

(Translation)

## CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

### POLICY OF CORPORATE GOVERNANCE

(Revised edition NO. 2/2013)

The Company has aware an important of Good Corporate Governance which is the factor in creating an organization to conduct business with transparency, justice and treat toward the stakeholders equally inclusive having efficient management system by having target for growing up business securely and durability, the company then appoints Board of Corporate Governance to perform duty in governing an activity to proceed according to the policy of Good Corporate Governance continuously, having follow up and assess the practical result and manage to renovate such policy always appropriate, also having follow up system and renovate the practical line to coordinate with a guide line of Good Corporate Governance to reach international practical standard.

Policy of Corporate Governance comprehends to the company regulations, memorandum, Royal Act of Public Company Limited, Royal Act of Securities and Stock Exchange inclusive to the rules and various regulations issued by the Securities and Stock Exchange of Thailand, Securities and Exchange Commission and related units that have duty in governing by dividing this policy into 4 parts, that are: part 1) Organization philosophy, vision, mission, ideal and principle of Good Corporate Governance, part 2) Corporate Governance structure, part 3) Rights and treatment toward the stakeholders, part 4) Internal control.

#### Part 1 Organization philosophy, vision, mission, ideal and Principle of Corporate Governance

##### 1.1 Association philosophy

Maximum satisfaction of the customers is the maximum aspiration of us.

## 1.2 Visibility

We intend to develop for leadership sake in Frozen agriculture products.

## 1.3 Mission

- The Company intends to develop and select fruits – vegetables of quality, clean, free from chemical and deliver the products quickly as required by the customers.
- The Company intends to make a good investment return by seizure the principle of good corporate governance.

## 1.4 Ideal

- The Company will treat the shareholders and stakeholders equally and justice.
- The Company will always think of risk and manage the risk appropriately.
- The Company will build up state of leader to occur in every level, promote to occur good working atmosphere, happy and safety in working.
- The Company will create a good relationship with society, community and intends to maintain environment.
- The Company will build up quality organization and go through learning of organization.

## 1.5 Principle of Good Corporate Governance in conducting business

a. Honesty, justice and virtuous

Whatever act will be done with honesty, justice and virtuous, faithful against duty both oneself and every concerned people, not take advantage of, by thinking of organization benefit as main.

b. Wide open, transparent

The Company will conduct business with transparent, ready to disclose an important information that related with the company properly, completely, in time, always in present inclusive ready to obtain inspected and wide open to receive opinion from every concerned section for continuously developing and modifying.

c. Equality

The Company will conduct business and treat the shareholders, customers, co-traders, creditors, officials and people who concerned every section with equality and equally, will not choose to treat due to difference in race, religion, sex, marital status or body defective.

d. Justice

The Company will conduct business and treat the shareholders, customers, co-traders, creditors, officials and people who have concerned every section with justice for benefits of jointly equilibrium.

e. Stick on promise

The Company will conduct business and work with responsibility to the shareholders, customers, co-traders, creditors, officials and people who have concerned every section in the operation according to the policy, good working system and agreement contract given to various concerned people.

f. Pay attention to the society

The Company will conduct business by treating to the stakeholders, community, society according to the right obtainable by law as background and conduct various activities by thinking of environment factor and society for lasting development and growth.

g. Keep secret

Will not disclose secret data of shareholders, customers, co-traders, creditors, officials and every concerned people of the company both by intention and not intention to the third person except to get consent from information owner and will not use an obtained information for personal financial interest and other persons.

h. Disclosure on benefits

Directors, executives and officials must disclose benefits from personal business or other business inclusive any matters that is the conflict of interest or may lead to the conflict of interest.

i. Act accordance with the law

The Company will keep for acting in accordance with the law, rule and provision concern with the conducting business strictly.

## 1.6 Business Morality

Board of Director have approved the regulation of business morality for supporting the directors, executives and every level of officials to hold and practice regularly as natural usual in which the directors, executives and every official have signed for acknowledge such regulations and affirm to follow which regard as practical standard frame of the company, also the Board of Director have assigned one who responsible to follow up the practical result continuously and renovate such regulations always appropriate.

