

(Translation)

## CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

### BUSINESS MORALITY

Board of Company Director are fully aware of the role, duty and responsibility of directors, executives and officials that available toward the operation of the company, reliably, transparency according to the principle of good corporate governance so as to allow the company task proceed efficiently and effective to correspond with the objective and in accordance with the regulation of the company to incur the maximum advantage to the shareholders and every group of stakeholders.

#### **Organization philosophy**

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

#### **Visibility**

We intend to develop for leadership sake in frozen and transformed agriculture products.

#### **Mission**

1. Intends to develop and select vegetables of quality, clean, free from chemical and deliver the products quickly as required by the customers.
2. Intends to make a good investment return by seizing the principle of good corporate governance.

#### **Organization value**

- Shall treat toward the shareholders and every group stakeholders with equally and fair.
- Shall always think of risk and manage the risk appropriately.
- Shall create leadership to occur in every level, promote to incur good working atmosphere with happy and safety in working.
- Shall create good relationship with society, community and intend to maintain environment.
- Shall create organization of quality and intend to reach an organization of learning.
- Shall resist every form of misconduct and corruption.
- Shall not violate and not support any activities that violate human rights.

## **Principle of Good Corporate Governance in conducting business**

### 1. Honesty, justice and virtuous

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

### 2. 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.

### 3. Equality

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

### 4. Justice

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

### 5. Stick on promise

The Company will conduct business and work with responsibility to the shareholders, customers, co-traders, competitors, 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.

### 6. Pay attention to the society

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

### 7. Keep secret

Will not disclose secret information of shareholders, customers, competitors, co-traders, creditors, officials and every concerned people 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.

## 8. Disclosure on benefits

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

## 9. 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.

### **Practical points**

#### 1. Management on conflict of interest

Board of Company has a policy concerning conflict of interest by formulating Directors, executives and officials must not seek for personal benefits that are contrary to the benefits of the company or whatever acts which creates the conflict of interest toward the company by having following practical lines:

- Directors, executives and officials should avoid the behavior that create the conflict of interest toward the company, all this, if it must necessary to have any proceeding that concerns with the conflict of interest, directors, executives and officials must think of maximum advantage of the company as main.
- Directors, executives and officials that are participated in conducting outside activity of organization or hold an office outside the company such as to be director, executive, adviser or represent in other organization, such activity must not create conflict of interest with the company not either direct or indirect and must not strike against performing duty in the company.
- Directors, executives and officials will not do anything that are related with every form of misconduct and corruption both for own benefit, family, friend and acquainted persons, both direct or indirect, not even in the status as recipient, providers or proposer, even its money or not to the government units or private units that the company has conducted business or contacted and must perform strictly according the policy. If not, shall be punished by discipline as company formulated rule and may be punished by law if that doing is illegal.
- The Directors and executives have a duty to arrange and submit the report on buying-selling, transfer or receive transfer securities of the company toward Securities and Exchange Commission within 3 working day from the date of having change and send such report copy to the company one set to keep for evidence.
- The Directors, authorize in management must manage to make report for having common interest of own-self and related person. When having change of information which such information the company shall bring to use in overseeing transaction between the company

and directors, authorize in management and/or such related person in order to get along with rule, discipline and related laws.

- Investment in any activity that having related with benefits or having interval subject between the Company with directors, authorize in management must receive approval from Board of Director in which this approval does not include directors who have common interest.

## 2. Maintain secret of information

The Company thinks that it is the responsibility of directors, executives and officials that has to maintain secret of information of the company strictly, then formulate the following practical lines:

- Directors, executives and officials will responsible and maintain the secret information of shareholders, customers, co-traders, competitors, creditors and officials by not disclosing such information if no consent from information owner, except that disclosure is in accordance with the law, regulation, provision or attached conditions which the company has to follow inclusive not to reach the secret of such person information by means of dishonest or inappropriate.
- Directors, executives and officials will not seek the benefits for oneself or related person by taking internal information that still not disclose or in secret for using or take for disclosing to the outsider either direct or indirect.
- Directors, executives and officials will not buy, sell, transfer or receive transferring assets of the company by means of internal information of the company which has not yet disclosed toward concerned units.

