Ruayfupant	Independent Director	400,000	400,000
7.Dr. Phusit Wonglorsaichon	Independent Director	400,000	400,000
8.Miss Chutima Tangmatitham	Independent Director	400,000	400,000
Other remuneration such as meeting fee, bonus, insurance premium etc.		None	None
Total		3,200,000	3,200,000

#### Remuneration for Audit Committee

(Unit: Baht)

Names	Position	2018	2019
1.Mr. Amnuay Yossuck	Chairman	480,000	480,000
2.Mr. Ampon Ruayfupant	Director	240,000	240,000
3.Miss Chutima Tangmatitham	Director	240,000	240,000
Other remuneration such as meeting fee, bonus, insurance premium etc.		None	None
Total		960,000	960,000

Remuneration for Executive Directors and Executives

Description	Year 2018		Year 2019	
	No. of person	Total amount (Baht)	No. of person	Total amount (Baht)
Salary	10	22,757,220	9	21,716,690
Bonus, remuneration	10	5,337,079	9	2,407,059
Cost of living	10	69,550	9	67,600
Social security fund	10	80,250	9	78,000
Provident fund	10	660,667	9	651,519
Sub total	10	28,904,766	9	24,920,868
Grand total		33,064,766		29,080,868

8.5 Human Resource Personnel as of 31 December 2019

Description	Male	Female	Total
Management/Administration Department	19	33	52
Manufacture/Technical Engineering Department	85	26	111
Daily employees	398	1,165	1,563
Total	502	1,224	1,726

- No change shall be made on number of employee or dispute in labour during the past three years.
- In the meeting of Board of Company No. 1/2020 on 26 February 2020 resolve to consent remuneration for Executive officers and Manager, High rank Executives, Head of Department amount 1,042,800 Baht.

## **9. Corporate governance**

### **9.1 Policy of Corporate Governance**

Board of Company have realized the important of Good Corporate Governance for transparency to add limit of ability in work racing and add confident to the Shareholders, investors and every concerned, then have formulated the operation policy for cooperating governance by comprehend the following keystones:

- 1) The Company will treat the shareholders and stakeholders in equal manner with fair for everyone.
- 2) Board of Company are intended to build up sustainable growth of the company in long-run, to execute the company activity with carefulness and caution under regulation frame of law and business morality. All this Board of Company will perform duty with full capability in order to produce maximum efficient toward the shareholders, and other stakeholders, also take care of not having conflict of interest arises and responsible toward decision and self-performance.
- 3) The Company will operate with transparency, able to check and disclose sufficiently information to every party concern.
- 4) The Company will conduct the business with always thinking of risk and will execute risk appropriately.
- 5) The Company has formulated an important policy that will be the operation direction of the company in advance every year. Board of Company will pay an important toward internal control and inspection system by governance executive section to proceed as efficiency policy.
- 6) The Company has managed business morality to let directors, executives and every officer practice.

#### **Leadership and Vision**

Board of Director have considered to review and approve vision, company mission, renovate business ethics, Corporate Governance Policy and other sides policy to have suitable, coordinate with rule, regulation that exist in present and to be occur regularly in future at least every 5 years.

In the Meeting of Board of Director No. 6/2019 dated 16 December 2019, the Committee has review the Company's vision, mission, and strategy, then opined that the current vision, mission, and strategy is suitable to the current business environment which contributed to the sustainable growth for the Company.

#### **Conflict of interest**

Board of Company have executed carefully and cautiously to prevent conflict of interest when incur any matter that may cause conflict of interest. Board of Audit Committee will learn about the subject that get conflict of interest and related subject and have considered the suitability thoroughly every time by formulating to have practice according to the basis of Securities and Stock Exchange in which prices and conditions as if doing subject with outsiders and disclose details, subject value, partnership, reason/necessity in the annual report and type 56-1 also have disclosed in notes to Financial Statements heading, general information and account with related person.



### Various groups of stakeholders

Board of Company acknowledge and aware of the right of concerned stakeholders and have a policy to support in incurring a cooperation between the company with every group of stakeholders in creating advantage among themselves and take care firmly that all stakeholders have received well protected and served by the company pay important toward the right of every group of stakeholder such as officials, customers, co-partners, competitors, shareholders and think of safety and health, responsibility toward community and society, environment and national resources, human rights and misconduct and corruption resistant by formulating performance line for directors, executives and officials distinctly in business ethics and formulate as policy in the policy of Corporate Governance, manage to have channel for every group of stakeholder enable to grievance toward the company in case of not receiving justice from company performance whatever by directors, executives or officials. All this, the company can convince that grievance of every group of stakeholder are likely to receive protection and keep for secret. The Company shall proceed for inspecting as formulate process and find a remedy way quickly.

### Business Ethics

Board of Company have permitted discipline of Business Ethics and/or manual of Directors, Executive and Officer to promote the directors, executives and every rank of officials to hold in practice regularly as usual which the directors, executives and every officers have signed for document concerning such discipline and confirmed in practice which regards as practical standard frame of the company, also all Board of Company have assigned one who responsible to follow up result of practice continuously and always revise such discipline appropriately. Business Ethics has been reviewed and approved in the Board of Director's Meeting no. 1/2020 dated 26 February 2020.

