

(Translation)

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

POLICY OF CORPORATE GOVERNANCE

The Company is fully aware of 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 sustainability, 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 regulation issued by the 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, organization value 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, organization value 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 and transform agriculture products.

1.3 Mission

- The Company intends to develop and select 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 seizing the Principle of Good Corporate Governance.

1.4 Organization value

- Shall treat toward the shareholders and every group of 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.

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 covetous and grasping by thinking of organization benefit as main.

b. Wide open, transparent

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

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, marital status or body defective.

d. Fairness

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

e. Stick on promise

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.

f. Pay attention to the society

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 sustainable development and growth.

g. Keep secret

Will not disclose secret information of shareholders, customers, co-traders, competitors, 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 interests

Directors, executives and officials must 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.

i. Act accordance with the law

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 culture of Good Corporate Governance and conduct business with thinking of every group of stakeholders, then wish the directors, executives and every official to hold practice strictly according to the Policy of Good Corporate Governance and Business Morality of the company.

Part 2 Corporate Governance Structure

Board of Company

- a. Role, duty, responsibility and approval power of Board of Director.
 - Board of Director have its authority and responsibility 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 by

holding the principle of good practical point according to the formulated Policy of Good Corporate Governance.

- Manage to have accounting system, manage to make financial statements and statements of income, accounting audit, having internal control system, risk of management and efficient internal inspection.
- Formulate vision, mission, organization value, principle of corporate governance and tactic in conducting business.
- The Directors and high rank executives have a duty to manage and 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.
- Formulate target, guide line, policy, conduct business plan, budget and Policy of Risk Management inclusive administration and management of executive to be in accordance with the policy, work plan and budget that formulated with efficiently and effectively.
- Formulate to have resistance Policy of Misconduct and Corruption, corporate governance, risk assessment, control and protect through communication in order to allow directors, executives, officials and every concerned person to practice strictly according to the policy. If not practice, it would regard as mistake in discipline and to be punished as company formulated regulation.
- Formulate administration structure – to have authority in appointing Board of Executive, Managing Director and other Board of Sub Committees as appropriate inclusive to formulate scope of authority of Board of Executive, Managing Director and appointed various Board of Sub Committee.
- Follow up and manage to control not to incur a problem making related subject and procurement or distribution of assets that having conflict on interesting.
- Oversee not to have violation on human rights, misconduct and corruption in an organization.
- Oversee to allow conducting business process must be thinking of and not bring any impact toward environment, society and community as a whole.
- Take care of having system or engine of remuneration payment for executives, officials 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 make annual report of Board of Company and responsible toward those making and disclosure of financial statements in order to indicate financial status and

operation result in the past cycle year and propose toward shareholder meeting for considering approval.

- Manage to disclose correct information, clear, transparent, reliable.
- Manage to have communication channel with the shareholders and every stakeholder appropriately and equally.

Role of Chairman

- Consult with Managing Director in considering the subjects for Board of Director and Shareholder Meeting.
- Responsible in his capacity as leader of Board of Director to follow, oversee an administration of Board of Executive and other Sub – Board of Director to achieve object as formulated plan.
- To act as Chairman of Board of Director Meeting and Shareholder Meeting of the Company.
- Is a person who casts a vote for arbitration in a case that there are having to cast a vote in the Board of Company Meeting and Shareholder Meeting which two side votes are equal

b. Board of Director meeting

- The Company formulates advance yearly schedule of Board of Director meeting and each director acknowledges such formulate.
- The Chairman and Managing Director are jointly consideration 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 to have the directors attending the meeting not less than two third of whole Board of Director when having consider to resolve in various important subjects such as procurement or distribution of the company and subsidiary assets that having important impact toward the company, related subject, investment project expansion, level of administration power formulation, formulation of financial exercise policy and risk of management chiefly.
- In the Meeting, if any director who has common interest in considering agenda, those directors 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 0.5% 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 exceed 3 Companies.
- No participation in exercising work including not be employee, official, adviser 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 interest or common interest in such condition for not less than 2 years.
- 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 2 years 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 that profession service, unless has quitted from such condition for not less than 2 years before date of submitting license to the office.

- No interest or common interest not either direct or indirect in financial field and exercising work in the company, subsidiary company, joint company or main shareholder of the company.
- No forbidden form as formulated by The Securities and Exchange Commission.
- Not be a director in other registered company in the group of the company, subsidiary company, joint company, related company or the company whose main shareholders go to hold the shares both direct and indirect not excess 5% of paid up capital.
- Be freely and not related with executives and 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, list of person from base of director information whose passed the property selection in accordance with the laws and various related basis through it must be a person having profession skilled, expertness in business field that relating with company business and/or having skilled on accounting and financial inclusive necessary skilled of Board of Director that lacking by not restricted on sex, age, nation, religion and recommend toward Board of Company for consideration and approval. After Board of Company provide an approval with such proposed name lists, the company shall proceed to propose the shareholders for considering to elect later.

f. Treatment on New Director

The Company manages to have director manual or manage to have first explanation on new director which director manual consist of memorandum, company regulations, latest annual report and other important documents that are: role and duty responsibility of company director, Policy of Corporate Governance, Business Morality, Policy of Misconduct and Corruption resistance and other polices including role and duty of every Board of Sub Committees.

