

## Securities and Shareholder Structure

The Company has registered capital of 135 million baht, accounting for 270,000,000 common stocks, with par value of 0.50 baht per share. The paid-up capital is 135 million baht, accounting for 270,000,000 common stocks, with par value of 0.50 baht per share.

### Shareholder Structure

The Top 10 Shareholders of the company. (Summary from the closing date of August 27,2020)

	List of Shareholders	As of August 27,2020	
		No. of Shares (Shares)	%
1	Thai Vegetable Oil PCL.	86,000,000	31.85
2	Thai Edible Oil Co., Ltd.	30,000,000	11.11
3	Cheer Thailand Oil Co., Ltd.	12,100,000	4.48
4	Mr. Visuth Vitayathanagorn	12,000,000	4.44
5	Mr. Thongchai Tansutat	6,000,000	2.22
6	Mrs. Pattama Tangpiroontham	6,000,000	2.22
7	Mr. Vatchara Vitayatanagorn	6,000,000	2.22
8	Mrs. Rattana Chanpitak	6,000,000	2.22
9	Ms. Sudarat Vitayatanagorn	6,000,000	2.22
10	Mr. Kuna Vitayatanagorn	4,000,000	1.48

## Dividend Policy

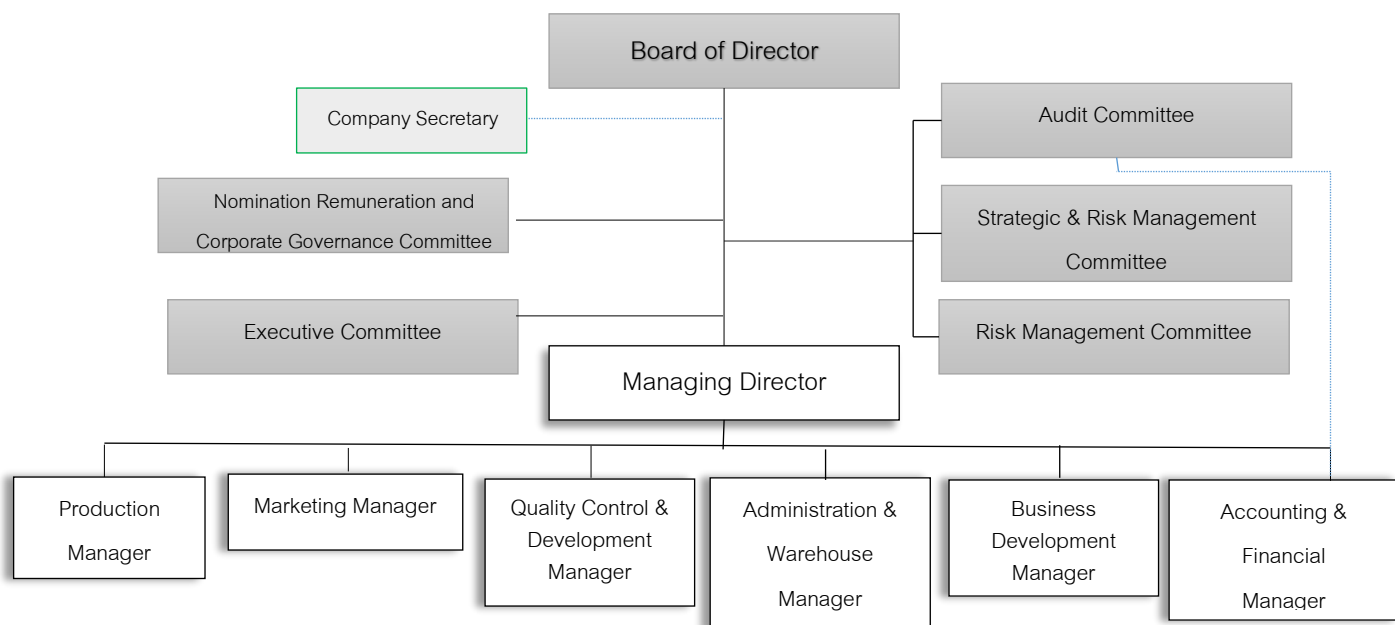
It is the Company's policy to pay the dividend more than 50% of net profit, after the deduction of corporate income tax and provision. However, the payment rate may change depending on the liquidity, investment plan, operational plan, and terms and conditions of the agreement the Company is obligated to. The Board's resolution of dividend payment must be presented to the shareholders' meetings for the approval, except the interim dividend payment, which is under the Board's authority.

source: Mai Forum 2019



## Management Structure

As of December 31, 2020, the Company's management structure consists of the Board of Directors and four sub-committees as Audit Committee Executive Committee Risk Management Committee and Nomination Remuneration and Corporate Governance Committee below:



## Board of Directors

Name – Last Name	Position
1. Assoc. Prof. Prayoon Boonprasert	Chairman /Independent Director/ Audit Committee
2. Miss Thipawan Uthaisang	Independent Director/ Head of Audit Committee
3. Miss Pikul Taksinwarajarn	Independent Director/ Head of Nomination Remuneration Committee
4. Mr. Thanet Norabhoompipat	Independent
5. Mr. Thongchai Tansutat	Director/Managing Director
6. Mr. Purnrux Nacob	Director/ Nomination Remuneration Committee



Name – Last Name		Position
7. Mr. Pramote	Santiwattana	Director
8. Mr. Vorravuth	Tangpiroonthum	Director
9. Mr. Vachara	Vitayatanagorn	Director

As of December 31, 2020, the Board of Directors consists of nine directors as below:

Authorized Signatories Mr. Thongchai Tansutat or Mr.Vachara Vitayatanagorn signs his name with Mr. Purnrux Nacob or Mr. Vorravuth Tangpiroonthum and stamp the Company's seal.

#### Board's Term of Office

In each Annual General Meeting of Shareholders, one third of the Board of Directors must resign. If the number does not match one third exactly, the Board must find the closest amount possible. The resigned directors in the first and second year after the Company's register must be decided by the draw. Afterward, the directors with the longest period of directorship must resign. However, the resigned directors can be re-elected to resume the position.

#### Board's Scope of Authority, Work and Responsibilities

46

The resolution of the Board's meeting no. 2/2013 on August 7, 2013, defined the Board's scope of authority, work and responsibilities as below:

1. Conducting the tasks with integrity in compliance with law, the Company's objectives and regulations, and the resolution of shareholders' meetings as well as carefully protecting the Company's interest.
2. Approving the organization's vision and operational strategy formulated and presented by the management and elaborating the details.
3. Supervising the operation and performance of the management or any assigned parties to be aligned with the Board's policy.
4. Continuously monitoring the Company's operation to be in line with the operational plan and budget.
5. Having the management set up the credible accounting system, financial report and auditing and ensuring the sufficient and proper internal audit system.
6. Reviewing the risk management process and policy as well as monitoring the performance of Risk Management Department.



7. Deliberating and approving the acquisition and disposition of assets, investment and any operation that complies with the related law, notices, rules and regulations.
8. Deliberating and approving the connected transactions to ensure their compliance with the related law, notices, rules and regulations.
9. Preventing the conflicts of interest among the stakeholders
10. Fairly deliberating matters for the best interest of all shareholders and stakeholders. The directors must immediately inform the Company if they share the gain and loss in the contract made with the Company. For the transactions with the directors or any individual who may have the conflict of interest, those directors have no right to vote approval for those transactions.
11. Formulating the policy of good corporate governance in a written form and reviewing this policy to make sure that the Company is responsible for all stakeholders and treat them fairly.
12. If necessary, asking for the professional opinions from external parties as the reference for the right decision making.
13. Deliberating the appointment of Managing Director and sub-committees, such as Audit Committee and Executive Committee, and defining the authority of Managing Director and those sub-committees to supervise the management system and internal audit system to be in line with the policy.
14. Deliberating the appointment of secretary to ensure that the Board and the Company abide by law, notices, rules and regulations.
15. Revising or changing the scope of authority and responsibility of Audit Committee, Executive Committee and Managing Director as seen appropriate and if required.
16. Evaluating its own performance annually and finding the guideline to increase its operational effectiveness.

The authority must not be provided for or by the Board during the period that allows them and/or their attorney-in-fact to approve the transactions that he/she or those individuals may have conflicts of interest (as defined in the notices of Securities Exchange Committee or the notices of Capital Market Supervisory Board), share the gain and loss, receive any benefits, or have any conflict of interest with the Company, except approving the transactions that comply with the policies or criteria approved by the shareholders' meetings or the Board.

#### Qualifications of Independent Directors

The Board sets the qualifications of Independent Directors to meet the requirements of the Stock Exchange of Thailand as below:



1. Holding shares less than 1% of total stocks with voting right in holding company, subsidiaries, affiliates, major stockholders, or authorized persons who control the company. This includes the shareholding by the persons related to the independent directors.
2. Not being or having never been the director involving in the management, employee, the consultant earning salary, or authorized person controlling the holding company, subsidiaries, affiliates, same-level subsidiaries, major stockholders, or authorized person who controls the company, except relieved from abovementioned status for at least two years before submitting the permission to the Office. However, the prohibited characteristics exclude that of civil service or consultant of government body with major shareholding or authorized persons.
3. Not being blood-related by or legally registering, in the manner of being father or mother, spouse, sibling, offspring, and spouse of the offspring of other directors, management, major shareholders, authorized person, or person nominated as Executive Director or authorized person of the subsidiaries.
4. Not having or having had the business relations with holding company, subsidiary, affiliate, major shareholder or authorized persons in the manner that may obstruct the independent exercise of discretion. Not being or having been a significant shareholder or authorized person with business relations with the holding company, subsidiary, affiliate, major shareholder or authorized person, except relieved from abovementioned status for over two years before the submitting the permission to the Office. This includes giving or receiving financial assistance through giving/receiving the loan, guaranteeing, providing the properties as collateral, including similar behavior that causes the company or contract party the debt burden to be settled with another party from 3% of net tangible assets of the company or from 20 million baht up, as which amount is lower. However, the debt burden calculation should follow the value calculation on related items as announced by the Securities Exchange Commission on Rules of Related Items, by mutatis mutandis. The consideration of such debt burden shall include debt burdens incurred at one previous year before the date of business relations with the same person.
5. Not being or having been auditor of the holding company, subsidiary, affiliate, major shareholder or authorized person and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the company, holding company, subsidiary, affiliate, major shareholder or authorized person in attachment, except relieved from such characteristic for more than two years before the date of submitting the permission at the Office.
6. Not being or having been any professional provider, which includes legal consulting or financial consulting with service fee over two million baht a year from the company, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristic for more than two years before the date of submitting the permission from the Office.



7. Not being a director appointed as a representative of the company's director, major shareholder or shareholder related to the company's major shareholder.
8. Not operating similar or significantly competitive business to the company's or subsidiaries'. Not being significant partner in the partnership, director taking part in employee management, consultant with regular salary or holding shares over one percent of the total shares with voting right in other companies, or operating business similar or competing with business of the applicant or subsidiary.
9. Not having other characteristics that will hinder independent opinion related to the company's operation.

#### Board's Meetings

Below are the details of Board's meetings in the fiscal year as of December 31, 2020:

Name-Last Name	No. of Participation/No. of Total Meetings	
	Position	2020
1. Assoc.Prof.Prayoon Boonprasert	Independent Director	6/6
2. Miss Thipawan Uthaisang	Independent Director	6/6
3. Miss Pikul Taksinwarajarn	Independent Director	6/6
4. Mr. Thanet Norabhoompipat	Independent Director	6/6
5. Mr. Thongchai Tansutat	Director	6/6
6. Mr. Purnrux Nacob	Director	6/6
7. Mr. Pramote Santiwattana	Director	5/6
8. Mr. Vorravuth Tangpiroonthum	Director	6/6
9. Mr. Vachara Vitayatanagorn	Director	6/6

In 2020, There are Board Meeting 7 times that the second meeting as circular resolutions of the Board on 2<sup>nd</sup> April, 2020. Because the COVID-19 pandemic.

#### Policy Concern the meeting

1. Board of Director set up the Annual meeting a year in advance that the Board acknowledge since the early year for set up their planning's meeting.
2. The Board of director should be able to attend at least 75% of Annual board meeting.

#### Part 2 Management and Corporate Governance/ Management Structure

In 2020, the Board of Director attended 95.24% of Annual board meeting.(Detail as the above the schedule)  
The Board meeting 7/2020, as 8<sup>th</sup> December, 2020. The resolution's Board meeting determined the Annual Meeting 2021 as detail below schedule.

No.	The Date of Meeting	Time
1/2021	Tuesday 16 February 2021	10.30 am.
2/2021	Tuesday 11 May 2021	10.30 am.
3/2021	Tuesday 15 June 2021	10.00 am.
4/2021	Tuesday 20 July 2021	10.00 am.
5/2021	Tuesday 10 August 2021	10.30 am.
6/2021	Tuesday 9 November 2021	10.30 am.
7/2021	Tuesday 7 December 2021	10.00 am.

