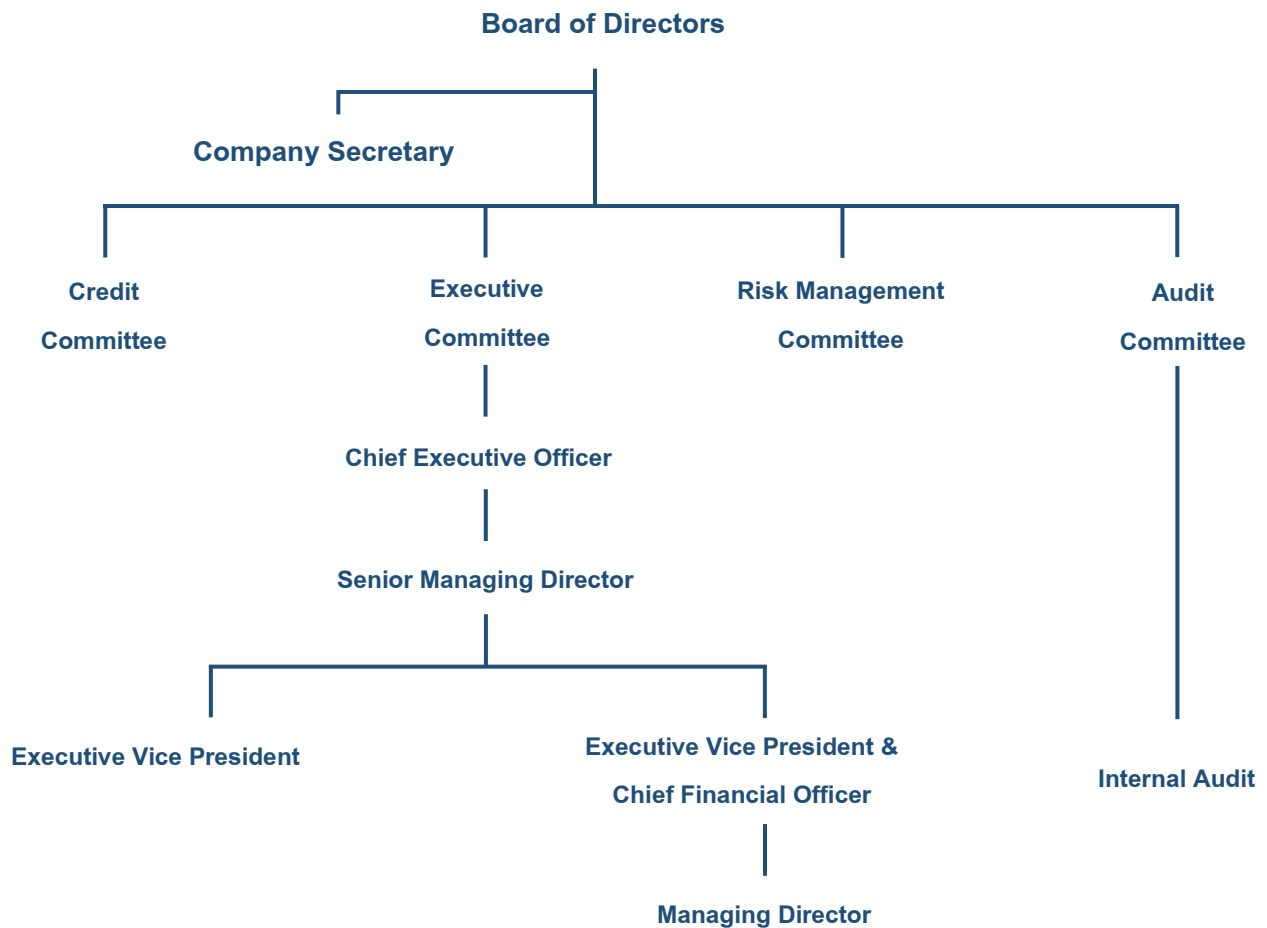


## **Part 2**

### **Management & Corporate Governance**

## Management

The Company's Organization Chart as of 31<sup>st</sup> December 2018



### Board of Directors

As of December 31<sup>st</sup>, 2018, the Board of Directors consisted of 9 members as follows:

- |                                    |                       |
|------------------------------------|-----------------------|
| 1. Mr. Somsak Amornrattanachaikul  | Chairman of the board |
| 2. Mr. Somchai Amornrattanachaikul | Director              |
| 3. Mr. Suriya Prasatbuntitya       | Director              |
| 4. Mr. Aekarat Punnasung           | Director              |
| 5. Mr. Wallop Lomlimp              | Director              |
| 6. Mrs. Suree Jansawat             | Director              |
| 7. Mrs. Sunanta Tiasuwan           | Independent Director  |
| 8. Mrs. Yaowanee Kruo-ongarjnukool | Independent Director  |
| 9. Mr. Somboon Phaobanchong        | Independent Director  |

**Duties and Responsibilities of Board of Directors**

- 1) Be responsible for all affairs of the Company and has authority to perform duties under scope of laws, the Company's objectives and regulations, resolutions of shareholder meetings.
- 2) Determine policies and management direction, and oversee performance of sub-committees, Executive Directors in particular, to act in accordance with policies set under two major criteria – maximizing benefits to the Company and complying with laws and relevant requirements.
- 3) Bound to conduct information disclosure to shareholders and all groups of stakeholders accurately, completely, transparently and reliably as prescribed by laws.
- 4) Arrange appropriate and efficient risk management process, and efficient and standardized internal control and audit systems to be able to evaluate major risks and manage risks.
- 5) Arrange appropriate corporate governance policy in compliance with Good Corporate Governance Principles.
- 6) Appoint the Company's Secretary to help overseeing the Board of Directors' activities and facilitate the Company and Board of Directors to comply with laws and relevant requirements.
- 7) Provide Code of Business Conduct for Directors, Executive Management and employees to be guidelines for the Company's business operations.
- 8) Carrying out business to be compliance with Good Corporate Governance and encourage all person in the Company to acknowledge and strictly follow through communication.
- 9) Arrange a clear and transparent process concerning connected transactions.
- 10) Arrange a clear reporting process of the Audit Committee to the Board of Directors when suspicious transactions or actions which could a significant effect on the Company's financial position and operating performance are found, and the Board of Directors must address the problems within duration Audit Committee deemed appropriate.
- 11) Arrange to review and improve important policies and plans to be updated and suitable for business circumstance regularly.
- 12) Perform other duties associated with the Company's business as assigned by shareholders.

**Authorities of the Board of Director**

- 1) Consider and approve material transactions under scope of duties of Board of Directors as prescribed by laws and the Company's requirements, and investment in other business, joint venture, incorporation of new companies and investment divestment.
- 2) Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount exceed 300 million baht per contract.
- 3) Consider and approve investment transactions worth more than 15 million baht under normal course of business with aims at expanding business and improving business operations.
- 4) Consider and appoint/remove sub-committees to support the works of The Company's Board of Directors as deemed appropriate and necessary, and supervising and evaluating performances of sub-committees regularly.

### Appointment of Directors

- Appointment of new directors or directors who replace the retiring directors is subject to shareholders' resolution. Persons who are appointed as directors must receive a majority vote from shareholders who attend the meeting and cast vote. Chairman at the meeting shall have mandate to elect directors in case that candidates receive the equal vote.
- Board of Directors appoints persons who are qualified, and their characters are not prohibited under Public Limited Companies Act as directors to fill the vacancy resulted from reasons other than retirement upon term completion. The appointed directors serve the remaining term of directors whom are replaced. The appointment takes into effect from the next meeting with exception that the remainder of term is less than 2 months. The appointment of directors in this case requires votes of at least three-fourths of the remaining directors.

### Incumbency of the Directors

- In each year of Annual General Meeting, at least one-third of the total directors must retire by rotation. In case that number of directors cannot be divided into three parts, a number nearest to one-third is required to retire.
- Retiring director is eligible to re-elect.
- Apart from retirement upon term completion, directorship can be terminated when
  - 1) Died
  - 2) Resigned
  - 3) Disqualified or has prohibited characteristics prescribed by Public Limited Companies Act
  - 4) Shareholder meeting has a resolution to remove. To approve the resolution, it requires vote from three-fourths of attending shareholders who have voting rights and collectively hold at least a half of shares owned by attending shareholders who have voting rights.
  - 5) Revoked by court as the director acts or malfeasances which causes or probably causes damages to the Company
- Director who intends to resign must tender a resignation letter to the Company. Resignation comes into effect when the Company receives the letter.

### Audit Committee

As of December 31<sup>st</sup>, 2018, Audit Committee consisted of 3 members as follows:

- |                                    |                             |
|------------------------------------|-----------------------------|
| 1. Mrs. Sunanta Tiasuwan           | Chairman of Audit Committee |
| 2. Mrs. Yaowanee Kruo-ongarjnucool | Audit Committee             |
| 3. Mr. Somboon Phaobanchong        | Audit Committee             |

### Duties of Audit Committee

- 1) Review the Company's financial reporting process to ensure that it is accurate and adequate.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, consider an internal audit unit's independence, as well as approve appointment, transfer and dismissal of head of internal audit unit or any other unit in charge of internal audit tasks.

## Management

- 3) Review the Company's compliance with Securities and Exchange Act, the SET regulations, and laws related to the Company's business.
- 4) Review Connected Transactions, or transactions that may cause conflict of interest to be compliance with laws and the SET's regulations to ensure that such transactions are reasonable and for the highest benefit of the Company.
- 5) Arrange report of the Company's audit committee and disclose in the Company's annual report. Audit committee's report consists of the SET's criteria and regulations and is signed by Audit Committee's Chairman.
- 6) Perform any other duties as assigned by the Company's Board of Directors with consent of Audit Committee.

### Authorities of Audit Committee

- 1) Select and nominate independent persons as external auditors and make recommendations on their dismissal, fees, and hold a meeting with them in the absence of the management at least once a year.
- 2) Comments on the Internal Auditor Manager nomination, transfer, or termination, or other function relevant to internal auditor responsibilities.

### Appointment of Audit Committee

Audit Committee must not involve in daily operation of the company and must be appointed by the Board of Director.

### Incumbency of Audit Committee

- 1) Audit Committee member serves the remaining term of member in the Company's Board of Directors. Audit Committee members who retire upon term completion may be re-elected.
- 2) In case of vacancy due to reasons other than retire upon term completion, the Company's Board of Directors has duty to appoint qualified persons as Audit Committee to at least meet a minimum number required by the SET. Those who fill the vacancy serve the remaining term of members in the Company's Board of Directors.

### Executive Committee

As of December 31<sup>st</sup>, 2018, Executive Committee consisted of 10 members as follows:

- |                                       |                                 |
|---------------------------------------|---------------------------------|
| 1. Mr. Somsak Amornrattanachaikul     | Chairman of Executive Committee |
| 2. Mr. Somchai Amornrattanachaikul    | Executive Committee             |
| 3. Mr. Suriya Prasatbuntitya          | Executive Committee             |
| 4. Mr. Hendrikus (Rik) Van Westendorp | Executive Committee             |
| 5. Mr. Aekarat Punnasung              | Executive Committee             |
| 6. Mrs. Suree Jansawat                | Executive Committee             |
| 7. Mr. Wallop Lomlimp                 | Executive Committee             |
| 8. Mr. Daniel Fong Pin Jan            | Executive Committee             |
| 9. Mr. Panop Svetarunda               | Executive Committee             |
| 10. Mr. Somchai Kuvijitsuwan          | Executive Committee             |

### Duties and Responsibilities of Executive Committee

- 1) Formulate the Company's business plan and working guidelines and oversee performance to be in accordance with the Company's policies and plans.

### **Management**

- 2) Supervise, oversight and examine performance of Managing Director and executives to ensure that it is in accordance with policies and business plans.
- 3) Perform any other duties as assigned by the Company's Board of Directors.

### **Authorities of Executive Committee**

- 1) Consider and approve matters related to the Company's normal business operations or seek an approval from the Company's Board of Directors for matters which significantly affect the Company.
- 2) Consider and approve annual budget.
- 3) Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount not exceeding 300 million baht per contract.
- 4) Consider and approve investment transactions worth lower than 15 million baht under normal course of business with aims at expanding business and improving business operations.
- 5) Consider and approve delegating a particular or several persons the authority to sign documents related to money withdrawal of each transaction as well as limit amount those persons are authorized to approve for each withdrawal.

### **Appointment of Executive Committee**

Executive Committee consists of Directors and high-ranking Executives whose roles are related to routine management and/or authorized signatory directors who are appointed by Board of Directors' meeting.

### **Credit Committee**

As of December 31<sup>st</sup>, 2018, Credit Committee consisted of 6 members as follows:

- |                                       |                              |
|---------------------------------------|------------------------------|
| 1. Mr. Suriya Prasatbuntitya          | Chairman of Credit Committee |
| 2. Mr. Somchai Amornrattanachaikul    | Credit Committee             |
| 3. Mr. Hendrikus (Rik) Van Westendorp | Credit Committee             |
| 4. Mr. Aekarat Punnasung              | Credit Committee             |
| 5. Mrs. Suree Jansawat                | Credit Committee             |
| 6. Mr. Wallop Lomlimp                 | Credit Committee             |

### **Duties and Responsibilities of Credit Committee**

- 1) Steer the related unit to uphold policies or guidelines approved by the Company's Board of Directors to improve efficiency in managing the group of companies' debtors.
- 2) Review domestic debtors credit data on monthly basis in order to report to the Company's Board of Directors at meeting and propose solutions.
- 3) Consider debt reduction to resolve the overdue debt problem in the amount not exceeding 1,000,000 baht.

### **Authorities of Credit Committee**

- 1) Consider, determine, and announce policies and procedures to access to new customers who are local customers of the group.
- 2) Consider and determine policies of credit line, and control credit ceiling.

### **Appointment of Credit Committee**

Members of Credit Committee are appointed by a resolution of Board of Directors' meeting.