Board of Company have an extremely intention to create the standard process of Corporate Governance and spread the practical to every level of the officials all over the company to incur truly Good Corporate Governance, then requests the directors, executives and every officials to hold and practice according to the policy of Corporate Governance, revised edition no. 2 which has received approval from the Board of Company Meeting No. 1/2013 on February 26, 2013.

## Part 2 Corporate Governance Structure

### Board of Company

#### a. Role, duty and responsibility of Board of Director

- Board of Director have its duty according to the company regulation which include Corporate Governance to allow the company to act in accordance with the laws, objective, regulation and resolution of shareholder meeting.
- Formulate vision, mission, ideal, principle of corporate governance in conducting business and tactic of the company.
- Administer and operate as objective, financial target and company plan including follow up and govern to perform in accordance with the formulated plan.
- Manage to have accounting system, financial report and auditing inclusive take care of having internal control system and internal inspection with efficient and effective.
- Follow up and manage to remedy conflict of interest problem that may happen inclusive related subject.
- Formulate guide line of risk management comprehensive and take care an executives having system or efficient process in risk management.
- Take care of having system or engine of remuneration payment for high rank executives with appropriate to incur induce power both in short-run and long-run.
- Assess work result of Managing Director and fix remuneration to coordinate with the operation result.
- Manage to have communication channel with the shareholders and the stakeholders of the company appropriately.

- Manage to disclose correct information, clear, transparent, reliable and having international standard.
- To be a leader and to be an example of good practical work.

b. Board of Director meeting

- The Company formulates advance yearly schedule of Board of Director meeting by formulating to have regular meeting at least once in quarter and each director acknowledges such formulate.
- The Chairman and Managing Director are jointly consider the matter for agenda of meeting.
- Each director has a right to propose the matter to an agenda of meeting, check well document for meeting and other important documents. If any doubt, other directors and management must proceed to answer that doubt.
- Manage to dispatch an invitation letter for meeting, agenda of a meeting and documents for meeting to the directors in advance at least 7 days before meeting in order to have sufficient time to consider the information.
- Formulate of having directors attend the meeting to complete as quorum when having consideration to cast a vote in an important matter such as acquisition or distribution of company assets and subsidiary company that having important impact toward the company, expand investment project, formulate management authority level, formulate financial management policy and risk of management chiefly.
- In the meeting, if any director who has common interest in considering agenda, those director must depart the meeting before start considering in that agenda.

- The Company secretary or assignee must manage to make annual report completely within the time of formulated laws.

c. Board of Director structure

Number of Board of Company Director shall be formulated by the shareholder meeting but not less than 5 persons. Not less than half of total director must have residence in the Kingdom and not less than 3 directors or one third of total director (depend on any number higher) must be Independent Director.

Definition of Independent Director

The Company formulates the qualification of Independent Director as provision of Securities and Exchange Commission and Securities and Stock Exchange of Thailand by holding principle of good practical line in Corporate Governance as follows:

- Not hold the shares exceed 1% of paid up capital of the company, subsidiary company, joint company or related company, all this, let include the shares held by related person as well.
- Is a director in other registered company not more than 5 companies
- No participation in exercising work including not be employee, official, consultant with monthly salary or authorize in controlling company, subsidiary company, joint company, related company or the company that main shareholder hold the shares both direct and indirect exceed 5% of paid up capital or is a person who has conflict by having no benefits or common interest in such condition for not less than 1 year.
- Not be a person who has blood relationship or by registering as laws in the form of parents, married couple, relatives and child including married couple of child, executives, main shareholders, control authorized or a person to be proposed as executive or

control authorized of the company or subsidiary company.