### Corporate Governance

Board of Company Director have an intention to build up the process of Good Corporate Governance that standardizes and allow scatter the practice to every rank of the officials of the whole company to create real culture of Good Corporate Governance, so wish the directors, executives and every officer to strictly hold in practice according to the policy of Good Corporate Governance The Corporate Governance Policy has been reviewed and approved in the Board of Director's Meeting no. 1/2020 dated 26 February 2020

### Anti-Corruption

The Company pays an important concerning misconduct and corruption and regards as a part of policy in conducting business which the company formulates in the business ethics, heading: misconduct and corruption resistant and formulates in the policy of Corporate Governance – heading: “policy of misconduct and corruption resistant” so as directors, executives and every official to hold practice. In the meeting of Board of Company no. 4/2013 dated 11 November 2013 Board of Company have resolved to agree the company to show intentional in order to join cooperation of Thai private sector in resisting misconduct and in the meeting of Board of Company no. 1/2015 on 26 February 2015 have resolved to consent in managing policy of misconduct and corruption resistant in writing in order to be an performance line distinctly in conducting business and intends to develop to an organization sustainable, and on 21 April 2015 the company applied for a member of net-work partnership on misconduct for Thailand in order to fight for every

organization to aware of misconduct and corruption impact. The Company has been certified as the member of the Private Sector Collective Action Coalition Against Corruption since 9 March 2017 and later as been certified for the second time on 4 November 2019. The Anti-Corruption Policy has been reviewed and approved in the Board of Director's Meeting no. 1/2019 dated 25 February 2019

## 9.2 Sub Committees

The Board of Company have appointed Board of Sub-committee to help in governing the activity of the company as follows:

### Executive Committee

Established on 4 January 2000 consist of 3 Executive Directors, by formulating authority as follows:

1. To formulate an executive policy and operation direction to coordinate with policy and company objectives with intends to create security and maximum advantage to the company.
2. To governance the management to proceed as policy that formulate with efficiently and effectively.
3. To have authority to consent in buying assets investment, other expenditures and/or borrow money in the credit line as formulated by Board of Company.
4. To act others as assigned by Board of Company.

“Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Ankoon Pholpipattanaphong, Managing Director or Mr. Prapas Pholpipattanaphong to give signature with company seal” with effective from 1 January 2016 onward.

### Audit Committee

Established on 28 August 1998 with holding term each time 3 years, consist of 3 directors which are all Independent Directors and one Independent Director namely: Mr. Ampon Ruayfupant is knowledgeable in accounting and financial which names are as follows:

- |                              |                 |
|------------------------------|-----------------|
| 1. Mr. Amnuay Yossuck        | Chairman        |
| 2. Mr. Ampon Ruayfupant      | Audit Committee |
| 3. Miss Chutima Tangmatitham | Audit Committee |

By having Mr. Weerawat Sakulmeerit, Vice Internal Audit Manager as Secretary to the Board of Audit Committee

### The Qualification of Audit Committee

1. All of the Audit Committee member shall be independent directors
2. At least 1 Audit Committee member shall have accounting education background or capable of analysing financial statement

### Audit Committee authority

1. Have an authority in proposing to appoint and quit employ external auditor.

2. Have an authority in proposing to appoint, transfer and quit employ Internal Audit.
3. To verify financial statements of the company to be in accordance with generally accepted auditing standards.
4. Inspect sufficiency of internal control system.
5. Inspect sufficiency of risk protection and misconduct and corruption resistant.
6. Review the anti-corruption guideline and practice for director, executive, and employee and ensure the compliance.
7. Manage to report performance work of Board of Audit Committee.
8. Other performance works concerning with inspect activity as assigned by Board of Company.

#### Nomination & Remuneration Committee

Established on 13 August 2009 withholding term each time 3 years. There are 5 Directors, consist of 3 Independent Directors, 2 Executive Director and having Legal Advisor as a consultant in which Independent Director performs duty as Chairman, having an authority to select appropriate qualified person to be director as provision of the company and qualified as the provision of Securities and Stock Exchange of Thailand and Securities and Exchange Commission to present toward Board of Company to consider for approval and present to the Shareholder Meeting for appointing and have an authority to consider the style and basis of paying remuneration of directors to recommend an opinion toward Board of Company and Board of Company will present in the Shareholder Meeting for approval.

#### Report of Nomination and Remuneration Committee

In 2019, the Nomination and Remuneration Committee held 2 meetings to performs as follows;

1. Recruited suitable candidates for tabling to the Board and the Annual General Meeting of Shareholder 2019 (AGM) for consideration. The Company offered minor shareholders a chance to nominate directors from 26 November 2018 to 18 February 2019. Since no such nomination emerged, the committee recommended that the directors who completed their terms in 2019 should be reappointed to another term. The AGM 2019 approved the appointment of all nominated directors.
2. Considered the 2019 remuneration for the Board and the subcommittees then submitted to the Board and the shareholders' meetings for consideration and approval, taking into account their increasing responsibilities and performance. The remuneration amounts are also compared with industry peers and considered the historical remuneration which suitable to retain the qualified directors and met with approval from the shareholders.
3. Determined knowledges, skills, and experiences for directors (Board Skill Matrix) to consider qualification of the nominated directors as appropriate with the operation of the Company.

4. Reviewed the Charter of the Board and that of the Nomination and Remuneration Committee. No amendment was made this year since the contents in the current charters are still duly complete and suitable.
5. Reviewed the nomination and remuneration process.
6. Acknowledged the outcomes of the Committee's self-assessment for 2018 as input for the development of its performance in line with corporate governance policies.

The Noination and Remuneration Committee cautiously completed its duties with integrity, based on the responsibilities designated in its charter. It adhered to the principle of good governance adequately and suitably for the balanced and sustainable benefits of all stakeholders.

