

# **Good Corporate Governance Policy**

**บริษัท เอ็น.ดี. รับเบอร์ จำกัด (มหาชน)**

**N.D. Rubber Public Company Limited**

## Good Corporate Governance Policy

N.D. Rubber Public Company Limited (“NDR” or “the Company”) operates its business by adhering to business operations that must grow stably and are responsible to all relate parties including but not limited to shareholders, employees, customers and consumers by giving importance to the use of knowledge prudently, cautiously and with regard to morality which corresponds to the basic principles of good corporate governance.

Good corporate governance is a tool to add value and promote the sustainable growth of the Company. It shows that there is an efficient, transparent, verifiable management system that helps build trust and confidence among shareholders, investors and stakeholders and all related parties. The Company therefore deems it appropriate to formulate a written corporate governance policy by gathering good principles and practices according to the Good Corporate Governance Principles for Listed Companies 2006 of the Stock Exchange of Thailand and adapt it to the Company’s practices. Key principles of the Company’s corporate governance are as follows:

### Good Corporate Governance 2006

#### Section 1 Shareholders’ Right

The Company has defined the corporate governance policy with the regard of shareholders’ right. The Company shall not do anything violate or infringe the rights of shareholders and promoted shareholders’ right to have their fundamental right such as share selling, share transferring, to get share profit, to get information sufficiently, meeting attending and vote in the meeting for removal director, appoint accounting auditor and other issue that impact to the company such as dividend allocation, to determine whether amendment regulations and memorandum, capital increase and decrease, approval special issue, opinion expression independently, To participate in the important decisions of other companies .All shareholders with voting rights on the shares held. each share is entitled to one vote.

1. Publish important news and the need for shareholders regularly. Through the company's website. And press the SET.
2. Send the meeting appointment letter mention date, time, venue and related agenda together with reference documents to shareholders such as:
  - a) Map
  - b) Meeting Agenda
  - c) Annual report
  - d) Proxy letter provide the information concerning Independent Director, shareholder can decide to assign a person to be a representative to attend the meeting. The details of information concerning documents required was in meeting appointment letter.
  - e) Articles of Association concerning the shareholders' meeting.

The notice of meeting will be sent to shareholders seven days in advance to comply with the Securities and Exchange Commission and the Stock Exchange of Thailand.

In the event that the shareholders unable to attend the meeting in person. The Company allows shareholders to appoint an independent director or any person. Attend the meeting The Proxy Form, one that the company has shipped the meeting.

3. Disclosure the shareholders' meeting agenda 30 days in advance through company website in order to let shareholders study meeting information adequately and provide the opportunity to send opinion, suggestion and question before meeting day.
4. Before meeting, chairman will clarify meeting regulations concerning number/proration of shareholder Attended both by self and proxy, voting, counting vote, provide vote counting committee compose of Independent Director, Accounting Auditor, Company Officer conduct counting for transparency and showing the result every agenda in that meeting. The chairman shall allocate time for the meeting sufficiently.
5. Provide the opportunity for shareholder to participate in the meeting such as question or any propose the opinion before voting and summarize the meeting resolution. Director and Board of Director shall clarify and answer the question to shareholders. Once the meeting is ended, the data shall prepare in the meeting agenda correct. When the meeting finished, the Company will prepare a report showing the data correctly to shareholder accountability.
6. Provide the opportunity shareholders who come after meeting start have right to vote in the agenda that is not have the resolution.
7. All directors attended the AGM shareholders can ask the chairman in related issues.
8. Operate effectively in creating sustainable growth for the organization so that shareholders receive a reasonable return

#### **Section 2 Shareholders' right to equal treatment**

The Company recognizes all shareholders, management and non-management shareholders the majority shareholder, the minority shareholders, foreigner shareholders to be treated equally and fairly. The action follows.

- 1) Provide shareholders the opportunity to propose to adding the meeting agenda and propose a nomination to receive a Director election in annual shareholders ordinary meeting before sending meeting notification by provide the method and time frame through SET information system.

