

Corporate Governance Policy
Thai Union Group Public Company Limited
22 February 2021

Message from the Chairman

The Directors of Thai Union Group Public Company Limited fully recognize the importance of good corporate governance based on honesty, transparency, accountability, ethics, trust, and high standards of business operation, in accordance with the Code of Best Practices for Directors of Listed Companies. The Board comprise of directors who as a group provide an appropriate balance and diversity of skills, experience, gender and at least one non-executive director having prior working experience in the major industry the company is operating in. The Board strongly believes that adherence to these principles will enhance the company's ability to compete, build confidence among shareholders, investors, and other stakeholders, and lead to a more effective business operation, strong and sustainable growth, as well as higher investment returns. Therefore, the Board has consistently supported the company's compliance with Stock Exchange of Thailand's Principle of Good Corporate Governance for Listed Companies.

Structure of the Board of Directors

Composition of the Board of Directors

The Board of Directors is headed by the Chairman and includes a President/CEO, other executive directors, directors representing strategic business partners, and independent directors, with the total number of directors appropriate to the size of the company's operations, but not fewer than 5 members.

The independent directors are truly independent from the company's executives and do not have business relationship or relationship of other nature that may influence their judgment. Criteria for appointment to the posts are in compliance with the Securities and Exchange Commission's definition of independent director. Moreover, the Company's criteria are stricter than "the criteria" required by the Stock Exchange of Thailand and the Securities and Exchange Commission in term of stock holding ratio.

Directors' Terms of Office

The company's Articles of Association, section 5 (Board of Directors), number 17, states that at each general shareholders' meeting, one-third of all directors' positions in the Board of Directors shall be vacated. If the number of directors cannot be divided by 3, the number of positions to be vacated should be as close to one-third as possible.

Directors Holding Positions in Other Listed Companies

To ensure the directors have can perform their role effectively, they are prohibited from holding a directorship in more than 5 listed companies, with the exception of subsidiaries companies, joint-ventures, and associated companies requiring oversight from the company. Nevertheless, holding such positions shall not affect the duty and performance of the director of the Company.

Role and Responsibilities of Chairman of the Board of Directors

- 1) Oversees policy advocacy and strategic performing manner of the company's management.
- 2) Recommends and supports the operating of the Company's management, but shall not participate in the daily operation.
- 3) Calls the meeting and preside as chairman of the Board of Directors Meeting and shareholders meeting.
- 4) Encourages all directors to participate in the meeting as well as monitoring the Board of Directors Meeting and shareholders meeting effectively and successfully.

- 5) Supports and encourages the Board of Directors of their duties, responsibilities and the principles of good corporate governance.
- 6) Oversees the performance of the Board of Directors and other committees to achieve the Company's objectives.
- 7) Decides in that case that the Board of Directors meeting to vote both sides equally.

Duties and Responsibilities of the Directors

The Board of Directors is responsible to the shareholders in overseeing the company's business operations and steering the company towards the agreed targets and on a path that maximizes shareholders' long term benefits, with consideration to business ethics and fairness to all relevant stakeholders. Duties of the Board of Directors are as follows:

- 1) Manages the company in accordance with the objectives, regulations, and decisions set by the shareholders' meetings, and oversees the company's business operations.
- 2) Set vision, mission and the company's goal.
- 3) Review and approve vision and mission every five years.
- 4) Set targets and business policies to be implemented by the management.
- 5) Monitors the implementation of the strategy, goals and policies to comply with the Company's objectives.
- 6) Oversees the management's performance to ensure effectiveness.
- 7) Holds at least 5 Board meetings per year.
- 8) Holds at least 1 general shareholders' meeting to report the company's operating results and request approval on management matters that are beyond the scope of the directors' authorization.
- 9) Monitors operating results and financial status of the company and its subsidiaries.
- 10) Approves quarterly and annual financial reports, information disclosure report (Form 56-1), and annual report (56-2), in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 11) Prepares a report on the Board of Directors' accountability for financial reporting, to be shown in conjunction with the auditor's report in the company's annual report, to give assurance that the company's financial reports are accurate and have been prepared based on standard accounting principles and consistent accounting policy.
- 12) Sets up the company's internal control system, internal audit system, and an effective risk management system.
- 13) Proposes the appointment of auditor and sets the level of compensation as proposed by the Audit Committee.
- 14) Proposes the list of directors to be replaced and their replacement to the general shareholders' meeting.
- 15) Proposes the rate of meeting allowances, compensation to directors and members of subcommittees to the general shareholders' meeting.
- 16) Examines and approves matters proposed by the management committee and related to connected transactions, potential conflict of interests, purchase and sales of assets and other matters as specified in the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 17) Examines and approves the company's transactions involving legally-binding contractual obligations, debts obligations, and guarantees.

- 18) Approves the appointment and sets the scope of work and compensation for the company's sub-committees.
- 19) Set the number of other companies in which President & CEO may hold position of Director.
- 20) Sets and approves a written corporate governance policy for the company and review the policy and compliance to the policy regularly, at least annually.
- 21) Sets and monitor a written code of business conduct and anti-corruption policy that all directors, executives and employees understand business ethical standards and guideline of the company.
- 22) Approves the appointment of the company's secretary, who shall be responsible for the following undertakings:
 - Preparation and maintenance of the following documents:
 - Directors' registrar;
 - Invitation letters and meeting minutes for the Board of Directors' meetings;
 - Invitation letters and meeting minutes for the shareholders' general meetings;
 - Annual reports and general disclosure forms;
 - Reports on the directors' and executives' potential conflict of interest; and,
 - Reports on shareholding by the directors and executives.
 - Other duties as required by the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 23) Adheres to the Principle of Good Corporate Governance for Listed Companies, and other requirements on this subject by the Stock Exchange of Thailand and the Securities and Exchange Commission.