#### Corporate Governance Committee

Appointed on 12 November 2012, having holding period of each 3 years. There are five directors consisting of Board of Company, executives and/or other qualified persons. At least one director of corporate governance must come from Independent Director which Mr. Vanchandr Sivabonyawongse as advisor to the Committee. The Corporate Governance Committee have an authority in arranging policy of corporate governance under the frame of laws, basis, discipline and regulations that are current issue of organization that perform duty on corporate governance such as The Stock Exchange of Thailand, Securities and Exchange Commission and related units through the guide line in good corporate governance that are international standard and provide advice to the directors, executives, officials of the company in performance duty as frame and basis of corporate governance policy so as to allow performance duty of directors and management of executive section to be in good manner, good resulting in performance and having appropriate continuation to be in accordance with expectancy of the shareholders and every group of stakeholders.

#### Report of Board of Corporate Governance Committee

In the year 2019, the Corporate Governance Committee had gathered 3 meetings to perform as following;

1. Acknowledge the AGM 2019 evaluation result which indicated 100 percent
2. Acknowledge the CG evaluation result for the year 2019 which indicated 91 percent, increasing to 5 stars.
3. Acknowledge the condition of SEC to present the implementation of CG Code in the Annual Report for the year 2019 which will be published in 2020. Also, consider the practice of 8 principle of CG Code to be applied to the business and proposed to the Board of Director to resolved.
4. Reviewed the Business Ethics and the Corporate Governance Policy
5. Reviewed the Anti-Corruption Policy
6. Reviewed the Manual for Directors, Executives and Employee, concern with the anti-corruption practices.
7. Reviewed the Charter for the Corporate Governance Committee
8. Proposed the corporate sustainability policy to be applied to the business
9. Self-assessment for the Corporate Governance Committee for the year 2019

Corporate Governance Committee had govern and ensure the policy for the corporate governance is presence and to be complied by Directors, Executives, and Employee. The

Corporate Governance Committee has conduct the annual self assessment for the committee.

#### Risk Management Committee

The company manages to have Board of Risk Management Committee. There are 5 directors, comprise 2 Executive Directors, 1 Independent Director, 2 Executives and Legal Adviser is consultant to consider formulating the policy and system of risk management, follow up result in risk management from the process of pointing out, analyse, management assess, follow up and report in system inclusive to provide supporting by managing to have advisory of risk management process to various internal sections through follow up to have continuously and regularly practice to the whole company.

#### Report of Risk Management Committee

In the year 2020, Board of Risk Management Committee had gathered 3 meetings to perform as follows;

1. Evaluate risks and preventive measures such as the risk from production, business risk, foreign exchange risk, product's quality risk, management risk, financial risk, and investment risk.
2. Evaluate the corruption risk, which the result indicated the absent of corruption activities from the Directors, Executives, and Employee. As the result from effective risk management activities, the company has achieved the desired operating result within the acceptable risk level.
3. Reviewed the Charter of the Risk Management Committee
4. Reviewed the Approval Authority
5. Reviewed the internal control manual
6. Reviewed the Risk Management Policy
7. Reviewed the Risk assessment for the year 2019
8. Self-assessment for the Risk Management Committee for the year 2019
9. Arrange the report from the Risk Management Committee for the year 2019
10. Reviewed the Risk Management Manual for the year 2019

The Risk Management Committee has monitor, evaluate, and manage the business risk for the company to be at the acceptable level. The Risk Management Committee has conduct the annual self assessment for the committee.

### 9.3 Selection of directors and executives

#### Basis and process on select and appoint new director

The Company opens an opportunity for shareholders enable to propose person name which is non-prohibit person according to the Royal Act of Securities and Securities and Stock Exchange and provision of Securities and Exchange Commission and get along with company provision and person who is proposed the name must allow to propose the name for electing as Independent Director of the company in which this year the company formulates to propose the name since 2 October 2019 till 30 December 2019 which the company has proposed details, basis and performance method on website of the company – [www.cmfrozen.com](http://www.cmfrozen.com) under group “Investor Relations” heading: Rights of shareholder and notify through website of The Stock Exchange of Thailand – [www.set.or.th](http://www.set.or.th).

Nomination and Remuneration shall consider name list of person from recommending of shareholders (if any) , name list from director information base, other qualified candidate and complete term director to select property of above said person to be in accordance with the laws, the Company's Article of Association and various basis through it must be a person to have profession skill, business talented in related with company business and/or having skill on accounting and financial, laws inclusive necessary skill of Board of Director which still lacking, also qualified under the Board Skill Matrix according to the Company's strategy, by not restrict sex, age, race, religion and propose toward Board of Company for consideration and give approval and propose to the shareholder for consideration to select for appointing individually.

In the Shareholder Meeting must have shareholders and proxy from shareholders (if any) to attend meeting not less than 25 persons and must hold the shares total not less than one third of 381,145,725 shares to be as quorum.

Each shareholder has to use all theirs vote to elect one person or many persons as director but can't share the vote to either of them more or less.

To nominate director must receive approval from the Shareholder Meeting. The person who gets highest vote respectively will be elected as director according to the number of available directors or election that time. In case of the elected respective person who has equal vote exceed quota, final vote will be made by Chairman for arbitration.

#### Self –Assessment

The Company arranges to have performance result assessment of Board of Director and sub committees every year

##### 1. Board's self-evaluation form

#### Criteria

Board's self-evaluation form applies SET's evaluation approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of directors' performance and related duties. The self-evaluation form consists of 6 aspects as follows;

- 1.1) Board structure and qualifications
- 1.2) The roles, duties, and responsibilities of the Board
- 1.3) Board Meeting
- 1.4) Board Performance
- 1.5) Relationship with Management
- 1.6) Director's self improvement and executive development

#### Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, and report the summary annually to a

Corporate Governance Committee to review and further propose to the Board meeting as an agenda item for acknowledgment and discussion.