## Management

### Risk Management Committee

As of December 31<sup>st</sup>, 2018, Risk Management Committee consisted of 12 members as follows:

- |                                       |                                       |
|---------------------------------------|---------------------------------------|
| 1. Mr. Suriya Prasatbuntitya          | Chairman of Risk Management Committee |
| 2. Mr. Hendrikus (Rik) Van Westendorp | Risk Management Committee             |
| 3. Mr. Somboon Phaobanchong           | Risk Management Committee             |
| 4. Mr. Somchai Kuvijitsuwan           | Risk Management Committee             |
| 5. Mr. Panop Svetarunda               | Risk Management Committee             |
| 6. Mr. Jirachan Kampiranon            | Risk Management Committee             |
| 7. Mr. Bundit Pichetpongsa            | Risk Management Committee             |
| 8. Miss. Sirirat Wongmathawee         | Risk Management Committee             |
| 9. Mr. Somsak Sthidthumrong           | Risk Management Committee             |
| 10. Miss. Varanratch Assanupong       | Risk Management Committee             |
| 11. Mr. Boonsong Sorasith             | Risk Management Committee             |
| 12. Mr. Pallop Chewpraditkun          | Risk Management Committee             |

### Duties and Responsibilities of Risk Management Committee

- 1) Control and support risk management in according with the company strategy, target, and changing in business environment.
- 2) Recommend, follow up and evaluate risk management and internal control.
- 3) Report work under risk management issues and recommendations, including with appropriate procedure in order to control risk efficiently.

### Authorities of Risk Management Committee

- 1) Determine and review Risk management policy and framework.

### Appointment of Risk Management Committee

Risk Management Committee consists of Directors and high-ranking Executives whose roles are related to routine management and one independent director who are appointed by Board of Directors' meeting.

### Company Secretary

#### Company Secretary Information

Name: Mr. Chitsanucha Puangsuda

Position: Company Secretary

Date of Appointment: 1st March 2017

Education: Bachelor of Laws, Ramkhamhaeng University

Percentage of Shares Hold: None

Work Experience:

- 2016 Present: Assistant Managing Director, Asian Seafoods Coldstorage PLC.
- 2016: Deputy manager of Legal, Metro Systems Corporation PLC.
- 2005 – 2015: Audit, Metro Systems Corporation PLC.

## Management

- 1997 – 2015: Committee Investigating Corruption, Metro Systems Corporation PLC.
- 1994 – 2016: Lawyer, Metro Systems Corporation PLC.

### Duties and Responsibilities of Company Secretary

The Company's Secretary is obliged to perform duties as prescribed by Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, which has been implemented since August 31, 2008, with responsibility, prudence, honesty and integrity and compliance with laws, the Company's objectives and regulations, and resolution of Board of Directors and shareholders. The Company's Secretary has the following statutory functions:

- 1) Prepare and Keep the following documents
  - a. Statutory register of directors.
  - b. Notice of Board of Directors' meeting, minutes of Board of Directors' meeting and annual report.
  - c. Notice of shareholders' meeting and minutes of shareholders' meeting.
- 2) Keep Directors and Executives' vested interests reports.
- 3) Dispatch copy of vested interests reports of Directors, Executives and related persons to Board of Directors' and Audit Committee's chairmen within 7 days after the Company obtains such reports.
- 4) Oversee information disclosure and report in part that Secretary takes responsibilities to compliance unit which are in charge to oversee the applicable rules and regulations prescribed by state agencies.
- 5) Carry out other matters as set by Capital Market Supervisory Board.
- 6) Perform other duties delegated by the Company.

### Board Remuneration Policy and Remuneration of 2018

The Company has a policy allowing the board to screen and nominate directors and consider their remunerations themselves, the board consider their remuneration which were competitive to the ones of a similar type of industry and the same size of business, including business expansion and profitability. In 2017, The board has considered and proposed to the shareholders to approve the directors' remuneration in amount of not exceeding 2,000,000 baht. The details are as follow:

- 1) Meeting Allowance: To pay the directors who are not the employee of the company, which are Chairman of the Audit Committee pay 25,000 baht per meeting, the members of the Audit Committee pay 15,000 baht per meeting, independent directors pay 15,000 baht per meeting and risk committee pay 5,000 baht per meeting.
- 2) Annual Bonus: to be considered and paid according to the company's performance.

Management

Directors' remuneration of 2018

Directors	Directors' Meeting Allowance (Baht)	Risk Committees' Meeting Allowance (Baht)	Audit Committees' Meeting Allowance (Baht)
1.Mr.Somsak Amornrattanachaikul (Chairman of the Board)	-	-	-
2.Mr. Somchai Amornrattanachaikul (Director)	-	-	-
3.Mr. Suriya Prasatbuntitya (Director)	-	-	-
4.Mr. Aekarat Punnasung (Director)	-	-	-
5.Mrs. Suree Jangsawat (Director)	-	-	-
6.Mr. Wallop Lormlimp (Director)	-	-	-
7.Mrs. Sunanta Tiasuwan (Chairman of Audit Committee /Independent Director)	75,000	-	125,000
8.Mrs. Yaowanee Kruo-ngarjnkool (Audit Committee /Independent Director)	75,000	-	75,000
9.Mr. Somboon Phaobanchong (Audit Committee /Independent Director/ Risk Management Committee)	75,000	40,000	75,000

The Company Manpower and the subsidiaries'

Manpower of the company and its subsidiaries as of December 31<sup>st</sup>

(Unit: man)

Company	Monthly Employee		Daily Employee		Total	
	2560	2561	2560	2561	2560	2561
Asian Seafoods Coldstorage PLC.	289	394	1,351	1,298	1,640	1,692
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	243	238	1,233	1,045	1,476	1,283
Asian Alliance International Co., Ltd.	464	482	2,780	2,700	3,244	3,182
Asian Feed Co., Ltd.	180	185	30	32	210	217
Asian Group Service Co., Ltd.	-	4	-	-	-	4
<b>Total</b>	<b>1,176</b>	<b>1,303</b>	<b>5,394</b>	<b>5,075</b>	<b>6,570</b>	<b>6,378</b>

## Management

## Salary and Wages paid

(Unit: Million baht)

Company	Monthly Employee		Daily Employee		Total	
	2560	2561	2560	2561	2560	2561
Asian Seafoods Coldstorage PLC.	101.05	107.89	151.25	160.26	252.30	268.15
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	49.98	51.97	131.16	122.85	181.14	174.82
Asian Alliance International Co., Ltd.	118.75	135.57	374.43	390.62	493.18	526.19
Asian Feed Co., Ltd.	40.59	47.75	3.28	3.07	43.87	50.82
Asian Group Service Co., Ltd.	-	3.11	-	-	-	3.11
<b>Total</b>	<b>310.37</b>	<b>346.30</b>	<b>660.12</b>	<b>676.80</b>	<b>970.49</b>	<b>1,023.10</b>

## Corporate Governance Policy

Asian Seafoods Coldstorage Public Company Limited's Board of Directors realizes duties and responsibilities to maximize benefits to shareholders and impacts on society, communities, environment, the country and other stakeholders including customers, trade partners, creditors, employees and competitors, Board of Directors has set out policies for the Company's Corporate Governance to be strictly followed by

Directors, Executive Management and employees, and create transparency and fairness to stakeholders.

Important corporate governance's policy has been set out in the following five elements.

### Section 1 Shareholders' Rights

The Company's shareholders can exercise their ownership rights in controlling the Company through appointments of directors to act on behalf of them and they have rights to make a decision concerning the Company's major changes as following:

- 1) Rights to register as the Company's shareholders.
- 2) Rights to transfer shares. However, such share transfer that causes foreign ownership in the Company exceeding 20 % of total paid-up shares is not permitted.
- 3) Rights to obtain the Company's material news and information regularly and adequately.
- 4) Rights to attend meeting to cast vote in the Company's shareholder meeting.
- 5) Rights to appoint or remove the Company's Directors.
- 6) Rights to consider remuneration for the Company's Directors.
- 7) Rights to appoint auditor and consider auditor's remuneration.
- 8) Rights to consider profit allocation and receive a share of the Company's profit.
- 9) Rights to participate in making decision and acknowledge results of the Company's decision-making concerning changes in the Company's fundamentals as following;

- Divestment or transfer of the Company's entire business or some significant parts to other persons.
- Acquisition or being recipient of business transfer from other companies.
- Entering, amending or terminating contracts concerning rental business of the entire company or some significant parts, assigning others to manage the Company's business, or amalgamating business with others with an aim at sharing profit and loss.
- Amendments to the Company's Articles of Association or the Company's rules and regulations.
- Capital increases or decreases.
- Merger and acquisition or company's closure.
- Debenture issuance
- Extra items which are not transactions on normal course of business.

## Corporate Governance Policy

The Company opens up full opportunities for all groups of shareholders including institutional shareholders to equally participate and cast vote in shareholder meeting. The Company refrains from any actions which limit rights to access to the Company's information or attend shareholder meeting. The Company shall proceed the following matters related to shareholder meeting.

### Before Shareholder Meeting

- 1) Preparing invitation letter to shareholder meeting and supporting documents which contain complete and clear details of important information in both English and Thai languages.
- 2) Disseminating invitation letter to shareholder meeting and supporting documents at least 14 days prior to the meeting date through the Stock Exchange of Thailand's information system and the Company's website.
- 3) Dispatching invitation letter to shareholder meeting and supporting documents including the proxy form (in case that shareholders do not attend the meeting by themselves) to shareholders at least 14 days ahead of the meeting date to provide shareholders enough time to study information for making decisions on voting.
- 4) Providing channels for shareholders to ask about agenda in shareholder meeting or submit questions in advance to the Company Secretary via e-mail: [Asian-secretary@asianseafoods.co.th](mailto:Asian-secretary@asianseafoods.co.th)

### On Shareholder Meeting Date

- 1) Setting date, time and venue for shareholder meeting held in area in which headquarters are located or neighboring provinces in order to be convenient for shareholders who will attend the meeting.
- 2) Employing computer system for shareholder registration process and providing sufficient time for registration.
- 3) Encouraging shareholders to use ballots in casting vote in every agenda.
- 4) In case of shareholders unable to attend meeting, they can appoint a proxy to participate in the meeting and cast vote
- 5) Informing shareholders about a clear criterion in voting at the start of meeting.
- 6) Do not add agenda other than those stated in shareholder meeting's invitation notice or change important information without advance notice.
- 7) The Company's Directors and Executive Management participating in shareholder meeting and opening opportunities for shareholders to raise questions and opinions and ask for clarification from Directors, Executive Management or Auditor in related agenda before voting.
- 8) Opening opportunities for shareholders to vote directors on individual basis.
- 9) Counting vote and disclosing outcome in each agenda to shareholders clearly and transparently by soliciting shareholders 'representatives as witness to observe the vote count.

### After Shareholder Meeting Date

- 1) Reporting meeting resolutions and vote result of each agenda through the SET's news system and the Company's website by the following business day.
- 2) Arranging shareholder meeting's minutes which contain complete details of important matters to submit to the SET and disseminate through the Company's website by 14 days after the meeting date.

## Corporate Governance Policy

- 3) Disseminating shareholder meeting minutes through the Company's website and informing through the SET's news system.

### Section 2: Equitable Treatment to Shareholders

The Company has policies to treat all shareholders—individual investors and local and foreign institutional investors equally and fairly. The Company's policies as following;

#### Giving information ahead of shareholder meeting

- 1) Informing shareholder meeting's schedule, agenda and Board of Directors' opinions to the SET and disseminating such information in both English and Thai versions through the Company's website at least 14 days prior to the meeting date.
- 2) Informing criteria for the meeting, voting procedures and voting rights of each type of share class to shareholders before the meeting and disseminating in the Company's website

#### Minority shareholder right protection

- 1) Refraining from adding agenda other than those stated in shareholder meeting's invitation notice or changing important information without advance notice.
- 2) Opening opportunities for shareholders to cast vote in appointing directors on individual basis.
- 3) Shareholders who collectively hold at least 5% of the Company's total voting rights have rights to sign in a single letter and submit to the Company Secretary via e-mail Asian-secretary@asianseafoods.co.th to request to add agenda items in Ordinary Shareholders' Meeting.
- 4) Shareholders who collectively hold at least one fifth of the issued shares or no less than 25 shareholders who collectively own at least one tenth of the issued shares can sign in a single letter to be eligible to nominate director candidates. They also must submit information to be used for qualification consideration and consent letter of the nominated candidates to the Company's Board of Directors through the Company Secretary at Asian-secretary @asianseafoods.co.th – at least 120 days prior to a date which set shareholder meeting.

#### Prevention of Insider Trading Activities

- 1) Directors, Executive Management and all employees are absolutely prohibited from using the Company's inside information which is a significant matter and has not been disclosed to public for personal or others' gains.
- 2) Directors, Executive Management and all employees are refrained from disclosing a significant business information as well as material information concerning the Company's stakeholders to either insiders or outsiders even they retired, resigned or are employment terminated, it is exceptionally permitted when such information disclosure is to comply with regulations prescribed by laws or resolution of the Company's Board of Directors.
- 3) Directors, Executive Management and all employees must always bear in mind that information which are important to business operations must be disclosed only by the Company's authorized personnel. When they are queried about material information and are not in charge to disclose such information, they should suggest inquirers to contact to those who have duty in disclosing information.

## Corporate Governance Policy

Directors, Executive Management and all employees have rights to trade the Company's shares, but personnel at all levels, their spouses and children who do not come of age are required to arrange and disclose shareholding report, and any changes in shareholding to the Company's Secretary to submit to the Company's director meeting at least 14 days before the meeting date to safeguard against a conflict of interest.