Duties and Responsibilities of the Executive Directors

- 1) Implement the company's policy, which obliges to laws, conditions, regulations, and rules of the Company, except for those issues subjected to the consent of shareholders.
- 2) Set, propose and devise business policy and strategy to Board of Directors.
- 3) Set business plan, business management authority, annual budget estimation, and budget allocation to Board of Directors for review and approval, as well as follow business plan and strategy in accordance with the corporate policy and business guidelines to propose to the Board of Directors.
- 4) Handle general business administration, set up organization and management structures to cover all aspects of personnel recruitment, training, employment, and employment termination.
- 5) Approve credit facility requests made to financial institution, including giving collateral or making any payment for normal business transactions, e.g. payment made for branch expansion investment or any regular business operations. The approval of the said credit facility must involve not over Bt200 million or equivalent in value, or the value as approved by Board of Directors. However, the credit facility value allowed for approval may be subject to change as deemed appropriate depending on the consideration of Board of Directors.
- 6) Appoint or dismiss any employee holding position lower than managing director.
- 7) Perform other duties as assigned by Board of Directors.

In addition, the above-mentioned approval authorities must not be in nature of any business transactions that allow executive directors, or their authorized persons, to grant further approval for transactions having their conflicts of interest, vest interest, or any other forms of conflicts of interest (according to the company's articles of association and pursuant to the Notifications of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand) with the company

or its subsidiaries. Exception is made for approval given for business transactions in accordance with corporate policy and criteria approved by Board of Directors, provided that executive directors with vested interest in such issue are not eligible for voting right. Board of Directors is authorized to make change to the authority of executive directors as deemed necessary or appropriate.

Separation of Roles and Duties of the Board of Directors

The Company clearly specifies and separates the power of the Board of Directors from the Management in each level. The consideration of any important issues must be approved by the Board of Directors and subcommittee so as to balance the power and ensure transparency and fairness to all related parties.

Separation between Chairman of the Board of Directors and Chief Executive Officer

The Chairman and Chief Executive Officer of the company is not the same person, clearly separating between policy and management.

Role and Responsibilities of Chief Executive Officer (CEO)

The Chief Executive Officer is designated by the Board of Directors as authorized person to manage, includes policy-making, decision-making and corporate decision-making include the following:

- 1) Administering the Company's business and day-to-day operation to be in line with the objectives, articles of association, policies, rules, regulations, instructions and resolutions of the Board of Directors Meeting and/or resolutions of the Shareholders Meeting.
- 2) Arrange to prepare the Company's business policies, business plans and budget to be proposed to the Board of Directors for approval and has a duty to report the progress on such approved business plans and budget to the Board of Directors.
- 3) Ensure the Company's overall business growth in accordance with the Company's objectives and business plans.
- 4) Authorized to act on the company's behalf to enter into contractual arrangements as prescribed in the Company's policy and procedures regarding the operational approval authority.
- 5) Ensure good governance, compliance with the law, ethical standards and anti-corruption policy.
- 6) Maintain good relationship with the stakeholders.
- 7) Communicate effectively in positive image with public, shareholders, customers and stakeholders.
- 8) Manage the Company's HR operation to issue / amend / add / update rules and regulations and personnel policies and procedures.
- 9) Be authorized to sub-authorize and/or delegate other persons to perform specific duties on his behalf. Such sub-authorization and/or delegation shall be within the scope of authorization or delegation in accordance with the power of attorney granted and/or shall be in accordance with the internal regulations, rules or instructions given by the Board of Directors and/or the Company. The authorization of duties and responsibilities of the CEO shall not constitute an authorization or sub-authorization which may cause the CEO or his authorized person(s) to be able to approve any transaction in which they, or any person who may have a conflict of interest, may have an interest or may gain benefit in any manner, or in which they may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors Meeting.

Policy on the Position of the Chief Executive Officer in Other Companies

The Board has a policy that the Chief Executive Officer is also required to hold a position of executive director of no more than 3 companies in non-affiliated companies, by holding such positions must not affect the performance of the CEO duties. In order to enable the Chief Executive Officer to dedicate his time to the performance of his duties as the Chief Executive Officer for the utmost benefit of the Company, it is the policy established by the Board of Directors that the Chief Executive Officer must not serve as a Chief Executive Officer in other listed companies.

The Board of Directors' Actions

1) The Board of Directors' Meetings

Schedules

The Board of Directors has set the standards for a general meeting to be conducted at least five times a year in February, May, August, November and December and informs the dates of the meetings in November every year so that the directors can attend all meetings and may set additional schedule, if necessary.

Board Agendas

The Chairman of the Board of the Directors and the President/Chief Executive Officer collaborate to set the agenda of the meeting while other directors may also present their agenda for consideration. The Company Secretary may also present agendas which are related to the rules and regulations to complete the list.

Distribution of Invitation letter and Supporting Documents

It is the duty of the Company Secretary to distribute the Invitation letter and supporting documents to the Meeting along with the agenda and the documents to the directors no less than 7 days in advance, except for matters which need urgent consideration.

Board Meetings and the Quorum

The Board of Directors has set the quorum with a minimum of at least two-thirds of the total members of the directors in order to make a quorum and while they shall vote in the meeting. All directors should attend at least 80% of all the board meetings held during the year. The Chairman of the Board shall be in charge and allocate sufficient time for each agenda so that the directors may express their opinions while the executives who are involved with that particular agenda present the data and information for the exchanges of views. If necessary, the Board may provide the opinions for an independent advisor or a professional consultant. Each meeting shall last 1-3 hours.

Board Minutes

It is the duty of the Company Secretary to provide the minutes and present to the Chairman of the Board of Directors to verify and deliver to each director to comment. A meeting report shall consist of minutes of the resolutions of the meeting along with sufficient and accurate data and information.

Meeting of the non-executive directors

The Board of Directors encouraged the non-executive directors to have the meetings without the presence of executive directors so that the non-executive directors could independently debate and discuss issues with respect to management in their interest without involvement of the management party. The Board of Directors scheduled the meeting of the non-executive directors with 2 times in 2019 in which all of 4 the Company's non-executive directors attended the meeting.