#### Audit Committee

As of December 31, 2020, Audit Committee consists of three following directors:

Name-Last Name	Position	No. of Participation/ No. of Total Meetings
1. Miss Thippawan Uthaisang	Head of Audit Committee	5/5
2. Assoc. Prof. Prayoon Boonprasert	Audit Committee	5/5
3. Miss Pikul Taksinwarajarn	Audit Committee	5/5

*Miss Thippawan Uthaisang is the Audit Director with enough knowledge and experience in auditing the credibility of financial statement. Miss Lakhana Ruenrom serves as the secretary The Audit Committee. The meeting is determined 4 times per year.*

In 2020, the audit committee held a joint meeting between the audit committee and the auditor without the management attending the meeting for the audit committee to acknowledge the problems that occurred in the past

#### Part 2 Management and Corporate Governance/ Management Structure





year. It is also an exchange of information, suggestions, and solutions for the auditor and the audit committee and including to acknowledge the operational guidelines of the auditors in the following year.

#### Audit Committee's Term of Office

Audit Director has three-year term of office, except the resignation at term's end in compliance with the Company's rules. In this case, the resigned directors can be re-elected to resume the position. If the position is vacant because of other reasons than the end of term, the Board must assign the fully qualified people to be Audit Directors to ensure the complete amount of members required. The replacement will only cover the remaining term of the resigned director.

#### Audit Committee's Scope of Authority, Work and Responsibilities

The resolution of the Board's meeting no. 2/2013 on August 7, 2013, defined the Audit Committee's scope of authority, work and responsibilities as below:

1. Ensuring that the Company has accurate financial report, providing sufficient information.
2. Ensuring that the Company has proper and efficient internal control system and internal audit system as well as considering the independence of the Internal Audit Department. Approving the appointment, transfer or dismissal of the Head of Internal Audit Department and/or hiring of outsourced internal auditors or related departments.
3. Ensuring that the Company follows the law related to securities and the Stock Exchange of Thailand (SET), regulations of the Stock Exchange of Thailand, and the law related to the Company's business.
4. Selecting and nominating independent people to serve as the Company's auditors and proposing the remuneration of that person. Attending the meeting with the auditors, without the management's participation, for at least once a year.
5. Reviewing the connected transactions or conflicts of interest to comply with law and SET regulations and ensure that those transactions are reasonable and best benefit the Company.
6. Making the report of Audit Committee and including it in the annual report signed by the Head of Audit Committee. The report must consist of the following information:
  - 1) Comments on the accuracy and completeness of financial report
  - 2) Comments on the sufficiency of internal control system
  - 3) Comments on the compliance with the law related to the securities and Stock Exchange of Thailand, SET regulations or law related to the Company's business
  - 4) Comments on the auditors' appropriate qualifications

- 5) Comments on the potential conflicts of interest
  - 6) The number of Audit Committee's meetings and the participation of each director
  - 7) Overall comments or observation on the Committee's compliance with the charter
  - 8) Other items they think the shareholders and general investors should learn, under the scope of work and responsibilities assigned by the Board.
7. During the operation, if the Audit Committee finds or has any doubts in the following transactions or acts, which significantly affects the Company's financial status and performance, they must report to the Board to rectify the situation within appropriate timeline.
- 1) Transactions with conflict of interest
  - 2) Corruption, abnormality or errors in internal control system
  - 3) Violation of law related to securities and the Stock Exchange of Thailand, SET regulations or laws related to the Company's business.
8. Other tasks assigned by the Board and approved by the Audit Committee

To work under the scope of authority and responsibilities, the Audit Committee is authorized to invite the related management or employees to report, comment, attend the meeting, or submit the related and required documents.

The Board has the authority to change the Audit Committee's scope of authority and responsibilities as seen fit and as required.

#### Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2020, Nomination, Remuneration and Corporate Governance Committee consists of four following directors:

Name-Last Name	Position	No. of Participation/ No. of Total Meetings
1. Miss Pikul Taksinwarajarn	Head of Nomination, Remuneration and Corporate Governance Committee	4/4
2. Assoc. Prof. Prayoon Boonprasert	Nomination, Remuneration and Corporate Governance Committee	4/4



Name-Last Name	Position	No. of Participation/ No. of Total Meetings
3. Miss Thippawan Uthaisang	Nomination, Remuneration and Corporate Governance Committee	4/4
4. Mr.Purnrux Nacob	Nomination, Remuneration and Corporate Governance Committee	4/4

*Ms.Thitikan Sa-nganetpetch serves as the secretary of Nomination Remuneration and Corporate Governance Committee*

The meeting is determined at least 2 times per year.

In 2020, the corporate governance, nomination and remuneration committee reviewed the self-assessment form of the Board of Directors and chief executive officer to cover the topic of assessment and consistent with the organizational context. This will be used for the assessments from 2020 onwards to allow the board and the top management to review past year's performance for the assessment topic. In this annual report, the remuneration for the Board of Directors and management is shown in the topic of remuneration for directors and management.

53

#### Terms of Office of Nomination, Remuneration and Corporate Governance Committee

Nomination, Remuneration and Corporate Governance Committee has three-year term of office and the directors whose term ends can be re-elected to resume the position. If the position is vacant because of other reasons than the end of term, the Board must assign the fully qualified people to be Audit Directors to ensure the complete amount of members required. The replacement will only cover the remaining term of the resigned director.

#### Scope of Authority, Work and Responsibilities of Nomination, Remuneration and Corporate Governance Committee

The resolution of the Board's meeting no. 2/2013 on August 7, 2013, defined the Nomination, Remuneration and Corporate Governance Committee's scope of authority, work and responsibilities as below:

1. Ensuring that the organization's operation properly complies with the principle of good corporate governance to maintain the standard and infuse this principle into the organizational culture. Furthermore, regularly communicating this issue to the director, management and employees.
2. Regularly reviewing and updating the principle of good corporate governance, regulations, business ethics and employees' moral to suit the business and be aligned with operational direction of Stock Exchange of Thailand and Securities Exchange Commission.
3. Deliberating and approving the promotion of the Company's corporate governance and information disclosure policy among the public.

#### Part 2 Management and Corporate Governance/ Management Structure



4. Considering and selecting the qualified person to serve as the new director or recruiting the Chief Executive Officer. Setting the proper and transparent selection criteria or method to propose to the Board's meeting and/or shareholders' meetings for their approval.
5. Reporting its performance to the Board and making the report of the Nomination, Remuneration and Corporate Governance Committee, included in the Company's annual report and signed by the Head of the Committee.
6. Deliberating the guideline for the directors and Managing Director's cash and non-cash remuneration and benefits to ensure the fair and reasonable remuneration calculation method. Then, proposing it to the Board's meeting and/or shareholders' meetings for their approval.

#### **Risk Management Committee**

As of December 31, 2020, Risk Management Committee consists of five following directors:

Name-Last Name		Position
1. Mr. Wimon	Wongchan	Head of Risk Management Committee
2. Mr. Thongchai	Tansutat	Risk Management Committee
3. Mr. Vachara	Vitayatanagorn	Risk Management Committee
4. Mrs. Lakkanar	Romruen	Risk Management Committee

*Ms.Thitikan Sa-ngnetpetch serves as the secretary of Risk Management Committee. The meeting is determined at least 1 time per year.*

#### **Terms of Office of Risk Management Committee**

Risk Management Committee has three-year term of office and the directors whose term ends can be re-elected to resume the position. If the position is vacant because of other reasons than the end of term, the Board must assign the fully qualified people to be Risk Management Directors to ensure the complete amount of members required. The replacement will only cover the remaining term of the resigned director.

#### **Risk Management Committee's Scope of Authority, Work and Responsibilities**

The resolution of the Board's meeting no. 2/2013 on August 7, 2013, defined the Risk Management Committee's scope of authority, work and responsibilities as below:



1. Formulating the risk management policy and proposing it to the Board for the approval.
2. Formulating the operational plan in line with the risk management policy to follow up, evaluate, and control the risks at an acceptable level.
3. Approving the use of risk assessment tools to suit the risk management policy.
4. Regularly monitoring the compliance with the risk management policy to ensure its efficiency.
5. Making sure that the resources for risk management are sufficient.
6. Informing the Audit Committee and the Board about the Company's risk status and guideline for managing those risks.

**Strategic & Risk Committee**

As of December 31, 2020, Strategic & Risk Committee consists of six following directors:

Name-Last Name	Position	No. of Participation/ No. of Total Meetings
1..Mr. Purnux Nacob	Head of Strategic & Risk Committee	7/7
2. Assoc.Prof.Prayoon Boonprasert	Strategic & Risk Committee	7/7
3.Mr. Thanet Norabhoompipat	Strategic & Risk Committee	7/7
7. Mr. Pramote Santiwattana	Strategic & Risk Committee	7/7
8. Mr. Vorravuth Tangpiroonthum	Strategic & Risk Committee	4/7
9. Mr. Vachara Vitayatanagorn	Strategic & Risk Committee	7/7

*Ms.Suthathip Meebun serves as the secretary of Strategic & Risk Committee*

## Executive Committee

As of December 31, 2020, Executive Committee consists of five following directors:

Name-Last Name	Position	No. of Participation/ No. of Total Meetings
1. Mr. Thongchai Tansutat	Head of Executive Committee	12/12
2. Mr. Wimon Wongchan	Executive Director	12/12
3. Mr. Vachara Vitayatanagorn	Executive Director	6/12
4. Mrs. Lakkanar Romruen	Executive Director	12/12

*Ms.Thitikan Sa-nganetpetch serves as the secretary of Executive Committee*

## Executive Committee's Terms of Office

Executive Committee has three-year term of office and the directors whose term ends can be re-elected to resume the position. If the position is vacant because of other reasons than the end of term, the Board must assign the fully qualified people to be Executive Directors to ensure the complete amount of members required. The replacement will only cover the remaining term of the resigned director.

56

## Executive Committee's Scope of Authority, Work and Responsibilities

The resolution of the Board's meeting no. 2/2013 on August 7, 2013, defined the Executive Committee's scope of authority, work and responsibilities as below:

1. Managing and operating the Company's business in line with its goal and in compliance with the policy, guideline or operational plan set by the Board.
2. Setting the vision, operational strategy, policy, goal, guideline and action plan to suit and be in line with the economic condition and competitive situation. Proposing them to the Board for the approval.
3. Monitoring and following up the approved policy and management guideline to ensure the effective operation.
4. Having authority to approve and operate the projects with the budget lower than three million baht.
5. Operating other tasks assigned by the Board.

The authority must not be provided for or by the Executive Committee during the period that allows them and/or their attorney-in-fact to approve the transactions that he/she or those individuals may have conflicts of interest (as defined in the notices of Securities Exchange Committee or the notices of Capital Market Supervisory Board), share the gain and loss, receive any benefits, or have any conflict of interest with the Company, except approving the transactions of normal business and the ones under normal trade conditions.

#### Company's Secretary

The resolution of the Board's meeting no. 2/2013 on August 7, 2013, setting the scope of authority, work and responsibilities. The resolution of the Board's meeting no. 2/2017 on May 9, 2017 appointed Ms.Thitikan Sa-nganetpetch as the Company's secretary.

#### Secretary's Scope of Authority, Work and Responsibilities

1. Assisting and advising the Board and management on rules and law they need to know.
2. Taking care of the Board's activities, holding Board' meetings, recording the minutes of Board's meetings and shareholders' meetings, and coordinating with different parties to ensure the compliance with the resolution of Board's meetings.
3. Making and filing the following documents:
  - 1) Directors' register
  - 2) Invitation letter for the Board's meetings, minutes of Board's meeting and annual report
  - 3) Invitation letter for the shareholders' meetings and minutes of shareholders' meetings
  - 4) Keeping the stake holding reports made by directors or management
  - 5) Operating other tasks assigned by the Capital Market Supervisory Board.

#### The Management

As of December 31, 2020, the management consists of seven following managers:

Name-Last Name	Position
1. Mr. Thongchai Tansutat	Managing Director
2. Mr. Vachara Vitayatanagorn	Business Development Manager
3. Mr. Wimon Wongchan	Production Manager



Name-Last Name		Position
4. Mrs. Lakkanar	Romruen	Accounting & Financial Manager
5. Mr. Somchai	Limongsawad	Marketing Manager
6. Mr. Chateer	Jeansaijai	Development & Quality Control Manager
7. Mr. Warunee	Buayai	Administration & Warehouse Manager

#### Managing Director's Scope of Authority, Work and Responsibilities

The resolution of the Board's meeting no. 2/2013 on August 7, 2013, defined the Managing Director's scope of authority, work and responsibilities as below:

1. Supervising, managing, operating, and conducting the regular business to ensure the Company's best interest and be aligned with the Company's policy, strategy and operational plan assigned by the Board and/or the resolution of the shareholders' meetings.
2. Setting the vision, operational strategy, policy, goal, guideline and action plan, proposing them to the Board for the approval, and reporting the work progress to the Board.
3. Setting and adjusting the management structure to be in line with the Company's operation and the competition in the industry.
4. Having authority to approve and operate with the budget lower than one million baht. Also able to approve and operate with the budget over one million baht for the management expenses only, such as salary, welfare, overtime and bonus, including all fees and stamp duty, commodity expenses, expenses related to raw material purchase and expenses in the agreement approved by Executive Committee and/or Board.
5. Having authority to appoint, transfer, or dismiss the employees in the lower level than Managing Director. The attorney-in-fact can be appointed to act for them.
6. Having authority to issue, revise, add, and improve the regulations and orders on the Company's operation to be aligned with its policy.
7. Deliberating the approval of connected transactions under normal trade conditions, such as product trading at selling price and offering the same trade conditions as normal customers. This must be done with the Board's approval.
8. Operating other tasks assigned by the Board.