### Directors' Conflict of Interests

- 1) Directors, Executive Management and employees are barred from engaging in business which directly and indirectly competes with the Company.
- 2) Directors, Executive Management and employees shall avoid making connected transactions with related persons and juristic persons as such transactions could cause conflict of interest with the Company.
- 3) Directors are in charge of overseeing the Company to strictly follow criteria, procedures, and disclose information concerning connected transactions as prescribed by laws or regulations required by regulators.
- 4) Persons who have vested interest must refrain from taking part in consideration of items they have conflict of interest.
- 5) In case that connected transaction is essential, such transaction must be done in a normal course of business, accordance with principles approved by Board of Directors, and in a transparent and fair manner. Besides, the Company's optimal benefits must be taken into account and the connected transactions are executed in a similar manner to outsider transactions.
- 6) Connected transactions which do not fall into usual course of business in line with general principles approved by the Company's Board of Directors and could lead to conflict of interest are subject to auditing and opinion given by the Audit Committee before seeking approval from the Company's Board of Directors or shareholders.
- 7) Connected transactions of which characteristics and size are beyond Executive Board's approval limit are subject to auditing and opinions of Audit Committee before seeking approval from the Company's Board of Directors or shareholders.

The Company's directors and executives have duties to report vested interest of themselves and related persons who have vested interest in the Company's business management in compliance with criteria, conditions and procedures required by Capital Market Supervisory Board. The Company's Secretary takes responsible for gathering and submitting copy of reports concerning vested interest to inform the Chairman of the Board and Chairman of Audit Committee in the earliest Board and the Audit Committee after date of receiving the report and before the agenda is considered. The directors who have vested interest must be prohibited from taking part in meeting when the agenda is considered.

### Section 3: Stakeholders' Rights

The Company has set out practice policy for each group of stakeholders by largely taking rights of stakeholders as prescribed by laws and mutual benefits between the Company and the following groups of stakeholders into account.

## Corporate Governance Policy

- **Shareholders** the Company offers good and sustainable returns to shareholders by efficiently managing and striving to deliver robust operating performance and operating business with transparency, honesty and fairness. The Company respects to shareholder rights to obtain necessary information accurately and equally.
- **Customers** the Company continuously creates innovative products and manufacturing procedures to produce quality and safety products at a low cost, offer the best services, and provide complete and accurate product information to satisfy customers and consumers.
- **Trading partners** the Company is concerned about equitable treatment of trading partners, mutual benefits, developing and sustaining relationship in capacity of business alliance. The Company treats all trading partners in accordance with procurement procedures which stipulate process and practices clearly.
- **Creditors** the Company honors payment in both principal and interest to all types of creditors in a complete and timely manner and follow borrowing obligations completely.
- **Employees** the Company appropriately takes care of and treats employees at all levels, provide adequate resources for working, improve employee's potential, transparently and fairly consider compensation, promotion and rotation, maintain working environment to be safe for employees' life and assets in line with international standards, and open to employees' suggestion and opinions to build positive attitude at workplace and organization for business sustainability.
- **Competitors** the Company is committed to business competition with integrity. It shall not violate intellectual property of others or competitors and acquire confidential information of competitors by improper means.
- **Society, Community and Environment** the company complies with laws and/or relevant regulations. The Company is concerned about energy conservation and activities for the sake of society and environment in order to create good reactions, improve quality of life of people in communities, support education and protect environment.
- **Government sector** the Company provides collaboration and support state policies for the sake of the nation under laws and related criteria.
- **Independent and other organizations in society** the Company coordinates and exchanges information with independent and other organizations in society to jointly develop social and the country.

To express the Company's determination to apply Code of Business Conduct to operations in order to build good conscience, transparent management, integrity and justice, the Company has set out the anti-corruption and complain-receiving policy and protection rights of those who make complaints for suggestions and complains related to the Company's operations to be in line with the Company's motto "We r the Right Choice"

### Section 4: Disclosure and transparency

#### Disclosure and the person in charge of disclosing

The Company has focused on disclosure of both financial and non-financial information in an accurate, complete, transparent, thorough and timely manner to allow investors and all stakeholders to steadily access to reliable information which is sufficient for decision making through the Company's website and the SET's

## Corporate Governance Policy

in compliance with regulations set by the Securities and Exchange Commission (SEC) and the SET. The material information includes the annual registration statement (Form 56-1), annual report (Form 56-2), financial information, shareholders' structure, Directors and sub-committees, dividend payment policy, Corporate Governance, Code of Conduct, other activities of the Company, etc.

The Company has authorized CEO and those whom assigned by CEO to disclose the Company's information. The Company secretary takes responsible to disclose material information to the SET, the SEC, shareholders and investors, and coordinate with high-ranking executives overseeing financial issues to provide information and answer shareholders', investors', securities analysts' and general people's questions about financial information, operating performance, nature of business, policies, planning, investment and factors that could significantly affect operating performance. Information disclosure adheres to principles of accuracy, completeness, on-time and equality.

### Accounting Auditor and Financial Report Arrangement

The Company's Directors must conduct operating performance report, disclose material information transparently and adequately in financial statements of the Company and subsidiaries, and regularly submit to the SEC and the SET for shareholders' and investors' interests. The Company's and subsidiaries' financial statements must be audited by accounting auditors who are independent, knowledgeable, skillful, possess full qualifications, and are appointed by shareholders at general meeting to ensure that the Company's and subsidiaries' financial statements are conducted in compliance with standards and Generally Accepted Accounting Principle, and on the basis of appropriate accounting policy, prudence concept, accuracy and completeness to reflect the Company's true financial position and operating performance.

Besides, the Company requires the Audit Committee to audit reliability and accuracy of financial report, and adequate and appropriate internal control system to ensure the Company's financial statements are reliable.

## Section 5: Board's Responsibilities

### Structure of the Company's Board of Directors

- Board of Directors comprises of at least 5 but not exceeding 12 members and Independent Directors account for at least one third of all directors or at least 3. At least a half of Board of Directors' members must be domiciled in the Kingdom.
- Board of Directors elects the Company's Chairman from directors and may select Vice Chairman, Managing Director and other positions as deemed appropriate.
- Board of Directors must have a variety of professional skills, specialized expertise and there is no sex restriction.

### Appointment of Directors and Remuneration

- Appointment of new directors or directors who replace the retiring directors is subject to shareholders' resolution. Persons who are appointed as directors must receive a majority vote from shareholders who attend the meeting and cast vote. Chairman at the meeting shall have mandate to elect directors in case that candidates receive the equal vote.
- Board of Directors appoints persons who are qualified, and their characters are not prohibited under Public Limited Companies Act as directors to fill the vacancy resulted from reasons other than retirement upon term completion. The appointed directors serve the remaining term of whom are replaced. The appointment takes into effect from

## Corporate Governance Policy

the next meeting with exception that the remainder of term is less than 2 months. The appointment of directors in this case requires votes of at least three-fourths of the remaining directors.

- Directors' Pension and Remuneration are determined by shareholder meeting and they are reviewed annually. The approval requires at least two-thirds of shareholders attending the meeting.

### Director Qualifications

- Must be a natural person and
  - 1) Come of age.
  - 2) Do not go bankrupt or are ruled by court as incompetent or quasi-incompetent person.
  - 3) Never been sentenced imprisonment by court's verdict which reaches its finality on charge of fraudulent.
  - 4) Never been fired or dismissed by government offices, organizations or state agencies on charge of fraudulent.
  - 5) No untrustworthy characteristics as prescribed by Section 89/3 of the Securities and Exchange Act B.E. 2535 (amendments) and Notification of the Securities and Exchange Commission Kor Chor. 8/2553 Re: Determination of Untrustworthy Characteristics of Company.
- Directors and Executives must be capable person, and has experience, which benefits to business operations, and adequate time to fully dedicate to perform duties of director. Each person shall not serve as director of more than 5 listed companies at the same time.
- Enable to be director of other companies which do not operate with the similar nature to and competition with the Company. However, it is exceptionally permitted if shareholders are informed ahead of the appointment.
- Independent Director must not hold a significant stake in any partnerships or be director who has taken part in management, worker, employee, advisor who receive salary, or shareholder who own exceeding 1% of voting shares of company with the similar nature to and significant competition with the Company or subsidiaries. A person in this category cannot be appointed as a director even in the case that shareholders are informed prior to the appointment.

### Incumbency of the Directors

- In each year of Annual General Meeting, at least one-third of the total directors must retire by rotation. In case that number of directors cannot be divided into three parts, a number nearest to one-third is required to retire.
- Retiring director is eligible to re-elect.
- Apart from retirement upon term completion, directorship can be terminated when;
  - 1) Died
  - 2) Resigned
  - 3) Disqualified or has prohibited characteristics prescribed by Public Limited Companies Act.
  - 4) Shareholder meeting has a resolution to remove. To approve the resolution, it requires vote from three-fourths of attending shareholders who have voting rights and collectively hold at least a half of shares owned by attending shareholders who have voting rights.
- Revoked by court as the director acts or malfeasances which causes or probably causes damages to the Company.

## Corporate Governance Policy

- Director who intends to resign must tender a resignation letter to the Company. Resignation comes into effect when the Company receives the letter.

### **Duties and Responsibilities of Board of Directors**

- 1) Be responsible for all affairs of the Company and has authority to perform duties under scope of laws, the Company's objectives and regulations, resolutions of shareholder meetings.
- 2) Determine policies and management direction, and oversee performance of sub-committees, Executive Directors in particular, to act in accordance with policies set under two major criteria – maximizing benefits to the Company and complying with laws and relevant requirements.
- 3) Bound to conduct information disclosure to shareholders and all groups of stakeholders accurately, completely, transparently and reliably as prescribed by laws.
- 4) Arrange appropriate and efficient risk management process, and efficient and standardized internal control and audit systems to be able to evaluate major risks and manage risks.
- 5) Arrange appropriate corporate governance policy in compliance with Good Corporate Governance Principles.
- 6) Appoint the Company's Secretary to help overseeing the Board of Directors' activities and facilitate the Company and Board of Directors to comply with laws and relevant requirements.
- 7) Provide Code of Business Conduct for Directors, Executive Management and employees to be guidelines for the Company's business operations.
- 8) Carrying out business to be compliance with Good Corporate Governance and encourage all person in the Company to acknowledge and strictly follow through communication.
- 9) Arrange a clear and transparent process concerning connected transactions.
- 10) Arrange a clear reporting process of the Audit Committee to the Board of Directors when suspicious transactions or actions which could a significant effect on the Company's financial position and operating performance are found, and the Board of Directors must address the problems within duration Audit Committee deemed appropriate.
- 11) Arrange to review and improve important policies and plans to be updated and suitable for business circumstance regularly.
- 12) Perform other duties associated with the Company's business as assigned by shareholders.

### **Authorities of the Board of Director**

- 1) Consider and approve material transactions under scope of duties of Board of Directors as prescribed by laws and the Company's requirements, and investment in other business, joint venture, incorporation of new companies and investment divestment.
- 2) Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount exceed 300 million baht per contract.
- 3) Consider and approve investment transactions worth more than 15 million baht under normal course of business with aims at expanding business and improving business operations.
- 4) Consider and appoint/remove sub-committees to support the works of The Company's Board of Directors as deemed appropriate and necessary, and supervising and evaluating performances of sub-committees regularly.

## Corporate Governance Policy

### Sub-Committees

#### Audit Committee

- **Duties and Responsibilities of Audit Committee**

- 1) Review the Company's financial reporting process to ensure that it is accurate and adequate.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, consider an internal audit unit's independence, as well as approve appointment, transfer and dismissal of head of internal audit unit or any other unit in charge of internal audit tasks.
- 3) Review the Company's compliance with Securities and Exchange Act, the SET regulations and laws related to the Company's business.
- 4) Review Connected Transactions, or transactions that may cause conflict of interest to be compliance with laws and the SET's regulations to ensure that such transactions are reasonable and for the highest benefit of the Company.
- 5) Arrange report of the Company's audit committee and disclose in the Company's annual report. Audit committee's report consists of the SET's criteria and regulations and is signed by Audit Committee's Chairman.
- 6) Perform any other duties as assigned by the Company's Board of Directors with consent of Audit Committee.

- **Authorities of Audit Committee**

- 1) Select and nominate independent persons as external auditors and make recommendations on their dismissal, fees, and hold a meeting with them in the absence of the management at least once a year.
- 2) Comments on the Internal Auditor Manager nomination, transfer, or termination, or other function relevant to internal auditor responsibilities.

- **Appointment of Audit Committee**

Audit Committee must not involve in daily operation of the company and must be appointed by the Board of Director. Not exceeding 4 persons.

- **Incumbency of Audit Committee**

- 1) Audit Committee member serves the remaining term of member in the Company's Board of Directors. Audit Committee members who retire upon term completion may be re-elected.
- 2) In case of vacancy due to reasons other than retire upon term completion, the Company's Board of Directors has duty to appoint qualified persons as Audit Committee to at least meet a minimum number required by the SET. Those who fill the vacancy serve the remaining term of members in the Company's Board of Directors.

#### Executive Committee

- **Duties and Responsibilities of Executive Committee**

- 1) Formulate the Company's business plan and working guidelines and oversee performance to be in accordance with the Company's policies and plans.

## Corporate Governance Policy

- 2) Supervise, oversight and examine performance of Managing Director and executives to ensure that it is in accordance with policies and business plans.
  - 3) Perform any other duties as assigned by the Company's Board of Directors.
- **Authorities of Executive Committee**
    - 1) Consider and approve matters related to the Company's normal business operations or seek an approval from the Company's Board of Directors for matters which significantly affect the Company.
    - 2) Consider and approve annual budget.
    - 3) Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount not exceeding 300 million baht per contract.
    - 4) Consider and approve investment transactions worth lower than 15 million baht under normal course of business with aims at expanding business and improving business operations.
    - 5) Consider and approve delegating a particular or several persons the authority to sign documents related to money withdrawal of each transaction as well as limit amount those persons are authorized to approve for each withdrawal.
  - **Appointment of Executive Committee**

Executive Committee consists of Directors and high ranking Executives whose roles are related to routine management and/or authorized signatory directors who are appointed by Board of Directors' meeting.