2) Shareholders' Meeting

The ordinary session of the annual shareholders' meeting shall be held once a year within 4 months of the last day of the company's annual accounting period. Other shareholders' meetings are to be referred to as extraordinary sessions. The Board of Directors can call an extraordinary session at any time, or within a month after a request for such session is made by the shareholders, in accordance with the Public Limited Company Act. Shareholders can propose candidates for the position of directors, as well as topics to be included in the agenda and questions for the ordinary session. A notice shall be submitted electronically to the Stock Exchange of Thailand as well as shown on the company's website to allow sufficient amount of time for the shareholders to propose issues to be included in the agenda prior to the meeting.

Meeting invitation shall include the meeting agenda and with details of the issues to be discussed at the meeting. A proxy voting appointment form is also included to allow shareholder to appoint one of the independent directors to vote for him or her. Such form must be submitted to the registrar at least 7 days in advance to the registrar.

The Board of Directors has the duty to make sure that the company provides shareholders the invitation letter in Thai and English version with the date, time, venue, and all agenda items with the rationale or explanation of each agenda item or resolution in the notice of the annual shareholder general meeting or circulars and/or the accompanying statement in advance of meetings including encourage the use of proxy forms on which shareholders are able to specify their votes and provide at least 2 independent directors to be the choice of their proxy.

At least two-thirds of the directors must be present at the shareholders' meetings. It is mandatory for the Chairman, President, Managing Director, the highest-ranking executive responsible for financial matters, members of the audit committee, Chairman of sub-committee, and the auditors, to attend every meeting. The meeting's chairperson must allow all shareholders equal opportunity to ask questions and provide recommendations to the directors, Chairman of sub-committee and the company's executives.

The Board of Directors facilitated all shareholders, including institutional investors and encourage the company to use secure, fast, precise, and accurate technology in the shareholders meeting, including in recording attendee registration, printing ballots and processing voting results and to appoint an independent party of scrutineers/inspectors to count and/or validate votes at the shareholders' meeting. This scrutineer shall be disclosed at the meeting and recorded in the minutes.

The secretary is responsible for recording questions and issues raised by shareholders in the meeting minute include a description of the voting and vote tabulation procedures used, declaring both before the meeting proceeds, an opportunity for shareholders to ask questions or which must be submitted to the Stock Exchange of Thailand within 14 days of the meeting. The meeting minute must be publicized through the company's website. Shareholders interested in obtaining video recording of the session can make a request to the company at a later date.

Independent Director

Under the Corporate Governance Policy, at least one-third of the board members and not less than three persons, must be independent directors. These directors are a qualified and independent person of the same qualification criteria described in the Notification Governing Qualifications and Responsibilities of Audit Committee established by the Stock Exchange of Thailand. In addition, a person qualified to serve as independent director must be able to perform duties to preserve the best interests of all shareholders in equitable manner without conflict of interests and be available in Board meetings to give independent and unbiased opinions and judgments.

An independent director must meet the following criteria:

- 1) Not hold shares more than 0.05% of total voting stocks of TUF including stocks held by connected persons of the independent director, as well as nominees.
- 2) Not be nor have been a major shareholder.
- 3) Not be nor have been board member of its parent company or an executive director, employee, staff, advisor who receives salary of a controlling person of TUF, its parent company, its subsidiaries or its associated companies.
- 4) Not be any professional advisor.
- 5) Not have nor have had a business relationship with the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflict of interests, in the manner that may interfere with his independent judgment.
- 6) Not be appointed as a representative of the Company's or its major shareholder's board members or a shareholder who is related to the Company's major shareholders.
- 7) Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the Company's business affairs.

The afore-mentioned definition of independent director is based on the Company's Corporate Governance Policy established by the Board. Moreover, the Company's criteria are stricter than "the criteria" required by the Stock Exchange of Thailand and the Securities and Exchange Commission in term of stock holding ratio.

Sub-committees

The Board of Directors has set up the following sub-committees to assist in the supervision of the company's operations.

- 1) **Audit Committee**
- 2) **Nomination and Remuneration Committee**
- 3) **Risk Management Committee**
- 4) **Executive Committee (ExCom)**
- 5) **Sustainable Development Committee**

1) **Audit Committee**

The Audit Committee was established by the approval of the Board of the Directors on 15th November 1999 for the purposes to support and act on behalf of the Board of Directors to review the financial information to be presented to the shareholders and other stakeholders, and to review the risk management systems, the internal control systems, the internal audits and good corporate governance and to control the anti-corruption measures as well as to review the financial reports preparation for the Company's transparent and trustworthy operations and disclosures of information.

The Audit Committee must be directors of the Company who are qualified as independent directors and consist of not less than 3 members, comprised of 1 Chairman of the Audit Committee and 2 audit committee members and at least 1 of them must possess sufficient knowledge and experience in order to perform his/her/their duties of reviewing the credibility of the financial statements. All three of them are independent directors who have the qualifications required by the Office of Securities and Exchange Commission and are experts in accounting and finance, corporate management and laws. Nevertheless, all independent directors do not hold the position of director, employee or consultant of the Company.