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 Managing Director

The Company has a policy in the matter of service on other registered company in the Securities and Stock Exchange of the Directors and Managing Director as good practical line, the company then formulates the directors and Managing Director to hold as director in registered company in the Securities and Stock Exchange not exceed 3 companies.

Board of Sub Committee

The Company appoints 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 duties as follows:

1. Board of Executive (Management)

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:

- Conducting and administrating activity to be in accordance with object, regulation, policy, discipline, provision, order and resolution at the Board of Director Meeting and/or resolution at the Board of Shareholder Meeting.
- Consider distil policy formulation, direction and business conduction tactics, activity expansion, formulate financial plan, human resources administration, technology information investment to propose at the Board of Director for considering approval further.
- Have an authority to approve for buying property investment, other expenses and/or loan in credit line as formulated by Board of Company.
- Have an authority to appoint working group for conducting activity or administration and formulate power, duty and responsibility of appointed working group according to the formulated policy and target.
- Follow up operation result to be in accordance with the formulated policy and target and governance to allow operation with quality and efficient.
- Consider provide annual budget as proposed by executives before propose to the Board of Company for considering approval.
- Formulate organization structure, administration power on organization, employment, transferred, quit employ, formulate wages, remuneration, official bonus and various welfares.
- Others operate as assigned by Board of Company.
- Report of audit result by Anti-misconduct and Corruption Policy to Board of Company, Board of Audit Committee and Board of Corporate Governance Committee regularly.

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 and financial fields.

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 Auditor of the company.
- Review financial report of the company with fact, complete, sufficient and reliable.
- Give approval in appointing, revoke, transfer or quit employ 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.
- 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 work practical standard.
- Consider and review with Internal Audit for governance work performance of directors, executives and officials to perform in accordance with resistant policy of misconduct and corruption strictly.
- Review the company to act in accordance with discipline the regulations and related laws.
- Consider to revise 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 year.

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 and shall consider by the Board of Company.
- 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 year.

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 The 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 stakeholders.
- 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.
- Performance governance as resistant measurement on misconduct and corruption to incur as form and appearance of things.
- 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 Committee consist 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 year.

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 The 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

Board of Company consist company executive director and non-executive director in which number of non-executive director are having Independent Director to be one third of the whole board or not less than 3 persons make it capable to inspect administration freely, every group of stakeholders then convinced that executive directors have performed their duty purely, equality in their capacity as an representative of shareholders with appropriate balance of power.

Remuneration

Board of Nomination and Remuneration Committee perform duty to recommend remuneration for Board of Company, Board of Sub-committee, Managing Director, Executive Directors and high rank executives to suit with an increment of work volume by comparing with same industry information or remuneration information report of Thai Institute of Directors or equal in the previous year remuneration and it is remuneration that suits with work volume, knowledge, ability to uphold as director and executives that company required to propose the shareholders consider to approve every

year by the company having a policy to pay remuneration to the Board of Company, Board of sub-committee, Managing Director, Executive Directors and high rank executives 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 vacant position with objective to make preparation on manpower both in quality and volume manners to build up continuation in appropriate management to select and make preparation of suitable person 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 descendent position such as important position, consideration and selection basis through management process descendent plan chiefly.

Company Secretary

Board of Company are appointed the company officials that having appropriate property to hold the secretary of the company to perform duty 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 The Stock Exchange of Thailand and Securities and Exchange Commission.
- Contact and communicate with general shareholders for acknowledgement of various rights and company news.
- Take care activity of Board of Company.

Part 3 Rights and treatment toward stakeholders

3.1 Treatment toward every group of stakeholders.

The Company fully aware of the right of various stakeholders either the shareholders, customers, business competitors, creditors, co-traders, officials, society, community 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 satisfaction and fully receive that rights on the principle of fairness, equal for joint sustainability growth. The Company then formulates treatment policy toward every group of stakeholders as follows:

a. Shareholder treatment policy

The Company holds the principle of equality treatment toward shareholders by having guide line as follows:

- The Company 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.
- The Company shall respect rights of shareholders in receiving equality necessary information and disclose business result, financial status along with support information that correct and true according to the Stock Exchange of Thailand and Securities and Exchange Commission formulated.
- The Company shall perform duty with honest, upright, transparent, fair in order to create conviction that any decision and act is always thinking of maximum interest of every shareholder and every related group.
- The company shall control to have operation, act in accordance with company policy and develop performance to have better quality continuously.