### Credit Committee

- **Duties and Responsibilities of Credit Committee**
  - 1) Steer the related unit to uphold policies or guidelines approved by the Company's Board of Directors to improve efficiency in managing the group of companies' debtors.
  - 2) Review domestic debtors credit data on monthly basis in order to report to the Company's Board of Directors at meeting and propose solutions.
  - 3) Consider debt reduction to resolve the overdue debt problem in the amount not exceeding 1,000,000 baht.
- **Authorities of Credit Committee**
  - 1) Consider, determine, and announce policies and procedures to access to new customers who are local customers of the group.
  - 2) Consider and determine policies of credit line and control credit ceiling.
- **Appointment of Credit Committee**

Members of Credit Committee are appointed by a resolution of Board of Directors' meeting.

### Risk Management Committee

- **Duties and Responsibilities of Risk Management Committee**
  - 1) Control and support risk management in according with the company strategy, target, and changing in business environment

## Corporate Governance Policy

- 2) Recommend, follow up and evaluate risk management and internal control.
  - 3) Report work under risk management issues and recommendations, including with appropriate procedure in order to control risk efficiently.
- **Authorities of Risk Management Committee**
    - 1) Determine and review Risk management policy and framework.
  - **Appointment of Risk Management Committee**

Risk Management Committee consists of Directors and high-ranking Executives whose roles are related to routine management and one independent director who are appointed by Board of Directors' meeting.

### Company Secretary

- **Duties and Responsibilities of Company Secretary**

The Company's Secretary is obliged to perform duties as prescribed by Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2 5 51, which has been implemented since August 31, 2008, with responsibility, prudence, honesty and integrity and compliance with laws, the Company's objectives and regulations, and resolution of Board of Directors and shareholders. The Company Secretary has the following statutory functions:

- 1) Prepare and Keep the following documents
  - a. Statutory register of directors.
  - b. Notice of Board of Directors' meeting, minutes of Board of Directors' meeting and annual report.
  - c. Notice of shareholders' meeting and minutes of shareholders' meeting.
- 2) Keep Directors and Executives' vested interests reports.
- 3) Dispatch copy of vested interests reports of Directors, Executives and related persons to Board of Directors' and Audit Committee's chairmen within 7 days after the Company obtains such reports.
- 4) Oversee information disclosure and report in part that Secretary takes responsibilities to compliance unit which are in charge to oversee the applicable rules and regulations prescribed by state agencies.
- 5) Carry out other matters as set by Capital Market Supervisory Board.
- 6) Perform other duties delegated by the Company.

## Code of Conduct

Asian Seafoods Coldstorage Public Company Limited believes that the Code of Business Conduct will lead to security and sustainable growth and development. Therefore, “Code of Asian Conduct”, a good practice guideline for conducting business, is mandatory and applied to the Company’s Directors, Executives and all employees in order to make all sections to perform duties in the same direction with ethics, honesty and integrity, transparency which can be examined, and ensure quality of people and learning. The Company sets out Code of Conduct as follows

### ● Code of Conduct for Directors and Executives

1. Performing duties as prescribed by laws, objectives, rules, and regulations, related policies and resolutions of shareholders’ meeting.
2. Performing duties with honesty and integrity, caution and prudence for optimal benefits of the Company and all stakeholders with a concern about fairness and justice in accordance with human rights both at present and in the future, as well as the Company’s good image.
3. Carrying out business in a politically neutral manner, and not supporting any particular party or faction and be under influence of any specific political party
4. Avoiding or not getting involved in accepting and offering inappropriate assets or benefits to those who have vested interests in the Company, leading to a conflict of interests with the Company, for personal and family’s benefits. For examples, not accepting entertainment, gifts, tickets, other tickets for recreation, accommodation or proposals that exceed custom or tradition.
5. Not exploiting authorities for personal gains both directly and indirectly.
6. Not becoming director of the Company’s competitors and not have vested interests in the business of which nature, directly and indirectly, competes with the Company in order to avoid conflict of interests and ensure that business is managed with full capability and efficiency.
7. Refraining from performing any actions in a manner that manages or handles affairs of other companies which can undermine the Company’s benefits or is in favor of any persons or juristic persons regardless that such acts are for personal or others’ benefits.
8. Not using the Company’s secret in an inappropriate manner and keeping confidential information of the Company and stakeholders to prevent leaking to others who are not related. The Aforesaid confidentiality obligation does not terminate when the employee leaves a job, but it is exceptionally permitted when the information disclosure is abiding by laws or obligation.
9. Dedicating time to perform duties to the best of capability for the Company’s utmost benefits.
10. Upholding their own honor to be accepted by social and behaving to be suitable for roles, duties, and time and place.
11. Action with care and respect for other rights and honor.
12. Not acquiring, divesting, transferring and receiving transfer of the Company’s securities by taking advantage of insider information which is not disclosure for their own and others’ benefits

## Code of Conduct

### ● Code of Conduct for Employees

1. Performing duties in compliance with laws, objectives, rules, and regulations, and relevant policies as well as good custom and tradition, regardless of whether it is written.
2. Upholding honesty and integrity, fairness and ethics in performing duties
3. Taking responsibilities, prudence and dedication. The Company's optimal benefit is an important factor that must be taken into account.
4. Seeking knowledge and experience to upgrade as a knowledgeable person, and regularly finding out ways to improve efficiency and effectiveness of works under responsibilities.
5. Making optimal use of the Company's assets, preventing damages or loss of assets and not using such assets for personal benefits.
6. Upholding honor to be accepted by society and behaving abstaining from all vices and drugs and not behaving in a manner that disgrace and taint the reputation of oneself and the Company.
7. Treating others with kindness, respecting others' rights and dignity, and honoring each other.
8. Listening to others' opinions with reason and without bias.
9. Building unity and helping one another for the sake of works, society and the country as a whole.
10. Abstaining from immorality or any acts of sexual harassment of other employees as such actions contribute to annoyance or hostile environment in the workplace which erode morale, trigger emotional adversary or aggressive behavior, and annoy other employees without reason. Such behaviors include sexual assault, obscenity, woo, or indecency either verbally or physically.
11. Not using the Company's secret in an inappropriate manner and keeping confidential information of the Company and stakeholders to prevent leaking to others who are not related. The Aforesaid confidentiality obligation does not terminate when the employee leaves a job, but it is exceptionally permitted when the information disclosure is abiding by laws or obligation.
12. Not exploiting information obtaining from performing duties for improper benefits of oneself and others both directly and indirectly.
13. Not taking part in any acts or concealing any actions which may lead to a conflict of interests with the Company or failure to perform duties with fairness or getting involved in concealing any illegal actions.
14. Not making a career or profession or doing any acts which affect carrying out duties or reputation of oneself and the Company.
15. Avoiding any acts or to express opinions in any issues which may hurt the organization's reputation or image to outsiders, media, social media or any forms of social network.
16. Not taking credit for works of others who are both insider and outsider.

### ● Code of Conduct for Stakeholders

The Company realizes the importance of all groups of stakeholders to the success of the Company's operations, Code of Conduct for stakeholders then applies to Directors, Executives, and all employees. Practice guidelines are as follows

**Code of Conduct****Treatment to Shareholders**

1. Determining to be shareholders' representative by conducting business transparently with reliable accounting and financial system.
2. Performing duties with honesty and integrity for the benefits of all related parties as a whole and strictly pursuing shareholder meeting's resolutions. In case that shareholder meeting's resolutions cannot be followed, shareholders shall be informed of this without delay or shareholder meeting shall be called to consider and approve carrying out material matters which Board of Directors and Executive Board have no authority to make a decision.
3. Taking care of and protecting all shareholders to be treated equally under basic rights.
4. Determining to create quality and stable growth to ensure that shareholders will receive sustainable returns from the Company's efficient performance and good operating results.
5. Disclosing information to shareholders in a complete, accurate and timely manner.

**Treatment to Customers**

1. Satisfying customers by delivering quality products and services with safety in health and sanitary, life and assets.
2. Complying with customers' contracts and agreements with fairness. Negotiation in advance with customers must be held in a rapid manner, in case it fails to abide by contracts and agreements, to jointly seek solutions and protect damages.
3. Not asking, accepting or offering improper benefits to customers.
4. Committing to equal and fair treatment for all customers without bias.
5. Disclosing accurate, complete and adequate information about products to customers without concealing, distorting content, giving false information and misleading communicated information.
6. Committing to strictly keep customers secrecy and not exploiting such information for improper benefits of oneself and others.
7. Not using pictures or contents that causes negative attitude, social segregation, and inappropriate value, sexual and morale in particular, in the Company's promotion activities.
8. Maintaining environment, and internal and surrounding areas of property under the Company's management in safety conditions for health, sanitary, life and assets.
9. Providing communication channels for customers in making complains about product quality and responding customer demand swiftly.

**Treatment to Trade Partners**

1. Complying with trade partners' contracts and agreements with fairness. Negotiation in advance with trade partners must be held in a rapid manner, in case it fails to abide by contracts and agreements, to jointly seek solutions and protect damages.
2. Keeping a long relationship with trade partners and building co-operation in aspects of economy, society, and environment.

## Code of Conduct

3. Overseeing transparency in the procurement system for goods and services by treating every trade partner equally and fairly in compliance with the Company's regulations.
4. In the procurement process, goods and services shall not be specified for a particular trade partner or deliberately acts in favor of particular products and services, but it is exceptionally permitted if necessary in case that it has enough reasons to support.
5. Providing the same details, information, and conditions to every trade partner.
6. Not asking, accepting or offering improper benefits for trade to trade partners.
7. Inspecting goods and works and paying goods and services on-time and correctly.

### Treatment to Creditors

1. Strictly fulfill contracts or agreements signed with creditors. Promptly negotiate with creditors in advance in case of inability to meet obligations in order to find out resolutions and prevent any damages.
2. Conducting works to assure creditors that the Company's financial position and debt-servicing ability are sound.
3. Utilizing proceeds arising from borrowing to be in accordance with objectives and not using the proceeds in a way that could damage the Company.
4. Disclosing information to creditors in an accurate, complete and timely manner.
5. Not requesting, accepting or offering improper benefits to creditors.

### Treatment to Employees

1. Providing fair employment conditions to ensure employees receive appropriate compensation based on their ability, potential, work performance, and the Company's operating results. Compensation is also in line with what other companies in the same industry is offering.
2. Providing transparent, fair and integrity, and accountable process of consideration, selection, appointment and reshuffle, welfare offers, rewards, employment termination, and punishment.
3. Strictly complying with laws, rules, and regulations related to employees.
4. Encouraging employees to develop and exchange knowledge and ability thoroughly and regularly.
5. Guarding working environment to be regularly safe for employees' health, sanitary, life and assets.
6. Encouraging discussions and cooperation between the Company and employees and proposing information about the improvement of working life quality to those who have authorities in making decisions for mutual development.
7. Respecting equal and equitable rights of employees at all levels in showing opinions without intervention and providing an appropriate and fair hearing and complaint processes.

### Treatment to Trade Competitors

1. Not using improper means in obtaining trade secrets of trade competitors.
2. Behaving and complying with the framework of fair competitions, prohibiting from ruining trade competitors' reputation by using false information or inappropriate means.

## Code of Conduct

3. Enhancing and supporting exchanging useful information for business to strengthen business and help sustainable development of the economy, social, environment, and the country.

### **Treatment to society, communities, and environment**

1. Adhering to laws, rules, and regulations, and orders strictly and striving to upgrade compliance to the higher standards if it is useful to society, communities, environment and the nation.
2. Preventing society, community, and environment from being damaged by the Company's operations.
3. Instilling conscience to the Company's personnel at all levels and stakeholders to make them realize about responsibilities toward society, community, and environment.
4. Operating business with a concern about efficient use of resources and an appreciation of value.
5. Carrying out business in parallel to making society, community and all stakeholders conduct good practices and have culture and morale, supporting educational activities and public benefits, saving energy and protecting the environment.
6. Applying knowledge from experiences in executing works related to social responsibility to develop and create new innovations to add value to business and society.
7. Cooperate with public sector and departments related to any incidents stemmed from the Company's operations and affected society, community, and environment.
8. Adhering to democratic regime of which the King is head of state and prompting the Company's personnel to exercise their rights under the Kingdom's constitution. The company has no policy to provide both, directly and indirectly, financial or activity supports any politicians or political parties.
9. Setting up complaints system for any matters which may affect communities in order to examine, find out causes, improve and address problems, and inform progress to complainants in an appropriate period.

### **Treatment to the Public Sector**

1. Coordinating with the public sector by strictly complying with laws, rules, and regulations related to business operations and not using forced and child labor
2. Supplying information about relevant laws in order to use as a reference, regularly updating information, and facilitating employees to easily access information.
3. Cultivating conscience of responsibilities to the pursuit of laws and the Company's rules and regulations to employees at all levels continuously.
4. Committing to carrying out projects which are a boon to the public regardless they are policy assigned by the public sector or initiated by the Company.

### **Treatment to independent and other social organizations**

1. Disclosing and exchanging information about economic, social and environment with independent and other social organizations.

## **Code of Conduct**

2. Supporting activities held by independent and other organizations in order to enhance sustainable development and response to social expectations.
3. Taking impacts on economic, social and environment into account when joining forces with independent and other social organizations.

## **Corporate Governance Best Practice Report**

The Company has formulated a corporate governance policy consisting of five sections as described in the topic “Corporate Governance Policy”. The Company's Board of Directors has put emphasis on corporate governance best practice, complied with the set policy, and entrenched good ethical practices in operating business, as well as stipulated measures in work practice control. Report on compliance with each section is summarized in the following.

### **1. Shareholders' rights**

The Company's shareholders have ownership rights and control the Company through an appointment of the Board of Directors to perform duties in shareholders' capacity. In 2018, shareholders exercised rights defined in the Company's corporate governance policy. The Company holds the annual general meeting of shareholders (AGM) as prescribed policy in compliance with the Stock Exchange of Thailand (SET)'s rules and regulations, and the Securities and Exchange Commission (SEC)'s requirements as follows:

1. Prior to shareholders' meeting, the Company sent notification of shareholders' meeting, provided them documents which contain a completely important information and proxy forms in both Thai and English languages, and disseminated it through the company's website and sent the copies by mail.