So that authority must not be provided for or by the management during the period that allows the Managing

Director and/or their attorney-in-fact to approve the transactions that he/she or those individuals may have conflicts of interest (as defined in the notices of Securities Exchange Committee or the notices of Capital Market Supervisory Board), share the gain and loss, receive any benefits, or have any conflict of interest with the Company, except approving the transactions of normal business and the ones under normal trade conditions.

At Present, Managing Director wasn't take up the board at others, he would like to emphasize the operation the business to vision and mission according with the strategy of the company.

#### Recruitment of Directors and Management



The current Board together select the suitable candidates for the position of director or management based on their qualifications, which should be in line with the Company's plan. These people must be well qualified in terms of knowledge, capability, experience, and time dedication, and the qualifications must also meet Section 68 of Public Limited Companies Act B.E. 2535(including the edited

version), the related notices of Securities Exchange Commission and the related notices of Capital Market Supervisory Board. The appointment of directors and management must be approved by the Board's meetings and/or shareholders' meetings.

In 2020, the corporate governance committee, the nomination and remuneration committee has set the policy for recruiting successors, executives and also set a policy for recruiting top management successors which is an important position to lead the organization to achieve its goals. According to the objectives set, thus the corporate governance committee, the nomination and remuneration has set the policy for recruiting successors, executives and top executives. To present to the Board of Directors for consideration and approval in the Board of Directors Meeting No. 6/2020 on November 10, 2020 has considered the policy of recruiting and successors for executives and the top management to set as a guideline for the management to continue apply.





## Remuneration of Directors and Management

The Board of Directors has established a policy to criteria the consideration of the remuneration of the Board of Directors. By considering the suitability, duties and responsibilities assigned which can be comparable to a listed company in the stock exchange of Thailand. The industries and businesses that are similar such remuneration is sufficient to motivate the directors to be qualified and able to perform their duties in achieving the goals and direct the company with a transparent process to build confidence for shareholders.

Following the remuneration criteria

1. Roles, scope, powers, duties and responsibilities of the Board
2. Board performance (from the committee assessment results)
3. Company performance by considering both type and business size of the company
4. Survey of Directors' Remuneration when compare with other companies In the same industry of

the Thai Institute of Directors Association

The components of compensation are classified as

### 1. Monetary Compensation

1.1 Monthly compensation to reflect on the experiences and responsibilities of the directors

1.2 Meeting allowance to reflect on the work of the directors and to motivate the directors to perform their duties by attending the meeting regularly

1.3 Annual compensation to reflect on the duties and responsibilities of directors

### 2. Non-monetary compensation

2.1 Directors and officers liability insurance to ensure that they perform their duties fully and efficiently.

## Director's Remuneration

Below are details of the directors' remuneration in 2018, as of December 31, 2018, in 2019, as of December 31, 2019 and in 2020 as of December 31, 2020.

Unit : Baht

Name – Last Name	At Year End as of December 31, 2018			At Year End as of December 31, 2019			At Year End as of December 31, 2020		
	Remunerati on	Meeting Allowance	Total	Remunerati on	Meeting Allowance	Total	Remunerati on	Meeting Allowance	Total
1. Assoc. Prof. Prayoon Boonprasert	700,000	48,000	748,000	700,000	175,000	875,000	700,000	250,000	950,000
2. Miss Thipawan Uthaisang	460,000	48,000	508,000	460,000	110,000	570,000	460,000	175,000	635,000



Name – Last Name	At Year End as of December 31, 2018			At Year End as of December 31, 2019			At Year End as of December 31, 2020		
	Remunerati on	Meeting Allowance	Total	Remunerati on	Meeting Allowance	Total	Remunerati on	Meeting Allowance	Total
3. Miss Pikul Taksinwarajarn	460,000	38,000	498,000	460,000	120,000	580,000	460,000	170,000	630,000
4. Mr. Thanet Norabhoompipat	460,000	48,000	508,000	460,000	120,000	580,000	460,000	130,000	590,000
5. Mr.Thongchai Tansutat	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000
6. Mr.Purnrux Nacob	196,000	48,000	244,000	196,000	155,000	351,000	196,000	205,000	401,000
7. Mr.Pramote Santiwattana	196,000	48,000	244,000	196,000	120,000	316,000	196,000	120,000	316,000
8. Mr.Vorravuth Tangpiroonthum	196,000	48,000	244,000	196,000	100,000	296,000	196,000	100,000	296,000
9. Mr.Vachara Vitayatanagorn	116,000	8,000	124,000	100,000	-	100,000	100,000	-	100,000
D & O Liability Insurance	-	-	190,760	-	-	185,740	-	-	185,740
<b>Total</b>	<b>3,074,760</b>	<b>334,000</b>	<b>3,408,780</b>	<b>2,868,000</b>	<b>900,000</b>	<b>3,953,740</b>	<b>2,868,000</b>	<b>1,150,000</b>	<b>4,203,740</b>

*Unit: Baht*

Type of Committee	At Year End as of December 31, 2018			At Year End as of December 31, 2019			At Year End as of December 31, 2020		
	Remuneration	Meeting Allowance	Total	Remuneration	Meeting Allowance	Total	Remuneration	Meeting Allowance	Total
Board of Director	2,884,000	334,000	3,218,000	2,868,000	475,000	3,343,000	2,868,000	440,000	3,308,000
Sub-Committee									
Audit Committee	-	-	-	-	70,000	70,000	-	175,000	175,000
Nomination, Remuneration and corporate Governances Committee	-	-	-	-	90,000	90,000	-	180,000	180,000
Strategic & Risk Committee	-	-	-	-	265,000	265,000	-	355,000	355,000
<b>Total</b>	<b>2,884,000</b>	<b>334,000</b>	<b>3,218,000</b>	<b>2,868,000</b>	<b>900,000</b>	<b>3,768,000</b>	<b>2,868,000</b>	<b>1,150,000</b>	<b>4,018,000</b>

**\*Remark:** The resolution of the Board's meeting no. 4//2019 on July 24, 2019 All of Sub-committee have determined the meeting allowance.

Principle of Director's Remuneration

Type of Director	Type of remuneration (Baht)	
	Remuneration	Meeting Allowance
Independent Director	2,080,000	725,000
Non-executive Director	588,000	425,000
Executive Director	200,000	-

Detail of Remuneration in 2020

Position	BOD	Type of Sub-committee (Baht)		
		AC	NC	SC
Chairman	15,000	15,000	15,000	15,000
Committee	10,000	10,000	10,000	10,000

**\*Remark** BOD = Board Of Director NC = Normination Remuneration and Corporate  
AC = Audit Committee Governance Committee  
SC = Strategic & Risk Committee

For the committee members who are also members of the sub-committee, the meeting fees will be paid according to the position and the number of meeting attendance. Besides the remuneration as mentioned the directors will receive benefits in terms of expenses for attending the seminar in relation to the seminar in relation to the performance of the company's directors.

Management's Remuneration

The remuneration of the management, both director, (excluding the compensation received as the Company's director) and non-director management, in the form of salary and bonus can be summarized as below:

Below are details of the management's remuneration in 2018, as of December 31, 2018, and in 2019, as of December 31, 2019, and in 2020, as of December 31, 2020



	At Year End as of		
	December 31, 2018	December 31, 2019	December 31, 2020
Number (people)	7	7	7
Remuneration (Baht)	9,342,100	10,406,047	10,268,962

**Provident Fund**

The Company established the provident fund on August 21, 2013:

	2018	2019	2020
Cumulative Amount of Provident Fund (Baht)	2,312,034	2,377,932	2,338,520

**Personnel**
**Number of Personnel**

As of December 31, 2019, and December 31, 2020, the Company had 320 and 317 employees and workers (excluding the management) respectively, divided into the following business units:

Key Business Unit	Number of Employee (Person)	
	Dec. 31, 2019	Dec. 31, 2020
Production	233	233
Administration & Warehouse	51	50
Accounting	4	3
Marketing	5	5
Quality Control & Development Product	17	18
Business Development	2	2
<b>Total</b>	<b>320</b>	<b>317</b>



### Employees' Remuneration

Employees' Remuneration, (excluding the management) can be summarized as below:

Type	Employees' Remuneration (Baht)	
	End of the Fiscal Year December 31, 2019	End of the Fiscal Year December 31, 2020
Salary	64,905,915	62,402,870
Bonus	9,097,767	9,812,362
<b>Total (salary &amp; bonus)</b>	<b>74,003,682</b>	<b>72,215,232</b>
Employees' benefits	6,504,665	3,299,883
<b>Total remuneration</b>	<b>80,508,347</b>	<b>75,515,115</b>

The employees haven't established any labor union, but the Company set election of employee representatives who were volunteers for Welfare committee under the labor protection ACT B.E. 1998. The employee representatives have two years term. The Company have policy to fairly and legally treat all employees, which leads to the good employee relations.

### Employee Benefits

The company recognizes that human resources are valuable resources of the organization. Therefore, human resource management is a top priority of the company. The company is ready to bring good physical and mental health to all employees.

### Providing Appropriate Welfare for Employees

The employees will get basic benefits provided by the company equally because the employees have good physical and mental health which will affect the work efficiency. For the various rights, the employees will receive the company will notify all employees of the orientation and manual of the employees which the company provides basic welfare for employees as follows.

- Health benefits and life insurance. The company provides annual health check for employees including life insurance in the form of group accident insurance.
- Funds such as provident funds which are future savings



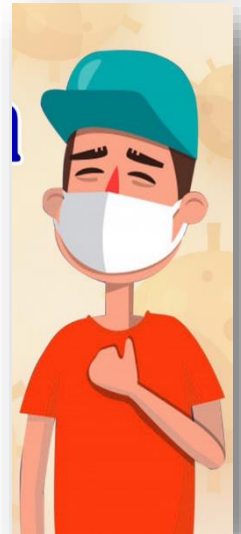
In 2020 The company does not only provide basic welfare for employees as required, the company also



helps families of employees who have suffered a loss from the death of someone in the family according to the rights of the employees as specified by the company

In recent years due to the COVID-19 epidemic, the company is concerned with the welfare of all employees who put their energy into the work for the company. Hence, to allow employees to work without anxiety, the company therefore insures COVID-19 to all employees of all levels beside the measure to prevent the spread of the COVID-19 which is used within the organization. In addition, employees are encouraged to have knowledge and understanding of life to know how to take care of themselves and their family members also including living with others

in society in the New Normal era safely.



#### Labor Dispute

-None-

#### Personnel Development Policy

65



The Company has given priority of the human resource development because it has been the key factor contributing to the Company's operational success. The Company focuses on developing the managing and engineering skills as well as teamwork. In the past, the Company held the trainings and seminars, with the private and public sector

In 2020, due to the COVID-19 pandemic, the company foresaw the development of knowledge in organizing training; therefore, the company organizes internal and external in online training to enhance knowledge, develop potential as well as learn standardized systems and innovation for personnel to be able to apply knowledge together with their own abilities in create and improve work efficiency and make it happen in a concrete way.



In the field of the development of knowledge and competency of management-level personnel receive the training to develop and increase knowledge and experience to be useful to the performance of the assigned duties and to the organization.

#### Part 2 Management and Corporate Governance/ Management Structure



In the field of basic training and the orientation of the company in the past year, the company opened a branch in Surin province. So, the company had organized an online orientation to reduce employee travel and also to use the communication system to increase the work efficiency.

In addition to developing knowledge for personnel, the management also foresees the sharing of knowledge with everyone in the organization to be able to learn thoroughly. So there is another channel for individuals to share their knowledge with their colleagues so that they can learn more through the channel "Knowledge Sharing" in the Company's information system to give employees the opportunity to be a giver and to be a recipient and giving employees access to information sources in a variety of channels.

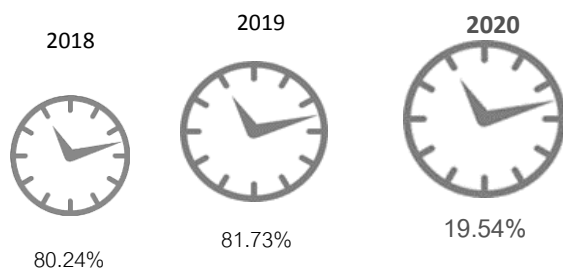


It also gives employees the opportunity to present knowledge that creates new innovations in their work through One Point Lesson (OPL) and sets it as one of the important topics of KPI focusing on bringing new innovation for the highest efficiency work application.