- 2) Conduct meeting by respective agenda defined in meeting appointment letter (No alternate agenda) and no other additional agenda to review beside the agenda defined in meeting appointment letter.
- 3) Independent Director response to overlook minority shareholders, minority shareholders can give the suggestion, opinion, complains to Independent Director. The Independent Director shall examine and find the appropriate solution or in case of suggestion which Independent Director reviewed and found that such suggestion is important and will be impact to stakeholder or affected to business operations. The Independent Director shall propose such suggestion to shareholders meeting to determine as the agenda in shareholder meeting.
- 4) Propose the Independent Director's data as the selection for proxy of shareholders and to support usage of proxy letter for direct voting capability.
- 5) Provide a ballot on each agenda for shareholders to vote, especially for shareholders who opposed and abstained, so that shareholders can vote on each matter independently by the end of the meeting Shareholders may request a review for details.
- 6) Provide shareholders the opportunity the alternate of voting nominate Director to appoint person by person.
- 7) Define the company confidential information in code of ethics to be a practical guideline for Director, management and employee in order to prevent the information disclosure for personal or related personal benefit. Violation to this will be a serious offense and will be subject to disciplinary action. The Director and management's responsibility to report asset holding as define by law to the Board of Director.
- 8) Define practical guideline for Director, management and employee regarding to conflict of interest in code of ethics to protect company benefits. In shareholders meeting Director and management shall disclosure their information concerning stakeholder in each agenda to the Board of Director to review transaction that may have conflict and ability to making decision for company's overall benefits. The Director and management that have stake holder will not have the right to vote in that meeting.

### **Section 3 The role of stake holder**

The company has defined practical policy to each stakeholders such as shareholders and investors, customers, partners and/or creditor, trade competitor, employee, government, community and society clearly in Code of Ethics and cooperate governance to promote cooperation between the company and stakeholder to create wealth, financial stability and sustainability of the business.

### **Stakeholder Management**

#### **1) Shareholders and Investor**

The company has policy to conduct the business with honesty, integrity and ethics and effort to develop the business to grow progressively, with good performance to generate a reasonable return on investment to shareholders and investor continuously and sustainable by adhering to treat shareholders equally including disclosure truly information regularly and completely.

#### **2) Customer**

The company recognize the importance of customer satisfaction therefore the company initiate ISO 9001:2015 and IATF 16949:2016 to implement in the organization, such as the company policy “Development commitment, maintain standard, Product and Service Innovation, Moving International” Product pricing reasonably, keep customer’s secret confidentially and constantly, seeking way how to benefit customer continuously and comply to customers’ requirement seriously.

#### **3) Business partners and/or Creditor**

The company has the policy to create good business relationships with business partnerships and /or Creditor. Operate business with fair and support with both parties. Treat with business partners and/or creditor equally with regards of the highest interest of the company. To avoid the situation that cause conflicts of interest including strictly comply to covenants to achieve the benefits together no matter financial objectives, payouts, quality monitoring, mortgage and other related issue as agreed with creditor.

#### **4) Trade Competitor**

Trade competitor policy is based on the rules of fair competition not find the competitor confidential untrustworthy or inappropriate and not to discredit competitors by accused without fact.

#### **5) Employee**

Employee is the most important asset of the company which help to promote and push the company to achieve business target. Therefore, the company has the policy to take care of employee to have a good quality of life by have a fair employment, have appropriate welfare, have the opportunity to progress their development, have a safe and hygiene work environment, strictly practice with employee compliance to law and regulations including practice with employee with gentle and give respect to human dignity.

#### **6) Government**

The company operate the business in order to promote and develop the country by compliance practice with law, regulations, rules and related regulations and as per general business traditional.

#### 7) Community and Society

The company recognize in community and society responsibility by giving the respect to practice compliance to safety, security, hygiene and environment appropriately and recognize to the impact of natural resource and environment. Seeking the opportunity to support social activities. Also seeking the opportunity to support social activities, building social responsibilities awareness among all employee continuously and seriously.