- The AGM 2018, held on April 25<sup>th</sup>, 2018, disseminated through the company's website on March 21<sup>st</sup>, 2018 and copies were sent on April 10<sup>th</sup>, 2018.

2. The meeting was held at the Company's headquarters, and the Company's shuttle bus service was available at two locations to facilitate convenience to shareholders who wanted to attend the meeting;

- First location: at the SET's building
- Second location: at a parking lot in front of Central Plaza Rama 2

3. The computer system was used for registration, and ballots were available for shareholders and proxy in casting votes in each agenda.

4. Criteria for casting vote were informed apparently before the meeting started. To ensure transparency in the vote count, shareholders' representatives were invited to be witnesses in the vote count process on a voluntary basis and vote results in each agenda were clearly disclosed.

5. No agenda in addition to those stated in the meeting notice was proposed.

6. In AGM 2018, Directors and management attended a quorum meeting and allowed shareholders to ask questions, express opinions and sought clarifications from the Company's Board of Directors, management or auditor in relevant agenda before casting vote.

7. Board members were elected with an individual vote count.

8. Resolution and vote count results in each agenda were informed through the SET's information disclosure system on April 25<sup>th</sup>, 2018.

9. The meeting minutes which contained significant matters completely were arranged, submitted to the SET on the date and posted on the Company's website.

### **2. Equitable treatment to shareholders**

The Company's policy is geared towards equitable and fair treatment to all shareholders - retail and both local and foreign institutional investors - in exercising their rights as stipulated in corporate governance policy. Such treatments include providing information prior to meetings, minority shareholder rights protection, and measures against insider trading and board members'

## Corporate Governance Best Practice Report

vested interest. Shareholders also remain their right to propose the meeting agenda or the person to be elect as the company's director, or even propose questions for the meeting in advance.

For the AGM of 2018, the company invite shareholders to propose such the above issues via SET information disclosure system and the company website on 14<sup>th</sup> December 2017.

### 3. Stakeholders' rights

The Company has set out policy in treating each group of stakeholders by taking stakeholders' rights as prescribed by laws into account and abiding by mutual benefits between the Company and stakeholders as mentioned in corporate governance policy is the important issue.

Moreover, the Company has operated a business based on a principle that all employees must perform duties for the Company's maximum benefits, so they must act and make any decisions without influence of demand of their own, family, cousins and persons who are personally known by complying with the Company's rules and regulations with the same standard.

### 4. Information disclosure and transparency

#### ● Internal control and internal audit systems

Internal audit office has laid down control system and suggested what should be revised to units which had been inspected to improve the efficiency of internal control in guarding against risks which could damage the Company and adding value to the inspected systems.

#### ● Relations with investors

The Company has launched a website [www.asianseafoods.co.th](http://www.asianseafoods.co.th) and disclosed financial statements and information through an online system of the SET to investors. Investors also can contact the Company at the Company's secretary department at telephone number (034) 845575 ext. 5356 or via e-mail address [Asian-Secretary@asianseafoods.co.th](mailto:Asian-Secretary@asianseafoods.co.th). The investors' relations department could be reached via the Company's website.

During 2018, the company also arranged Analyst Meeting Activities and joined Opportunity Day event of the SET every quarterly performance report. The Schedule of those event shown in the table.

Opportunity Day	Analyst Meeting
26/02/2560 (Q4/60)	02/03/2560 (Q4/60)
23/05/2561 (Q1/61)	23/05/2561 (Q1/61)
08/08/2561 (Q2/61)	09/08/2561 (Q2/61)
11/12/2561 (Q3/61)	16/11/2561 (Q3/61)

## Corporate Governance Best Practice Report

### ● Directors' and Managements' Changes in the number of shares

In 2018, Directors' and Managements' have any changes in relation to shares transaction as following;

Name of Shareholder	No. of share as of Dec 31 <sup>th</sup> 2018	Shareholding portion (%)	No. of share as of Dec 31 <sup>st</sup> 2017	Shareholding portion (%)	Change Increase / (Decrease)
1. Mr. Somsak Amornrattanachai	276,443,471	50.94	272,784,471	50.26	3,659,000
2. Mr. Somchai Amornrattanachai	70,515,000	12.99	71,415,000	13.16	-900,000
3. Mr. Suriya Prasatbuntitya	-	-	-	-	-
4. Mr. Aekarat Punnasung	-	-	-	-	-
5. Mr. Wallop Lomlimp	-	-	-	-	-
6. Mrs. Suree Jansawat	120,150	0.02	120,150	0.02	-
7. Mrs. Sunanta Tiasuwan	-	-	-	-	-
8. Mrs. Yaowanee Kruo-ngarjnkool	-	-	-	-	-
9. Mr. Somboon Paobanjong	-	-	-	-	-
10. Mr. Hendrikus (Rik) Van Westendorp	1,550,000	0.29	1,050,000	0.19	500,000
11. Mr. Somchai Kuvijitsuan	-	-	-	-	-
12. Mr. Daniel Fong Pin Jan	-	-	-	-	-
13. Mr. Panop Svetarunda	-	-	-	-	-
14. Ms. Sirirat Wongmathawee	-	-	-	-	-
	<b>348,628,621</b>	<b>64.24</b>	<b>345,369,621</b>	<b>63.64</b>	

### 5. Board of directors' responsibilities

The Company has clearly specified duties and responsibilities, and approval authority of Board of Directors, the Executive Board, the Audit Committee, the Risk Management Committee, the Credit and Debt Collection Committee and other sub-committees in the Company's corporate governance policy and assigned the Executive Board to monitor performance of management on a monthly basis. The Company has set up a meeting to consider business operation plans of both the Company and subsidiaries to set guidelines for business operation harmonization.

The Company's Board of Directors has been appointed in accordance with AGM's resolutions and passed consideration of the Board of Directors as stipulated in the Company's regulations and elected by the AGM.

In 2018, the Company's Board of Directors had 9 members, 6 of whom were executive directors and 3 were non-executive directors.

Even though non-executive directors accounted for only 3 persons, they all are knowledgeable and capable directors who have full of freedom in expressing opinions.

A member of Board of Directors is also served as Chairman of the Board of Directors and Chief Executive Officer as he is knowledgeable and capable persons, particularly in this business.

### ● Meetings of the Board and Sub-Committees

The Company determines meeting schedules for the Board of Directors and other subcommittees in advance annually. Meetings of the Board of Directors and the Audit Committee must be held at least once per 3 months. Special meetings may be convened as deemed necessary. The Company Secretary will send the meeting invitation letter, agenda with complete details and sufficient for the decision of the directors to the directors at least 7 days in advance prior to the meeting date, so the directors have enough time to study before the meeting.

At every board meeting in order to comply with good corporate governance policy Directors that are relevant or having interest in each agenda will leave the meeting room or abstain from voting on that agenda. The Chairman of the Board of Directors will allow

## Corporate Governance Best Practice Report

each director to propose opinions independently and to clarify questions in all issues before voting and in voting, there must be at least two-thirds of all directors. The minutes of the meeting on this matter must be clearly recorded, as well as recommendations and observations of the directors, to be certified at the next Board meeting. The certified minutes will be systematically filed for easy reference as a confidential document.

### Meeting Attendance of the Board and Sub-committees in 2018

Name	BOD Number of meetings this year: 4	Audit Committee Number of meetings this year: 4	Executive Committee Number of meetings this year: 18	Risk Management Committee Number of meetings this year: 10	Credit Committee Number of meetings this year: 6
1. Mr. Somsak Amornrattanachaikul	4/4	-	18/18	-	-
2. Mr. Somchai Amornrattanachaikul	4/4	-	18/18	-	-
3. Mr. Suriya Prasatbuntitya	4/4	-	18/18	10/10	6/6
4. Mr. Aekarat Punnasung	4/4	-	18/18	-	6/6
5. Mr. Wallop Lomlimp <sup>(1)</sup>	3/4	-	18/18	-	6/6
6. Mrs. Suree Jansawat	4/4	-	18/18	-	6/6
7. Mrs. Sunanta Tiasuwan	4/4	4/4	-	-	-
8. Mrs. Yaowanee Kruo-ngarjnuakool	4/4	4/4	-	-	-
9. Mr. Somboon Paobanjong	4/4	4/4	-	10/10	-

**Note:** <sup>(1)</sup> The Board appointed Mr. Wallop Lomlimp as a director in replacement of Mr. Somsak Sthidhumrong, who retired by rotation and did not want to return to the position. Effective from 21 February 2018 onwards.

### ● Self-Evaluation of Directors and Committee

**Criteria** The Company address self-evaluation of each director and conclude the result in each committee every year, including Chief Executive Officer and Chief Financial Officer. The evaluation form used has adjusted from the SET guideline.

**Procedure** The Company Secretary submit self-evaluation form to each director, Chief Executive Officer, and Chief Financial Officer at the end of the year. The company secretary will follow up and conclude the evaluation result, then inform in the first BOD meeting of the year for consideration and discuss.

**Self-evaluation Results** Summarize of Self-evaluation of Directors, Sub-committee, Chief Executive Officer and Chief Financial Officer. The results of the evaluation for the year 2018 can be shown as shown in the table.

No.	Directors / Committee	Avg. Score %	Lowest Score	Highest Score
1	CEO	96%	-	-
2	CFO	85%	-	-
3	Board of Directors	82%	-	-
4	Executive Committee	81%	-	-
5	Audit Committee	95%	39	44
6	Risk Management Committee	85%	26	43
7	Credit Committee	84%	30	43

### ● Succession Plan

The succession plan of the company and its subsidiaries, for the management positions are still under consideration.

### ● Orientation of new directors

The Company is aware of the importance of the performances of new directors, an orientation program has been organized to introduce the overview of the company and its subsidiaries In order to understand business relationships and

## Corporate Governance Best Practice Report

shareholding structures. In addition, it provides important and necessary information for the directors' duties, such as management structure, company regulations, company objectives, corporate governance policy, business ethics, related laws, performance and development of the company, etc., including meeting with Chairman of the Board, Board of Directors and the sub-committee of the company as well. In 2018, there was 1 new director which is Mr. Wallop Lomlimp and orientation on 22<sup>nd</sup> February 2018.

### ● Directors' Development

**Course/ Seminar** The Company value regular participation in development training relevant to the director's performance.

In 2018, there were directors attending the training/seminar as follows.

Name	Course/ Seminar
Mr. Suriya Prasatbuntitya	<ul style="list-style-type: none"> <li>• Seminar on "Developing organizations to be sustainable and support rapid changes in technology", Thai Listed Companies Association (TLCA)</li> <li>• Social Enterprise", The Stock Exchange of Thailand (SET)</li> <li>• Seminar on "Syber Security", Thai Institute of Directors (IOD)</li> <li>• Risk Management Program for Corporate Leaders class 14/2018, Thai Institute of Directors (IOD)</li> <li>• Interesting Issues of Accounting for Top Management, Internal Training Program</li> </ul>
Mr. Wallop Lomlimp	<ul style="list-style-type: none"> <li>• Chula Mini MBA @ Chachoengsao class 2, Chulalongkorn University</li> <li>• Interesting Issues of Accounting for Top Management, Internal Training Program</li> </ul>
Mrs. Suree Jansawat	<ul style="list-style-type: none"> <li>• Chula Mini MBA @ Chachoengsao class 2, Chulalongkorn University</li> <li>• Interesting Issues of Accounting for Top Management, Internal Training Program</li> </ul>

**Report of legal dispute of the Company and its subsidiaries :: NONE**

## Internal control

The Company realizes the importance of good internal control, so it emphasizes on appropriately sufficient and efficient internal control in consistent with risk management that the Company's Board of Director to minimize risk to the acceptable level in order to achieve business operational goals and add value to stakeholders by adhering to good corporate governance principles. The Company's Board of Directors delegates the Audit Committee and Internal Audit Department to regularly review and follow up outcomes to be in line with situation and the changing risks and ensure that the Company's internal control system has business efficiency and effectiveness.

### Control Environment

- The Company sets the clear and measurable goals for business operations and defines the Company's corporate governance policy and code of ethics in writing to safeguard against conflicts of interest with concerns over fairness to all stakeholders.
- The Company identifies the clear organization structure and line of command to set up checks and balances and create a written handbook for scope of authority of all parties to be guideline for practices with respect to duties and responsibilities, and internal control system.

### Control Activities

- The Company sets control standards as seemed appropriate to risks in each operational system by taking the proper types of control activities either preventive or detective controls into a consideration.
- The Company sets policy in approving transactions or other items with concerns over the maximum benefits and transparency as importance matters.

### Information & Communication

- The Company has an appropriate and effective information and communication system and communication channels for both internal and external stakeholders to facilitate carrying out internal controls as specified.
- The Company has an effective control system for accessibility and usage of information system, and regularly reports material information to management and the Company's Board of Directors for making any decisions. Besides, the Company has invested in information system or SAP to improve effectiveness of the Company's information system and make internal control more stringent.

### Monitoring Activities

- The Company appropriately and regularly sets monitoring system, performance and code of business conduct evaluation system, in order to achieve the specified goals via regularly Risk Management Committee meeting.

**Internal control**

- The Company requires internal control office to coordinate with internal audit company in inspecting systems with respect to risk factors, and report inspection results and progress of monitoring to the Audit Committee and the high-ranking management.
- The Audit Committee reviewed and assessed the Company's internal control system and opined that the Company's internal control system is appropriate and sufficient for carrying out business to meet objectives and goals efficiently. The Audit Committee also found no significant shortcomings.