## 2. Director's Self-Evaluation Form

### Criteria

Designed to assist each director in reviewing and enhancing his/her performance, this evaluation form fully aligns with the Board's legal obligation, CM's Charters, Code of Conduct, Anti-Corruption Policy and Manual for Directors, Executives and Employee concern the anti-corruption practices. The director's self-evaluation form consists of 3 aspects as follows

- 1.1) Board structure and qualifications
- 1.2) Board meeting
- 1.3) The roles, duties, and responsibilities of the Board

### Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, and report the summary annually to a Corporate Governance Committee and a Nomination and Remuneration Committee. A Corporate Governance Committee shall review and further propose to the Board meeting as an agenda item for acknowledgment and discussion, while a Nomination and Remuneration Committee shall review and consider the result in nomination process for the new director replacing those who reach tenure.

## 3. Subcommittee's Self-Evaluation Form

All subcommittees including 1) Audit Committee, 2) Nomination and Remuneration Committee and 3) Corporate Governance Committee, and 4) Risk Management Committee must undertake annual self-evaluation. The result shall be reflected and enhance supporting activities of the committees toward the Board of Directors and the business operation

<b>Evaluation</b>	<b>Outcome (%)</b>
<b>The Board of Directors</b>	
1. The Board of Directors (Full Board)	97.73
2. The Board of Directors (Individual)	96.55
<b>Sub-Committee</b>	
3. Audit Committee	94.58
4. Nomination and Remuneration Committee	95.31
5. Corporate Governance Committee	96.88
6. Risk Management Policy	98.30

### Descendent plan

The Company executes a plan concerning development for recompensing the position with object in making preparation on manpower both in quality and volume to create continuation in appropriate administration for selecting and make preparation of suitable

person in holding an office that is the main position of the company, for instance: company supreme executive inclusive important position in management structure or company conducting business or a position with specific skill, sharp talented or hard to recompense. So the company has formulated arrangement basis for descending plan such as important position, consideration basis and select through arrangement procedure of descend plan chiefly.

#### Treatment on New Director

The Company manages to have director manual or manage to have first explanation on new director which director manual consist of memorandum, company regulations, latest annual report and other important documents that are: role and duty responsibility of company director, Policy of Corporate Governance, Business Morality, Policy of Misconduct and Corruption resistance and other polices including role and duty of every Board of Sub Committees.

#### Training and knowledge development

The Company has a policy to support new director in director curriculum training to enhance knowledge, understanding, role and duty of director through for acknowledging various regulations, rules, discipline and related laws.

#### 9.4 Operation on corporate governance of subsidiary company

- None –

#### 9.5 Usage control of internal information

The Company has a policy and method to look after directors, executives and officials of the company in bringing internal information which does not yet disclose toward public to use for own sake and other persons and punishment, communicate for providing knowledge to the directors, executives and officials for acknowledgement and hold practice as follows:

- Arrange the ethical practice for the director, and the ethical practice for the employee which cover the usage of internal information, confidential information of customer. Such manual has been disseminated to director and employee to acknowledge and strictly follow accordingly
- Prohibit the directors, executives and officials whose acknowledge important essence of internal information which effects toward change of par value of company securities to disclose information or use internal information or make buying-selling securities or persuade other persons buying-selling securities of the company both direct or indirect way. Whatever, such act would do for own interest or others, 14 days before financial statements or internal information would disclose toward public, persons whose concern with internal information must not disclose that information to other persons to know until it has informed that information to the Stock Exchange of Thailand.
- The confidential information is subject to the approval of the Board of Director, Managing Director, or any authorized person prior to the public announcement.
- The use of internal information must only be retained to those authorize person.



- Arrange the internal control for each department regarding the control for the use of internal information to prevent the leaking of information prior the official announcement
- Penalty measurement, if violate such discipline, the company regards as guilty in discipline according to the company working regulation by considering punish according to circumstances for instance: warning by speech, warning in writing, condone a fault through quit employ out-of-status from officials with the cause of expel, dismiss or quit as the case may be.

#### 9.6 Audit fee

According to the resolution at Ordinary Shareholder Meeting for annual year 2018 approved to select AST Master Office Co., Ltd., by having 1) Mr. Pradit Rodloytuk, register no. 218 and 2) Miss Nongram Laohaareedilok, register no. 4334 are doing inspect financial statements of the company for annual year 2018 which are an Auditor of having independence, reliably and are an Auditor whose receive approval from Securities and Exchange Commission.

- The Company paid audit fees for 2019 amount 865,000 Baht.
- Other service: none

#### 9.7 Application of the CG Code

The Board has considered and reviewed SEC's CG Code and applied it to Company's business contest, while requiring a constant review at least once every year. Which the Meeting of Board of Director no. 1/2020 also considered other guidelines currently not applicable. Such consideration was recorded as part of the Board's resolutions.

The Company has acted in accordance with the Code of best practices very well in which the company has made self-assessment of the Board of Director every year and has tried to improve to allow administration to be according to the practical of Securities and Stock Exchange of Thailand, business ethics, Corporate Governance policy Anti-Corruption Policy, Risk Management Policy, Manual of Directors, Executives and Official about Anti-Corruption, Charter, Internal Control System.

The company has still received better points from CG and AGM assessment as follows:

Subjects	Year					
	2014	2015	2016	2017	2018	2019
Average point by adding up of CG assessment	79	88	87	88	91	91
AGM assessment point result	96.50	100	100	97	100	100

## **10.Social responsibility and Sustainability Report**

Board of Company pays an important toward the development of community, society and environment to have strong and live together with sustainable and happy. The company then formulates the role, duty and responsibility of the directors, executives and officials of the company that have to treat toward community, society and environment in the business ethics principle of the company in order to allow the directors, executives and offices of the company to hold for practice.