Role of the Audit Committee

The duties of the Audit Committee are as follows:

1. Review the appropriateness of financial reporting system and disclosure of information in its financial statements in accordance with the legally defined Financial Reporting Standards, with transparency, correctness, and adequacy.
2. Encourage the development of financial reporting system equivalent to International Financial Reporting Standards.
3. Review the compliance of the Company's Internal Control System with Internal Control Framework and the appropriateness and the effectiveness of the Company's Internal Audit System in accordance with internationally accepted approaches and standards.
4. Review the assessment form of the adequacy of the internal control system as audited and assessed by the Internal Audit Team to ensure that the Company has sufficient internal control system.
5. Review the presence of proactive preventive system to enhance operating effectiveness and efficiency and review the preventive measures in organization and review the internal processes of whistleblower system.
6. Review the internal audit process and the corporate risk management system.
7. Review the Company's Compliance Procedure in accordance with the Securities and Exchange Act, rules, regulations and other laws relevant to the Company's business and the resolution of the Board's meeting.
8. Review the correctness and effectiveness of the information technology system relating to internal control, financial reports, risk management and data & network security together with suggest updates and improvements as needed.
9. Consider connected transactions or those having possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Stock Exchange of Thailand.
10. Review the execution of the audit committee members for the performance assessment, both as a whole and self-assessment, of the audit committee annually.
11. Review and give the opinion toward the audit practices of the Internal Audit Team and coordinate with external auditors.
12. Prepare the Audit Committee's report to be disclosed in the Company's Annual Report and duly signed by the Chairman of the Audit Committee and containing opinions on various matters as required by SET.
13. Consider, select and propose the appointment or discharge an independent person to perform the duties of the Company's auditor and also propose the remuneration of the Company's external auditor and evaluate the effectiveness of external auditor's performance and organize meetings with the Company's external auditor, without the attendance of management, at least once a year.
14. Approve the internal audit plan, budget and manpower of the Internal Audit Team.

15. Review the execution of the Internal Audit Team for the performance assessment according to international standards.
16. Provide recommendations in respect of appointment, removal, transfer, or dismissal of the General Manager – Audit Unit.
17. Consider the independence of the Internal Audit Team based upon the execution of work, reports, and line of command.
18. Review the adequacy of the good corporate governance systems both of the domestic and foreign subsidiary companies.
19. Consider the external consultants to provide the suggestions or assistance in the operations of internal audit.
20. Review the Audit Committee Charter and Internal Audit Charter to be the proper charter at least once a year.
21. Visit the business units of the company and the domestic and foreign subsidiary companies to review the risk management and internal control systems, information systems including cyber security, information systems including cyber security, the important operational systems and regulations as well as problems and comments of the external auditors and the internal audit team.
22. Review the Company's Anti-corruption procedures to ensure the effective compliance with the governance bodies' guidelines starting from assessing the risks, strengthen internal control system, auditing, as well as reviewing the self- assessment form regarding anticorruption measures as assessed by Audit Unit, and to ensure that the Company has exercised the Anti-corruption systems as reported in the self-assessment form guided by Thai Institute of Directors (IOD).
23. Perform other actions as required by law or as assigned by the Board of Directors under the consent of the Audit Committee.

To fulfill its duties under its scope of responsibilities, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings, or submit necessary documents. In addition, the Committee may seek independent opinion from professional consultants as deem appropriate, at the Company's expense.

The Audit Committee performs duties within its responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the Company's operations and is directly accountable to shareholders, stakeholders, and the public.

Terms of Office

The term of office of the members of the Audit Committee is 3 year each, ending at the annual general meeting of shareholders. Nevertheless, a retiring member is eligible for re-appointment.

Apart from the vacancy upon the expiration as aforementioned, a member of the Audit Committee shall vacate office when:

- 1) he/she resigns;
- 2) he/she is no longer qualified for the office of the Audit Committee as specified in this Charter;
- 3) the Board of Directors passes a resolution removing him/her from office.

If a member of the Audit Committee wishes to resign, he/she shall give a notice of resignation to the Chairman of the Company's Board of Directors. The resignation shall be effective from the date on which the Chairman of the Company's Board of Directors receives the resignation letter.

If a member of the Audit Committee resigns or is dismissed from his/her position before his/her expiration of the term of office, the Company shall immediately inform the Stock Exchange of Thailand.

The member of the Audit Committee who resigned or was dismissed may explain his/her reason to the Securities Exchange Commission (SEC) and the Stock Exchange.

In case of vacancies of all members in the Audit Committee, the said Audit Committee may perform any act in the name of the Audit Committee until a new Audit Committee takes over the duties.

In case of a vacancy in the Audit Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified as a substitute member of the Audit Committee so that the number of members of the Audit Committee remains in full as the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

Meetings

Meetings of the Audit Committee shall be at least 12 meetings per year and report their performance to the Board of director at least twice a year.

In calling a meeting of the Audit Committee, the Chairman or the Secretary to the Audit Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Audit Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or an earlier meeting date may be choosing. The Audit Committee should hold meetings to discuss matters within its scope of duties.

Quorum

At a meeting of the Audit Committee at least half the number of the members of the Audit Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Audit Committee shall appoint a member to perform the duty on behalf of the Chairman. Decisions in the meeting shall be made by a simple majority vote.

Each member of the Audit Committee is entitled to one vote, except the member of the Audit Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote. Resolutions of the Audit Committee may be made without meeting and shall be deemed valid as if they were made at the meeting when all members of the Audit Committee have adopted it by their signatures.

Responsibilities of the Audit Committee

1. In case the Audit Committee is informed by the auditor about suspicious behavior of directors, managers or persons responsible for business operation of the Company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.
2. Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the Company, the Audit Committee is to report such events to the Board of Directors in order to find remedy within a period deemed appropriate by the Audit Committee:
 - 2.1 Transaction which may cause conflicts of interest.
 - 2.2 Fraud or irregular events or material flaws in the internal control system.
 - 2.3 Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the Company's business.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET

2) Nomination and Remuneration Committee

Composition and qualifications

The Board of Directors has set up the Nomination and Remuneration Committee since November 1, 2010 for a period of 3 years for each term. The Committee is comprised of 1 Chairman of the Nomination and Remuneration Committee and 1 member of the Nomination and Remuneration Committee. Both members are independent directors and have the qualifications required by the Office of Securities and Exchange Commission. They are knowledgeable, competent and experienced and thoroughly understand their duties and responsibilities.