- No business relation with the company, subsidiary company, joint company or juristic person that may have conflict in the form of hindrance, freely usage of discernment and no any other form that cause unable to express freely opinion with regard to the company operation.
- Not be or has been Auditor of the company, subsidiary company, joint company or juristic person that may have conflict and not a main shareholders, directors who are not independent directors, executives or managing partner of audit accounting office which has certified public accountant of the company, subsidiary company, joint company or juristic person who may have conflict attached unless has quitted from such condition not less than 1 year before date of submitting license to the office.
- Not be or has been provided any profession service which include provide legal adviser service or financial adviser which received service fees exceed 2 million baht per year from the company, subsidiary company, joint company or juristic person that may have conflict. All this, in case of one who provides profession service is a juristic person, let include of main shareholders, directors who are not independent director, executives or managing partner of whom provide profession service, unless has quitted from such condition for not less than 1 year before date of submitting license to the office.
- No benefits or common interest not either direct or indirect in financial and exercising work in the company, subsidiary company, joint company or main shareholder of the company.
- No forbidden form as formulated by Securities and Exchange Commission.



- Free from main shareholder of the company.
- Can take care benefits of every shareholder equally
- Can take care not to incur conflict of interests between the company and executives, main shareholders or other company which having executives or main shareholders in the same group.
- Can attend Board of Director Meeting for making decision in crucial matter of the company.
- Is a person of knowledgeable, competent, comprehension, talented, experienced through state of leadership and vision that will be useful in conducting business of the company.

d. Holding term

One third of Board of Company Director must be quitted from the position in every annual Ordinary Shareholder Meeting by allow the director who hold longest term to quit from the position. In case the director to be quitted from such position may not divide equally of one third, let use nearby number with one third.

- Quitted director may be re-elected to hold once again.
- Apart to quit from term, the director shall quit from the position when:
  - Pass away
  - Resign
  - Lack of property or forbidden sign according to the Royal Act of Public Company Limited
  - Quit from the resolution of shareholder meeting
  - Quit by command of court

e. Nomination and election of director

Board of Nomination and Remuneration shall consider name lists of appropriate person to be director in the Board of Company from the proposal by the shareholders and each director whose passed the property selection in accordance with the laws and various related basis and recommend toward Board of Company. All this, after Board of Company provide an approval with such proposed name lists, the company shall proceed to propose the shareholders for considering appoint later.

f. Treatment on new director

The Company manages to have director manual which consist of memorandum, company regulations, latest annual report and other important documents that are: role and duty responsibility Board of Company, Policy of Corporate Governance, Business Morality of the company inclusive role and duty of various Board of Sub-director.

Training and development on knowledge

The Company has a policy to support new director in syllabus training of to be director for creating knowledge, understanding the role and duty of to be director through for acknowledging various rules, regulations and related laws.

g. Service on other boards of directors and high rank executives

The Company has a policy in the matter of service on other registered company of the directors and high rank executives of the company as good practical line, the company then formulates the directors and high rank executives to service in other registered company not more than 5 companies.

## Board of Sub-committee

At present the company has five Board of Sub-committee consist of Board of Executive Director, Board of Audit Committee, Board of Nomination and Remuneration, Board of Corporate Governance and Board of Risk Management in which each board have its component, role and various duty as follows:

### 1. Board of Executive

Board of Executive consists of number of director from Board of Company and/or company executive not less than 3 persons, having each term 3 years.

Executive director which quitted from term may re-appoint once again.

Board of Executive have an authority as follows:

- Formulate administration policy and operating direction to coordinate with the policy and objective of the company by intending to build up security and maximum advantage to the company.
- Oversee the management to proceed work as formulated policy strictly.
- Authorize in approving and making juristic act under the frame formulated by the Board of Company.
- Any other acts as assigned by the Board of Company.

### 2. Board of Audit Committee

Board of Audit Committee consist of 3 Independent Directors of Board of Company with at least 1 Audit Committee must have knowledge in accounting field and financial.

Audit Committee has each term 3 years.

Board of Audit Committee have an authority as follows:

- Consider select and propose Board of Director for appointing Auditing of the company.
- Review financial report of the company with fact, complete, sufficient and reliable.
- Give approval in appointing, revoke, transfer or stop employment and consider merit of internal inspection.
- Coordinate with internal inspector and auditor of the company concerning inspection limit and inspection plan inclusive take care an internal inspection and auditor enable to perform its work freely.
- Consider and review with internal inspector and auditor of the company on efficiency and effective of company internal control system inclusive usage of sufficiency resources in internal control and problem found from inspection and advice from internal inspector and auditor of the company.
- Review and consider with executive section and auditor of the company when ending of annual audit regarding annual financial statements, notes to financial statements, auditor report, main problem found during inspection and various matters related with audit that have to inform Board of Company in accordance with generally accepted auditing standard.
- Review and consider with executive section and internal inspector of the company related with inspected defect, difficulty during inspection, practical limit, approach necessary information, budget and force rate, internal inspection section charter and practical standard.
- Review the company to act in accordance with the regulations and related laws.