### **Section 4 Transparency and Information Disclosure**

The Company places strong emphasis on disclosure of its important information related to the Company both financial information and non-financial information accuracy, completely, timely and transparency both Thai and English such as 56-1 One Report, invitation letter and shareholders meeting minutes through SEC and Company's website. The information is updated regularly.

The company has to abide by the laws, regulations or ordinances as defined by the SEC and SET and other government units strictly.

1. Financial information disclosure especially financial statement is accurate according to the general accepted accounting standard. The selection of appropriate accounting policies, booking records are accuracy and complete enough to cover and maintain the assets and to identify the weakness to prevent fraud or other abnormal operation significantly. Including adequate disclosure Important information as financial statement notes and financial was audited and certified from independent accounting auditor that correct and approve by Audit Committee and the Board of Director before disclosure to public.
2. Transparency – the Director has appointed Audit Committee to audit financial statement, related party transaction, internal control system. The Audit Committee shall report result of audit to the Board of Director meeting. The report of Board of Director, Audit Committee and Accounting Auditor has shown in 56-1 One Report.
3. Directors and executive officers to disclose personal stakeholder information and related person.
4. Disclosure role and responsibility of directors and sub-committee, number of meeting attendant and number of each Directors attend the meeting in 56-1 One Report.
5. Disclosure Directors' remuneration policy including type, category and amount of remuneration received by each of the sub-committee.

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

#### **1) Composition of the Board of Directors**

The Board of Directors composed of qualified person who has a major roles and responsibilities in regulate company policy with cooperation with top executive preparing both short-term and long-term operations plan including to define monetary

policy, risk management and organization overview. The Board of Directors responsible to a major role in supervise, audit and assess company and top executive's performance as per planning independently.

The Board of Directors acquisitions from shareholders' meeting appointed consist of 8 directors. There's 2 Directors hold the position of management, another 3 Directors are non-management and the others 3 Directors are Independent Directors.

The Chairman is not the same person as President and Managing Director in order to create a balance and to review the administration. The Company has clearly determined the scope of duties and responsibilities of Directors, Executive Directors and Managing Director to prevent Directors and Managing Director have excess authority approve cash unlimited.

## 2) Sub-Committee

The Board of Director appointed sub-committee in order to assure to shareholders that the Company has the procedure and screening cautiously such as Audit Committee, Nomination and Remuneration Committee and Executive Committee to execute special duty and propose the issue to Board of Director to review and acknowledge.

2.1) Audit Committee consisting of at least one-third or not less than 3 of Independent Directors and defined the qualifications of Independent Director as regulated by SEC. Details of the qualifications and scope of responsibilities of the Audit Committee are set out in the Audit Committee Charter.

2.2) Nomination and Remuneration Committee consisting of 3 directors, which consists of at least 1 Independent Director, responsible to assess Directors, Sub-Director and Managing Director's performance. Follow-up annual performance including review remuneration of Director, Sub-Director and Managing Director with reasonable and structural method.

2.3) Executive Committee consisting of 8 executives which two of them are the Board of Directors and another 6 executives are Non-Directors, responsible for planning and define policy, directions, strategies, budget planning, management structure, the principle of business operations to comply to general economics and competition condition including analyzing and managing risk in the organization and report to in the market to Board of Director to review and approve and/or giving consent including to review and follow-up company operations result as regulated policy.

## 3) Roles, Duties and Responsibilities of the Board of Director

The Board of Directors has the responsibility to manage the company as defined by laws objectives and company regulations including the resolution from shareholders' meeting honestly and concisely. Roles, Duties and Responsibilities of the Board of Directors are as follow

3.1) Supervise the Company to practice comply to SEC laws, regulations such as related party transaction and selling and buying important assets as per regulated by SET laws or other laws that related company business.