Role and responsibilities

1. Set the company's policy and criteria on the nomination and selection of candidates for the membership in the Board of Directors and sub-committees and propose list of candidates to the Board of Directors for approval.
2. Consider the criteria for succession for high-ranking executives.
3. Consider and propose financial and non-financial compensation for the members of the Board of Directors and sub-committees.
4. Propose compensation for the company's directors to the Board of Directors for consideration and subsequent approval by the Shareholders.
5. Propose compensation for members of the sub-committees to the Board of Directors for approval.
6. Propose compensation for the company's President and Managing Directors to the Board of Directors for approval.
7. Review proposal from the company's management about remuneration policy for staff, as well as non-wage benefits, and recommend the matters to the Board of Directors for approval.
8. Review proposal from the company's management about financial compensation and other benefits for the company's executives and recommend the matters to the Board of Directors for approval.
9. Prepare a report on the Committee's performance to be submitted to the Board of Directors at least twice a year.
10. Carry out any other tasks related to the consideration of nomination and remuneration assigned by the Board of Directors.

Term of membership

The term of membership in the Nomination and Remuneration Committee is 3 years. Should any position become vacant due to reasons other than the expiration of his or her term, the Board of Directors shall appoint other qualified person to replace the vacant position to meet the required number of members in the Committee. The replacement member shall serve on the Committee until the end of the replaced person's remaining term.

3) Risk Management Committee

Composition and qualifications

The Board of Directors has set up the Risk Management Committee since November 1, 2010 for a period of 3 years for each term. The Committee is comprised of 3 independent directors, 2 directors, and the chief executive administrators of main business while most of the directors are independent directors whose qualifications meet the standards required by the Office of Securities and Exchange Commission.

They are also knowledgeable, competent and experienced and thoroughly understand their duties and responsibilities.

Composition and qualification

Risk Management Committee is appointed by the Board of Directors since November 1, 2010. Members of Risk Management Committee shall be the Company's management and/or qualified person with at least one being a member of the Board of Directors. Risk Management Committee should comprise of neither less than five nor more than nine members.

1. Members of Risk Management Committee shall possess the expertise and knowledge in the Company's business and provides recommendation in the Company's risk management.
2. Risk Management Committee shall have a three-year term of office. A member, whose term has expired, shall be re-appointed by the Board of Directors to resume his/her duty.
3. Risk Management Committee shall lose his/her membership when the end of the term, resignation, ceasing from being a Company's Board member or management, or death.
4. In case of the member of Risk Management Committee losing his/her membership prior to the end of the term, the Company's Board member, management and/or qualified person shall be newly appointed to replace the former member. The newly appointed member shall be in a position only for the remaining term of the former member.
5. The remuneration of Risk Management Committee shall be proposed by the Nomination and Remuneration Committee and approved by the Board of Directors on an annual basis.

Authority, Duties and Responsibilities

1. Establish the risk management policy and framework.
2. Continuously monitor and develop the risk management framework and risk management process of company and its subsidiaries, aligned with international guidelines.
3. Oversee the continuous activities of assessment, analysis and review of the Company and its subsidiaries' significant risks, under normal and crisis condition
4. Consider and provide comment on the Company's risk appetite and risk assessment criteria.
5. Acknowledge and provide comment on the adequacy and appropriateness of risk assessment results and mitigations.
6. Oversee the implementation of risk management, aligned with the risk management framework.
7. Regularly report the Company's significant risks, mitigations and improvement to the Board of Directors.
8. Encourage risk management culture and cooperation in the Company and its subsidiaries.
9. Oversee and support risk management function to be aligned with the Company's policies and objectives.
10. Communicate and share the information of significant risks and mitigations with Audit Committee at least yearly.
11. Provide comments and recommendations on the use of external advisor regarding risk management framework, scope and implementation.
12. In case of workload over resources of Risk Management Department, provide comments and recommendations on the use of external service provider in assisting risk management function
13. Carry out any other tasks related to the consideration of nomination and remuneration assigned by the Board of Directors.

Meetings

1. Risk Management Committee shall hold regular meetings at least quarterly, as appropriate.
2. At least half of all Risk Management Committee members must attend the meeting.
3. Risk Management Committee shall invite other parties to attend the meeting, as appropriate.
4. The resolution of the meeting shall be on majority basis. In case of equal voting, Chairman of Risk Management Committee shall decide.
5. Chairman of Risk Management Committee shall call a special meeting to consider significant risks or other issues, as necessary.
6. RMC shall hold a meeting with Audit Committee at least yearly.
7. Secretary of Risk Management Committee or Risk Management Manager shall be responsible for the meeting appointment and arrangement by confirming the meeting date, time, venue and agenda, and distributing related documents in advance of the meeting to each Risk Management Committee member. The minutes of the meeting shall be prepared and submitted to Risk Management Committee after the meeting.

4) Group Executive Committee (“ExCom”)

In 2019, the Board of Directors approved the setting up of the Executive Committee (“ExCom”) to act on behalf of the board. ExCom consist of Executive Chairman, CEO, President of Global Frozen and Related Unit, and Group CFO. They shall approve the acquisition or disposal of the assets without the submission of the Board of Directors within the limit of not more than USD 100 Million. As the listed company in the Stock Exchange of Thailand, it is an obligation of the Company to notify to the SET on an acquisition or divestment of capital investment or M&A transactions if the deal size is equal to or greater than the criteria as provided in SEC regulation. In general, it would be at 15% of Net Tangible Asset of the Company or the Consolidated Company. In this regard, if considering the financial statement of FY2019 which is the latest audited financial statement, the 15% of Net Tangible Asset is equivalent to USD 85 Million. Since the ExCom LIMIT should be changed annually and automatically as per the annual financial statement to reflect the growing size of the Company.