The previous year many employees attended training and knowledge development in various courses that were in the private and public sector.

#### Key performance indicator of human development

Amount of employees attended 6 hours for training



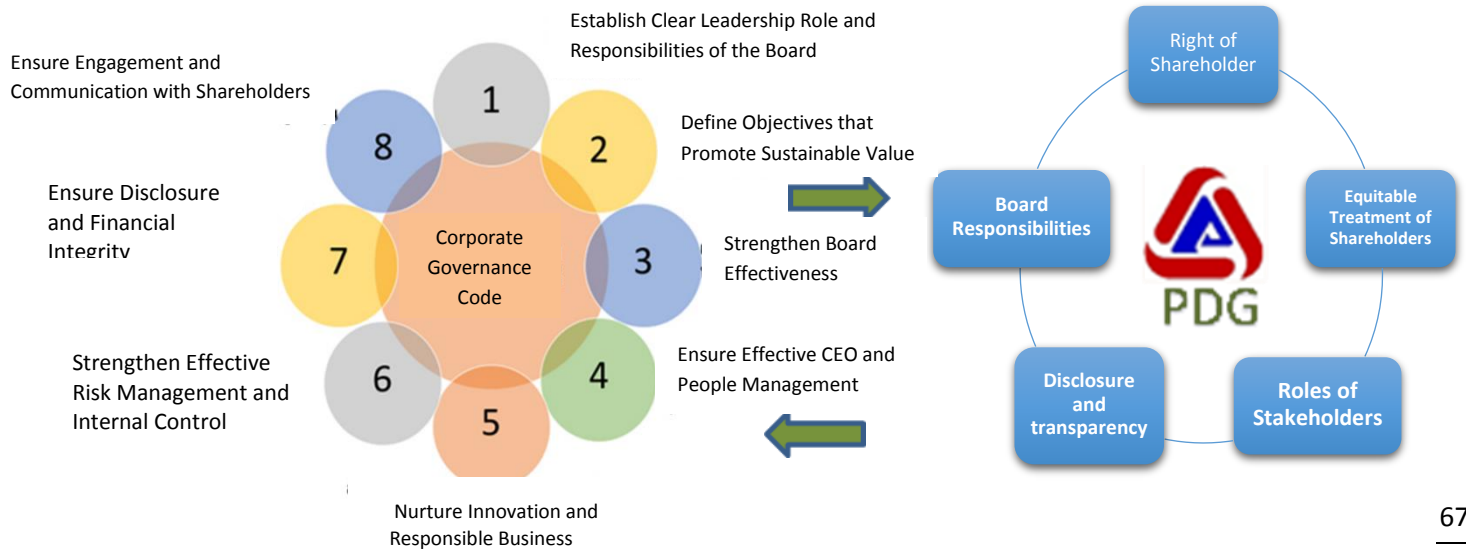
In 2020, Amount of employees attended 6 hrs. for training 19.54% of all employees

Due to the COVID-19 situation during employee training, it affects both internal and external training since the social distancing has to be followed, thus the majority of employee training is online. However, the company has complied with the requirements of the Department of Skill Development prescribed that in 2020, the company must provide 6 hours of training at least 10% of the total workforce.



## Corporate Governance

The Company focuses on applying the corporate governance principle to its business conduct as the direction. Therefore, the Company's formulates the corporate governance policy, whose principle and operational guideline are aligned with SET good governance principle for the listed companies in 2012. In 2020, the board of director studied the details and considered to change some of the policies to be in accordance with the organization's context and the CG Code 2017 for using as a guideline.




The Company's good governance Policy as below:


### Section 1: Rights of Shareholders


Valuing the rights of shareholders, the Company encourages them to exercise their rights. Their fundamental rights include the right to purchase, sell, or transfer stocks, right to earn a part of the Company's profit in the form of dividends, right to receive sufficient information, right to attend the shareholders' meetings and exercise their right to vote for appointing or dismissing the directors, appointing the auditors, and matters that affect the Company, such as the dividend allocation, formulating or amending regulations or Memorandum of Association, increasing or issuing new stocks, and approving significant transactions.

The Company sets the policies to support and facilitate the shareholders as below:

-  The Company sends the invitation letters, along with the reference documents, to the shareholders at least seven days in advance or within the timeline indicated by law or notices. The letters provide date, time, venue and related regulations of shareholders' meetings. The letters must also include the agenda with the explanation and rationale, the Board's comments, proxy form indicated by the Ministry of Commerce

and the list of independent directors who will act as the proxies for the shareholders and attend the shareholders' meetings if the shareholders cannot join the meeting themselves. Furthermore, the Company discloses the important information on its website before the meetings.

 Before the meeting, the Company informs the shareholders of the voting criteria and counting method. After providing information of each agenda, the Chairman of the meeting gives the shareholders a proper amount of time to express their comments and ask the Company questions. The directors and management participate in the meeting to listen to their comments and suggestion as well as answering the questions, which can be submitted before the date of meeting.


 If the meeting consists of many agendas, such as appointing the directors, the agenda will be voted one by one.


 After each shareholders' meeting, the company makes the accurate and complete minutes, consisting of the voting process, Q&A and the voting result of each agenda – agree, disagree and no comment. It also records the list of participating and absent directors. The report on voting result will be displayed on the website of the Stock Exchange of Thailand within the same day the meeting takes place or at 9 a.m. of the next working day as the latest. The report of shareholders' meeting will be submitted to the Stock Exchange of Thailand within 14 days after the meeting and be uploaded on the Company's website.


## Section 2: Equitable Treatment of Shareholders


The Company equally and fairly treats all shareholders, including managerial, non-managerial, foreign and individual shareholders under the following principles:


 The Company sends the English invitation letter together with Thai version.


 The Company conducts the meetings in sequence as indicated in the invitation letter and will not propose additional agendas without early notice unless necessary, especially the agendas that the shareholders need sufficient time to review before making any decision.

 The Company allows the minority shareholders to nominate the directors under the Company's criteria by submitting the names, along with their letter of consent, to the Chairman of the Board.

 The Company encourages the shareholders to vote for each agenda with the ballots, which are collected in the shareholders' meeting to count the votes and are stored by the Company to ensure the transparency and verifiability.

 The Company values the accurate, complete and timely information disclosure to all shareholders via the website of the Stock Exchange of Thailand and the Company.

 It is the Company's policy to prevent the directors and management from misusing the inside information for their own or shareholders' benefits.

 It is the Company's policy to prevent the directors with conflicts of interest from participating in those meeting agendas.

### Section 3: Roles of Stakeholders

The Company respects the rights of all stakeholders', namely customers, employees, business partners, shareholders or investors, creditors and surrounding communities, including other groups, namely competitors and independent auditors. It therefore fairly treats these stakeholders because it believes that the good relations with all of them will promote the Company's sustainable growth.

#### Shareholders

1. The Company is obliged to encourage the shareholders to exercise their rights. Their fundamental rights include the right to purchase, sell, or transfer stocks, right to earn a part of the Company's profit in the form of dividends, right to receive sufficient information, right to attend the shareholders' meetings and exercise their right to vote for appointing or dismissing the directors, appointing the auditors, and matters that affect the Company, such as the dividend allocation, formulating or amending regulations or Memorandum of Association, increasing or issuing new stocks, and approving significant transactions.
2. The Company is obliged to encourage the shareholders to exercise their rights
3. In the Annual General Meeting of Shareholders, such as right to nominate the directors and right to comment or ask questions related to the meeting agendas.
4. The Company will not do anything that violates or lessens the rights of shareholders, such as will not send the important information or documents before the shareholders' meetings and will not add the important agenda or change the crucial information without informing the shareholders in advance.

#### Employees

1. The Company offers the employees fair remuneration based on their performance. The evaluation is fairly conducted under the Company's criteria.
2. The Company has the policy on personnel develop by training the employees and management within the organization and assigning them to join the outsourced trainers in the topics related to their work.
3. The Company is obliged to maintain the hygienic work condition, which benefits the effective work and is safe for the employee's lives and assets.

4. The Company is obliged to guard the employees' privacy by not revealing their personal information, such as salary and medical record, to outsiders, except obligated by law or regulations.

#### Customers

1. The Company is obliged to build good customer relations and long-term cooperation by adhering to principle of integrity.
2. The Company focuses on providing the customers with the greatest satisfaction and confidence by delivering high-quality products and service, which are safe for the consumers and comply with the regulations. It also strictly follows the terms and conditions made with the customers.

#### Business Partners and Creditors

1. Considering the equality, fairness and integrity in business conduct, the Company strictly complies with law and mutual agreement.
2. Maintaining the business ethics, the Company will not dishonestly request, receive, or pay any benefits to the business partners.

#### Competitors

70

1. It is the Company's policy to support and promote the free and fair competition.
2. The Company treats the competitors by adhering to the law and best practice. It will not tarnish their reputation by slandering them with false accusation or doing anything unfair to the competition.

#### Government Agencies

1. It is the company's duty to abide by the related law and regulations.
2. The Company values the transparency and integrity when contacting the government officials and government agencies. It formulates the policy not to bribe the government officials in any kind to facilitate or benefit the Company.

#### Environment, Society and Communities

1. It is the Company's policy to conduct the business with environmental responsibility. In addition to the environmental saving, it promotes the energy efficiency.
2. The Company has the policy to conduct the business by taking the quality of society and communities into consideration and strictly abiding by law and regulations.

The stakeholders can ask for the Company's information or make the complaints to the Audit Committee by mailing to the Secretary Office, in the Company's address, or sending e-mail to [info@prodigy.co.th](mailto:info@prodigy.co.th). The complaints will be kept confidential and the Audit Committee will have the issues examined, propose the solution, and report it to the Board.

#### Section 4: Disclosure and transparency

The Company values the complete, correct, timely and transparent information disclosure so that the shareholders and stakeholders equally receive the credible information. Moreover, it regularly updates the information on its website.

It is the Company's policy to disclose the important information to the public, for example vision and mission, nature of business, list of the Board and management, financial statement, financial report, risk factors, risk management policy, risk management methods, direct and indirect shareholding of the directors, major shareholders and top management, audit fee and other service fee of auditors and the remuneration of Board and management.

The shareholders, investors, securities analysts and public can contact Ms.Thitikan Sa-nganetpetch at Tel. (034) 332611-2 or e-mail: [ir@prodigy.co.th](mailto:ir@prodigy.co.th) for the Company's information.

#### Section 5: Board Responsibilities

71

As of December 31, 2020, the Company's management structure consists of the Board of Directors and four sub-committees, namely Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Risk Management Committee and Executive Committee, to ensure the Company's and shareholders' long-term and maximum interest.

##### Board Structure

The Board consists of knowledgeable and capable directors with various experiences. They consider the important matters related to the Company's management. All directors are free to express comments in the shareholders' meetings and vote for agendas to ensure the proper, effective and transparent business conduct.

As of December 31<sup>st</sup>, 2020, the Board consists of nine directors. Four of them are independent directors. The independent directors must account for one third of the Board and more than three. The directors must not have the prohibited characters based on the notice of Securities Exchange Commission no. Gor.Jor. 8/2010 under the subject of the directors' and management's the lack of credible character and other related laws.

## Board's Role, Duties and Responsibilities

The Board has duty to consider and approve the significant matters related to the operation, such as vision and mission, financial target, risks, plan and budget. It also supervises the management to ensure the efficient and effective operation in compliance with the policies and plans. The Board uses judgment to decide and work with caution, responsibility and integrity to ensure the Company's long-term benefits.

## Board's Self-Assessment

The Board annually conducts the self-assessment to evaluate the performance in the past year and find the direction to enhance its efficiency.

## Remuneration of Directors and Management

The Company clearly sets the Board's remuneration, which must be approved by the Annual General Meeting (AGM). The directors, who are assigned with more duties and responsibilities, such as also being the Audit Director, will receive the suitable remuneration for those duties and responsibilities. The consideration must be based on the Company's ability and the management's remuneration must be linked with the Company's performance and the operation of each management each year.

## Development of Directors and Management

72

The Board operate effectively. The company's policy is encourage them for training all in-house and other that by developing the full potential for operation according with the organization of strategy .

In 2020, the directors attended the training for the potential development.

Mr.Voravut Tangpiroomthum attended course of IOD as follow:

- Successful Formula And Execution of Strategy 33/2020 (SPF)
- Board room Success Through Financing And Investment 9/2020 (BFI)

## The knowledge for new director

The company set the orientation for new board via company visit program for processing including to take a board manual that's detail of company as vision mission although articles of association and the law concerned the director the sub-committee's scope of authority or responsibility.

The company has prepared a manual for directors to support in consideration on various matters. Apart from this, it also encourages training in course that are related to the performance of duties of directors which the board of directors has set the risk assessment report quarterly.