- 3.2) Set target, directions, policy, plan and company budget, control, supervise management and minister of Board of Directors as per assigned policy except the issue require to have the approval resolution from shareholders' meeting such as capital decrease and increase, bond issue, selling or transferring the whole business or in part to other person or buying or receive business transferring from other company, company affidavit or regulations amendment.
- 3.3) Review management structure, appoint executive officer, chief of executive officer, and other committee as appropriate.
- 3.4) Follow-up performance as plan and budget continuously.
- 3.5) Conduct ordinary shareholder meeting within 4 months after ending the account period of the company.
- 3.6) Provide balance sheet and financial statement as of ending the account period of the company propose to shareholder meeting to review and approve.
- 3.7) The Directors shall not conduct the same business as the Company and to compete with the Company business or be join in ordinary share or unlimited liability partner in limited partnership or being a Director of private company or other company, which has same business and to compete with the company. No matter for self-benefit or for other benefit except inform shareholder before to have resolution to appoint.
- 3.8) The Director shall immediate inform the Company if have engage with stakeholder direct or indirect in any bidding company contract, hold shares or bonds, increasing or decreasing in the company or affiliate company.

#### **4) The Board of Director Meeting**

The company recognize the important responsibility as Company Board of Director to join the meeting regularly to consent and making decision concerning to company business as least 3 months/time. There will be the agenda clearly preparation and may sometime to have an extra meeting if necessary.

The Board of Director and Managing Director meeting – Managing Director shall response to define meeting agenda and review the topic to bring to meeting agenda by provide the opportunity to each Director able to propose the topic to review to be the meeting agenda. In each meeting, the Company shall send meeting document to Director at least 5 working days in advance so as they can have enough time to study the information adequacy.

When reviewing the issues, the President response to chairman of the meeting provide the opportunity to the Director to have chance to giving their opinion independently. Board of Director meeting voting shall count the decision of the majority vote,



one director count one vote. The Stakeholder Director shall not vote in this issue. If vote counted is equal, the chairman of the meeting shall provide additional vote as final vote.

In the Board of Directors' meeting, the Executive officer will attend the meetings to provide useful information and acknowledge policies directly to be able to perform effectively.

After the meeting, the Board of Directors' secretary shall response to making report to propose to the meeting to get approval in the first agenda of the next meeting. The President response to certified the correctness. The Board can express the opinion request to correct add meeting report for more accuracy and correctness.

#### **5) Report**

The Board of Directors holds as its duty and responsibility to disclose information to shareholders in a correct, complete, transparent, verifiable and timely manner in the Form 56-1 One Report or sustainability report, and disclose of information in compliance with the regulations of the SET. The Audit Committee shall response to review financial report by meeting with Finance & Accounting Department and Auditor; and present financial report to the Board of Directors quarterly. The Board of Directors shall response to company financial statement, financial information (Report of the Board of Directors' Responsibilities to Financial Report) as shown in Form 56-1 One Report. Such financial statement prepares in accordance with accounting standards, certified and audited by Auditor of the Company by choosing an appropriate and acceptable accounting policy and regularly practice as well as using careful discretion in the preparation and supervision. There is sufficient disclosure of important information in the note to the financial statement.

#### **6) Remuneration**

The Nomination and Remuneration Committee consider policies and determine compensation that are appropriate for their responsibilities and can motivate the Board of Directors and Managing Director to achieve both short-term and long-term goals and propose for approval to the Board of Directors and the shareholders' meeting (as the case may be) based on business performance together with the overall social and economic conditions and considering from past data comparison with the remuneration of directors in the same industry.

#### **7) Development for The Director and Executive Officer**

The Board of Directors promoted and facilitated to have training and knowledge to related personal under the company governance such as Director, Audit Committee, Executive Officer so as they can improve and practice continuously. The above training may take place inside the company or outsource service.

Every time when there's a change in new Director, there will be a useful document and information to support new Director including introduction to nature of business and business direction to new Director.