In the year 2019, the company arranges to make report of responsibility toward society and environment and Sustainability Report separately from annual report, can see information from website: [www.cmfrozen.com](http://www.cmfrozen.com) heading: Investor Relations.

Various policies for development on community, society and environment comprise:

### **a. Shareholder treatment policy**

The Company holds the principle of equality treatment toward shareholders by having guide line as follows:

- The Company intends to create growth with quality and security in order the shareholders receive good return sustainable from efficient working and good business result of the company.
- The Company shall respect rights of shareholders in receiving equality necessary information and disclose business result, financial status along with support information that correct as the truth according to the Securities and Stock Exchange of Thailand and Securities and Exchange Commission formulated.
- The Company shall perform duty with honest, upright, transparent, fair in order to create conviction that any decision and act always think of maximum interest of every shareholder and every related group.
- The company shall control to have operation, act in accordance with company policy and develop performance to have better quality continuously.

### **b. Customer treatment policy**

The Company has a policy to create satisfaction to customers then formulate a guide line as follows:

- The Company manages to have service system to create satisfaction to the customers by treating every customer with equality by equitable treatment.
- The Company shall provide information concerning services completely, correct and not distort the facts with thinking of customer interest as main.
- The Company shall manage the system for the customers capable to grievance concerning services or conducting business of the company by rush proceed and return reply the customers at the best.

- The Company shall oversee an environment, internal areas and vicinity of the factory and office to have safety toward life and customer possessions and one who contact business with the company.
- The Company has an intention to create impression and satisfaction with the customers in order the customers receive best services.

c. Co-trader treatment policy

The Company wish to see goods procurement and services in accordance with standard measure and aim to develop and maintain sustainable relationship with co-traders and co-partners which have clear objective in the matter of goods quality and services that suits with money value, technique quality and reliable with each other, the company then has a guide line concerning goods procure and services procedure as follows:

- The Company manages to have competition on received information equality.
- The Company manages to have basis in assessment and select co-traders and co-partners with just.
- The Company manages to make contract form with appropriate co-traders and fair.
- The Company manages to have management and pursuit system to ensure that it having follow the condition of contract completely and protect misconduct and corruption in every step of procure procedure.
- The Company pays money to the co-traders and co-partners with on time according to the agreed payment condition.

Supplier Selection Criteria

The Company has the transparent policy, criteria, and regulations to govern the selection process for supplier, purposely to the benefit of cost management and improving operating efficiency, also the better cooperation and continuity of business. The Company has supplier selection criteria as follows;

1. The supplier must strictly comply to the law, has ethical standard accepted by society, giving importance and considered responsible to the human right, society, and environment.
2. The supplier must have stable and sufficient financial status, clear address which can be traceable, considerable trading history, no record of law violation, fraud activities, or record of termination of agreement without consent, or appear on the blacklist of government and private company
3. The supplier must provide the product or service at acceptable level at the reasonable price.
4. The supplier must deliver the product / service on time, consistency, and flexible to the requirement of the Company

d. Trade competitor treatment policy

The Company conducts business under rule frame of fair competition by holding the principle as follows:

- The Company shall not seek the secret information of trade competitors by the way of bad faith or not suitable.
- The Company shall conduct business under rule frame of good competition, not ruin fame of competitors by find fault with competitors.

e. Creditor treatment policy

The Company has a policy to treat with creditor with fair by having guide line as follows:

- The Company shall maintain and follow the guarantee conditions toward creditors strictly.
- The Company shall control to return back loans and interest to every type of loan creditors completely with on time and follow the conditions of loan as agreed by not using loan in the way that contrary to the objective of loan.
- The Company shall arrange the capital sufficiently to assure the creditors in financial status and ability in paying debt of the company.
- The Company shall report and provide correct information of the company and complete to the creditors.
- If there are incident that the Company would unable to perform according to any conditions, the Company shall notify the creditor immediately to mutually consider the solutions.

f. Officials treatment policy

The Company is fully aware of human resources value and wish the personnel proud of organization by having working atmosphere like participate and progress in profession equality. The personnel shall receive potential promotion development to have knowledge talent throughout and continuously for creating value and uphold excellence in business. The Company then has a policy on remuneration and welfare, policy on knowledge development and official potential, policy on safety and health and others policy by having guide line as follows:

- The Company selects a person for hiring to hold various offices with fair by thinking of property of each position, study qualification, experience and other provisions which necessary to work without obstruct in the matter of sex, age, race, religion.
- The Company formulates remuneration and welfare to the officials fairly, having suitability with knowledge and talent, condition and character of work, performance result and coordinate with operation result of the company both in short-run and long-run by considering from business result of the company, administration and assessment result of whole organization.

- The Company supports the officials to receive training, knowledge development, talent, develop working potential to be higher in order to add working efficient and open opportunity for officials to progress in duty.
- The Company supports the officials to always receive related news as opportunity and as far as it can be done for adding efficient and good relationship in collaboration.

#### The practice for the consideration of remuneration and the benefits of employee

- The Company determine the remuneration on the fairness basis, which is not below the level that determined by the labour law, while consider the appropriateness to the knowledge, experience, qualification of employee, including the performance of each individual employee. The remuneration package shall align with the industry standard and suitable to the growth of the Company.
- The Company has arranged other benefits include bonus, overtime, cost of living allowance, uniform and accessories, insurance, provident fund, annual health check up, and other benefits required by law such as social securities, and employee benefits for retired employee. As of 31 December 2019, the employee benefits according to the company financial statements indicated THB 69,323,939.30
- Provide to have provident fund with name: Provident fund Thai Commercial Piensub which already registered under no. 77/1997 by having Thai Commercial Public Company Limited as fund manager at the date of 31 December 2019. Fund membership specific part of Chiangmai Frozen Foods Public Company Limited have 170 persons and having saving money, add money and interest total amount THB 69,420,561.87
- Provide the source for fund to the employee who would like to make a loan purposely to purchase and/or renovate a house, at the special low rate. Also provide the loan from provident fund.
- In the year 2019 The remuneration of the employees Amount THB 276,293,971.00 comprises salary, wages, remuneration, bonus, overtime, diligent cowries, hospital charge, cost of insurance group, cost of living, provident fund 3% of salary, employee benefit when reach age limit of 60 years.