**Responsibilities associated with internal control system**

- 1) The Company's Board of Directors sets out policy and oversees to have good and appropriate internal control system, as well as requires regular monitoring and evaluation.
- 2) The Audit Committee, in capacity of the Company's Board of Directors, performs duties and responsibilities concerning oversights of a review of internal control system, and report performances to the Company's Board of Directors and shareholders.
- 3) Management has duties and responsibilities in overseeing and inspecting working system under supervisions that it is effective and accurate in accordance with regulations governing working by reviewing performing functions in accordance with the existing internal control system and tightening internal control system, as well as instilling good disciplines and consciousness concerning internal control to subordinates.
- 4) Personnel at all levels must continuously and constantly comply with rules, regulations, instructions, measures and internal control system which set by the Company.
- 5) Internal audit office directly takes responsible for an evaluation of adequacy, effectiveness and efficiency of internal control system, and inspects practices to be in line with the system to improve internal control measures to be appropriate to the changing situation, environment and risk factors so that effectiveness and efficiency of the Company's performance are increased.

**Opinions of the Company's Audit Committee on internal control system.**

Views details in topic "Report of the Audit Committee"

## Risk Management

In late 2016, the company started its Risk Management Committee and determined to analyze and evaluate risks, including communicate risks information continuously throughout the organization. The Risk Management Committee, which be appointed by the Board of Directors, comprises of many managerial staff of each business and be authorized to establish procedures and measurements to manage risks, including specified events of risk level to warn the operating staff to implement such a procedure. Every business has to set up its own plan to manage risks and report to the committee every quarter. The committee needs to monitor and evaluate efficiency of risks preventive and control continuously.

The company assigns the Risk Management Committee to response for company's risk management, in terms of evaluate and analyze risks factors, chance to occur, level of its affect, including setting up the appropriate procedures for the key risk factors. Such the procedures will be proposed for BOD's approval. In risks management, each department will point out its risk factors and create plan to manage that factors. Risk Management Committee, then, will evaluate chance and severity of its effect to point out if that factors are at the level of organization risks. The Risk Management committee will set up the procedure to manage organization risk factors.

### Risk Management Policy

1. The company requires executives and employees in various departments to take care of the risks by having a role and participation in developing the risk management of the company and understanding the responsibilities related to risk management.
2. Arrange to have an effective risk management process in every step of the operation in accordance with the principles of good corporate governance and the integration of risk management with management of information technology for management good to help reduce the chance of impact from risks, reduce uncertainty in overall performance and increase success opportunities.
3. Implement and support risk management to be successful throughout the organization by using limited resources efficiently in identifying, evaluating and managing risks appropriately.
4. Promote and encourage risk management to be a corporate culture by allowing everyone to realize the importance of risk management.

### Duty and Responsibility

1. Internal audit Department under Asian Seafoods Coldstorage PLC is responsible for follow this regulation as a follower of the results.
2. Risk management committee under Asian Seafoods Coldstorage PLC is responsible for cooperation with Internal Audit Department in preparing the venue for the meeting, prepare documents and information for the Internal Audit Department in order to ensure the smooth and effective follow-up and coordinating with the working group of each company to collect risk management information from the working group of each company

### **Risk Management**

3. Working group of each company responsible for complying with this regulation as the risk management organizer. Specifies risk control measures, take control, editing operations as the Risk Management Committee and Internal Audit Department requesting.
4. Director or Managing Director of each company responsible for considering the annual plan, acknowledgment of the operation report to supervise agencies that are supported and coordinated in order to achieve corrective action to achieve the objectives.
5. Chairman of the Risk Management Committee responsible for approving the appointment the working group of each company which has been set up to be responsible for managing risk management of each company.

### **Objectives of Risk Management Plan**

1. In order for the company to have an integrated risk management system that is linked to the objectives and goals of the organization at all levels.
2. In order to know the significant risk factors that affect the achievement of the objectives or the success of the operation and add value to the business.
3. In order to have a plan to manage risks or cope with future risks.
4. In order to reduce the chance and impact from the risks that will cause the operating results to not meet the company's objectives.
5. In order to link and integrate risk with information technology management for good management by linking to follow up to ensure that the operation is in line with the objectives and goals of the company.
6. In order to be aware of risk management as a corporate culture that has always been attentive instead of discrimination from time to time.

### **Implementation Procedure**

1. Appoint Risk Management Committee to study risk factors for the company in overview and set up committee's objectives as well as the separation of responsibilities.
2. Provide training and work shop activities for employees to understand in searching for risks and risk factors that cause risks in the working area.
3. Risk Analysis
  - 3.1 Opportunity analysis (Likelihood) to determine the risk which is set to 5 levels; Rare, Unlikely, Moderate, Likely and Almost Certain.
  - 3.2 Impact analysis (Consequence) that will cause risks by setting into 5 levels; low, Minor, Moderate, Major and Critical.
  - 3.3 Determination of risk assessment criteria by considering the chance of occurrence and the impact level of each factor then take the results to consider the relationship that causes the risk and the impact that the risk will occur at any level by determining 4 levels Low, Moderate, Significant and High.
4. Risk assessment is an assessment of the opportunities and consequences of the incident by specifying the risks and impacts of the risks.

## Risk Management

5. Risk management after risk assessment bring analytical results to plan and control. There are 4 ways to respond to the risk: Accept, Pass-On, Reduce, Terminate.
6. Follow up the risk by having a committee meeting to acknowledge the progress and compliance with the risk management plan whether there are restrictions on internal control or resource constraints or other obstacles.

In 2018, Risk Management Committee has implemented the objectives with significant operations including improving risk assessment criteria to be more timely and has identified the key risks of the group of the company which must proceed as follows;

## Risk Factors

### Manpower Risk

The company realize that employees are the important and valuable factor of success, advancement and stable growth, and address this issue as one of its sustainability issues. The company plan its manpower carefully and has its own internal function to monitor changes of relevant laws and regulations to ensure that those were strictly follows.

The company concluded the implementation of our sustainability and labor conditions policy to ensure that fair labor conditions and compliant is always the company first priority. With the recruitment of daily workers, the use of agents will be shifted out in order to better supervise conditions and working hours.

Moreover, the Company focuses on excelling employees' capability by improving academic performance of human resources, enhancing work culture, providing adequate modern instruments for working, offering compensation and welfare which are comparable to other companies' in the same industry, creating good working environment and ensuring the maximum life safety.

### Raw Material Costs Risk

The Company and subsidiaries have determined on developing new products under value-added production line and manage to increase sales of these products continuously and reduce fluctuations of raw material prices. The Company, however, still relies on raw materials related to commodity and agricultural products which are raw materials - cost around 80% of its costs of goods sold.

The Company's and subsidiaries' important raw materials include sillago, shrimp, squid and tuna – agricultural products of which prices fluctuate in line with demand and supply in the market. Prices of these raw materials also change rapidly if there is speculation on these products. Therefore, efficiency in raw material procurement, storage management and control of flows of raw material inventory will allow the Company to take advantage of rivals in both local and internal markets – in particularly countries where have cheaper labor costs and higher abundance of raw material sources than Thailand such as China, Vietnam, India, Indonesia and the Philippines.

The Company has set the following guidelines for raw material procurement, storage management and control of flows of raw material inventory, with an aim at conducting business efficiently.

## Risk Management

### ● Raw material procurement guidelines

- 1) Shrimp : The company is sourcing shrimp from shrimp farmers all over the region without a contract in advance but relies on a good relationship as the company supplies aqua-culture feed to the farmer as well as providing advice and technical assistance in farming methods. In addition, farmers are confident that the company has sufficient potential to buy if the products of the farmers are of the same quality as the company wants.
- 2) Sillago : Sillago (also known as " Sand whiting") is a sea creature that lives on the sand, along the coastline and cannot be cultured. Therefore, the amount of raw materials cannot be controlled. However, the company has been in business for a long time and also be the market leader in exporting Sillago to the Japanese market, thus, the company has advantage over the fishermen trust. In the case that the local raw material is not enough, the company can import Sillago from other sources such as Vietnam or Australia to replace it.
- 3) Squid : The company's squid products market is mostly Splendid Squid which is obtained from domestic fisheries that must be able to trace back and comply with sustainability. As the market leader in exporting squid to Italy, which the company also has the advantage over the fishermen trust.
- 4) Tuna : The company imports tuna raw materials that have been certified by DOLPHIN SAFE, DOF and DLD that enable traceability and comply with sustainability.

### ● Stock Management and Inventory Turnover

At present, the company has a policy to limit the purchase of raw materials in accordance with the orders that are available in order not to have too much or too less stock. The objective is to reduce the amount of raw materials inventory which will reduce the risk caused by fluctuating raw material prices. The company believe that it is an effective policy especially in tuna products. For shrimp and squid products, there are some restriction. The company cannot import shrimp or squid in case of a shortage, so a certain amount of raw materials still needed. The company has donated some resources to monitor sources of raw materials all over the country to procure and follow up information about the market conditions of various raw materials. With the experience and expertise of ASIAN Management in Frozen business, the company can predict and make right decisions immediately when situation change.

### Foreign Exchange Risks

In 2018, the company's and subsidiaries' revenue contributed from exporting products accounted for 79% of the total revenue, and the US dollar accounted for the majority of the revenue. Yen and Australian dollar made up for the rest. With high foreign currency exposure, the Company carries risks associated with foreign exchange. However, such risks are limited by raw material imports as the Company has used foreign currency earned from exports to pay for the raw materials, hedging using foreign currency forward contracts and close monitoring of foreign currency movement.

### Financial and Leverage Risk

The company's strategy is to finance our business with long term funding for half to two-third and to reduce the amount of short-term facilities in order to increase efficiency. The company also set up its internal target to improve its balance sheet ratios to maintain its capability to expand the business in the future.

## Risk Management

In 2018, the Company's long-term loans and debentures were as follows:

Type of Loans (million baht)	Total Facilities	Approval Dates	Outstanding as of Dec 31 <sup>st</sup> , 2018	Current Portion
Long Term Loan	850.0	July 2014	70.0	70.0
Long Term Loan	1,500.0	July 2017	1,220.0	340.0
Long Term Loan	550.0	June 2018	510.7	78.6

For the long-term Loan facilities, the company agreed to the covenant with financial institutions, requiring the company's debt to equity (D/E) ratio not to exceed 2.0 times and maintain current ratio at least 1.2 times since 2017 to the payment due date. If the company fails to meet the financial ratio requirements, lenders could call the debt ahead of the due date and it will take a toll

on the company's financial liquidity. Under the restrictive covenants of the long-term loan facilities, the company is also required to maintain a minimum debt service coverage ratio of 1.2 times. Otherwise, the company is unable to pay dividend or any other benefits to shareholders.

In 2018, the company managed to maintain the total debt to equity ratio. Liquidity ratio and debt service coverage ratio according to conditions.

In 2018, the company has no fund raised from bill of exchange (B/E) and on outstanding balance as well as not raising funds by issuing and offering long-term debentures and there is no outstanding balance. The company has enough short-term facilities which are lower cost compare to the year before while the money market situation during the year was not quite comfort. However, the company closely monitors and analyzes the debt instrument market situation and other factors to ensure that the financial cost of the company is reasonable.

### Anti-Corruption Risk

Asian Seafoods Coldstorage Public Company Limited has taken part in declaring intention in "Thailand's Private Sector Collective Action Coalition Against Corruption" to combat all types of corruptions and set appropriate responsibilities, practice guidelines in operating business and developing towards sustainable organization.

Risk Management Committee assess the overall procedures for Anti-Corruption Risk, and addressed 3 issues, including solutions and monitoring procedure as follows

- **Corruption in Procurement.** In general, procurement is one of issue risk to corruption. The company need to monitor all process precisely, including additional procedure from the Risk Management Committee.

#### Solutions:

1. Adding new suppliers in the Approve Vendors List, the document must be added, including review by Procurement Manager and approve by Managing Director. Approve Vendor List must be updated constantly.
2. Determine and announce the use of the conflict of interest policy by assigning the Human Resources Department to inspect the relationship of the current or new supplier with the company's employees. If the connection is found, the business must be terminated or if needing to continue business, to be approved by the Managing

## Risk Management

Director or allow the Risk Management Committee to approve in the case that the Managing Director is a person who has a connection.

3. All vendor payment must be paid via Financial Department with receipt.
4. Procurement officers and Financial Officers must not have personnel relationship.
5. Vendor Evaluation must be done every 6 month or at least once a year.

- **Corruption with Thai Customs Officers on Importing Raw Material.** In some case, the importing raw material may not match the details in Packing List received from procurement department and cause the problem.

### Solutions:

1. Procurement Department must confirm with both the buyer and the seller in all details of importing material and coordinate with Logistic Department in all importing process to ensure the accuracy.
2. The Logistic Manager must review document before importing process.
3. Develop emergency procedure in the case that the material could not go through importing process, such as document correction, contact procurement department.
4. All importing expense must have receipt and must be reviewed.

- **Corruption with Thai Customs Offices on Exporting Goods.** In some cases that the goods could not go through the exporting process.

### Solutions:

1. Address strictly quality standard to all company's products.
2. Train quality control officers to be specialist.
3. Address appropriate procedures to deal with exporting issues, such as returns all products to the factory to analyze the problems, reserve stock.
4. Train Logistic officers to specialize in accuracy, problem-solving, and communications.
5. All exporting expenses must have receipt and must be reviewed

## Risk Associated with Trade Barriers in Overseas Market

Exports contribute to the major source of revenue to the Company and subsidiaries, and customers of all business segments with exception of aquatic animal feed business are diversified almost across the world, so the Company and subsidiaries have received impacts from both tariff and non-tariff barriers to trade from time to time. The Company and subsidiaries have formulated a strategic plan to be a guideline for reducing risks as follows:

1. The Company and subsidiaries declare intention not to illegal fishing, not to buy, import, export, carry through and distribute of aquatic animals, aquatic products obtained from illegal fishing, illegal labor and human trafficking and not used in fish processing industry and sold as seafood products by operating either alone or cooperate with other parties according to the ultimate authority to maintain transparent business standards, can check in every step and for sustainable fisheries including strictly complying with laws relating to fisheries, labor and human trafficking, although in the year 2019 the EU group announced the cancellation of the yellow card for Thailand.