b. Customers treatment policy

The Company has a policy to create satisfaction to the customers then formulate a guide line as follows:

- The Company manages to have service system to create satisfaction to the customers by treating every customer with equality without choosing.
- The Company shall provide information concerning services completely, correct and not distort the facts with thinking of customer interest as main.
- The Company shall manage the system for the customers capable to grievance concerning services or conducting business of the company by rush proceed and return reply the customers at the best.
- The Company 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.
- The Company has an intention to create impression and satisfaction with the customers in order the customers receive best services.

c. Co-trader treatment policy

The Company wish to see goods procure and services in accordance with standard measure and aim to develop and maintain sustainable relationship with co-traders and co-partners which have clear objective in the matter of goods quality and services that suits, with money value, technique quality and having reliable with each other, the company then has a guide line concerning goods procure and services procedure as follows:

- The Company manages to have competition on received information equality.
- The Company manages to have basis in assessment and select co-traders and co-partners with just.
- The Company manages to make contract form with appropriate co-traders and fair.
- The Company manages to have management and pursuit system to ensure that it's having follow the condition of contract completely and protect misconduct and corruption in every step of procure procedure.
- The Company pays money to the co-traders and co-partners with on time according to the agreed payment condition.

d. Treatment policy on competitors

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

- The Company shall not seek the secret information of trading competitors by the way of bad faith.

- The Company shall conduct business under rule frame of good competition, not ruin fame of trading competitors by find fault to the trading competitors with dishonest and without correct information.

e. Treatment policy on creditor

The Company has a policy to treat with creditor with fair by having guide line as follows:

- The Company shall strictly maintain and comply to the guarantee conditions indicated by creditors
- The Company shall control to return back loans and interest to every type of loan creditors completely with formulated 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.
- The Company shall report and provide correct information of the company and complete to the creditors

f. Treatment policy 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 progress 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:

- The Company selects a person for hiring to hold various positions with fair by thinking of property of each position, study qualification, experience and other provisions which necessary to work without obstruct in the matter of sex, age, race, religion.
- The Company formulates remuneration and welfare to the officials with fair, having suitability with knowledge and talent, condition and character of work, performance result and coordinate with operation result of the company both in shot-run and long-run by considering from business result of the company, administration and assessment result of whole organization.

- The Company 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.
- The Company 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.

g. Treatment policy on safety and health

The Company is fully aware that safety and health are the basis responsibility of the company and is an important factor toward sustainable growth of organization, the company then formulates the policy that would give the officials and co-partners work safety and in accordance with provision of related law by:

- The Company shall seek a way to protect accident, wounded and illness due to working with earnestly cooperation of every official inclusive seek a way to get rid and control risk in un-safety working.
- The Company shall provide cooperation with government unit and other organizations in suppressing emergency trouble or accident which happen from working with quickly, efficient and cautious.
- The Company shall 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 no laws and regulations formulated.
- The Company shall provide to have designing on instrument, equipment, performance discipline management, planning proceeded and officials training to have knowledge and understanding and receive sufficient information in the matter of working safety in order to protect danger which may happen from machine, working method or various diseases.
- The Officials whose join working by having illegal narcotics essence in the body system or having liquor power or others narcotics essence in a level that able to cause damage on performance would receive punishment by discipline as company regulation.

h. Community and society development policy

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

- The Company 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.

- The Company supports the officials and related person to acknowledge, understand guide line in operation in order to participate in community and society development.
- The Company shall proceed the project or do activity for society continuously in order to create affection union, unanimous with community and society.
- The Company shall take good care and protect not to allow company operation to incur damage toward life quality of community and society.
- The Company shall create mind conscious in responsibility toward community and society in every level of official group continuously and earnestly.
- The Company 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.

i. Environment and natural resources policy

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

- The Company shall administer by having target in protection not to incur impact toward environment and natural resources and better than provision of laws.
- The Company intends to develop operation process to be in accordance with international standard measure through revise and operation assess regularly.
- The Company shall establish firmly and promote officials including related person to have responsibility toward environment and natural resources.
- The Company 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.
- The Company shall maintain environment condition and biodiversity in operation areas to incur balance of residence system sustainable.
- The Company shall participate in reducing incurred Green House gas that shall impact toward change of climate.
- The Company shall seek an opportunity to exchange, learning and share experience from operation with other units for renovating operation continuously.

j. Human rights policy

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

- The Company shall treat every official with respect in honor and dignity.
- The Company supports the officials to use their legal rights as population according to edit of constitution and to be prescribed by the laws.
- The Company 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 as laws.
- The Company 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.

k. Resistant on Misconduct and Corruption Policy

The Company has an ideal in conducting business with virtue, act in accordance with law of Thailand, 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.
- The Company formulate the policy of resisting misconduct and corruption 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 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.