#### The practice for the training of employee

- The Company provide the orientation to the new employee to ensure the understanding of the Company's rules and regulation, employee's right. Also provide brochure with the information.
- The Company has arranged in-house training with the qualified guest speaker/trainer, purposely to assure the understanding of safety of working practice, the teamwork, the practice of operation against corruption, the maximization use of resource.

- The Company provide external training to employee such as the training course from Dhamniti, IOD, and FAP
- The Company encourage the learning for the employee consider the potential of each individual to support the growth in their carrier.

#### Training and Seminar

- In the year 2019, the company had training and seminar hours for the officials with average 9.41 hours/person/year.

#### g. Treatment policy on safety and health

The Company is fully aware that safety and health are the basis responsibility of the company and is an important factor toward sustainable growth of organization, the company then formulate the policy that would give the officials and co-partners work safety and in accordance with provision of related law by:

- The Company shall find a way to protect accident, wounded and illness due to work performance with earnestly cooperation of every official inclusive to seek a way to get rid and control risk in un-safety work performance.
- The Company shall give cooperation with government unit and other organizations in suppressing emergency trouble or accident which happen from work performance quickly, efficient and cautious.
- The Company shall act in accordance with law and various regulations in the matter of safety strictly and shall bring management standard measure concerning reliable safety to be effective in case not yet available of laws and regulation formulated.
- The Company managed to have designing on equipment, making performance discipline, operation planning and officials training to have knowledge and understanding and receive sufficient information in the matter of working safety to protect danger which may happen from machines, working method or various diseases.
- The Officials whose join working by having illegal narcotics essence in the body system or having liquor power or other narcotics essence in a level that able to cause damage on performance would receive punishment by discipline as company regulation.

#### The practice of safety and hygienic

- The Company shall arrange properly layout for the office and factory
- There will be proper entrance and exit to ensure the safety of worker
- There will be walkway within the factory with proper space
- There will be toolbox in each specific area
- There will be sufficient light and air ventilation in the factory

- There will be first-aid training, fire escape training, firefighting training, and regularly examination for the fire extinguish equipment.
- There will be sufficient area for the worker for exercise activities
- There will be sufficient toilet and infirmary
- There will be annual health check-up
- There will be work insurance for every worker

#### Statistic of Accident from work

- In the year 2019, Statistics on accident to the stage of ceasing work excess 3 days come to 0.53 persons / 1,000 persons.

#### h. Participation development on community and society policy

In order to maintain for good community and society, the company then formulates the following guide lines:

- The Company shall behave as own rights in their capacity as a good population by law and/or discipline issued by corporate governance section strictly and give cooperation with public sector regularly.
- The Company supports the officials and related person to acknowledge, understand guide line in operation in order to participate in community and society development.
- The Company shall proceed the project or do activity for society continuously in order to create affection, union, to be unanimous with community and society.
- The Company shall take good care and protect not to allow company operation to incur damage toward life quality of community and society.
- The Company shall create mind conscious in responsibility toward community and society in every level of official group continuously and earnestly.
- The Company shall cooperate to support and create community and society, support any activities which related with community development both in the part of life quality development and exchange experience from operation with community and society for bringing to improve working regularly.

#### i. Environment and Natural Resources policy

The Company has an intention to attend business with responsibility, friendly toward environment and natural resources as below principles:

- The Company shall administer by having target in protection not to incur impact toward environment and natural resources and better than provision of laws.
- The Company intends to develop operation process to be in accordance with international standard measure through revise and operation assess regularly.
- The Company shall establish firmly and promote officials including related person to have responsibility toward environment and natural resources.

- The Company shall fully aware of maintenance environment and natural resources for nice living and is a source of river and brook manage to have a process for providing knowledge to the officials by training in order to allow every official fully aware of its important, incur guarding jealously, maintain and use most worthwhile on natural resources.
- The Company shall maintain environment condition and biodiversity in operation areas to incur balance of residence system sustainable.
- The Company shall participate in reducing incurred greenhouse gas that shall impact toward change of climate.
- The Company shall seek an opportunity to exchange, learning and share experience from operation with other units for renovating operation continuously.

j. Human rights policy

The Company has a policy to conduct business by holding principle of respect toward human rights as international principle below:

- The Company shall treat every official with respect in honor and dignity.
- The Company supports the officials to use their legal rights as population according to edit of constitution and to be prescribed by the laws.
- The Company shall maintain personal information of the officials such as autobiography, health record, working resume, disclosure or personal information transfer of the officials to the public would be able to do when receive consent from those official. All this, violation regards as fault by discipline except has done according to the company discipline or as laws.
- The Company does not violate and not support activities that violate human rights.
- Every official must not do anything that violate or threaten either by speech or act toward other persons on basis of race, sex, religion, age cripple on body.

k. Misconduct and corruption resistant policy

The Company has an ideal in conducting business with virtue, act in accordance with law, transparent, adhere to responsible toward society and every group of stakeholder according to the principle of good Corporate Governance (private) and ethics in conducting business, not supporting every form of misconduct and corruption. Therefore, in the year 2013 the company has joint the operation of Thai private sector in misconduct and corruption resistant and in 2015, the company applied for a member of net-work partnership on misconduct for Thailand in order to fight for every organization to aware of misconduct and corruption impact and formulate following guide lines:

- The Company formulate the written policy of Anti-Corruption and misconduct that is: the directors, executives and officials of the company are prohibited to do whatever that are related with every form of misconduct and corruption both for own benefit, family, friend and acquainted persons, both direct or indirect, not even in the status as recipient, provider or proposer, even its money or not to the government service units



or private units that the company has conducted business or contacted and must perform strictly according the company policy. If not, shall be punished by discipline as company formulated rule and may be punished by law if that doing is illegal.