## Risk Management

2. Implement the quality inspection and control system for food safety as well as various quality control systems that are international standards which has been accepted in the food industry for use in the production process to control product quality until being accepted by customers in all regions around the world.
3. Increase the proportion of products in value-added products with high profit margins and the company has the potential to compete on cost or have expertise that is superior to competitors.
4. Expand the market in order to allow the company to diversify the risk that may arise from the market in a particular country, using trade barriers or suddenly experiencing problems.

### **Risk Factor Associated with The Lease Contract Renewal of The First Plant**

The Company leases the area from the Port Authority of Thailand to be a location for a frozen seafood manufacturing plant which is the Company's first factory. In November 2018, the company decided to move the production base from this factory to the factory located on the company's own area in Samut Sakhon Province to reduce the risk that may arise from the company being unable to renew the lease and reduce the rental area. Still used as an office, Cold storage and used as a distribution center for domestic sales of the company and subsidiaries.

## Related Party Transactions

### Related Party Transactions

#### Definition of Related Party Transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the company, whether directly or indirectly, or which are under common control with the company. They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the company that gives them significant influence over the company, key management personnel, directors, and officers with authority in the planning and direction of the company's operation.

#### The related company and relationship

Company Name	Type of Business	Relationship
Asian Seafoods Coldstorage (Suratthani) Co., Ltd.	Frozen Food Processor	The company's subsidiary.
Asian Alliance International Co., Ltd.	Tuna Frozen and Canning Processor and by-product such as Canned Pet Food and Fishmeal.	The company's subsidiary.
Asian Feed Co., Ltd.	Aquaculture Feed Processor Chemical.	The company's subsidiary.
Asian Seafoods Coldstorage (Siracha) Co., Ltd.	Frozen fish and processing frozen fish.	Asian Feed Co., Ltd.'s subsidiary. (Registration of cessation completed since May 30 <sup>th</sup> , 2014. The subsidiary is pending liquidation process.)
Asian Food Co., Ltd.-	Frozen Food for Domestic Distribute.	The company's subsidiary.
Thaiya Corporation (Shanghai) Co., Ltd.	Market, sale, and distribute pet food and frozen products of ASIAN group, including invest to expand the business in China	Asian Group Service Co., Ltd.'s subsidiary.
Inter Petrina Co., Ltd.	Sale, and distribute pet food products under the Company's brand (MARIA)	Joint venture that holds 40 % shares by Asian Group Service Co., Ltd.
Asian Group SCS Europe GmbH	Market, sale, and distribute pet food and frozen products of ASIAN group	Joint venture that holds 60% shares by Asian Group Service Co., Ltd.

To consider if one is related party, details in actual relation must be considered rather than just legal relation.

#### Transfer pricing policy

Sales	Cost plus margin
Cold storage service income	Contract price
Rental income	Contract price
Management fee income	Mutually agreed price
Interest income	3.98 – 4.20 % per annum
Other income	Cost plus margin and mutually agree price
Purchases of raw materials	Cost plus margin
Purchases of services	Cost plus margin and mutually agreed price
Interest expense	3.97 – 4.10 % per annum

## Related Party Transactions

Other expense

Cost plus margin and mutually agreed price

During the year, the company had business transactions with its subsidiaries. Such transactions, which are summarized below, were concluded on commercial terms and bases agreed upon between the company and its subsidiaries.

### Revenues from its subsidiaries

#### Separate Financial Statements

	2018	2017
	baht	baht
Sales	12,163,332.88	41,018,835.60
Cold storage service income	66,467,863.37	92,545,640.95
Rental income	19,200,000.00	19,200,000.00
Management fee income	54,780,000.00	41,880,000.00
Interest income	19,094,886.36	21,058,604.05
Other income	8,081,458.31	6,675,177.04
	<u>179,787,540.92</u>	<u>222,378,257.64</u>

### Expenses to its subsidiaries

#### Separate Financial Statement

	2018	2017
	baht	baht
Purchased of raw materials	159,415,176.55	163,748,025.81
Interest expense	5,517,360.40	3,632,749.59
Other expenses	6,857,451.14	5,052,415.57
	<u>171,789,988.09</u>	<u>172,433,190.97</u>

### Related parties' receivables

#### Separate Financial Statement

	2018	2017
	baht	baht
Trade receivable	6,508,601.28	8,480,442.43
Accrued interest receivable	1,149,811.86	1,899,954.35
Others receivable	12,270,473.98	14,966,458.12
	<u>19,928,887.12</u>	<u>25,346,854.90</u>

### Loan to related parties

#### Separate Financial Statement

	2018	2017
	baht	baht
Short-term loan	356,357,026.96	572,200,000.00
<u>deduct</u> Allowance for doubtful debts	<u>(41,836,226.35)</u>	<u>(41,836,226.00)</u>
	<u>314,520,800.61</u>	<u>530,363,774.00</u>

Short-term loan to its subsidiaries matures at call with no collateral. Interest rate were 3.98% to 4.20% (4.20% to 4.50% in 2017).

## Related Party Transactions

### Related parties' payables

	Separate Financial Statement	
	2018	2017
	baht	baht
Trade payables	2,195,876.42	8,823,087.00
Accrued interest expenses	977,286.02	7,292.55
Other payables	1,917,733.28	406,256.83
	5,090,895.72	9,236,636.38

### Loan from Subsidiaries

	Separate Financial Statement	
	2018	2017
	baht	baht
Short-term loan	270,881,560.53	12,800,000.00

Short-term loan from its subsidiaries was mature at call with no collateral. Interest rate were 3.97% to 4.10% (4.06% to 4.35% in 2017)

## Asian's Sustainability

### Policy in overview

To attain mission and business sustainability in accordance with our motto "We Are the Right Choice", Asian Group has outlined strategy and important policies in the following 4 aspects

#### 1. Delivering quality and safety products to customers

Given that the Company operates in food industry and it is a production base for exports to other countries across the world, the Company always realizes that consumer confidence and business sustainability directly rely on food quality and safety. Food quality, safety control and inspection systems, which have been internationally recognized standards by food industry, have been adopted to control quality throughout all production processes of every company in the group. (See also the details of quality standard and certificate that the company and its subsidiaries acquire in the company website.)

Moreover, all packaging company used are non-toxic which can be dispose normally or even be able to re-cycle.

#### 2. Developing quality human resources who have job skills and knowledge, and positive attitude at work

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries realize that employees are the most important and valuable factor of success, advancement and stable growth. The Company then focuses on excelling employees' capability by improving academic performance of human resources, enhancing work culture, providing adequate modern instruments for working, offering compensation and welfare which are comparable to other companies' in the same industry, creating good working environment and ensuring the maximum life safety. Employees should perform duty with responsibility, honesty and integrity, determination and dedication, and compliance with rules and regulations for the Company's interests.

##### ● Human Resource Management Policy

1) The Company provides job security for employees by taking necessity of job positions based on human resource plan into account, opening opportunities for the current employees whose competent are suitable for vacancies before hunting outsiders, and giving fairness in promoting competent persons who have knowledge and positive attitude to vacancies needed by the Company without barriers of gender, age, race, religion, political ideology, and trade union and labor unions.

2) The Company is committed to develop knowledge and capability of workforces by supporting training, job rotation and information, and offering alternatives to be appropriate with workers' skills and knowledge to maximize their potential which will lead to the Company's growth and employee's advancement.

3) The Company offers compensation and welfare which are comparable to other companies' in the same industry or other leading industries. It regularly surveys and compares salary and welfare as reference. Different salary rates depend largely on job positions and responsibilities. The increment is based on merits and the Company's financial position.

4) The Company pays overtime in line with its regulations and the overtime payment must not lower than rate required by laws.

5) The Company has a fair performance evaluation practice to motivate employees to maximize their efficiency. Annual salary increment is based on job performance, while ability and performance of employees who get promoted determine salary increase.

- 6) The Company employs the two-way communication channel, especially when discussing with employees' representatives in any issues related to their works, to learn their attitudes and opinions.
- 7) The Company strictly complies with laws and regulations governing safety and will implement reliable work safety standards in case that there are no laws and regulations stipulated on those issues.
- 8) All levels of supervisors take responsible for overseeing safety in workplace to workers by arranging safety workstations and equipment to employees, and outlining guidelines to keep them safe at work.
- 9) The Company has tried to prevent any accidents, injuries and illness to which is work-related. With a serious cooperation from all employees, the Company will limit and manage safety risks resulted from business operations.
- 10) The Company provides safety equipment and training to employees to educate them how to work safely.
- 11) All employees have duties to learn about safety at work, comply with the set guidelines, use available safety equipment and inform supervisors when they spot situations which could lead to dangerous in order to address the problems.
- 12) Supervisors must treat themselves in a manner that earns respect from employees and employees must not act in a manner that does not respect supervisors.
- 13) The Company will pay compensation and benefits that employees deserve to receive as stipulated in the Company's regulations when their jobs are terminated but not less than rights required by laws.

- **Legal and Human Rights Compliance Policy**

The Company and subsidiaries are committed to treat all employees with equal honor and dignity. Its practice principles are as follows:

- 1) The Company's workforces must thoroughly understand laws related to their direct duty and responsibilities, and strictly comply with the applicable laws. They must ask for advices from supervisors if there is any question.
- 2) During working abroad, employees should study laws, custom, traditions and cultures of countries for where they must work before doing anything related to the Company's business to prevent breaching those countries' laws, customs, traditions and cultures.
- 3) The Company supports and respects human rights protection and avoids getting involved in any human rights violations such as usage of forced and child labor.
- 4) The Company respects and treats all stakeholders fairly on the basis of human dignity, equal treatment and non-discrimination of origin, race, gender, age, color, religion, physical condition, and social and family status.
- 5) All management and employees must not act in a way that harms or threatens not only verbally but also physically others on the basis of race, gender, religion, age, and psychological and physical disability.
- 6) The Company encourages surveillance on compliance with the Company's internal regulations concerning human rights and enhances all stakeholders to comply with the international standards on human rights principles.

- **Progress of Training Plan for the year 2018**

The company's employee development plan was set up via training plan, both for monthly employees and daily workers. The training was set up at least 6 hours for each employee, which were compliance with the workforce development plan of the Employment Department of Thailand. The training courses, both outsourcing and in-house training, were set up as the employee requirement.

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- In-house training mostly due to the basic need for the job which every employee must be trained, including both new staff and review for the current staff.
- Outsourcing training is the training aim to improve specific employee to develop work skill and specialization.

No.	Level	Target	Number of participants	Percentage (%)		Number of courses approved		Number of actual training courses	
				In-house	Outsourcing	In-house	Outsourcing	In-house	Outsourcing
1	New employees	<b>Course</b>  <b>Orientation</b> - Information about the organization, nature of business, location and contact - Rules and regulations of the company - Working hours, holidays, leave days. - Welfare  <b>Safety at work</b>	1,207	100%	-	2	-	2	-
2	All employees (classified by levels)								
	- Operational	Approved courses 2018	4,690	96.30%	80.74%	108	135	104	109
	- Supervisor	Approved courses 2018	623						
	- Manager	Approved courses 2018	316						

Moreover, Human Resource Department focus on improving target employees who have potential to promote to be junior, medium, and top management level in the organization to ensure that they can increase their potential and growth with the company.

In the next 2 years, the company set up replacement plan and target potential employee and plan to develop them with better management skill to further improve the organization.

### 3. Avoiding illegal fishing, and purchasing, importing, exporting, transiting and distributing aquatic animals and related products obtained through illegal fishing and labor, and human trafficking.

Asian Group is the manufacturers of foods of which natural resources, including tuna, Sillago fish, shrimp, squid and other aquatic animals, are the main raw material sources, the group of companies are then well aware of environmental importance, conservation of marine sources in particular. The Thai government together with associations related to the industry has put all attempts to eradicate illegal, unreported and unregulated fishing (IUU) activities and slavery labor problems in both fishing industry and manufacturing plants. The Company and subsidiaries are seriously determined to address these problems to help Thailand regain international acceptance. To confirm a clear intention, the Company and subsidiaries have been among fishing operators who

signed a Memorandum of Understanding (MoU) with state agencies to fight against illegal fishing activities and deny procuring, importing, exporting, transiting and distributing aquatic animals and products obtained from illegal fishing. The MoU is also extended

to illegal labor and human trafficking. The Company and its subsidiaries will strictly comply with the agreement individually and jointly with other parties in order to maintain transparent operating standards, enable to examine all processes and attain sustainable fisheries. To honor the agreement, the Company and subsidiaries will not get involved in illegal fishing, procure, import, export, transit and distribute aquatic life and products obtained from illegal fishing and labor, and human trafficking. The Company and subsidiaries will not process aquatic animals obtained from illegal fishing and labor, and human trafficking in the industry and sell this seafood, and they will strictly adhere to laws regulating fisheries, labor and human trafficking.

All parties which jointly signed the MoU have agreed to provide collaboration in knowledge exchange, conferences, activities, academic seminars and training, research study on the appropriate topics and projects, and support related issues to state agencies.

#### 4. Shunning getting involve in corruption

- **Anti-Corruption Policy**

Asian Seafoods Coldstorage Public Company Limited is committed to conducting ethical business practices by adhering to responsibilities towards society and all stakeholders in accordance with Good Corporate Governance practice. The Company has taken part in declaring intention in "Thailand's Private Sector Collective Action Coalition Against Corruption" to combat all types of corruptions.

To make sure that the Company has policy to set appropriate responsibilities, practice guidelines and requirements to protect all of the Company's business activities from getting involved in corruptions, and the Company cautiously considers and conduct business activities which could risk of corruptions, it has launched a written anti-corruption policy to be a clear practice guideline in operating business and developing towards sustainable organization.