## Board's Meetings

Board's Meetings focuses on quarterly tracking and verifying the performance and report from Audit Committee so that the Executive Committee can consider and operate to ensure the Company's best interest. The Board should also report the Company's major operational risks and the result of evaluation Risk was set to agenda of Board's Meeting in Quarterly.

In each Board's meeting, the Board's secretary works on the agendas and sends the documents to the Board at least five days before the meeting. This includes the minutes, with suggestions and comments of each sub-committee, such as the Board, Audit Committee and Executive Committee. Overall, the Company takes the minutes and submits it to each director as seen appropriate. The minutes is systematically filed, with the Board's verification and ready for the examination by the Board or related parties.

Last year, the Board of Directors had reviewed the company's vision, mission and strategy to suit the business operation and situation. From the review of the matters discussed above The Board of Directors agreed to comply with the management policy to focus on the environment. Thus, they considered changing the vision, mission and strategy of the company and it is still also something that suits the direction of the business goals.

## Monitoring the Use of Inside Information and Conflicts of Interest

73

It is the Company's policy to prevent the directors and management from misusing the inside information for their own or shareholders' interest as below:

- 1) Preventing the use of its information, the Company prohibits the departments with inside information from revealing it to the unrelated departments or people.
- 2) The management who learns the Company's crucial and financial information that affects the change in stock price must not use that information before disclosing it to the public. The management is prohibited from trading the Company's stocks for a month before the financial statement or significant information is disclosed to the public.
- 3) When the Company's securities are registered in the Stock Exchange of Thailand, the directors and management is obliged to report the securities holding based on Section 59, in compliance with the notice of Securities Exchange Commission under the subject of the making and disclosure of the directors' and management's securities holding. The number of securities to be reported includes the ones directly held by the management, spouse and children under legal age. Also taken into consideration is the indirect holding that is eventually found out that the management, spouse and children under legal age actually own those securities, such as nominee holding or holding via the personal fund.

- 4) The Company sets the disciplinary penalties for the ones who seek the interest from using or disclosing the inside information, which may damage the Company. The penalty level varies case by case, ranging from verbal warning, written warning and probation to termination of employment (firing, discharging, or dismissing), depending on the intention and severity of that misconduct.

#### Connected Transaction Policy

The Board formulates the following connected transaction policy to prevent the conflicts of interest and ensure the Company's best interest:

1. Directors and management report to the Company their stake holding and the related parties'.
2. When the Company gets involved with the connected transactions, they must be approved by the meetings of Executive Committee, Board or shareholders (depending on each case), except the transactions with normal trade agreement and conditions approved by the Board. The Company always complies with the connected transaction criteria in the notice of Capital Market Supervisory Board.
3. In considering the connected transactions, the Company may appoint the independent price appraiser or independent financial adviser (depending on each case) to comment on significant connected transactions.
4. The Company must set the same price and conditions of the connected transactions as those for outsiders (Arm's Length Basis), which must be fair and reasonable as well as best benefiting the Company.
5. The stakeholders of the connected transactions cannot approve or vote for this issue.





## ANTI-CORRUPTION POLICY

Companies recognize the importance of doing business with transparency. With the heavyweights honest The corrupt as barriers to the development of the country. The company announced its intentions a unified operation of the private sector in against to corruption and Thailand approved the project on December 16, 2015, the Company has established a policy to face the corrupt. To open practices and develop into a sustainable organization for the business operations of the company. According to the principles of corporate governance. The Board of Directors Approved policy against the corrupt. The Board of Directors No. 1/2017. On Thursday, February 23, 2017 and revised the policy in The Board of Directors No.1/2018 on Thursday February 22,2018, then on May 17,2018 the company is certified by Collective Action Against Corruption (CAC).



75

### PRODIGY PUBLIC Co., Ltd.

#### Core Policy Against Corruption (Anti-Corruption Policy)

Prodigy Public Company Limited aware the importance of conducting transparency in business and honesty. Seeing that the corruption is a problem and obstacle to the country's development, the company announced its intention to be a Thai Private Sector Collective Action Coalition against Corruption (CAC) and received approval to join the project on December 16, 2015 to guide the practice and develop a sustainable organization in the business of the company. And to accord with the principles of good corporate governance Board of Directors Meeting, the Anti-Corruption Policy should be approved at the Board of Directors' Meeting No. 1/2017 on Thursday, February 23, 2017 by considering the first revision in the Board of Directors Meeting No. February 22, 2018 and at the Board of Directors Meeting No. 7/2020 on Tuesday 8 December 2020. There was a resolution to revise the policy for the 2nd time with details as follows:

## Anti-Corruption Policy

With determination in conducting business with transparency, fairness, the focus on the principles of good corporate governance, the responsibility and carefulness under the relevant laws, regulations and standards of Prodigy Public Company Limited.

"The Company" has set a policy against corruption (Anti-Corruption Policy) as a guideline and develop into a sustainable organization in the future.

### 1. Objectives of the Policies

1.1 To represent the direction and framework of the company about combating and preventing corruption according to principles and good practice to be accepted for deployment in accordance with the economic environment and the society of the country.

1.2 To enhance knowledge, understanding and cooperation of directors, executives, employees and related persons in anti-corruption policy as a guideline to encourage the company to be a well-managed organization, efficient, ethical and moral in the business.

1.3 The company has a definition to not get involved in any kind of corruption and cooperate with other organizations in the fight against corruption.

### 2. The definition of corruption and bribery

"Corruption" means the use of power or duty in the form of dishonesty for personal or another person gain.

This includes bribery, extortion, fraud, deception, complicity, collusion, embezzlement, money laundering, and other similar acts.

"Bribe" means any type of action that is offering, promising, giving, accepting a claim of any kind in a way

That is motivated to any practice to be unlawful or inconsistent with their responsibilities.

Benefits in various forms, this includes gifts, services, cash, or other forms that may be provided directly or through someone else or for other people too.

Any motivation to practice, this includes actions against government officials or private sector officials.

#### 2.1 The forms of corruption, bribes and other related policies.

##### 2.1.1 Political contributions

The political contributions according to the law allow to practice with transparency and

Properly disclosed that is approved in the principle of the Board of Directors or the Executive Committee.

### 2.1.2 The charitable contributions

Charitable giving is a part of the corporate cultures of a company. This helps the Disadvantaged group in society to alleviate the suffering for the victims of natural disasters or to promote the quality of life in the present and future. Such charitable donations must be approved according to the process set by the company and act with transparency and a clear objective of donation and also there must be no donations made to hide corruption and bribery.

### 2.1.3. Funding

Funding in general, it is to promote the image or reputation of the organization through various activities. Funding must follow the transparent criteria for considering decisions. There is a contract or a proof of payment that must be approved in accordance with the procedures established by the company and no funding will be made to prevent corruption and bribery.

### 2.1.4 Gifts, hospitality fees and other expenses

Gifts, hospitality fees and other expenses may bring corruption risks, therefore all directors and employees must not accept or provide gifts or hospitality. This generally results in corruption as assumed. However, if receiving or giving gifts or hospitality does not have an obligation or burden to create a feeling of ineffectiveness of corruption and also consistent with the customary practice, this can be done when complying with the criteria and code of conduct set by the company. If there is a situation where such gift or benefit cannot be refused at that time, the recipient must notify their supervisor immediately.

77

## 3. Anti-corruption measures and anti-corruption practices and bribery

The company is committed to implement effective measures against corruption and bribery. This measure must be approved by the Board of Directors and to communicate to all directors and employees as well as outsiders to cultivate a culture that does not accept corruption and bribery.

Directors, executives and employees do not accept corruption in all forms both direct and indirect and include all businesses and all related departments as well. This will be consider the practice in accordance with the anti-corruption policy as well as consider the practice guidelines and requirements to comply with business changes, regulations and legal requirements.

## 4. Scope of Application

This policy applies to directors, management and employees of the company with the following definitions:

4.1 Directors are directors of the company appointed by the general meeting of shareholders or the board of directors.

4.2 All sub-committees appointed by the Board of Directors

4.3 Company employees include employees of all positions and levels as well as managers, senior management, consultants, and both permanent and temporary employees.

## 5. Responsibilities

5.1 Board of Directors will have duties and responsibilities to establish policies and supervise the company to have an effective anti-corruption system for the management awareness and to value the anti-corruption and instill it as a corporate culture.

5.2 The Audit Committee as assigned by Board of Directors has duties and responsibilities to check the internal control systems of various operating systems in the company and to ensure operation efficiency and no corruption including reporting the results of the corruption investigation to the Board of Directors.

5.3 The Executive Committee and executives have duties responsible for setting up the system and encouraging and supporting the anti-corruption policy including communicating to employees and all stakeholders and check the suitability of systems and measures to comply with business changes, regulations and legal requirements.

5.4 Internal auditors have a duty and responsibility to check and verify that the operations are carried out in accordance with the policies, practices and authority, and regulations, laws and regulatory requirements. This is to ensure that there is a controlled system properly for the corruption risks and report to the Audit Committee.

5.5 All employees must perform their duties that comply with this policy. Any suspicion or violation of this policy must be reported to the supervisor or through the specified reporting channels.

78

## 6. Policies and guidelines

### 6.1 General

6.1.1 Company directors, executives and employees and all levels must abide by the Anti-Corruption Policy and the Code of Conduct of the company and not make any claims or get involved in all forms of corruption either directly or indirectly, covering all departments and every department outside government agencies, state enterprises and also various private agencies that the company has Involved.

6.1.2 Employees should not be ignored or neglected when witnessing an act that is related to corruption to the company. They must notify their supervisors or persons in charge and cooperate in investigating facts. If you have any questions or concerns, ask questions, consult with your supervisor or the person designated to do the duty and follow up on business ethics of the company through the specified channels.

6.1.3 A corrupt person. It is an ethics violation of the company that must be punished follow the discipline as specified by the company. This may include termination of employment, compensation for damages and civil

or criminal penalties.

6.1.4 The company will provide fairness and protect personnel who reject or report corruption related to the company. By using measures to protect the complainant or those who cooperate in the investigation.

6.1.5 The Company is committed to create and maintain an organizational culture that adheres to corruption which is unacceptable for both public and private transactions.

6.1.6 Top management shall be a role model and supervise employees to follow the established measures.

## 6.2 Building awareness

6.2.1 The company will arrange the knowledge dissemination with persons related to the business and stakeholders including other persons who are required to perform duties related to the company or may affect the company in matters that must comply with the anti-corruption policy.

## 6.3 Risk Assessment

6.3.1 The management of the company must have an understanding of the risks that may arise from corruption.

6.3.2 The management shall regularly assess the corruption risks at least once a year and review the risk management measures appropriately to prevent the risks to the level that is acceptable.

## 6.4 Control

6.4.1 The company will maintain an internal control system effectively against corruption covering both financial and economic aspects and the operation of accounting and record-keeping processes including other processes related to anti-corruption measures.

## 6.5 Supervision, monitoring and reviewing

6.5.1 Risk Management Committee. The risk assessment and review of this policy must be reviewed annually and proposed to the Audit Committee and Board of Directors to consider, approve changes, and supervise and monitor implementation of this policy, and make various suggestions.

6.5.2 Internal auditors must examine the internal control system and its processes to ensure that the internal control system is effective in combating corruption. The results of the audit will be discussed with relevant persons to determine corrective action appropriately and will be further reported to the management and the Audit Committee.

#### 7. Considering the punishment for violating the anti-corruption policy

7.1 If a director, executive or employee of the company violates the anti-corruption policy, shall be subject to disciplinary action and the company will appoint an investigation committee as appropriate.

7.2 Employees should understand the contents of this policy and follow them correctly. The company will consider punishing employees who violate the policy and cause damage to the company.

#### 8. Training and communication

8.1 The company will provide knowledge and organize a regular basis of anti-corruption training in various channels such as an orientation course training, seminars, announcements, etc. This is to give the awareness to all forms of anti-corruption policy and the risk of getting involved in corruption as well as methods of reporting or giving clues in the event of discovery or suspected corruption.

8.2 The company will inform the anti-corruption policy to management company directors, employees, shareholders, customers, business partners, and stakeholders of all business group representatives are informed by proper communication channels.

#### 9. Disclosure

The Company discloses information to employees, executives, shareholders, customers, business partners, stakeholders of all groups and related parties through the annual report, the Company's website or other methods as properly to ensure that the company has transparent operations which can be examined.

80

#### 10. Recording-keeping data

The company operates on the information. According to the company's policy which is determined to maintain the standard data system and the communication system. This is the basis to create an effective control system which will carry out various matters to ensure data, work systems, and databases are protected, and can be used or readily available for audit at any time in our business by controlling the risks of information toward work and database systems.