- Consider to service the subjects that may incur conflict of interest.
- Manage to make the practical report of Board of Audit Committee to propose Board of Company. Such report must be signed by the Chairman of Board of Audit Committee.
- Review important risk and take care to have risk management of the company appropriately.
- Review and propose to remedy Board of Audit Committee charter for up-to-date and appropriate with surrounding condition of an organization.
- Perform any work in regard to the inspection activity as assigned by Board of Company.

### 3. Board of Nomination and Remuneration Committee

Board of Nomination and Remuneration Committee consist of director of Board of Company, executives and/or other qualified persons not less than 3 persons by Nomination and Remuneration Committee must come from not less than half of Independent Directors and Chairman of the Board of Nomination and Remuneration Committee must be independent director.

Nomination and Remuneration Committee have its term each 3 years.

Nomination and Remuneration Committee which quitted from term may re-appoint once again.

Board of Nomination and Remuneration Committee have an authority as follows:

- Formulate the property of company directors that has to nominate to get along with the structure, size and component that Board of Company formulated.

- Nominate and propose appropriate person to be director Board of Company shall consider.
- Consider model and basis of remuneration payment.
- Consider to formulate annual remuneration.
- Reconsider for suitability in selling securities to the directors and officials

#### 4. Board of Corporate Governance

Board of Corporate Governance consist of directors from Board of Company, executives and/or other qualified persons not less than 5 persons and at least one director of corporate governance must be independent director.

Corporate Governance director have its term each 3 years.

Corporate Governance which quitted from term may re-appoint once again.

Board of Corporate Governance have an authority as follows:

- Board of Corporate Governance must devote time and enable to use self-discretion freely and put target for maximum advantages in creating the company having good corporate governance.
- Study and manage to draft the policy of corporate governance under the frame of laws, basis, discipline and regulations that is the present of organization which performs duty in corporate governance such as Securities and Stock Exchange of Thailand, Securities and Exchange Commission and related units through guide line in good corporate governance that are international standard.
- Propose draft of policy of corporate governance toward the Board of Company for considering approve and put an issue to use as practical line of Board of Directors, executives and officials by

managing to make corporate governance policy in writing.

- Provide advice to the directors, executives and officials of the company in performing duty as frame and basis of corporate governance policy so as to perform duty of the directors and management of executive section to get along well, resulting in practical and having continuation appropriately to correspond with expectancy of the shareholders and every group of stakeholder.
- Consider, revise and renovate the policy of corporate governance regularly so as to make the policy of corporate governance of the company up-to-date and coordinate with practical line according to international standard through the laws, basis, discipline, various regulations and proposal of interior organization that perform duty in corporate governance.
- Follow up and assess the performing duty of directors and executive sections of the company according to the good practical line that formulates in the corporate governance policy every year end.
- Manage to make assessment report of corporate governance and propose to the Board of Company along with express an opinion and necessary proposal.
- Recommend good practical line concerning ethics and morality in conducting business of the directors, executives and officials of the company.
- Appoint working team to support corporate governance work as its necessity and appropriate.

##### 5. Board of Risk Management Committee

Board of Risk Management consists of directors from Board of Company, executives and/or other qualified persons not less than 5 persons.

Risk Management Committee have its term each 3 years.

Risk Management Committee which quitted from term may re-appoint once again.

Board of Risk Management Committee have an authority as follows:

- Formulate clear business direction, specify, analyze and inspect important of risk factors along-with formulate tactics in that risk management.
- Formulate risk management standard for using as practical line in various responsible works.
- Make confident that such measurements have thoroughly communicated and officials have performed according to that measurement.
- Manage to have assessment and analyze the damage that may happen systematically and continuous for making confident that risk surveying has comprehended every step of conducting business.
- Support and develop risk management to incur continuously the whole organization and coordinate with international standard.