- **Definition of anti-corruption policy**

Corruption definition covers committing bribes by proposing, promising, asking and requesting to offer, or receive inappropriate assets or benefits to let particular persons perform or refrain from performing duty to obtain or retain business benefits with exception in cases that they are permitted by laws, announcements, rules and regulations, local customs and traditions or trade usages.

- **Anti-Corruption Policy**

Board of Directors, Executive Management, and employees of Asian Seafoods Coldstorage Public Company Limited and subsidiaries are prohibited from committing or accepting corruptions in all forms both directly and indirectly with coverage of entire business in every country and all related departments. The group of companies will regularly inspect practices and review policies and practice guidelines of anti-corruption to catch up with the changes in business, rules and regulations, and law obligations.

- **Political Supporting Policy**

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries have supported practices in compliance with laws under democratic form of government with the King as Head of State and have political neutrality. Board of Directors, Executive Management, and employees of the Company and its group have rights to freedom of taking part in political activities under the constitution.

- **Charitable Donation Policy**

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries have policy to promote engaging in community participation through donation for charity. Offering or receiving donation for charity can be done through activities that apparently shows that it is for public charity and it must ensure that donation is not used as excuse for giving bribery.

- **Financial Support Policy**

Asian Seafoods Coldstorage Public Company Limited has policy to provide financial supports only to activities of which objectives are for business or the Company's good reputation and image without hidden intention of business benefits or trade advantage.

- **Policy Associated with Obtaining and Giving Gifts, and Entertainment and Other Expenses.**

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries' Board of Directors, Executive Management and employees are prohibited from obtaining or giving gifts and paying higher entertainment or other expenses than necessary and beyond traditions.

- **Directors' Duties and Responsibilities on Anti-Corruption Policy**

1. The Company's Board of Directors has duties and responsibilities in approving policies and overseeing to create efficient system that supports anti-corruption to ensure that executive management is well realized and pays attention to counter corruption and cultivates it as company culture.
2. Audit Committee has duties and responsibilities in auditing financial reporting and accounting, internal control, internal audit and risk management systems to ensure that the systems are in compliance with international standards, concise, appropriate and efficient, and free from breaching the anti-corruption policy.
3. Executive Board of Directors must act as a leader in pursuing anti-corruption measures and giving recommendations concerning practices in line with the anti-corruption policy to workforces under a chain of command.
4. Private Sector Collective Action Coalition Against Corruption Council has duties and responsibilities in proposing policies and guidelines of practices to the Company's Board of Directors and requiring setting up a system, promote and support the anti-corruption policy in order to communicate to employees and all related parties. The council also shall review the appropriateness of the system and measures to be in line with changes in business, and rules, regulations and legal requirements.
5. A working panel on Private Sector Collective Action Coalition Against Corruption has duties and responsibilities in setting out measures, practice rules and regulations, channel to report tips, investigation and punishment, and proposing to Private Sector Collective Action Coalition Against Corruption Council. The panel also takes responsible to set out communication method and trainings to employees and all related parties, and practice methods in assessing risks of corruption on business operations.
6. Internal Audit Department has duties and responsibilities in examining and auditing whether working process is accurate and in line with policies, practice guidelines, authorities, regulations and laws to ensure that control system is appropriate and sufficient for risks concerning corruptions which may arise. The department's duties and responsibilities are also extended to investigate in case that any tips are given and report to Audit Committee.

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### ● Practice guidelines

1. Directors, Executive Management, and employees at all levels shall pursue the anti-corruption policy by not directly or indirectly engaging into any act of corruption.
2. Directors, Executive Management and employees at all levels must not ignore and be negligent when any acts of corruptions related to the Company and subsidiaries are detected and they must report the issue to supervisors or responsible persons. They shall provide cooperation in investigation. Should they have any questions or doubts, they can consult their supervisors or responsible persons through established channels.
3. The Company and subsidiaries shall provide justice and protect employees who deny getting involved in corruptions or report any acts of corruptions related to the Company by adopting measures to protect whistleblowers or those who cooperate in reporting the corruption as specified by the Whistleblowing Policy.
4. Those who violate the anti-corruption policy are deemed as breaching the Company's regulations, and shall be considered for disciplinary punishment as stipulated, and law punishment may be imposed if such actions violate laws.
5. The Company and subsidiaries have determined to build and maintain corporate culture that corruptions are unacceptable, and give importance to disseminate, educate and create understanding to other persons who must perform duties relevant to the Company and subsidiaries to be compliance with the anti-corruption policy.

### ● Whistleblowing and Whistleblower Protection Policy

Asian Seafoods Cold storage Public Company Limited is committed to good corporate governance, and accurate, fair, transparent and accountable business operations. Therefore, the Company opens opportunities for stakeholders from both inside and outside the organization to notify or lodge complaints about suspected acts of breaching laws, Good Corporate Governance principles, the Company's rules and regulations, policies, and Code of Business Conduct, false financial statements or shortcomings of the Company's internal control system. The Company sets up channels, methods, procedures, and rights protection of complainants and whistleblowers as follows:

### Notifications and Complaints

In case that employees and stakeholders from both inside and outside the organization have any questions or detect suspected acts of breaching laws, Good Corporate Governance principles, the Company's rules and regulations, policies, and Code of Business Conduct, false financial statements or shortcomings of the Company's internal control system, they can ask questions, give tips or file complaints, and submit evidences to responsible persons or units through the following channels:

- **Complaints against the Company's units and such complaints have nothing to do with Chief Executive Officer or Chairman** can be made at hot line for complaint receipts (24 hours), the Company Secretary, Internal Audit Office, Chief Executive Officer or Audit Committee.
- **Complaints against Chief Executive Officer or Chairman** can be filed at Audit Committee.

#### Channels for reports and complaint receipts

1. Hot line for complaint receipts (24 hours) Tel: 095-372-0144

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2. The Company Secretary of Asian Seafoods Coldstorage Public Company Limited.  
Telephone: 034-845575 ext. 5356                      Email: Asian-secretary@asianseafoods.co.th  
Mail: The Company's Secretary, Asian Seafoods Coldstorage Public Company Limited  
55/2 Rama II Road, Bangkachao, Muang, Samutsakorn 74000
3. Internal Audit Office of Asian Seafoods Coldstorage Public Company Limited  
Telephone: 034-845575 ext. 5350                      Email: Asian-secretary@asianseafoods.co.th  
Mail: Internal Audit Office's manager, Asian Seafoods Coldstorage Public Company Limited  
55/2 Rama II Road, Bangkachao, Muang, Samutsakorn 74000
4. Chief Executive Officer of Asian Seafoods Coldstorage Public Company Limited  
Telephone: 034-845575 ext. 5102                      Email: Asian-secretary@asianseafoods.co.th  
Mail: Chief Executive Officer, Asian Seafoods Coldstorage Public Company Limited  
55/2 Rama II Road, Bangkachao, Muang, Samutsakorn 74000
5. Audit Committee of Asian Seafoods Coldstorage PCL  
Email: Auditcommittee@asianseafoods.co.th  
Mail: Audit Committee, Asian Seafoods Coldstorage Public Company Limited  
55/2 Rama II Road, Bangkachao, Muang, Samutsakorn 74000

### Whistleblower Protection Policy

1. The Company ensures that complainant or whistleblower will be protected from any types of unfair treatment, which constitute changes in positions, job descriptions and workplace, annoyance, threats, employment termination or any other unfair practices by virtue of his/her having reported a Protected Disclosure under this Policy. Employee who unfairly or inappropriately treats others or cause damages to others who are protected under this policy, is considered to have committed a disciplinary offence and shall be liable for disciplinary punishment. He/she may be penalized as the law stipulates if such action is deemed an illegal offence.
2. Complainant or whistleblower or those who deny involving in committing corruptions will be protected from position downgrade, employment termination, negative effects from punishment or any malicious actions to them.
3. Complainant or whistleblower can maintain anonymity if they are concerned about safety and damages. However, disclosing his or her identity can help the Company report progress, clarify or alleviate damages more conveniently and rapidly.
4. Complainant or whistleblower can request the Company to provide appropriate protection measures. The Company itself can put protection measures in place without request if considered that such complaints may cause damages and danger.
5. Conditions, and tips and complaint consideration

### Conditions and Criteria in Complaint Consideration

The complaint shall be deemed top secret. The complainant may file complain through more than one channel and does not need to disclose his/her identity. However, if he/she does disclose his/her identity, this will allow the Company to report him/her

outcome and progress of the investigation, request additional information concerning the matter of complaint, or alleviate damages in a faster or more convenient manner. The Company reserves rights to only investigate the following complaints or tips

1. Details of complaints, information or tips must be clear or adequate to prove that there is ground for investigation.
2. The Company will keep name, surname, address, picture or other information that can identify complainant, informant or whistleblower secret. If it needs to circumvent to this guideline, the Company will disclose only so much of it as necessary to ensure the safety and prevent damages even in the case that revealing identity is their requests.
3. Rights of complainants, informants, or whistleblowers will be protects regardless they are either the Company's employees or outsiders.

### Related persons

The Company assigns Corporate Legal Department to take responsible for receiving complaints from related persons during process of notification (complaints, informants and complaint receivers) and complaint receipt, and handling complaints by itself or forwarding to Scrutiny Commission.

1. Corporate Legal Department or Scrutiny Commission are in charge of gathering facts concerning suspected acts of violating laws, Good Corporate Governance Principles, the Company's rules and regulations, policies, Code of Business Conduct, inaccurate financial report or shortcomings of internal control system in order to evaluate, screen information to consider process and appropriate course of actions in handling each complaint. The Department may either handle complaint or send to Scrutiny Commission appointed by Chief Executive Officer, Executive Board or Board of Directors.
2. Human Resources oversee disciplinary matters.
3. Chief Executive Officer is the company's top executive.
4. Executive Committee
5. Audit Committee
6. Board of Directors
7. Scrutiny Commission contains those who are appointed by the Company's Chief Executive Officer, Executive Committee or Board of Directors.

### Procedures

#### 1) Register of complaints and forwarding

- 1) All channels that receive tips or complaint will inform to Corporate Legal Department to open the case and gather information within 24 hours.
- 2) Corporate Legal Department registers to receive complaint and keep it confidential, and sets schedule to inform such complaint to related persons as following
  - In case of an adverse impact on the Company's reputation, it must be processed immediately and urgently (within 24 hours).
  - It must be processed in a fast manner for other cases (48 hours as the latest).

- 3) Corporate Legal Department records information in document file (confidential) by identifying following information from complainant.
  - Name of complainant, with exception of anonymous request
  - Date of complaint
  - Name of person or event
  - Other relevant information
- 4) Corporate Legal Department or Scrutiny Commission investigate, garner facts and send a copy to Chief Executive Officer. Corporate Legal Department seeks Chief Executive Officer's orders to either assign Corporate Legal Department to be in charge of investigation or set up Scrutiny Commission to conduct investigation, with exception of the following cases
  - In case that Chief Executive Officer is allegedly involved in complaint, Scrutiny Commission will be formed by Audit Commission and a copy of investigation details must not submitted to Chief Executive Officer.
  - In case that complaint is important matters such as impacts on the Company's image and reputation, financial position or conflicts of interest from business operations, or complaint involves the Company's Chief Executive Officer, Chairman or high-ranking executives, it will be forwarded to Audit Committee to hold a meeting to discuss the issue within 5 business days.

## 2) Investigation of Facts and Chain of Command

- 1) Corporate Legal Department or Scrutiny Commission investigate to find facts and provide recommendation to those involve in complaint to conduct or behave in an appropriate manner. If disciplinary punishment is imposed, they can consult with Human Resources Department to ensure that such penalty is in line with standards and send investigation outcome, opinions, and practice guideline or punishment, depending on each case, to Executive Directors to consider for further actions.
- 2) Corporate Legal Department or Scrutiny Commission, in case that complaint is filed by anonymous source and it does not have sufficient information, report investigation result and opinions to Executive Directors to seek a proper practice guideline. If Executive Directors decides that the complaint cannot be processed further, the case will be closed and forwarded to Corporate Legal Department to send a copy to inform Scrutiny Commission and person who receive the complaint.
- 3) If Corporate Legal Department or Scrutiny Commission decide that accused does not commit any wrongdoing, the complaint results from misunderstanding, or accused or those who are involved in the complaints are already advised to conduct appropriate behavior and the complaint case is considered to be closed without any punishment, Corporate Legal Department has duty to report to Executive Directors to seek an approval for closure of the case and send a copy to report the final solution to Scrutiny Commission and person who receive the complaint.
- 4) In case that complaint involved with the Company's violation of laws, rules and regulation, Code of Conduct and such action causes damages to any persons, Corporate Legal Department or Scrutiny Commission will propose the complaint, opinions and practice guidelines to Executive Directors to take actions.
- 5) In case that complaint is important matters such as impacts on the Company's image and reputation, financial position or conflicts of interest from business operations, or complaint involves the Company's Chief Executive

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Officer, Chairman or high-ranking executives, Corporate Legal Department will propose the Company's Board of Directors to permit Scrutiny Commission to carry out investigation.

**3) Reporting summary findings to complainant and adjustment**

- 1) Corporate Legal Department immediately follows decision of the Company's Executive Board or Board of Directors (depending on case) by coordinating with relevant persons and Human Resources Department.
- 2) Corporate Legal Department reports final solution to persons who receive the complaint and complainant, record it and propose to Audit Committee for acknowledgement on quarterly basis.
- 3) Corporate Legal Department follows up adjustment (if any), report to the Company's Executive Directors and Board of Directors (depending on each case) and inform persons who receive the complaint and Audit Committee.

**4) Filing false complaint or wrong channels.**

The Company's and subsidiaries' employee who files complaint and gives tips, testimony and information with a mala fide intention or wrong channels shall be liable to disciplinary penalty as prescribed by the Company's rules and regulations, and policies. In case that it is filed by outsider and causes the Company's damages, the Company will consider filing lawsuit against him/her as deemed appropriate.

**5) Responsibilities of Corporate Legal Department**

Corporate Legal Department is warrant disciplinary action if it ignores or fails to pursue this policy.