5) Sustainable Development Committee

The Board of Directors no.4/2014 on 13 August 2014 has approved to the setup of the Sustainable Development Committee of which Mr. Thiraphong Chansiri is the Chairman, Mr. Cheng Niruttinanon is the Committee’s consultant and the chief executive administrators of the main business are the committee whose duties will be planning policies of the sustainability of the company, monitoring and encouraging the operation of the five groups including the working group for Corporate Social Responsibility, Ethical Labor Practice, Human Capital Development, Energy, Environment & Climate Change, and Sustainable Supply Chain, while the Sustainable Development Working Group will be responsible for coordinating the work of five groups and affiliated companies both in country and overseas.

Nomination Process

The Nomination and Remuneration Committee is responsible for nominating the director, who has knowledge, capability, work experience, integrity, Ethics and dedicates the necessary time for the Company to share the skill and experience in business and working for the Company. The objective is for the Board’s composition that corresponds to the Company’s business strategy.

The Nomination and Remuneration Committee shall propose the lists from director pool or professional search firm to the Board for a director, whose qualifications are deemed appropriate and qualified pursuant to the Public Companies Limited Act. Such appointment can be made only in the event that directorship either expires by normal office term or prematurely falls vacant in consequence of whatever causes during the office term. A substitute director appointed to fill interim vacancy shall be in the office only for the remaining tenure. One third of directors shall retire and new directors shall be elected in an annual general meeting of shareholders according to criteria and procedures set forth below:

- 1) Each shareholder has a right to vote in proportion to share volume owned; the principle of “one share, one vote” is applied.
- 2) Each shareholder is required to cast the entire vote owned in one for one or more candidates but cannot split the vote into portions.
- 3) Candidates shall be entitled to directorship based on votes received. A candidate with maximum votes is first entitled to directorship and followed by the other candidate with less votes, respectively. As a rule, the number of newly appointed directors must not exceed the number of new directors intended in that election.

Shareholders, if necessary, may pass resolutions to remove any director prior to the statutory expiration of their office term provided (a) three quarters of majority votes of all shareholder’s present at a meeting is recorded; and (b) the aggregate share volume owned by shareholders in (a) must be greater than half of the aggregate share volume owned by all shareholders present at the meeting. Such case shall be effective only when the qualifications of all board members and the management comply fully with Section 68 of the Public Companies Limited Act of 1992 and the SEC’s Regulation Governing the Rules, Conditions and Procedures for the Securities Offer and Permission dated 18 May 1992.

The Board of Directors shall appoint any person deemed professionally recognized and qualified to act as an independent director provided that the appointee is (a) not an employee or staff member receiving a regular salary from the company or its subsidiaries; (b) independent of major dominant shareholders; (c) a shareholder of not more than 0.05% of the respective paid-up capital of the company; and (d) able to equally protect the interests of minority shareholders. The Board of Directors shall consider and vote to appoint qualified candidates and seek further approval during a meeting of shareholders.

Age and Term Limits

The Board of Directors believes that having experienced directors who continuously work with the company increases the value of the company, thus age and term limits have not been applied.

The Company Secretary

The Board of Directors has made a resolution to appoint a Company Secretary on December 14, 2007 for providing supporting and assistance to the activities of the Board of Directors for the right direction of corporate governance with more accuracy, transparency and efficiency. The assignments under roles and responsibilities are as follows:

- Taking care of and arranging the Shareholders’ Meetings, writing the Meeting Reports, and securing them in a safe place and arranging them in a chronological order.
- Taking care of and arranging the Board of Directors’ Meetings and writing the Meeting Reports and compiling related documents.
- Ensuring that the Board of Directors performs under the laws and the related regulations.
- Suggesting guidelines related to corporate governance to the Board of Directors and the Executives.

- Being in charge of reports and disclosures in accordance with the laws.
- Monitoring to ensure implementations are carried out in accordance with the resolutions of the Board of Directors' Meetings and the resolutions of the Shareholders' Meetings.

Implementing all matters with accuracy and completeness in accordance with the Public Limited Companies Act, the Securities and Exchange Act, the Announcement and Regulations of the Capital Market Supervisory Board, including laws and other related rules.

Succession Planning for Top Executive Positions

The Board of Directors has recognized the importance and the necessity of the succession of top executive positions of the organization, particularly for the positions of Chief Executive Officer and President of Global Frozen and Related Unit thus the Board of Directors has appointed Assistant Managing Director of Human Resource along with the Chief Executive Officer to implement succession planning for the positions of Chief Executive Officer and President of Global Frozen and Related Unit.

Executive Succession Plan

The Company has focus on Succession Plan by stating jobs that are important in driving the present and the future business (Critical Positions) includes a set of steps and criteria for evaluating talent assessment of the executive in line with clearly of the business strategies and perform the ongoing Talent Review Process assessments every year.

The result will enable the company to analyze the overall organization capability and adopted various Executive Succession Plan. The Company has implemented concurrently both Individual Development Plan and Succession Plan.

The Company will monitor and evaluate progress in the development of successor continues along with the assessment of business needs and predict the dynamics of the labor market, pre periodically that plans for the recruitment, development and succession plan to be effective in line with the transformation of the business and personnel for key positions in succession.

Board Orientation and Continuous Development

The Company has supplied a manual for new directors to be informed of the information of the Company, the objectives, the rules and regulations and important policies which are necessary to facilitate the new directors to perform their duties and express their opinions in the meetings. Furthermore, all directors are welcome to constantly improve their knowledge through training in order to effectively carry out corporate governance of the Company.