Directors from Board of Sub-committee shall quit from the position when:

- Complete term
- Quit from to be director and/or company executives
- Resign
- Pass away
- Lack of property to be Audit Committee according to the basis of Securities and Stock Exchange of Thailand



- Quit by the resolution of Board of Company

#### Separation of power

For the benefit in performing duty of corporate governance and transparency of internal operation, position and authority of the Chairman and Managing Director, it has been separated clearly, not be the same person which is according to the principle of separation power between formulate policy of corporate governance and regular performance.

#### Balance of power for non-executive director

There are 11 directors in the Board of Company which consist of 5 executive directors, 2 non-executive directors and 4 independent directors. Board of Company structure consists of directors represented from main 2 groups of shareholders which would incur balance of power and 4 directors which are independent can inspect its performance freely then convinced that executive directors have performed their duty purely, equality in their capacity as an representative of shareholders with appropriately balance of power.

#### Remuneration

Board of Nomination and Remuneration Committee perform duty to recommend remuneration for Board of Company, Board of Sub-committee to suit with an increment of work volume to propose the shareholders consider to approve every year by the company having a policy to pay remuneration to the Board of Company and Board of sub-committee in an appropriate level to coordinate with the burden of the directors that have to act in accordance with related laws and regulations.

#### Self-assessment

The Company manages to have assessment on operating result of Board of Director every year in which the company

secretary shall manage to send such assessment form to each director and collect to propose toward the Chairman of Board of Nomination and Remuneration Committee for making assessment on operating result and bring assessment result to consult in the Board of Company meeting. All this, for various recommending obtained from operating result assessment of Board of Company, the company would bring to use in renovation working efficiency of Board of Director to incur maximum advantages in corporate governance of the company.

#### Descendent of position

The Company proceeds concerning development plan to recompense the position with objective for making preparation of manpower both in quality and volume manners to build up continuation in appropriate management and to select and make preparation of person to suit in the position which is a main position of the company, that is: high rank executives of the company inclusive an important position in management structure or conducting business of the company or a position with specific skill field, sharp skilled or hard to recompense by formulated principle for management of position descendent such as important position, consideration selection basis throughout management process descendent plan chiefly.

#### Secretary

Board of Company are appointed the company officials with appropriate property to hold the secretary of the company to act in accordance with the formulated laws inclusive various following duties:

- Provide preliminary advice to the directors concerning provision, rule, discipline and various regulations of the company and follow up to have correctly performance and regularly inclusive report of change with important point to the directors.

- Manage shareholder meeting and Board of Company meeting to correspond with the laws, company regulation and various performances.
- Record minutes of shareholder meeting and Board of Company meeting inclusive follow up to have performance according to the resolution of shareholder meeting and Board of Company meeting.
- Take care of having disclosed information and report information in the part of responsible according to the discipline and provision of Securities and Stock Exchange of Thailand and Securities and Exchange Commission.
- Contact and communicate with general shareholders for acknowledgement of various rights and company news.
- Take cared activity of Board of Company.

### Part 3 Rights and treatment toward stakeholders

#### 3.1 Treatment toward every group of stakeholders.

The Company aware of the right of various stakeholders either the shareholders, customers, business competitors, creditors, co-traders, officials, society, assembly of people and environment as shall see from the vision inclusive through the morality of the company that mentioned sum up in the part 1 of Corporate Governance policy this edition by having the policy to provide each group of stakeholder receive with pleased and fully receive that rights on the principle of justice, equal for joint sustainability growth.

All this, the stakeholders can contact with relation investment section of the company or secretary and for the case of the officials who wish to complain connect with any improper act, can contact through persons who give facilities to the officials or contact by letter direct to the Chairman of Board of Company, Chairman of Board of Audit Committee, Chairman of Board of Risk Management or Company Secretary chiefly.