#### 11. Measures for complaints and channels for reporting clues

The company has provided measures for whistleblowing or complaints about illegal acts, business ethics or behavior that may imply corruption by organizing various communication channels to open up opportunities for employees and stakeholders to report clues or complaints to the company through the receiving channel which set by the company as follows:

By mail

Delivered to the chairman of the board of directors or the chairman of the audit committee

Prodigy Public Company Limited

7/3 Moo 3, Bang Krabao Subdistrict, Nakhon Chai Si District,

Nakhon Pathom Province 73120

By email: Company Secretary: [thitikan@prodigy.co.th](mailto:thitikan@prodigy.co.th)

On the company's website: [www.prodigy.co.th](http://www.prodigy.co.th)

Suggestion or comment Box / Complaints within the company

Therefore, the company will protect the rights of complainants and informants. This information will be kept confidential and safeguarded so that the complainant and the informant will not be affected in any way. And when the fact has completely checked and adjudged, the company will notify the result of the investigation to the informer and the complainant.

This will be effective from December 8, 2020.



Assoc. Prof. Prayoon Boonprasurd

Chairman

81

In 2020, Besides the Board of Directors reviewing the overall anti-corruption policy, the company has also announced to employees in the organization to acknowledge and practice through various channels within the organization including an orientation for employees. For the policy outside the organization, the company asks for cooperation from customer partners in complying with the anti-corruption policy by sending a letter requesting cooperation along with attached documents related to the anti-corruption policy for business partners and customers to acknowledge and to cooperate in complying with the principles of good corporate governance.



## Sustainable Development of PDG



### CSR (Corporate Social Responsibility) Policy

82

The Company has established CSR as one of its strategies for organizational sustainable development. It has been committed to conducting business with integrity and transparency and has taken into account the benefits for, and the impacts on, all stakeholders. The areas the Company has given attention to include human rights, labor rights, fair business practices, high-quality and safety product development, and community and social development. Other areas include environmental management, creation of a good and safe working environment for its personnel, the compliance with laws and regulations concerning safety, occupational health and the environment, as well as CSR reports. Its relevant CSR policies are as follows:

#### 1. Fair Business

The Company has adhered to fair business principles, with the Board being responsible for preventing conflicts of interest in its business operations and for encouraging employees at all levels to work with integrity and adhere to the code of conduct.



The Company has a policy toward business operations in relation to its stakeholders – shareholders, customers and competitors. Its business practice guidelines are based on integrity, fairness, and transparency, whereby personal interest that conflicts with the Company's and its stakeholders' shall not be sought and its business secrets shall be kept confidential from the stakeholders.

The Company has formulated guidelines for the operation of management and employees in accordance with its expected values, codes of ethics and responsibilities to stakeholders. It aims to standardize the management's and employees' working behavior on the basis of integrity. The relevant regulations are thoroughly disseminated to the management and employees to ensure their compliance, which is regularly monitored.



## 2. Respect for Human Rights

The company has guidelines to cover basic human rights compliance with the law and business ethics. It aims to promote equality of all employees to never discriminate against differences in race, religion, age, culture, gender, disability, and to promote the right, freedom and labor protection by this systematic human resource management along with having safety and good quality of life. The company adheres to the principles of management in accordance with the labor law and the welfare that employees will receive fair and equitable with the human resource management to cover the following matters:

- Labor and Human Rights
- Performance Appraisals
- Employee Knowledge Development
- Building a link between the organization
- Fair termination
- Fair Employment
- Compensation and Efficiency
- Safety according to the principle of avoidance in work
- Receiving feedback and project proposals

In addition, the company is committed to strictly abiding by labor laws and respecting the privacy of employees by not taking employee personal information to disclose to third parties or unrelated persons for acknowledgment (according to the Personal Data Protection Act 2019) so that employees can be confident that the personal information provided to the company will not be disclosed without the consent of the employee.

Since the company opened another branch in Surin Province in which most of the employees are local residents, the company pays attention and respects to follow provincial customs such as the Sanonta tradition (Thai-Khmer tradition). This is one of the traditions that is important and practiced for thousands of years. It is a tradition to express gratitude to the

benefactors, the love, the ties of family members, relatives, and communities. Therefore, the company has designated the festival as a holiday for branch employees to have joined the tradition and to inherit the good traditions.

### 3. Fair Employment

Realizing that its employees are a key factor in the company's sustainability, the Company has the policy to fairly treat all employees by providing opportunities, compensation, appointment, reshuffling as well as capacity building to attain business sustainability. Through the administration of human resources with labor law compliance correctly.

### 4. Responsibilities for Consumers

The Company greatly focuses on the product quality, which must reach a certain standard and be hygienic and safe. To test the quality of raw materials and products in all steps of production lines, the Company applies a random sampling system. Furthermore, the Company adopts the traceability method to identify the source of raw materials. Its global manufacturing standard certificates can guarantee its product and management quality. Some examples of the standards are ISO 9001: 2015 GMP and HACCP, which are international standards for operational systems and manufacturing management systems.

### 5. Environmental Protection

The Company has been determined to conduct its business on the basis of safety, occupational health and a good environment, with the focus on environmentally friendly manufacturing. The fact that the Company's manufacturing system is a closed system, which does not generate air or water pollution, guarantees its commitment to environmental protection. For example, the main raw materials in PLA packaging manufacturing are derived from plants. In addition, the Company has been granted green industry certification from the Ministry of Industry.

In 2020, the management has an environmental management policy to enter the ISO 14001 system, so the training will be provided to employees for preparing, understanding the system, and implementing it with clear and concrete manner.

### 6. Community and Social Development

In 2020, The company served the community of activities. The early in the year, the company supported the activities of school, government sector and community which established nearby. The company gave subsidies for activities on Children's day. In addition to the company and employees donated the old calendars to Saints Foundation for the blind in Thailand (Nakornratchasima branch), it's the annual activity of the company.

Besides, the company has donated plastic bottles that have been damaged from production and take back products from customers to Wat Chak Daeng to be used to produce robes for monks, school uniforms, etc. for the benefit of the society.

Moreover, with the cooperation with Mr. Yutthakarn Makphan (Khun Aek) from Natural Farming Center (Tha Makham Subdistrict, Kanchanaburi Province) to bring the PLA that remain after crushing from production put to the oil refining test at the natural agricultural center. The oil will be refined from plastic waste such as plastic bags, etc., which the refined oil will be donated to the temple to be used as fuel in the funeral homes that do not have relatives or the paupers.

For the refining test of crushed PLA oil, it is still in the process of improving the quality of the oil to know the product life cycle apart from biodegradation. This can also be carried out in other ways to make a benefit for society and community further with environmentally friendly.

#### **7. Safety Policy : The Company appointed the Occupational Health and Safety and Environment Policy**

as follow;

1. To produce standardized products for customer satisfaction.
2. Maintain the quality of environment and prevent the pollution caused by raw materials and production process including other related activities
3. Strictly follow laws and regulations related to the business.
4. Energy and resources efficiency is the duty of every employee
5. Providing resources; human resource, budget, tools and equipment which is necessary for improving and problem resolving in regard to the quality, safety, health, environment and security.
6. Determine to prevent injuries and disease from work and develop health and safety management system continuity.
7. Quality, safety, health, environment and society policy is distributed to employees and stakeholders.
8. Encourage all employees to participate in activities or projects regarding occupational health, safety and environment of the Company.
9. Continuous policy review and improvement to be suitable for the current situation by considering the impacts of employees and stakeholders.

#### **8. Innovation and disseminate innovation**

The Company has supported the employees for getting the innovation, then training all the private and public sectors. Including to give the opportunity for presentation their opinions that will increase efficiency their jobs. Which opinions are efficient and pass as, they will determine in a part of work in process.

## 9. Anti-Corruption

According to the policy of anti-corruption, the Board of Directors review the overall of the practice and also provide a whistleblowing channel to stakeholders and create measures to protect and supervise the whistleblowers so that every step of the process is effective with the cooperation of all parts.

## 10. Corporate Good governance

The company have gotten compliance corporate governance for sustainability of business conduct that corporate governance policy separate 5 sections as follow.


### Section 1: Rights of Shareholders


Valuing the rights of shareholders, the Company encourages them to exercise their rights. Their fundamental rights include the right to purchase, sell, or transfer stocks, right to earn a part of the Company's profit in the form of dividends, right to receive sufficient information, right to attend the shareholders' meetings and exercise their right to vote for appointing or dismissing the directors,





appointing the auditors, and matters that affect the Company, such as the dividend allocation, formulating or amending regulations or Memorandum of Association, increasing or issuing new stocks, and approving significant transactions.

**The Company sets the policies to support and facilitate the shareholders as below:**

 The Company sends the invitation letters, along with the reference documents, to the shareholders at least seven days in advance or within the timeline indicated by law or notices. The letters provide date, time, venue and related regulations of shareholders' meetings. The letters must also include the agenda with the explanation and rationale, the Board's comments, proxy form indicated by the Ministry of Commerce and the list of independent directors who will act as the proxies for the shareholders and attend the shareholders' meetings if the shareholders cannot join the meeting themselves. Furthermore, the Company discloses the important information on its website before the meetings.

 Before the meeting, the Company informs the shareholders of the voting criteria and counting method. After providing information of each agenda, the Chairman of the meeting gives the shareholders a proper amount of time to express their comments and ask the Company questions. The directors and management participate in the meeting to listen to their comments and suggestion as well as answering the questions, which can be submitted before the date of meeting.

-  If the meeting consists of many agendas, such as appointing the directors, the agenda will be voted one by one.
-  After each shareholders' meeting, the company makes the accurate and complete minutes, consisting of the voting process, Q&A and the voting result of each agenda – agree, disagree and no comment. It also records the list of participating and absent directors.

The report on voting result will be displayed on the website of the Stock Exchange of Thailand within the same day the meeting takes place or at 9 a.m. of the next working day as the latest. The report of shareholders' meeting will be submitted to the Stock Exchange of Thailand within 14 days after the meeting and be uploaded on the Company's website.







In addition to the shareholders can contact the company via email: [ir@prodigy.co.th](mailto:ir@prodigy.co.th) , Line, website: [www.prodigy.co.th](http://www.prodigy.co.th) or Tel.034-332611-2




In 2020, although the Annual general meeting of shareholders has been postponed due to the COVID-19 pandemic, the company held a meeting within the time limit of the SET under the measures to prevent the spread of COVID-19. By adapting some step-by-step in order to comply with the situation yet adhere to the rights of shareholders equally. According to the previous general shareholders' meeting, shareholders were cooperated in implementing the measures set by the company so the meeting has gone well.

87

## Section 2: Equitable Treatment of Shareholders

The Company equally and fairly treats all shareholders, including managerial, non-managerial, foreign and individual shareholders under the following principles:

-  The Company sends the English invitation letter together with Thai version.
-  The Company conducts the meetings in sequence as indicated in the invitation letter and will not propose additional agendas without early notice unless necessary, especially the agendas that the shareholders need sufficient time to review before making any decision.
-  The Company allows the minority shareholders to nominate the directors under the Company's criteria by submitting the names, along with their letter of consent, to the Chairman of the Board.
-  The Company encourages the shareholders to vote for each agenda with the ballots, which are collected in the shareholders' meeting to count the votes and are stored by the Company to ensure the transparency and verifiability.

-  The Company values the accurate, complete and timely information disclosure to all shareholders via the website of the Stock Exchange of Thailand and the Company.
-  It is the Company's policy to prevent the directors and management from misusing the inside information for their own or shareholders' benefits.
-  It is the Company's policy to prevent the directors with conflicts of interest from participating in those meeting agendas.

### Section 3: Roles of Stakeholders

The Company respects the rights of all stakeholders', namely customers, employees, business partners, shareholders or investors, creditors and surrounding communities, including other groups, namely competitors and independent auditors. It therefore fairly treats these stakeholders because it believes that the good relations with all of them will promote the Company's sustainable growth.



The company has established a policy and practice about infringement on intellectual property or copyright which has been published through the company's website and compiled various policies in the director's handbook.

### Shareholders

1. The Company is obliged to encourage the shareholders to exercise their rights. Their fundamental rights include the right to purchase, sell, or transfer stocks, right to earn a part of the Company's profit in the form of dividends, right to receive sufficient information, right to attend the shareholders' meetings and exercise their right to vote for appointing or dismissing the directors, appointing the auditors, and matters that affect the Company, such as the dividend allocation, formulating or amending regulations or Memorandum of Association, increasing or issuing new stocks, and approving significant transactions.
2. The Company is obliged to encourage the shareholders to exercise their rights In the Annual General Meeting of Shareholders, such as right to nominate the directors and right to comment or ask questions related to the meeting agendas.
3. The Company will not do anything that violates or lessens the rights of shareholders, such as will not send the important information or documents before the shareholders' meetings and will not add the important agenda or change the crucial information without informing the shareholders in advance.

### Employees

1. The Company offers the employees fair remuneration based on their performance. The evaluation is fairly conducted under the Company's criteria.
2. The Company has the policy on personnel develop by training the employees and management within the organization and assigning them to join the outsourced trainers in the topics related to their work.
3. The Company is obliged to maintain the hygienic work condition, which benefits the effective work and is safe for the employee's lives and assets.
4. The Company is obliged to guard the employees' privacy by not revealing their personal information, such as salary and medical record, to outsiders, except obligated by law or regulations.