## 3. Responsibility on assets and reputation of the company

The Company promotes directors, executives and officers to use the resources and assets of the company efficiently and it is the responsibility to cooperate in promoting and maintaining the reputation of the company, then formulate the following practical lines:

- Directors, executives and officials will perform duty with thoroughness, cautious for preventing damages toward the stakeholders and reputation of the company.
- Directors, executives and officials will maintain honor of one-self to be accepted in society, lay oneself to suit with the rank and circumstances.
- Directors, executives and officials will manage to take care any assets of the company to be in usable conditions, maintenance and uses various resources with valuable and full capability.
- Directors, executives and officials will behave as rule, discipline, regulation of the company and good moral principle strictly.

#### 4. Information approach, clue notification or grievance channels

- The Company manages to have whistle-blowing and complaint-making policy for the offending or morality or behavior that may reveal for misconduct and corruption or behave improper of the person in organization, including the right offending activities, both from directors, executives, officials and other stakeholders. The whistle-blowing and complaint-making by any stakeholders shall be protected and treated confidentially, and not regarded as fault in discipline in the whistle blower or those who file the complaint is employee of the company. The company shall urgently investigate and resolve the issues.
- Safety channel that the officials or stakeholders can approach to the information firmly when require an advice concerning performance in accordance with anti-measurement of misconduct and corruption by company website: [www.cmfrozen.com](http://www.cmfrozen.com) click Investor Relations click required various heading such as anti-corruption policy or Business Morality or Corporate Governance Policy or other headings.
- Safety channel that the officials or stakeholders can approach firmly when requires to file complaint, notify information or clue that concerns with misconduct and corruption, including the right offending activities without risk to the informant afterwards by sending complaint, clue or information by post letter to:

Chairman of Board of Audit Committee /

Chairman of Board of Corporate Governance /

Company Secretary / Human Resources Section

Chiangmai Frozen Foods Public Company Limited

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

Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500, Thailand

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

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

or Complaint box

#### 5. Responsibility on the stakeholders.

The Stakeholders that the company have paid an important consisting of the shareholders, customers, co-traders, creditors, officials, competitors, community, society and environments.

#### **Responsibility on the shareholders**

The Company holds the principle of practical equality and equally toward shareholders by having following practical lines:

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

### **Responsibility on customers**

The Company has a policy in creating satisfaction with the customers then formulate following practical lines:

- Manages to have service system to create satisfaction to the customers by treating every customer with equality without choosing.
- Shall provide information concerning services completely, correct and not distort the facts with thinking of customer interest as main.
- Shall manage the system for the customers capable to grievance concerning services or conducting business of the company by rush proceed and return the customers at the best.
- Shall oversee an environment, internal areas and vicinity of the factory and office to have safety toward life and customer possessions and one who contact business with the company.
- Has an intention to create impression and satisfaction with the customers in order the customers received best services.

### **Responsibility on co-traders**

The Company wish the goods procurement and services to be standard measure and intends to develop and maintain sustainable relationship with co-traders and co-partners that having clear objective in the matter of goods quality and services that suits with money value, technique quality and reliable with each other. The Company then has a practical line concerning goods procurement process and services as follows:

- Manages to have competition on received information equality.

- Manages to have basis in assessment and select co-traders and co-partners with just.
- Manages to make contract form with appropriate co-traders and fair.
- Manages to have management and pursuit system to ensure that it having follows the condition of contract completely and protection on misconduct and corruption in every step of procure procedure.
- Pays money to the co-traders and co-partners on time according to the agreed payment condition.

### **Responsibility on competitors**

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

- Shall not seek the secret information of competitors by the way of bad faith.
- Shall conduct business under rule frame of good competition, not ruin fame of competitors by find fault with competitors in bad faith and without truth information.

### **Responsibility on creditors**

The Company has a policy to treat the creditors with fair by having following practical lines as follows:

- The Company shall strictly maintain and comply to the guarantee conditions indicated by creditors
- Oversee to return back loans and interest to every type of loan creditors completely with on time and follow the conditions of loan as agreed by not using loan in the way that contrary to the objective of loan.
- The Company shall manage its capital and liquidity to assure the creditors in the company's financial status and ability in paying debts.
- In case the Company is unable to comply with any of the above practice, the Company shall immediately inform creditor to mutually solved the difficulties.
- Shall report and provide correct information of the company and complete to the creditors.