Full Board Performance Assessment

The Company has set up a policy of self-evaluation for the Board of Directors at least once a year since 2013. The objective was to assist the directors in evaluating performance, issues and obstacles in the previous year as guidelines for improvements and more effective performance of the Board of the Directors. The evaluation of the performance of the Board of Directors has been categorized in the following topics:

- 1) Structure and Qualification of the Directors
- 2) Role, Duty and Responsibility of the Directors
- 3) The Board of Directors' Meetings
- 4) Performance of the Directors
- 5) The Relationship with the Management team
- 6) Self-development of the Directors and the development of the Executives

Directors Self-Assessment

- 1) Core Competency
- 2) Independence
- 3) Preparedness
- 4) Practice as a Director
- 5) Board Activities
- 6) Development of Organization

Committee Performance Assessment

- 1) Committee Composition
- 2) Operating Practice
- 3) Committee Governance

CEO Performance Assessment

- 1) Leadership and Managerial Qualities
- 2) Strategic Direction Setting
- 3) Monitors Strategic
- 4) Planning and Performance
- 5) Board Relations
- 6) Community Relations
- 7) Management and relationship with employee
- 8) Succession Plan
- 9) Knowledge and Skills
- 10) Personal Qualification

Remuneration

Board remuneration should be comparable to the industry level in which the company operations, and reflect the experience, obligations, scope of work, accountability and responsibilities and contributions of each director. Directors who are assigned to more tasks, such as committees, should be paid more.

Board and Management training

The Board of Directors encourage and facilitate training for all internal parties related to corporate governance such as directors, members of audit committee, sub-committee, executives, and company secretary for training will enable them to continuously improve their performance. New directors will be provided with all documents and information useful to perform their duties, including an introduction to the nature of the business the operations of the company, corporate governance policy, and code of business ethics. Moreover, the Board also provide a development program for executives that will be annually reported by the President/CEO.

Controlling System, Internal Audit and Risk Management

The Board of Directors has decided that an Internal Audit Unit to regularly oversee internal controls system, to regularly inspect significant items and to ensure the effectiveness of internal controls system for greater credibility of financial statements. Through its risk management system, the company's relevant risks are identified, assessed, and management measures developed. Compliance with the company's rules and relevant laws and regulations are reviewed. The Audit Committee oversees the operation of the Internal Controls System, which cover normal business operations, compliance control, risk management, and the management of irregularities.

The Board establish a risk management policy to cover all activities of the company. The Risk Management Committee assigns the management team to regularly identify internal and external risk factors as well as to conduct assessment of their impacts on the Company's business. Risk management team is diversely composed of management members and top executives who are directly responsible for the work areas where risk factors are identified. The risk management team analyzes target risk factors in order to determine root causes and create countermeasures. The countermeasures are turned into practical guidance to either prevent or minimize potential impacts of those risks. In addition, the risk management team also follows up and ensures that taken corrective and preventive actions are in line with its directed countermeasures and reports the performance of countermeasure implementation to Audit Committee for subsequent address in Board meeting.

Information Disclosure

The Board of Directors realizes the importance of accurate, complete, and transparent disclosure of information to every shareholder, as well as investors and all stakeholders with equal opportunity to access such information including sufficiency of information disclosed to investors for their decision-making. Therefore, the company has set up a working structure to ensure timely and effective disclosure of information related to the company's operations and financial conditions as required by law. This strategy not only provides accurate information to the target audience, which generates positive interests from investors, it also gives the company the chance to listen to outside stakeholders and the general public, which helps the company enormously in developing new business strategies. The company has a dedicated unit to facilitate communications between the company and investors and analysts, with regular face-to-face meetings to share information and opinions. Moreover, the disclosure of the Company's CG policy, code of ethics, risk management policy, corporate social responsibilities policy, Anti-Corruption policy, and Management Discussion and Analysis for each quarterly financial statements approved by the Board including the reasons of case non-compliance through various channels. The company's website www.thaiunion.com also has a comprehensive section publicizing business-related news.

The Board of Directors hereby expressed its responsibility for ensuring that the financial statements and consolidated financial statements of the Company and subsidiaries are contained herein genuinely reflect its actual financial status and operating results. The aforementioned financial statements are prepared in accordance with generally accepted accounting standards, using careful judgement and the best estimation. The adequate disclosure of all important information in notes to financial statements is in accordance with the updated accounting standards for the Company shareholders and investors.

The Board of Directors has presented its responsibilities concerning the Company's financial reports alongside the auditor's report in the Company's annual report, that are contained herein genuinely reflect its actual financial status and operating results. These are based on accounting principles which require accurate, complete, and adequate recording of accounting items in every aspect.

Conflict of Interests and Use of Internal Information

The Board determines handling procedures and monitoring measures against potential conflict of interests and connected transactions. Much efforts and prudential considerations are independently taken in order to identify the appropriateness of target items under the scope of the Company's Corporate Governance Policy and for the best interests of the Company. Those items with nature of potential conflict of interests and connected transactions are treated in the same manner as transactions made to outsiders. Quarterly summary report of those items and transactions is prepared and regularly

publicized at year-end in the Company's annual report and Form 56-1. Furthermore, the Company requires that the Board and management members report to the Company their vested interests in the Company's and its subsidiaries' operations and management, or those of their connected persons. This requirement is aimed to furnish necessary information to the Company and to enable the Company to comply with its own connected transaction handling procedures, which are established to prevent such items with potential conflict of interests from possible siphoning of corporate funds and interests from the Company and its subsidiaries.

The Handling of Insider Information

The Board imposes preventive measures to guard against the use of internal information for personal gains among the Board and management members by the directors and the management must inform about the company's own trading to company secretary at least 1 day in advance before trading and have their mandatory duties to report any changes made to the securities ownership of their own, those of their spouses and children below lawful age to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 on immediate basis and not later than 3 business days following the date of purchase, sell, transfer or receipt of such securities. The Board or management members or sections with access to, or acknowledgement of, internal information are not allowed to leak the information to the outsiders or other unauthorized persons. In addition, no securities trading by those management is allowed within the period of one month prior to the disclosure of financial statements or any other material information to the public in order to prevent illegal use of internal information undisclosed to the public, which can affect the trading of the Company's share on the Stock Exchange of Thailand.

The Company secretary reports every change in the Company's securities held by directors and management to the Chairman of Board and Chairman of Audit Committee, and also provides the report of any changes made to the securities held by directors and management for year to the board meeting and discloses in the Company's annual report.