- The Company pays 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.
- The Company has 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.
- The Company has a guide line to 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.
- 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.
- 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 unit 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.

1. Clue or grievance policy

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 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

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

or Complaint box

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 Stock Exchange of Thailand and 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 or 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 and dividend payment, the company shall bring such details to inform general shareholders acknowledge through the channels of disclosure information of The Stock Exchange of Thailand and through 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 under heading INVESTOR RELATIONS and the company would send to the shareholders before meeting in advance at least 21 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.

Concern the meeting day, the Company has put important to shareholders equitably including individual investors and institutional investors, and determine to fully support the shareholders to attend the meeting both Annual General Meeting and Extraordinary General Meeting. The Company shall hold the meeting venue where the transportation is convenience and easy to access with public transportation, also arrange sufficient parking space for those who use personal transportation. The meeting date shall not be arranged on public holidays. The meeting time shall be arranged during 8.30 – 16.00 hrs. The Company shall also arrange staff and necessary equipment to support the registration with barcode system, the availability of duty stamp for proxies. The registration shall be allowed minimum 2 hours prior the meeting start and during the meeting as well to ensure the voting right on every agenda that's not yet resolved in the meeting.

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 first, after that shall keep all agree voting ballot. 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 related 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 the 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 the Stock Exchange of Thailand within 14 days from date of meeting and diffuse in company website: 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 to 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 the Stock Exchange of Thailand and through 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 effect 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 private sector section can see the information of the company through website: 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: cg@cmfrozen.com.

3.4 Society and environment activities

The Company manages to have a work unit to responsible on activity for social and environment in performing toward every group of stakeholder consist of shareholders, customers, co-traders, competitors, creditors, company officials and conducts business with thinking of safety and good health of the officials, responsibility on community, society, environment, national resources, not violate human rights, misconduct and corruption resistant in which the company manages to make report on activity for social and environment separate from annual report type 56-1 and 56-2.

Part 4 Internal Control

4.1 Internal information usage protection

The Company has a policy and method of governance the directors, executives and company officials in bringing internal information which not yet disclose toward the people to use for own benefits and other persons and penalty and providing knowledge to the directors, high rank executives including married couple and child not yet attain majority concerning duty to report of holding securities 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. Prohibit the directors, executives and officials that acknowledge internal information essence which effects on change of par value of company securities, disclose information or use internal information or buying-selling securities or persuade other persons to buy-sell company securities both direct or indirect, whatever such doing would do for own benefit or others. Before financial statements or internal information would disclose toward the people, one who related with internal information must not disclose that information to others until it has notified that information to the Stock Exchange of Thailand.

Penalty measurement, if it goes against regulations as mentioned, the company shall regard as fault in discipline according to the working regulation of the company by considering as appropriate to the case, for instance, warning by speech, warning in writing, condone a fault through quit employ to out-of-status from an official with cause-expel, ouster or quit as the case may be.

4.2 Related subject and conflict of interest protection

Board of Company acknowledge the company operation in formulating the policy, approval steps, 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 or executives that concern with the subject that may incur conflict of interest shall not participate in making decision to consider such subjects in the Board of Director Meeting for resolution approval together with the company secretary or assigned person is to record minutes of a meeting and related of directors or executives as in writing in the minute of 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 discipline of buying-selling securities of the officials by formulating the basis, appropriate practical in buying-selling securities of the officials in the higher rank executive and every official 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 as Royal Act of Securities and Securities and Stock Exchange as well.
- e. The Directors, executives and officials of the company are prohibited to do anything that concerns with every form of misconduct and corruption both for own benefits,

family, friend and acquainted both direct or indirect whatever oneself shall be in the capacity as recipient, provider or proposer both money or not money to the government unit or public unit in which the company has conducted business or contacted and must act in accordance with the policy strictly. If not, it shall be punished by discipline according to the regulation formulated by the company and may be punished as laws if that act is illegal.

- f. The Directors, executives and officials shall not do anything to show that it is to receive bribes or to bribe for the stakeholders in the matter that oneself performs duty and responsibility both direct and indirect way so as to acquire of interest in an improper way.
- g. 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.
- h. 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.
- i. 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.
- j. 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.

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 oversee 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 internal inspection

The Company pays an important toward an efficient internal control system both in executive level and performance level, then formulate duty and operation authority of executives and performer in writing, having oversea in 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, risk assessment both it is a risk from normal operation and risk from misconduct and corruption, governance and control for protecting risk from misconduct 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 to have method formulating to follow assessment on risk management as risk management policy and resistant policy of misconduct and corruption 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 Fifth time from Board of Company Meeting No. 5/2017 dated November 10, 2017.

Signature

(Mr. Prayoon Pholpipattanaphong)

Chairman of Board of Director