- The Company pays an important in human resources administration, can bring the policy of misconduct and corruption resistant to use practicing to incur form and appearance of things, communicating, provide knowledge and train officials concerning protection for seeking improper interest in duty and guide line to promote the personnel to understand and perform as organization culture.
- For the officials whose refuse to misconduct and corruption, the company has a policy not to reduce rank, punish or give result in a bad way to those officials, though refusal on misconduct and corruption would make the company lose an opportunity in business.
- The Company has available internal inspection section that having independence and upright by report direct to the Board of Audit Committee in inspecting risk assess on misconduct, possibility assess in the matter of misconduct and consider on protection and control measurement to have maximum efficiency in order to assure that the company shall be able to protect and control misconduct and corruption efficiently.
- The Company has a guide line to oversee and consult for protecting and follow performance assess as the policy of misconduct and corruption resistant by formulate Board of Audit Committee perform duty on governance to act in accordance with policy of misconduct and corruption resistant at least once a year through revise, practical line and provision in operation to coordinate with change on business, discipline, regulation and provision by law.
- The Company makes risk assessment on misconduct and corruption by managing risk management policy that may happen from normal operation and risk that may happen from misconduct and corruption, to look for risk measurement and protection guide line.
- The Company will disseminate policy of misconduct and corruption resistant both in giving or receiving present, donation for merit, support money, political assistance, purchasing, personal administration through expenditure for business entertainment to the customers, co-traders, creditors, related units, company officials through subsidiary company, corporate company, other companies that has authorize to control, business representative, the people to acknowledge through communication channel of the company such as website of the company, e-mail, fax, annual report of disclosure information (type 56-1 and 56-2), fold sheet, responsibility toward environment report, first explanation, training, seminar and post letter.

#### 1. Whistle blowing policy

The Company manages to have measurement in whistle blowing or for any activities concerned the law offending, misconduct, violation of rights, or any behaviour that may reveal for misconduct and corruption or improper of the person in organization both from directors, executives, officials and other stakeholders which grievance or clue by every group of stakeholder are likely to receive protection, its regarded as secret and not

regarded as fault in discipline in case one who blowing is an official of the company and the company shall rush inspection and remedy problem quickly.

Safety channel in approaching information advice acceptance, whistle blowing or complaints on the rights violation channels

- Safety channel that the officials or stakeholders can approach to the information firmly when require an advice concerning performance in accordance with anti-measurement of misconduct and corruption by company website: [www.cmfrozen.com](http://www.cmfrozen.com) click Investor Relations click required various heading such as anti-corruption policy or Business Morality or Corporate Governance Policy or other headings.
- Safety channel that the officials or stakeholders can approach firmly when requires to file complaint, notify information or clue that concerns with misconduct and corruption, right violation, without risk to the informant afterwards by sending complaint, clue or information by post letter to:

Chairman of Board of Audit Committee /

Chairman of Board of Corporate Governance /

Company Secretary / Human Resources Section

Chiangmai Frozen Foods Public Company Limited

No. 149/34 Soi Anglo Plaza, Surawongse Road,

Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500, Thailand

or send by E-mail address: [cg@cmfrozen.com](mailto:cg@cmfrozen.com)

or by phone: 662-238-4091, 662-634-0061-4 or Complaint box.

#### Relations with investors

Board of Company realize that company information both concern and not concern with financial are entirely effected to the decision of investor and stakeholders of the company. Board of Company then have a policy to let the executives section disclosing complete information to correspond with truth, reliable, regular and in time which the company has paid an important and kept throughout practicing. With regard to work in investment relation, the company has not set up this section owing such activity is not much but has assigned Mr. Tewin Rungratanapitak - Company Secretary or Mr. Sakda Phimmuang - Accounting Manager to contact and communicate with institution investors, shareholders, analyst and state concerned which the investors can see the company information at Website : [www.cmfrozen.com](http://www.cmfrozen.com) or contact at phone : (662) 238-4091 or at E-mail address : [cg@cmfrozen.com](mailto:cg@cmfrozen.com).

#### **Business Operations Affecting Social Responsibility**

The company has operations guidelines to assure that the direction and main target of the sustainable development is in compliance with the changes of economy, society and environment as well as the

expectation of stakeholders in order to effectively, efficiently and sustainably grow and develop. The summary of main operations for many areas is as follows;

#### Operations for Economy

In 2019, the Company had key performance for economy and could provide the economic value to all stakeholders as following details;

Item	Value (Million Baht)*
Income from sales, helping in driving economy	1,163.26
Total net Profit (Loss) to increase value to shareholder	34.76
Salary and Wages to remunerate employees **	276.29
Employees' training expenses	1.48
Taxes paid to government for utilizing in further development of the country ***	10.19

\* Data from 2019 Financial Statements of the Company

\*\* Consisted of salary, wage, welfare and contributions to the providence fund and social security fund

\*\*\* Corporate income tax, local tax, property tax, sign tax and withholding tax

#### Operations for Society and Community

Since the company has realized the importance of the coexistence with surrounded community and society, the policy framework has been focused on the assistance towards society and community in order to promote the good relationship and have cooperation and support the organization operations from community and society. Besides, the conflict had been decreased while the intensity of future problems has been relieved, the company can increase their understanding and create good recognition and be a good role model for society. All implemented activities had concerned on the benefits of organization and the development of community and society together which has made community confident and trustful towards organization in promoting intimate business relationship and sustainably being success partners to each other. In 2019, the company had organized activities beneficial for society and community as follows:

- Supporting educational institution and students
- Supporting Children and Teenager Activities
- Blood Donation Activities
- National Labor Day Activities
- Children Day Activities
- Safety Travelling Activities

The details for above activities further described in sustainability report separately from annual report which can see information from website: [www.cmfrozen.com](http://www.cmfrozen.com) heading: Investor Relations.