Connected Transaction

Connected transaction policy between TUF and its subsidiaries, the Audit Committee is entrusted to review the connected transactions that need to be approved by the Board of Directors. The Board of Directors shall ensure that the company is operating in compliance with the rules and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand including the acquisition and disposition of assets, as well as the accounting standards concerning the disclosure of information concerning connected parties and business, as defined by the Federation of Accounting Professional of Thailand. The Audit Committee will provide comments about the necessity and justification of such transactions for the best interest of the Company. Costs are charged at the market price like transactions with any other outside parties (Fair and at arm's Length basis). In the case of the Audit Committee does not have expertise in the connected transactions, the company will provide independent appraiser or external auditor of the company to ensure that such price is reasonable to the Company before that such transactions must be approved by the Board of Directors and Shareholders. Directors and management personnel with potential conflicts of interest are not allowed to vote the transactions. The connected transactions are disclosed under the Notes to Financial Statements for year ended December 31, the annual report and form 56-1.

Policy for future connected transactions

In undertaking future connected transactions, the Company will continue its product and service transactions with connected companies, since these represent the normal business practices in the same industry. The pricing of products and services follow market practices (Fair and at arm's Length basis) and/or the details in any commercial agreements. However, the Company will take into consideration its best interests and ensure that such price is reasonable to maximize the Company's benefits. The Audit Committee and Audit Unit are to supervise and review the business transactions that are considered connected transactions according to the requirements, announcements, rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. Moreover, the transactions involving directors and management, they are not allowed to vote and attend the meeting.

Anti-Corruption Policy

The Board of Directors no.8/2014 on 24 December 2014 has approved the Anti-Corruption Policy.

The Company has signed a Letter of Intent to participate in the Collective Action Coalition of the Thai private sector to conduct anti-corruption activities on August 20, 2015. Hence, the Company has issued the Anti-Corruption Policy and Code of Conduct for Anti-Corruption, which details strict guidelines to prevent and/or deal with any corrupt activities. Further, the process of reviewing our policies and procedures are implemented on a periodic basis, in order to make sure our guidelines are up-to-date and responsive to new developments in the current business conducts as well as changing laws, rules and regulations to which the Company is subject, and to make sure that our integrity and ethical business conduct is upheld; and by which all board members, management and employees must abide. Board members, management and employees shall perform their duty in compliance with this policy and communicate the policy to external stakeholders for corruption-related risk prevention. The Company shall provide a protection to board members, management and employees who act against corruption in accordance with this Policy and respective Code of Conduct.

Anyone who violates this Policy and Code of Conduct shall be subject to disciplinary action in accordance with the company's rules and regulations.

Role and Responsibility

- 1) Board of Directors are responsible make sure that the business conduct is transparent, accountable, and strictly in accordance with Anti-Corruption policy, respective code of conducts and procedures. The Audit Committee is responsible for
 - Overseeing internal controls both financial and operational of accounting and documenting procedures including all other anti-corruption related procedures,
 - Providing channel(s) for complaint or report of corrupt activities,
 - Providing advices on the implementations per Anti-Corruption Policy and Code of Conduct, and
 - Reporting finding(s) to Board of Directors on a regular basis.
- 2) Management is responsible for implementing this Anti-Corruption Policy, including communication and awareness raising among internal and external stakeholders. Proper management systems and measures must be put in place and periodically reviewed to ensure effective governance and implementation in alignment with the intent and new developments in the current business conducts as well as changing laws, rules and regulations.
- 3) Management and employees at all levels are responsible for mitigating and preventing corruption-associated risks in their assigned duties, and are responsible for reporting of corrupt activities.

General Provisions

- 1) Board members, management and employees must agree to perform their duties and services in compliance with the Company Anti-corruption policy; and must not allow any person, whether directly or indirectly, to exert influence on their behalf so as to engage in any corrupt practice, with the purpose of obtaining any personal or undue advantage.
- 2) In addition to carrying on their duties as assigned, they shall agree not to engage in any corrupt practices as mentioned in section 1, which also include:
 - Giving or accepting gifts or hospitality,
 - Giving or accepting cash or its equivalents,
 - Bribing government officials or third parties or accepting or soliciting bribery,
 - Embezzling Company's assets or working hours,
 - Laundering money,
 - Obstructing or impeding due administration of justice or judicial proceeding,
 - Making any political contributions, whether in cash or in kind, including offering goods and services or contributing for advertising purposes, etc.,
 - Donating to charitable causes, and
 - Sponsoring,

For a personal or other undue advantage.

Gifts, Hospitality, and Expenditures

- 1) Board members, management and employees must not demand, accept, or offer any gift or hospitality, either in the form of money, gifts, goods and services to, from or for business partners, agents, creditors, third parties or the Company competitors if doing so can be perceived as bribery or as personal or undue advantage of business partners, agents, creditors, and third parties.
- 2) Any offers or receipt of gifts and hospitality as per customs and traditions shall be conformance to the Company's rules and regulations. In other cases where the Company's rules and regulations cannot be applied, they must be proportionate, transparent and legitimate with no hidden agenda, as stated above.

Whistle-Blowing and Complaints

The Company provided the channel for whistle-blowing or complaint-making that stakeholders are or may be affected by the damage caused by the Company's operation, or the employees are involved in unlawful, dishonest acts or corruption by directly submitting the case or via post to;

Chairman of the Audit Committee, or Internal Audit Manager, Audit Unit

Thai Union Group Public Company Limited

23rd floor, S.M.Tower, Samsennai, Phyathai, Bangkok 10400

Telephone 02 298-0024 ext. 4340 Facsimile 02 298-0024 ext. 4369

The whistle-blowers or filers of complaints that are employees, customers, individuals hired for work by the Company or other groups of stakeholders who are whistle-blowers will have their rights protected and defended according to the law or the guidelines set by the Company.

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