Apart from fostering confidence to the shareholders and investors according to the principles mentioned above, the Board of Directors have determined corporate governance guidelines that will lead to competitiveness and excellence of operating results. The Company has taken into consideration long-term impact, fair business operation, respect of rights and responsibility toward the society and environment, equitable and ethical treatment to every stakeholder group, including the ability for self-adjustment under constant changes. Consequently, the Company has put in place CG Code 2017 for listed companies, issued by the Office of the Securities and Exchange Commission to be employed as good corporate governance policy of the Company as practices for the Company's Board of Directors to apply as guidelines to create sustainable business value. The CG Code 2017 had set forth 8 key principles for the Board of Directors as follows:

### **Good Corporate Governance for Listed Companies 2017**

#### **Principle 1: Establish Clear Leadership Role and Responsibility of the Board**

Principle 1.1: The Board of Directors must understand their role and realize their responsibility as a leader who must ensure the efficient management of the organization which encompasses:

- (1) Specification of objectives and goals
- (2) Specification of strategies, operational policies as well as allocation of key resources to achieve the established objectives and goals
- (3) Follow-up, assessment of results and supervision of report of operating results.

Principle 1.2: To create sustainable business value, the Board of Directors have the duty to lead the Company toward the governance outcome with at least the following:

- (1) Competitiveness and performance with long-term perspective
- (2) Ethical and responsible business
- (3) Good corporate citizenship
- (4) Corporate resilience

Principle 1.3: The Board of Directors have the duty to supervise every director and executive to perform their respective duty with responsibility, duty of care, duty of loyalty as well as to ensure that the business operation is in accordance with relevant laws, specifications and resolution of the Board meeting.

Principle 1.4: The Board of Directors shall realize their duty and responsibility of the Board and shall assign clear duty and responsibility to the President and the management as well as supervise the President and the management to perform their respective duty as assigned.

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

Principle 2.1: The Board of Directors shall determine or supervise that key business objectives have been geared toward sustainability whereby such objectives shall be in line with sustainable value creation for business, customers, stakeholders and overall society.

Principle 2.2: The Board of Directors have the duty to ensure that the objectives and strategies, whether short-term, mid-term or long-term and/or annual of the business shall be consistent with the established objectives of the Company and both innovation and technology shall be employed in an efficient and safe manner.

**Principle 3: Strengthen Boar Effectiveness**

Principle 3.1: The Board of Directors have the responsibility to specify and review the Board structure in terms of its size, component, proportion of independent directors that is appropriate and necessary in order to lead the organization toward the established objectives.

Principle 3.2: The Board of Directors have the duty to recruit qualified person for the Chairman position as well as to ensure that the component and operation of the Board will facilitate their independent judgment and decision making.

Principle 3.3: The Board of Directors have the duty to supervise the recruitment and nomination of the directors with transparent and clear procedures so that the Board's qualifications will be in line with the specified components.

Principle 3.4: To propose the Board's remuneration for the approval of the shareholders, the Board of Directors must consider the remuneration structure and rate to be suitable for the Board's responsibility while encouraging the Board to lead the organization toward short-term and long-term goals.

Principle 3.5: The Board of Directors shall supervise every director and ensure that they will perform their respective duty with responsibility as well as allocate adequate time.

Principle 3.6: The Board of Directors shall establish framework and mechanism in supervising the policy, the business operation of the subsidiaries and other businesses in which the Company has made a significant investment at the level appropriate for each business while ensuring that the subsidiaries and other businesses in which the Company has invested will have accurate and mutual understanding.

Principle 3.7: The Board of Directors shall establish annual performance evaluation of the Board of Directors, the Sub-committee and individual directors whereby the evaluation results shall be employed for their performance improvement.

Principle 3.8: The Board of Directors shall ensure that the Board and each director will possess knowledge and understand of their roles and duties, business nature and laws relating to business operation as well as encourage every director to regularly foster their skills and knowledge appropriate for their directorship position.

Principle 3.9: The Board of Directors shall ensure that the Board's operation will be accurate, be able to access necessary data and the Company Secretary shall possess required and suitable knowledge and experience to support the Board's operation.