#### Operations for Environment

The Company has promoted all directors, executives, employees to utilize resources effectively, suitably, and sufficiently for utmost benefits as well as communicated, provided

the knowledge, supported and build awareness for employees and relevant parties to manage the utilization of existing resources for organization's utmost benefits

The Company has realized the significance of the environment then established the environmental management system to decrease the effect on environment and improve surroundings to be better continuously. All executives and employees have focused to strictly follow the policy by implementing activities under the scope and practice as follows:

- The Company has operated the work process following to environment law by organizing the measurement of environment, such as measurement for weather quality, noise, heat, lighting, the dispersion of chemical, and quality of water released from factory, the result of the inspection is qualified according to the standard specified by law.
- The Company has concern the operation activities with would affected the environment, specifically, the Company has improve the water treatment and the reuse of water to clean the road in the factory parameter, and the reuse of water for the field in the factory. This has reduce the water after treatment and the use of new water.
- The Company held the meeting with the dairy farmers who use our byproducts as cow feeds as to provide knowledge and management of byproducts to maximization benefits of byproducts.

The company has continuously organized the activity of energy usage reduction by encouraging employees to be aware of energy conservative within the organization, as well, the company has invested on efficiency improvement of machines and equipment, in 2019, the Company's measurement of energy conservative has been implemented as follows:

- Energy conservative in the lighting system through the use of LED light in the cold storage. Form the measure of the energy consumption, the result has indicated the energy save comparing to the traditional light bulb. Also, the company has promoted the on-off of lighting system according to the space required the light.
- The Company has participate in the campaign with the Provincial Electricity Authority, Amphoe Sansai to study the reduction of electricity by turning off the compressor while maintain the temperature in cold storage. The study has reveal the company can manage to reduce the electricity with proper operating hours.
- The Company has substitute part of the energy usage through the use of Biogas. The power generated by Biogas will be use with the water treatment system.
- The Company are held the seminar providing knowledge on energy conservative in the daily life. The participant in the seminar are 80 persons which will represent the group of worker in monitoring the misuse of energy by turning on-off the switch where the light is required.

From the operation in 2019, the company can reduce the use of energy from the measurement of energy conservative and improve the energy efficiency. The behavior of employee has

gradually change by turning off the light switch during lunch break and when the light is not required.

## **11. Internal control and Risk Management**

### **Internal control**

The Company pays an important on internal control system with efficiently both in executive level and practical level, then has formulated duty, operation power of proceeding and executives in writing, having control usage of company assets to incur advantage and available development of good internal control system in regard to financial and accounting include effective report system.

### **Internal Audit**

The Company has arranged internal audit department with Mr. Weerawat Sakulmeerit as the vice internal audit manager to perform inspection duty to ensure that the main practical and important financial activity of the company have proceeded as estimated way with efficiently inclusive inspection practice as laws and provision of the company as per work chains, and directly report to the Audit Committee.

### **Risk Management**

Board of Company are aware of the important risk management and see that such process is one of the most important component of good corporate governance. So it manages to have risk management process which is standard system and more efficiently by assigning the Board of Risk Management Committee to formulate the policy, objectives, tactics in risk management and risk level that the company acceptable inclusive notify these matters to everyone in association to acknowledge for aware an important and is to make culture in risk management to incur in every level of the company enabling to bring for continuously practice to overtake changed situation for being as practice on background of risk management inclusive take care of having formulate to follow up method of risk management result appropriately owing it is an important final step that effect toward success of risk management and formulate for reporting to the Board of Company.

## **12.Related transactions**

### **Conflict of interests**

Board of company have executed carefully and cautiously to prevent conflict of interest when any matter that may cause conflict of interest. Board of Audit Committee will learn about the subject that get conflict of interest and related subject and have considered the suitability cautiously every time by formulating to have practiced according to the basis of Securities and Stock Exchange of Thailand in which prices and conditions are as if doing subject with outsider and have already disclosed details, subject value, partnership, reason/necessity in the annual report and type 56-1 also have disclosed in notes to Financial Statements heading : general information and account with related person.

The Company has a policy to fix the selling price of the products to the related company as trade agreement in the same manner with sages should do with general partners under same circumstances. For the step of making list among themselves will be in accordance with the business mechanic in all respects both in fixing the price, provide discount and credit by the authorized officer who responsible directly with an approval of the executives. For the

shareholders who have common interest, take no part in such approval. However, to fix the price, provide discount and credit shall be in accordance with the market mechanic which the company has treated in the same way with every customer of the company.

In future this making list among themselves shall have to continue further with thinking of the company maximum advantage that the company would receive as main interest.

C.T. Prosper Group Co., Ltd., is a company to conduct business of buying – selling, having joint shareholder and director, has rent 30 square metres areas at the rental fee 7,500 Baht per month as office. In the year 2019, the company has received office rental 90,000 Baht