### Customers

1. The Company is obliged to build good customer relations and long-term cooperation by adhering to principle of integrity.
2. The Company focuses on providing the customers with the greatest satisfaction and confidence by delivering high-quality products and service, which are safe for the consumers and comply with the regulations. It also strictly follows the terms and conditions made with the customers.

The company arranged customers' satisfaction assessment in every year for customers were feedback to company that's get the results for improved efficiency and effectiveness. The customers will get satisfaction.

In 2020, the result of customers' satisfaction assessment via there are 3 items for assessment as below:

Items	Point Average
	(full point 4)
1. Quality of products	3.50
2. Delivery of products	3.59
3. Services	3.58
Average	3.56

### Business Partners and Creditors

1. Considering the equality, fairness and integrity in business conduct, the Company strictly complies with law and mutual agreement.
2. Maintaining the business ethics, the Company will not dishonestly request, receive, or pay any benefits to the business partners.
3. Every year the company arranges for a business partner assessment to select a good and quality partner in terms of price and service, and also able to plan, to support the replacement of products or services which will not affect the operations of the business.

### Competitors

1. It is the Company's policy to support and promote the free and fair competition.
2. The Company treats the competitors by adhering to the law and best practice. It will not tarnish their reputation by slandering them with false accusation or doing anything unfair to the competition.

### Government Agencies

1. It is the company's duty to abide by the related law and regulations.
2. The Company values the transparency and integrity when contacting the government officials and government agencies. It formulates the policy not to bribe the government officials in any kind to facilitate or benefit the Company.

### Environment, Society and Communities

1. It is the Company's policy to conduct the business with environmental responsibility. In addition to the environmental saving, it promotes the energy efficiency.
2. The Company has the policy to conduct the business by taking the quality of society and communities into consideration and strictly abiding by law and regulations.





The stakeholders can ask for the Company's information or make the complaints to the Audit Committee by mailing to the Secretary Office, in the Company's address, or sending e-mail to [thitikan@prodigy.co.th](mailto:thitikan@prodigy.co.th). The complaints will be kept confidential and the Audit Committee will have the issues examined, propose the solution, and report it to the Board.

#### Section 4: Disclosure and transparency

The Company values the complete, correct, timely and transparent information disclosure so that the shareholders and stakeholders equally receive the credible information. Moreover, it regularly updates the information on its website.

91

It is the Company's policy to disclose the important information to the public, for example vision and mission, nature of business, list of the Board and management, financial statement, financial report, risk factors, risk management policy, risk management methods, direct and indirect shareholding of the directors, major shareholders and top management, audit fee and other service fee of auditors and the remuneration of Board and management.

The shareholders, investors, securities analysts and public can contact Ms.Thitikan Sa-nganetpetch at

Tel. (034) 332611-2 or e-mail: [ir@prodigy.co.th](mailto:ir@prodigy.co.th) for the Company's information.



In 2020, the company management interviewed analysts from KGI Securities (Thailand) Public Company Limited including interviewed through the media of the executives for investors and related parties to know the progress of the company's business operations and to prepare a newsletter to be published through the website of the company for those who are interested can get information of the company at [www.prodigy.co.th](http://www.prodigy.co.th)

## Section 5: Board Responsibilities

As of December 31, 2020, the Company's management structure consists of the Board of Directors and four sub-committees, namely Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Risk Management Committee and Executive Committee, to ensure the Company's and shareholders' long-term and maximum interest.

### Board Structure

The Board consists of knowledgeable and capable directors with various experiences. They consider the important matters related to the Company's management. All directors are free to express comments in the shareholders' meetings and vote for agendas to ensure the proper, effective and transparent business conduct.

As of December 31, 2020, the Board consists of nine directors. Four of them are independent directors. The independent directors must account for one third of the Board and more than three. The directors must not have the prohibited characters based on the notice of Securities Exchange Commission no. Gor.Jor. 8/2010 under the subject of the directors' and management's the lack of credible character and other related laws.

### Board's Role, Duties and Responsibilities

The Board has duty to consider and approve the significant matters related to the operation, such as vision and mission, financial target, risks, plan and budget. It also supervises the management to ensure the efficient and effective operation in compliance with the policies and plans. The Board uses judgment to decide and work with caution, responsibility and integrity to ensure the Company's long-term benefits.

### Board's Self-Assessment

The board of directors will arrange a self-assessment on an annual basis to evaluate the performance and to find ways to increase the efficiency of the board of directors.



In 2020, the Board of Directors self-assessment topic has been divided into 8 categories as follows.

Evaluation Topics	Percentage
Section 1 Structure of the Board	96.67
Section 2 Board Readiness	98.10
Section 3 Roles and Responsibilities of the Board	98.61
Section 4 Risk management and Internal Control	97.41
Section 5 Supervision to Prevent conflicts of interest and Delegation of Authority	98.22
Section 6 Board Meeting	99.05
Section 7 Duties of the Chairman	97.78
Section 8 Director's Self-Development and Executive Development	94.67
Average Percentage	97.56

The performance evaluation of the Board of Directors by self-assessment. The assessment is divided into 8 main topics according to the guidelines of the Stock Exchange of Thailand.

- (1) Structure of the Board
- (2) Board Readiness
- (3) Roles and Responsibilities of the Board
- (4) Risk management and Internal Control
- (5) Supervision to Prevent conflicts of interest and Delegation of Authority
- (6) Board meetings
- (7) Duties of the Chairman
- (8) Director's self-Development and Executive Development

The evaluation process as follows

1. To conduct the whole performance assessments of the Board of Directors at least once a year.
2. The company secretary summarizes and proposes the results of performance assessment of the Board of Directors to the nomination and remuneration committee to consider the results of evaluation and to guide the improvement of operational efficiency.
3. The nomination and remuneration committee propose the results of evaluation and guide the development for improving operational efficiency to the Board of Directors.

In addition to the self-assessment of the managing director's performance in 2020 is with the following evaluation topics.

Evaluation Topics	Percentage
Section 1 Leadership	100.00
Section 2 Strategy Compliance	96.67
Section 3 Financial planning and performance	95.00
Section 4 Relationship with the Board	100.00
Section 5 Internal relations	100.00
Section 6 Administration and Personnel Relations	93.33
Section 7 Product Knowledge	100.00
Section 8 Personal Characteristics	90.00
Average Percentage	96.55

The performance evaluation of the managing director by self-assessment. The assessment is divided into 8 main topics according to the guidelines of the Stock Exchange of Thailand.

- |  |  |
|--|--|
| (1) Leadership                         | (2) Strategy Compliance                    |
| (3) Financial planning and performance | (4) Relationship with the Board            |
| (5) Internal relations                 | (6) Administration and Personnel Relations |
| (7) Product knowledge                  | (8) Personal characteristics               |

**The evaluation process as follows**

1. To conduct a self-assessment of the managing director's performance at least once a year.
2. The company secretary summarizes and proposes the results of performance assessment of the Board of Directors to the nomination and remuneration committee and to consider the results of evaluation and to guide the improvement of operational efficiency.
3. The nomination and remuneration committee propose the results of evaluation and guide the development for improving operational efficiency to the Board of Directors.

95

**Remuneration of Directors and Management**

The Company clearly sets the Board's remuneration, which must be approved by the Annual General Meeting (AGM). The directors, who are assigned with more duties and responsibilities, such as also being the Audit Director, will receive the suitable remuneration for those duties and responsibilities. The consideration must be based on the Company's ability and the management's remuneration must be linked with the Company's performance and the operation of each management each year.

**Board's Meetings**

Board's Meetings focuses on quarterly tracking and verifying the performance and report from Audit Committee so that the Executive Committee can consider and operate to ensure the Company's best interest. The Board should also report the Company's major operational risks.

In each Board's meeting, the Board's secretary works on the agendas and sends the documents to the Board at least five days before the meeting. This includes the minutes, with suggestions and comments of each sub-committee, such as the Board, Audit Committee and Executive Committee. Overall, the Company takes the minutes and submits it to each director as seen appropriate. The minutes is systematically filed, with the Board's verification and ready for the examination by the Board or related parties.



In 2020, Board of director reviewed vision mission and strategy of company that's suitable with business and situation, the resolution's Board of director the vision mission and strategy of company have yet appropriated in present.

## ESG Report 2020 of Company

The COVID-19 epidemic is a challenge for the management of the organization in bringing stakeholders of all sectors to survive, be safe and able to lead a normal life. Moreover, the COVID-19 pandemic is one of the global health issues and it is necessary that the company has to take measures to deal with the situation that arises because of its effect to a broader range of stakeholders. Therefore, the company has operated as follows.

1. Issuance the control measures of outbreak within the company for stakeholders to comply with the measures of the company.
2. The company cooperates with the government's implementation to show social responsibility.
3. The control measure in the company has been published both inside and outside the organization for stakeholders to understand and cooperate in implementing.
4. As a guarantee for the company's employees, the company has provided COVID-19 insurance for all employees of the company.





## มาตรการป้องกัน ไวรัสโควิด-19 ในสถานประกอบการของ บริษัท พรอดิจิ จำกัด (มหาชน)



**ตรวจวัดอุณหภูมิ**  
ของพนักงานและผู้มาติดต่อ



**จัดเตรียมจุด ล้างมือ และแอลกอฮอล์**  
**ทุกจุดสัมผัสร่วม**



**ทำความสะอาด ฉีดพ่นฆ่าเชื้อ**  
**ทุกจุดในบริษัท**



**ตรวจเช็คและ พ่นฆ่าเชื้อ**  
**ก่อนและหลังจัดส่งสินค้า**

บริษัท พรอดิจิ จำกัด (มหาชน) ร่วมปฏิบัติตามมาตรการป้องกัน COVID-19  
เพื่อให้เราส่งมอบสินค้าถึงมือลูกค้าได้อย่างมั่นใจและปลอดภัย



## มาตรการป้องกัน ไวรัสโควิด-19 ในสถานประกอบการของ บริษัท พรอดิจิ จำกัด (มหาชน)



**ตรวจวัดอุณหภูมิ**  
ของผู้มาติดต่อ และรถภายนอก



**จัดเตรียมจุด ฆ่าเชื้อ โดยการผ่าน**  
**ฆ่าเชื้อด้วยอุโมงค์**



**ทำความสะอาด ฉีดพ่นฆ่าเชื้อ**  
**รถผู้ติดต่อทุกคันที่เข้าภายในพื้นที่**



**ตรวจเช็คและ พ่นฆ่าเชื้อ**  
**ก่อนและหลังรับ-ส่งสินค้า**

บริษัท พรอดิจิ จำกัด (มหาชน) ร่วมปฏิบัติตามมาตรการป้องกัน COVID-19  
เพื่อให้เราส่งมอบสินค้าถึงมือลูกค้าได้อย่างมั่นใจและปลอดภัย

The business strategy of the company covers the implementation of ESG aspects which related to business processes on the following company strategy.

1. Value-delivery strategy with different stakeholder groups (Stakeholder) besides the product manufacturing. The company also collaborates in packaging design with customers to create satisfaction including giving advice on the use of packaging in both volume and shape that is suitable for the use of the customer and this will also help to manage the costs for customers.
2. Strategies to expand customer awareness of the customer needed (Customer Value Proposition) to the society needed (Social Value Proposition). Besides, the characteristics of packaging, price, quality and service that are acceptable to customers, the company also takes into account health, safety, confidentiality and privacy, human rights and environmental friendliness, etc.

#### Health and safety

- The company sends the packaging to check according to the criteria from Public Health Notice No. 295 B.E. 2548, regarding requirements for quality or standards for plastic packaging in order to make customers feel confident in packaging.

#### Confidentiality and privacy, human rights

- Product label format of each customer which is taken as a component of the product will be produced for that specific customer including bottle shape (the shape is unique to each customer) will not be produced as a product for other customers.

#### Environmental friendliness

- PET packaging is 100% recyclable plastic and it is a type of plastic that can be re-materialized.
3. Strategies that create value in internal processes (Internal Process) and External Process (External Process) The company focuses on creating value in management, operations, production, delivery of products and services to customers including building relationships with customers and innovating in products, services and processes.

#### To build relationships with customers

- company participated in solving problems with customers in the case that a customer's machine has a problem and unable to produce the product, the company will send a team of technicians to



explore and solve problems together for customers.

- Every year, the company will organize a customer satisfaction survey and use the result scores to improve the performance and to increase customer satisfaction.

In 2020, the results are as follows:

<i>Items</i>	<i>Point Average</i>
	<i>(full point 4)</i>
1. Quality of products	3.50
2. Delivery of products	3.59
3. Services	3.58
Average	3.56

Building a strong community with a declaration of intent being a white factory (Anti-drug) and anti-corruption in all forms by requesting cooperation from stakeholders to participate in the company policy as communicated through the company's communication channel to create perception and practice together.