### **Responsibility on officials**

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

development and official potential, policy on safety and health and others policy by having guide line as follows:

- Selects a person for hiring to hold various offices with fair by thinking of property of each position, educational qualification, experience and other provisions which necessary to work without obstruct in the matter of sex, age, race, religion.
- Formulates remuneration and welfare to the officials with fair, having suitability with knowledge and talent, condition and character of work, performance result to coordinate with operation result of the company both in short-run and long-run by considering from business result of the company, administration and assessment result of whole organization.
- Supports the officials to receive training, knowledge development, talent, develop working potential to be higher in order to add working efficient and open opportunity for officials to progress in duty.
- Supports the officials to always receive related news as opportunity and as far as it can be done for adding efficient and good relationship in working together.
- Manage to have human resources administration in the matter of appointing, transfer inclusive rewarding and clear penalty on the officials by performing with sincerity, fair, justice which situates on the base of knowledge, ability and suitability of the officials.
- Open an opportunity for the officials to have a channel in proposing, complaint, grievance in the matter of working by not regard as fault in discipline which complaints and grievance are likely to receive protection and regard as secret by various proposal, complaints and grievance would receive consideration earnestly and seek for quick remedy.

### **Responsibility on Safety and Health**

The Company convinces that safety and health are basis responsibility of the company and is an important factor toward sustainable growth of organization. The Company then formulates the policy that would provide the officials and co-partners to perform safety and in accordance with the provision of related laws by:

- Try to protect accident, wounded and illness due of working with earnestly cooperation of every official inclusive seek a way to get rid and control risk in un-safety work performance.
- To cooperate with government units and other organizations in suppressing emergency trouble or accident which happen from work performance quickly, efficient and cautious.



- To act in accordance with laws and various regulations in the matter of safety strictly and shall bring management standard measure concerning reliable safety to be effective in case not yet available of laws and regulations formulated.
- Arrange to have designing on equipments, making performance discipline, operation planning and officials training to have knowledge and understanding and receive sufficient information in safety working to protect danger which may happen from machines, working method or various diseases.
- The Officials whose join working by having illegal narcotics essence in the body system or having liquor power or other narcotics essence in a level that able to cause damage on performance would receive punishment by discipline as company regulation.

### **Responsibility on community and society**

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

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

### **Responsibility on environment and national resources**

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

- Shall administer by having target in protection not to incur impact toward environment and natural resources and better than provision of laws.

- Intend to develop operation process to be in accordance with international standard measure through revise and operation assess regularly.
- Shall establish firmly and promote officials including related person to have responsibility toward environment and natural resources.
- Shall fully aware of maintenance environment and natural resources for nice living and is a source of river and brook, manage to have a process for providing knowledge to the officials by training in order to allow every official fully aware of its important, incur guarding jealously, maintain and use most worthwhile on natural resources.
- Shall maintain environment condition and biodiversity in conducting business areas to incur balance of residence system sustainability.
- Shall participate in reducing incurred green house gas that shall impact toward change of climate.
- Shall seek an opportunity to exchange, learning and share experience from operation with other units for renovating operation continuously.

#### **Responsibility on human rights**

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

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

#### **Resistant on misconduct and corruption**

The Company has an ideal in conducting business with virtue, act in accordance with law, transparent, adhere to responsible toward society and every group of stakeholders according to the principle of good Corporate Governance (private) and ethics in conducting business, not supporting every form of misconduct and corruption. Therefore, in the year 2013

the company has joint the operation of Thai private sector in misconduct and corruption resistant and formulate following guide lines:

- Definition of Misconduct and Corruption means to use position and authority or use existing possession in improper way, any form of bribery by offering, contract, giving, promise, claim or receive money, possession or other benefits that should not obtain for own advantage, family, friend, acquainted with government unit, public unit or related person either direct or indirect so as to allow unit or that person acts or abstain from doing right duty as formulated performance principle for obtaining or maintain other interests that not suitable in business unless it is a case that laws, discipline, proclaim, regulation traditions, local customs or trading customs allow to do.
- Formulate the policy on misconduct and corruption resistant that is: the directors, executives and officials of the company are prohibited to do whatever that are related with every form of misconduct and corruption both for own benefit, family, friend and acquainted persons, both direct or indirect, not even in the status as recipient, provider or proposer, even its money or not to the government service units or private units that the company has conducted business or contacted and must perform strictly according to the company policy. If not, shall be punished by discipline as company formulated rule and may be punished by law if that doing is illegal.
- Pay an important in human resources administration, can bring the policy of misconduct and corruption resistant to use practicing to incur form and appearance of things, communicating, provide knowledge and train officials concerning protection for seeking improper interest in duty and guide line to promote the personnel to understand and perform as organization culture.
- For the officials whose refuse to misconduct and corruption, the company has a policy not to reduce rank, punish or give result in a bad way to those officials, though refusal on misconduct and corruption would make the company lose an opportunity in business.
- Available internal inspection section that having independence and upright by report direct to the Board of Audit Committee in inspecting risk assess on misconduct, possibility assess in the matter of misconduct and consider on protection and control measurement to have maximum efficiency in order to assure that the company shall be able to protect and control misconduct and corruption efficiently.
- There is a guide line and oversee for protecting and follow performance assess as the policy of misconduct and corruption resistant by formulate Board of Audit Committee perform duty on governance to act in accordance with policy of misconduct and corruption resistant at least once a year through revise, practical line and provision in operation to coordinate with change on business, discipline, regulation and provision by law.