Besides, the company still has other communicate channels open for acknowledge a claim, advice, proposal and opinion which is a center channel contactable to the Board of Company, that are:

Secretary or Investor Relations	Tel. (662)238-4091, (662)634-0061-4
E-mail address	info@cmfrozen.com
Letter	Secretary's Company  Chiangmai Frozen Foods PCL.  149/34 Soi Anglo Plaza, Surawongse Road, Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500, Thailand.
Website Company's	<a href="http://www.cmfrozen.com">www.cmfrozen.com</a> under heading : INVESTOR RELATIONS

The Company has managed line of policy and working method toward demand of the customers and/or clear officials at time of such information would be protected and kept for secret and shall proceed to examine and look for next remedy way.

### 3.2 Treatment toward shareholders.

The Company has a policy for the shareholders to receive the rights of initial stage, that are: selling and transfer shares, share of company profit, attend the meeting for the rights of voting in the meeting freely and equally, joint decision in important matters of the company such as appoint or dismantle the directors, fix remuneration, appoint Auditor, formulate amount of auditing fee, dividend allocation, formulate or remedy Articles of Association and memorandum, decrease or increase capital, approval for special subject chiefly and receive company information quickly, complete

and sufficient through easy approach channels by managing information concern with the rights of shareholders inclusive through an useful information diffuse in website of the company, by managing to have relation investor section and/or company secretary to take care and give facilities in using the rights of shareholders of the company.

The Company intends to proceed the shareholder meeting to correspond with lawful and related provision and according to the policy of Good Corporate Governance.

Before shareholder meeting, the company opens a chance for minor shareholders to propose the matter that think important and useful for considering contain as agenda of an annual ordinary shareholder meeting and propose appropriate person with property for appointing as company director include open a chance for the shareholders to send any question in advance (if any) before meeting. The Shareholders can propose through various channels within the date of the company formulate. Board of Nomination and Remuneration Committee shall be considered selecting the shareholder proposals to propose Board of Company consider and shall inform consideration result in an invitation letter for attending shareholder meeting and date of annual shareholder meeting.

When Board of Company resolves to formulate dividend payment and date of annual ordinary shareholder meeting inclusive agenda of a meeting, closing date of register book to suspend transferring share for the rights in attending shareholder meeting of the company and dividend payment, the company shall bring such details to inform general shareholders acknowledger through the channels of disclosure information of Securities and Stock Exchange of Thailand and trough company website.

The Company shall manage to send invitation letter for attending shareholder meeting to the shareholders by mail both Thai and English editions which consist of agenda of a meeting details with facts and reasons inclusive opinion of each direction for each agenda, letter of proxy form and other documents for meeting through details of meeting steps, voting,

shareholders delegated and annual report of the company in which the shareholders can see an invitation letter and other documents at least 30 days before meeting by website [www.cmfrozen.com](http://www.cmfrozen.com) under heading INVESTOR RELATIONS and the company would send to the shareholders before meeting in advance at least 14 days along-with diffuse invitation letter through daily newspaper for 3 days before meeting, all this, in order to open a chance to the shareholders to have sufficient time for consideration and fully use their rights in each agenda of a meeting and in case the shareholders wish to receive annual report in books, the shareholders can contact for receiving at Relations Investor of the company. For the shareholders whose unable attend the meeting by own self, those shareholders can delegate other persons or Independent Directors of the company to attend meeting and vote, the company shall prepare information of Independent Director such as biography, address, education, holding position in compete activity or relating to the company business, relationship characteristics of Independent Director with the company or subsidiary companies, having common interest in the agenda of considering chiefly which letter of proxy the company manages to send to the shareholders would be a form formulating various subjects that shall delegate detail and clear as formulated by Department of Business Development, Ministry of Commerce by the shareholders can cast a vote specific in letter of proxy.

Day of shareholder meeting, the company shall give facilities to the shareholders and proxy whose attend the meeting all in the matter of date, time, venue through register system and counting vote with convenient and fast. Besides, the shareholders can register both before attend the meeting or during the meeting for the right to vote in an unresolved.