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

Principle 4.1: The Board of Directors shall perform their duty in the recruitment and development of the President, top executives and senior executives to ensure that they shall possess required knowledge, skills, experiences and personal traits.

Principle 4.2: The Board of Directors shall supervise and determine appropriate remuneration structure and result assessment.

Principle 4.3: The Board of Directors shall understand the shareholders' structure and relationship which may incur an impact on business administration and operation.

Principle 4.4: The Board of Directors shall supervise people management and development to ensure their appropriate number, knowledge, skills, experiences and incentives.

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

Principle 5.1: The Board of Directors shall acknowledge the importance of innovation and support the invention of innovation that helps generate benefits to customers or related parties as well as be responsible for the society and the environment.

Principle 5.2: The Board of Directors shall monitor the management to operate business with responsibility toward the society and environment which may be reflected in the operational plan to ensure that every division of the organization shall operate the business in accordance with the organization's objectives and strategies.

Principle 5.3: The Board of Directors shall supervise the management to allocate and manage resources efficiently and effectively by taking into consideration potential impact and resources development throughout the value chain in order to attain established objectives in a sustainable manner.

Principle 5.4: The Board of Directors shall establish the monitoring framework and information technology management at an organization level which shall be consistent with the requirement as well as supervise the use of information technology to increase business opportunity, to improve the operation and to manage risks in order to achieve the Company's established objectives.

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

Principle 6.1: The Board of Directors shall supervise to ensure that the Company's risk management and internal control systems are sufficiently efficient to achieve the specified objectives as well as comply with relevant laws and standards.

Principle 6.2: The Board of Directors must appoint the Audit Committee that can perform their duty efficiently and independently.

Principle 6.3: The Board of Directors shall follow up and handle potential conflicts of interest between the Company and the management, the Board or shareholders, including the prevention of any unauthorized uses of the Company's assets, information and opportunity while refraining from making improper transactions with any parties in connection with the Company.

Principle 6.4: The Board of Directors shall supervise the establishment of clear policies and guidelines on anti-corruption and communicate such policies and guidelines to every level of the organization and outsiders to put into practice.

Principle 6.5: The Board of Directors shall supervise the establishment of complaint filing procedures and shall carry out in a case of any whistleblowing incidents take place.

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

Principle 7.1: The Board of Directors have the responsibility to supervise the preparation of financial report system and disclosure of significant information accurately, adequately, timely as well as be consistent with the regulations, standards and relevant guidelines.

Principle 7.2: The Board of Directors shall monitor the adequacy of liquidity and solvency.

Principle 7.3: During the condition that the business may confront with financial problem or tends to have such problem, the Board of Directors shall ensure that the Company has established a problem resolution plan or set up other measures to rectify financial problem. Nonetheless, the stakeholders' rights must be taken into consideration.

Principle 7.4: The Board of Directors shall supervise the establishment of a sustainability report as deemed appropriate.

Principle 7.5: The Board of Directors shall supervise the management to specify the unit or any persons responsible for investor relations in order to communicate the shareholders and stakeholders such as investors, analysts in appropriate, equal and timely manner.

Principle 7.6: The Board of Directors shall promote the use of information technology to disseminate information.

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

Principle 8.1: The Board of Directors shall ensure that the shareholders are engaged in the Company's decision making of significant matter.

Principle 8.2: The Board of Directors shall supervise the shareholders' meetings to ensure that they are carried out properly, transparently and efficiently as well as facilitated every shareholder to exercise their right.

Principle 8.3: The Board of Directors shall ensure that the disclosure of the meeting resolution and report of the shareholders' meeting are proceeded accurately and completely.

Good Corporate Governance Policy, is considered and approved by the Board of Directors Meeting No. 4/2022 on 10 November 2022.



---

**(Mr. Pongsak Swadwan)**

**Chairman of the Board of Director**  
**N.D. Rubber Public Company Limited**