#### Fields of innovation

- The management organizes an OPL (One Point Lesson) set as the KPIs that will be presented every month. After all this time, employees have jointly their ideas for work efficiency in order to be able to implement concrete work processes.

In 2020, there were 69 OPL presentations, each of them was refined to be practical and effective for implementing in operation and also collected to make Knowledge Sharing through the company's information system so that those who are interested can come in and study information or be further carried out in the future.

4. Strategies to promote learning and lead to growth (Learning and Growth) In the past year, although the COVID-19 epidemic was limited in the seminar and training, the company; therefore, still does not blocked the opportunity in promoting training through online channels and meeting the criteria set by the labor welfare and protection stipulated that the number of employees who attended the 6-hour training and not less than 10% , thus in the year 2020 the company training accounted for 19.54% of the total workforce.



In 2020, due to the COVID-19 pandemic situation, the company focuses on CSR in Process for internal activities in order to build strength, understanding within the organization, and be able to enter the ISO 14001 system with readiness and understanding according to the desired goals of the company which to drive the business for sustainability and environmental friendliness.

#### Focus on energy saving

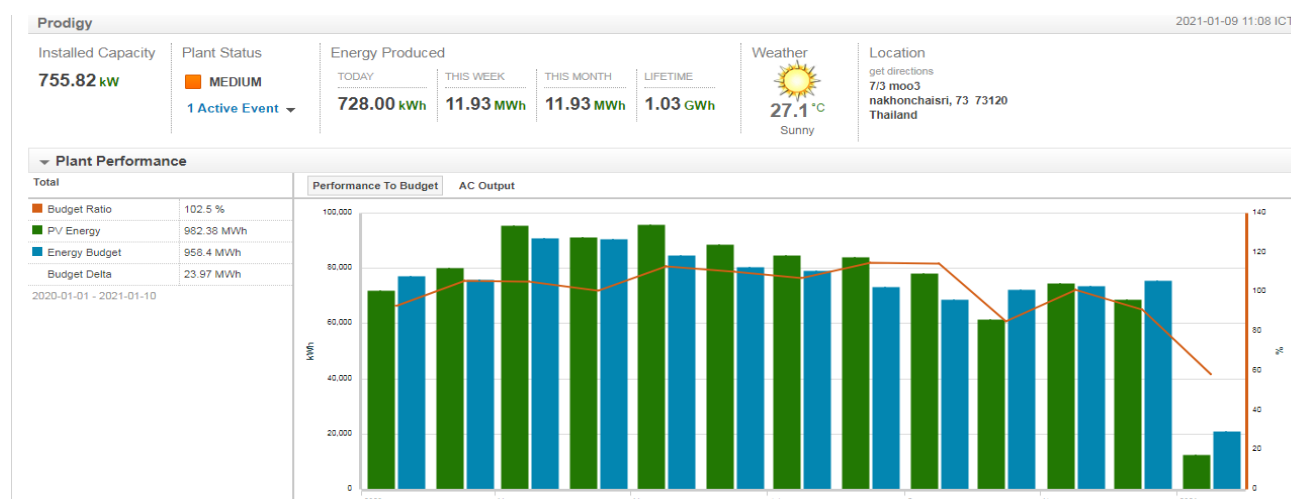
##### 1. Solar panel installation (SOLAR ROOFTOP)

As the company continues to focus on energy saving and has been installed the company's solar panels led by entrepreneurs in the area of Bang Krabao sub-district which is considered the first operator to install solar panels and it is another pride of the company that has been a model for the use of renewable energy which is natural energy for the communities in the area where the company is located.

The company has a campaign to raise awareness among personnel within the organization and to reduce the amount of electricity costs by using the energy from natural sources to give the importance of the use of renewable energy which is available for unlimited use and to reduce the amount of Co2 emission, non-polluting and to increase environmentally

friendly. From the mentioned project, it is expected to reduce electricity costs by approximately 300,000 baht per month and in 2020, this project will be able to generate electricity to be used in production as follows:

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
The amount of electricity production Kw.hr	71,502	79,771	95,041	90,788	95,441	88,200	84,384	83,689	77,876	61,260	74,211	68,281



Moreover, there are activities to raise awareness for employees as following.

1. Energy saving campaign in the organization named “Closed When Not In Use” is to make good

habits in life which is an ongoing activity for creating awareness among personnel in the organization to be a part in reducing electricity usage.



2. Products' production by showing social responsibility and being innovative of the company

The company produces a bottle of polylactic acid compostable plastic (PLA) which is

biodegradable plastic produced from natural materials such as sugar cane, corn or cassava which can decompose by themselves and return to nature without being harmful to the environment (The degradation depends on the duration of the degradation, microbial environment, temperature and appropriate humidity)



But most PLA resins are imported from foreign countries resulting in a high price, so it is not yet popular among entrepreneurs. Presently, the company has some customers who buy packaging in this group to produce as a finished product to sell to premium consumers.

#### 4. Conducting business CSR for Stakeholders

It is a combination of CSR and business operations.

1. Selection of suppliers with transparency and fairness for trading partners.
2. Production and distribution of products by not taking the advantage of customers, so the company has considered reducing the price for customers. When the price of raw materials is significantly reduced or even if the price of raw materials increases, the company will notify customers in advance before the price hike to give customers time to plan and manage.
3. The management of the accounting and finance department have a strong checks and balances system to create responsibility for creditors and debtors.
4. The product marketing management has the presentation to customers to provide information about products and product features which allow customers to consider and be able to see the overall picture of the supply chain system that will be extended and create value. This is an important thing that the company does not overlook.

From the company foresees that providing knowledge of information as an expert for customers, it will be a part to create a wide body of knowledge and can be continually developed to bring new innovations. This is a part to show the social responsibility which is a constructive CSR and it is also CSR that stakeholders have been involved in business.

## CSR After Process

The main objective of conducting a CSR which focused on the environment.

1. In the past year, the company organized activities aimed at involving personnel in the organization.



1.1 To forward the used desk calendar for braille media for those who are visually impaired by collecting the used desk calendars from employees in the company and deliver to the School for the Blind Chiang Mai Under Royal Patronage 41 Arak Road, Phra Sing Sub-district, Mueang District, Chiang Mai Province 50200

- 1.2 Participation in the running program of the Mai A Association

It is a 2-month running program to combine the running distance of the employees who participated in the activity then bring the company's donation balance by setting a target for a total distance of 3,000 kilometers (running distance 1 kilometer = 10 baht) and the maximum donation amount not exceeding

50,000 baht per company. Therefore, this project aims to collect and donate to the Thai Red Cross Society for Somdej Phraborom Ratchathewi Hospital Na Sriracha and this is an activity that promotes health and unity for the employees who participated in the project.



1.3 Donation of plastic bottles that have been damaged from production and the return products from customers to Wat Chak Daeng in order to produce a weaving fiber for making robes for monks, school uniform and other products to provide



income to the temple and the community. This is a waste management that does not cause any environmental impact and helps restore the world, environment and society to be sustainable.

1.4 Removing scrap (PLA) waste from production to test the production of fuel by the company together with Khun Yuttakarn Makphan (Khun Ek) from Tha Makham Natural Farming Center, Kanchanaburi Province to grind the PLA into fuel oil. The way that the natural farming center operates is to use plastic waste to produce oil and donate to the temple which will be used as fuel for the burial of the poor and the dead without relatives.



### The Occupational Health and Safety

The company intended for the organization it's no accident at work. It was set a part of risk management. The safety health is the first for our company which determined KPI of employee performance, to arrange monthly report for management including to monitoring and reviewing of performance. The prevention is better than cure, it's principle of work.



*In 2020, there were only 2 work-related accidents, with a total of 248 days without any accident.*

The company has been conscious the safety and decreasing the accident all the parts such as operating manual machine, operating carefully to ensure the proper use of machine, safety information and all other precautions.

Beside of, the company has arranged annual training about Basic Fire Fighting and Evacuation Fire Drill

Training and First Aid Training for employees.

In addition the safety at working, the company realized the importance of the health's employees, so the Annual Health Check up has determined for employees and joined with the Government campaign such as Drug free enterprise and announcement the prevention and solution to drugs problems policy.



## The Quality Occupational Health and Safety

The Company's sole concern is to ensure the safety of its employees including operated to involve with stakeholders. Our principle of working transparency, ethics and the check out that's policy as follow:

1. To produce standardized products for customer satisfaction.
2. Maintain the quality of environment and prevent the pollution caused by raw materials and production process including other related activities
3. Strictly follow laws and regulations related to the business.
4. Energy and resources efficiency is the duty of every employee
5. Providing resources; human resource, budget, tools and equipment which is necessary for improving and problem resolving in regard to the quality, safety, health, environment and security.
6. Determine to prevent injuries and disease from work and develop health and safety management system continuity.
7. Quality, safety, health, environment and society policy is distributed to employees and stakeholders.
8. Encourage all employees to participate in activities or projects regarding occupational health, safety and environment of the Company.
9. Continuous policy review and improvement to be suitable for the current situation by considering the impacts of employees and stakeholders.

105

## Corporate Social Responsibility

The Company supported, people had a job especially the community and near location. The part of our employees have been living in community or near location. We have realized in creative people with the potential development, encourage better quality of life, setting a career for them, getting income that will reduce the community problems.

The Company have given them the opportunity who live in the community have been to joint the work in company (the applicants must pass selection criterion of the Company). That's good effected both company and community the employees have been better quality of life that help maximize our operational efficiency.

Beside of the employees would be aware the environment they will be thoughtful no impact to environment both company and community.

The company interned sustainable and development , so we take into account all factors that will promote the company's sustainable growth.

## Internal Control System

The Company focuses on an effective internal control system, which conforms to the principles of good corporate governance – having a transparent, fair and reliable operating system with an auditable checks and balances. This will lead to the ultimate benefits for shareholders, employees, business partners, communities and all concerned parties.

The Company has designated AT and A Management Co, Ltd. to audit and assess its internal control system, and it applies the monitoring and assessment results to constantly improve its internal control system. The Audit Committee could follow up the operational efficiency of company. The meeting of audit committee determined agenda the report of result's internal audit in each quarter. The audit committee appointed the accounting and financial Manager who serve as coordinate audit committee, internal audit and each department of company.

The auditors' notice of company about internal control in a part of accounting system. The EY office Co.,Ltd. was the company appointed from shareholder as the auditors in 2020 for financial audit in 2020. The auditor gave the opinion about internal control system a part of accounting. The financial audit of company as 31 December 2020 according to auditing standard performed in opinion, the financial statement referred to above present fairly, in all material respects, the financial position of company, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

106



## Assessment of the Adequacy of the Internal Control System

At the Board' meeting no. 1/2021 held on February 16<sup>th</sup>, 2021, which was attended by the entire Audit Committee, the adequacy of the Company's internal control system was considered in five areas: organization and the environment, risk management, operational control of the management, the information and communication system and the monitoring system. The opinion of Board that the Company had an internal control system that was adequate, suitable and consistent with the Adequacy Assessment Form for the Internal Control System of the Office of the Securities and Exchange Commission.



## Connected Transactions

The Company's connected transactions with persons who might have conflicts of interest within the fiscal year, which ended on December 31, 2020 compared to the previous fiscal year, which ended on December 31, 2020, are summarized below.

Parties with Potential Conflicts of Interest	Nature of Relationship	Nature of Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness
			End of the Fiscal Year December 31, 2020	End of the Fiscal Year December 31, 2019	
1. Thai Vegetable Oil Public Company Limited (TVO), a manufacturer and distributor of soybean oil and soybean meal.	TVO is the Company's major shareholder and shares the same directors, Mr. Purnrux Nacob, Mr. Vachara Vitayanagorn and Mr. Vorravuth Tangpiroonthum.	The Company sells PET packaging to TVO and set the selling price and trade conditions based on market price, which are same as those the Company offers to other customers.	373	311	The sale of packaging is the Company's normal transaction. The Company sells PET packaging to TVO with the same price and trade conditions as those the Company offers to other customers. The Audit Committee sees that the transaction was normal and reasonable.
		Discount on Sales of goods	-	-	
		Account receivables from packaging sales	Balance brought forward 54 Increase 373 Paid 359 Remaining 68	Balance brought forward 53 Increase 311 Paid 310 Remaining 54	
		Other payables-Discount on Sales of goods	-	-	
2. Thai Edible Oil Company Limited (TEO), a manufacturer and distributor of high quality products, including rice bran oil, defatted rice bran oil, and other rice bran products.	TEO is the Company's major shareholder and shares the same director, Mr. Pramote Santiwattana.	The Company sells PET packaging to TEO with price and trade conditions based on market price, which are the same as those the Company offered to other customers.	30	30	The sale of packaging is the Company's normal transaction. The Company sells PET packaging to TEO with the same price and trade conditions as those the Company offers to other customers. The Audit Committee sees that the transaction is normal and reasonable.
		Account receivables from packaging sales.	Balance brought forward 3 Increase 37 Paid 36 Remaining 4	Balance brought forward 3 Increase 30 Paid 30 Remaining 3	