In the meeting, Chairman is the chairman at the meeting by formulating company directors who have residence in the Kingdom, Chairman of every Board of Sub-committee, executives, legal adviser and Auditor of the company to attend the meeting everybody. All this, agenda that concern with director appointment of Board of Company the company

shall proceed to consider voting individually

For voting in the meeting, before begin the meeting, the company secretary or assigned person would inform the meeting to acknowledge practical method in voting each agenda and in order to allow counting process to be as efficiently and fast, the company would keep voting ballot specific for the ballot of shareholders whose disagree and abstain from voting only. Voting and counting vote in each agenda shall be openly with method of codifying voting result by using bar-code. The Company secretary or assigned person shall report voting result to the meeting for acknowledgement as time by time and for voting ballot the company used in counting, the company shall keep such voting ballot to enable examine later. Beside, the company still manages to have inspector for transparent and correction of the meeting and voting in the meeting as well.

Chairman of the meeting shall open a chance to the shareholders to make enquiries inclusive express an opinion and various recommended by the directors and executives shall clarify and answer question of the shareholders and company secretary shall record minutes of a meeting and voting in each agenda with detailed. Besides, the company shall not proceed whatever for having add agenda of a meeting or change any important information in the meeting suddenly which coordinates with the policy for paying important with honor to the rights of shareholders.

After shareholder meeting, the company would manage for making report to sum up resolution of the meeting for reporting toward Securities and Stock Exchange of Thailand within time not excess 09.00 a.m. of the next day from the meeting date along-with diffuse in website of the company to allow the shareholders and investor for acknowledge and the company shall manage to send report copy of annual ordinary shareholder meeting toward Securities and Stock Exchange of Thailand within 14 days from date of meeting and diffuse in company website: [www.cmfrozen.com](http://www.cmfrozen.com) under heading INVESTOR RELATIONS to allow the shareholders acknowledgement quickly.

## Dividend payment

The Company has a policy to pay dividend not less than 60% of net profit of consolidated unless in a case the company has a project to expand investment, then shall consider paying dividend as financial appropriate.

### 3.3 Disclosure and transparent

The Company intends to disclose information of the company toward the shareholders and the people at the best and overtake an event in order to make invest decision in the securities of the company do on the basic of complete and equal information by formulating important principle in disclosing information as follows:

- Disclosure information must be correct, complete and clear.
- Follow the rules and regulations concerning information disclosure shall be done correctly and complete.
- Stakeholders which include shareholders, investors, Securities analyst and other interested persons have equal rights in acknowledging disclosure information of the company.
- Any information that shall effect toward buying-selling price of company assets or regard as important toward investor in making invest decision or may impact to the rights of shareholders, the company shall disclose toward the public at once through website of Securities and Stock Exchange of Thailand and though company website.

Besides, for transparent, the company shall disclose information of holding assets of the company, directors and executives when having appoint director or new executive or any change on holding assets through website of Securities and Exchange Commission.



## Investor relations

Board of Company are well aware that the company information both related with financial or not financial are entirely effected toward decision process of investors and stakeholders of the company, Board of Director then have a policy to allow executive sections discloses information with complete, correspond with facts, reliable, regular and in time in which the company has paid an important and kept practice throughout. In the work part on investor relations, investors, shareholders, analyst and related State section can see the information of the company through website : [www.cmfrozen.com](http://www.cmfrozen.com) under heading INVESTOR RELATIONS or contact for information at Tel.: 02-238-4091, 02-634-0061-4 or contact through E-mail address : info@cmfrozen.com.

### 3.4 Society and environment activities

The Company manages to have an units for responsible society and environment activities in various parts:

#### a. Environment

- Control production process, machines, instruments and products not allow to impact on environment.
- Control and reduce various pollution inclusive poisonous things that would exit outside surroundings.
- Reduce to incur wasted things both from production process and general working usage. In case of necessity that has to get rid of wasted things, let proceed with correct method.

#### b. Natural resources

- Renovate efficiency of production process, machine by bringing modern technology to use for reducing natural resources usage.
- Find a way to bring wasted things for reusing.

### c. Safety and Hygiene

- Renovate surrounding conditions in working with safety.
- Promote the officials to have mind conscious in caring for health.
- Find a way to protect from accident in working.

### d. Social responsibility

- Provide promoting an activity in society and community especially factory vicinity.
- Cooperate and listen an opinion or recommendation from community or related person for renovating various things that impact toward community as appropriate.
- Participate in social and community development.