- Not do anything that concerns with politics and not use any resources of the company for such proceeding. All this, the company is an organization that adhere in political neutral, support to act as laws and government of democracy regime inclusive having no guide line to give assistance political to the politician or any political party neither direct or indirect way.
- Definition of political contributions means to support financial, things and/or join activity through promotion to allow the officials to join political activity on behalf of the company so as to acquire in having an advantage on trading business, all this not include the officials that join an activity according to the personal rights and freedom but must not use an official influence or bring possession, any instruments of the company to take advantage of political proceeding.
- Spending money or company possession for donating merit must do on behalf of the company only in which donation for meritorious actions, recipient must be foundation, public health organization, temple, hospital, institution or organization for society benefits that are having certificate or reliable and capable to inspect by proceeding through the steps as company discipline and receive approval by authorized person.
- Donation for meritorious actions on behalf of private can do but must not concern or incur doubt whether it is misconduct act for expecting any interest.
- To give money or possession of the company for supporting project must mention name on behalf of the company only which those paid supporting money must have objective for business, good appearance and reputation of the company. All this, requesting payment must mention clear objective and having evidence that able to inspect and proceed through the steps as company discipline.
- Not receive presents, souvenir which are cash, cheque, government bonds, shares, gold, jewel, real estate or similarly things with related person that oneself has contacted work both government units and private units that provide benefits to that person or oneself or make the company receives damage.
- Not receive possessions, things, presents, any gifts or other benefits which persuades to incur refrain discharging own duty.
- Not allow possession, things, presents or any souvenir or other benefits to induce in consideration or resulted to cause the recipient not act in accordance with trading method in the same way with other co-traders.
- Not be a medium in offering money, possessions, things or other benefits with related person with business, government units or private units to change with privilege that should not get or make officers in charge or private abstain to act as rule, discipline, regulations and practical point of laws as formulated.
- Board of Company and high rank executives are accepted toward measurement of anti-misconduct and corruption, have an authority and responsibility in formulating policy, guide line and performance step and support to bring various measurement to perform to incur form and appearance of things to convince that Board of Company and high

rank executives have fully aware and pay an important with such measurement truly and establish firmly to hold practice till become culture of organization.

- Directors, executives and officials must perform according to the policy of misconduct and corruption resistant strictly. If not, it would regard as fault by discipline and be punished as company formulated rule and may be punished by law if that doing is illegal.
- The Company shall diffuse anti policy of misconduct and corruption through communication channel of the company such as website of the company, email, telecommunication, disclosure report of annual information (type 56-1 and 56-2) sheet fold, responsibility toward society report, first explanation, training course, seminar and post letter.

The Company has contained knowledge on business morality to allow every official to learn by themselves through various learning communication. The Directors, executives and every official have a duty to make understanding, perform strictly and sign acknowledgement on business morality. If any doubt or inquiry, allow to consult their boss, personal resources section or person assigned by the company to responsible concerning follow up, to do as business morality through formulated channel inclusive to inform boss or responsible person to know when see disobey or not doing as business morality and provide cooperation in examining various facts. To follow up for having perform as business morality is a duty of every boss every level by holding as a part of official discipline and Board of Audit Committee shall keep follow up governance in a level of Board of Sub Committee.

Business morality, 5<sup>th</sup> revise edition has received permission for modifying from the Board of Company Meeting No. 5/2017 date November 10, 2017.

Signature

(Mr. Prayoon Pholpipatanaphong)

Chairman of Board of Directors