## Part 4 Internal control

### 4.1 Internal control for protecting usage of internal information of directors and officials

Board of Company formulate to have various operation in order to disclose and protect the subjects that may incur conflict of interest inclusive improper usage of internal information by having important procedure as follows:

- a. Manage to make morality of company director inclusive morality of officials that comprehend the usage of internal information, maintain customer secret by having communication and diffuse to the related person for having treatment by whole.
- b. Manage to make the basis of buying-selling assets of the company and discipline of buying-selling securities of the officials, not allow to use the benefits or disclose internal information for own benefits or others.

- c. Formulate period of time for prohibiting buying-selling assets of the directors and the officials that relate with the management of financial statements by formulating period of time to prohibit buying-selling securities of the company 14 days before proclamation of quarterly financial statements and annual financial statements.
- d. To disclose holding assets of the directors and management authority by the directors and management authority have an duty to manage and report of buying-selling securities of the company within 3 working days after change to the company and Securities and Exchange Commission by company secretary or investor relations shall perform duty to collect report of change in holding assets of the company.

#### 4.2 Related subject and conflict of interest protection

Board of Company Acknowledge the company operation in formulating the policy and approval steps and operate related subject and subjects that may have conflict of interest as follows:

- a. Perform as the regulation of Securities and Stock Exchange of Thailand, proclaim of Securities and Exchange commission and proclaim of capital market commission that concern with related subjects and subject that may incur conflict of interest strictly by the directors and executives that concern with the subject that may incur conflict of interest shall not participate in making decision to consider such subjects together with the company secretary or assigned person is to record minutes of a meeting.
- b. Formulate the policy to fix a price and various conditions of interrelated between the company with related person by the price and various conditions must be the same with interrelated with outsider.

- c. Formulate Board of Company (not include the directors who have common interest) are authorized to approve investment in an activity that having benefit concerning with the company, directors and management authority.
- d. Formulate the discipline of buying-selling assets of the officials by formulating the basis, appropriate practical in buying-selling assets of the officials in the higher rank executive and every officials that attached to the units able to use the benefit from internal information to seek for own benefits or others, all this, in such discipline have included related person with the officials as well.

#### 4.3 Common interest report

The Company formulates the directors and management authorized to make own self of common interest and related persons report send to the company secretary and assigned person. When any change on the information which company secretary or assigned person having a duty to keep and make report of that changed to inform the Chairman and Chairman of Audit Committee to be in accordance with the Royal Act of Securities and Stock Exchange which the company would bring such information to use in controlling making activity between the company with the director and management authorized and/or related person of such person to be in accordance with the rule, discipline and related laws.

#### 4.4 Control and interest inspection

The Company pays an important toward an efficient internal control system, then formulate duty and operation authority of executives and performer in writing, having control and take care usage of company possessions to produce benefits and having developed system of good internal control concerning with accounting and financial inclusive efficient report system.

The Company has internal inspection section to do inspect so as to convince that main practical works and important financial activities of the company have proceeded as formulated guide line efficiently inclusive inspection of acting in accordance with the laws and provisions of the company according to the commanding work chains.

#### 4.5 Risk management

The Company is fully aware of an important of Risk Management and see that such process is an important component of Corporate Governance, then manage to have risk management process that is the standard system and stronger efficient by assigning Board of Risk Management to formulate the policy, objective, tactics in risk management and risk level the company acceptable inclusive clarify everyone in organization acknowledgments for fully aware of its important and to create the culture in risk management to occur in every level of the company, to be able to bring for practical continuously and regularly, overtake toward changed situation on the base of risk management principle inclusive take care of having formulating method to follow up appropriate risk management result owing it is an important final step toward an achievement of risk management and have to report result toward Board of Company regularly.

This policy of Corporate Governance has received approval to revise second time from Board of Company Meeting No. 1/2013 dated February 26, 2013.

A handwritten signature in black ink, appearing to read 'P. Prayoon', with a stylized flourish at the end.

(Mr. Prayoon Pholpipattanaphong)

Chairman of Board of Director