

## **Corporate Governance Policy**

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**Boutique Corporation Public Company Limited**

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In the past and present operation of Boutique Corporation Public Company Limited (the “**Company**”), the Board of Directors (the “**Board**”) has followed the laws, the Company’s objectives, Articles of Association and resolutions of the shareholders’ meetings, including adhering to and following The Principles of Good Corporate Governance of Listed Companies pursuant to the guidelines stipulated by the Stock Exchange of Thailand (the “**SET**”) and the Corporate Governance Code for Listed Companies 2017 pursuant to the guidelines stipulated by the Securities and Exchange Commission (the “**SEC Office**”) as guidelines for operating the Company’s business to ensure efficient business operation; transparency to investors, which will build third-party trust in the Company’s business operation; creation of sustainable value to the Company to allow the Company to be able to compete in the business and generate good operating results while taking into account issues that may have a long-term impact; conduct of ethical business; accountability and respect of the rights of shareholders and stakeholders; societal benefits; environmental impact minimization and corporate resilience. The Company’s Corporate Governance Policy covers 5 categories as follows:

**Section 1: Rights of Shareholders**

The Company recognizes the importance of all basic rights of shareholders, both as investors and owners of the Company, such as, the rights to purchase, sell, or transfer their own securities; the rights to receive dividend from the Company; the rights to access sufficient information; the other rights in relation to a shareholders’ meeting; the rights to opine; the right to participate in making a decision in any significant matters of the Company e.g. an allocation of dividend, an appointment or dismissal of directors, an appointment of an auditor, an approval of a significant transaction affecting the Company’s operation, including an amendment to the Memorandum of Association and Articles of Association.

The Company undertakes to encourage and facilitate the shareholders to exercise their rights as follows:

- (1) The Company shall dispatch an invitation to a shareholders’ meeting together with supporting documents in each agenda to all shareholders not less than 7 days prior to a meeting date or other period prescribed by relevant laws or rules and regulations; The Company shall provide clarification of the Board on each agenda, including sufficient adequate information supporting each agenda in order to give a shareholder adequate time to review such information in advance before the meeting; the Company shall also disseminate through the Company’s website;
- (2) Any shareholder who is unable to attend a meeting is entitled to appoint a representative, e.g. an independent director or other person, to act as proxy at the meeting;
- (3) To hold the shareholders’ meeting, the Company shall facilitate the shareholders by organizing a venue of the meeting which is convenient to travel, attaching a map of the venue together with an invitation to the meeting, including selecting a suitable date and time of the meeting and arranging sufficient time for the meeting so as to comply with the policy to facilitate the shareholders;

- (4) The Company provides opportunities for the shareholders to submit related questions to the agenda or other information upon criteria prescribed by the Company prior to the meeting by announcing the said criteria on the Company's website;
- (5) The Company shall provide equitable opportunities for the shareholders to independently express their opinions, suggestions or queries before voting in each agenda item and ensure that directors and executives of the Company involving in the shareholders' meeting to answer any queries;
- (6) The Company shall use voting cards for every agenda items for transparency and verification of vote counting;
- (7) The Company shall provide an independent person to assist in vote counting;
- (8) After the meeting, the Company shall correctly and completely prepare the minutes of the meeting, including recording significant queries, opinions and suggestions in the minutes of the meeting in order to verification of the shareholders; the Company shall also record a video for reference and disclose votes for each agenda and the minutes of the meeting on the Company's website for further consideration of the shareholders;
- (9) The Company shall facilitate the shareholders to receive dividend by transferring the dividend to a bank account in order to ensure that the shareholders will receive the dividend on time and protect any loss, damage and delay of delivering cheque.

## **Section 2: Equitable Treatment of Shareholders**

The Company undertakes to equitably treat the shareholders, either major or minor shareholders, executive or non-executive shareholders as well as foreign investors, as the following treatments:

(1) The Company shall notify a schedule of the shareholders' meeting, including relevant agenda to the SET and disclose such schedule and information via SET Portal at least 28 days prior to the shareholders' meeting as well as preparing and posting the invitation to the meeting in both Thai and English.

(2) The Company shall prescribe criteria and procedures to facilitate the minority shareholder to propose or nominate qualified candidate(s) to be considered for election as a director of the Company and additional agenda items for the meeting for further consideration, including criteria to consider whether to add the agenda proposed by the minority shareholder.

(3) The Company shall ensure that all processes and procedures of the meetings of shareholders allow equitable treatment of all shareholders where a chairman of the meeting will clarify vote method and vote counting for each agenda item and provide opportunities for the shareholders and their proxies to opine, suggest and enquiry with appropriate and sufficient timing; the chairman will preside over the meeting upon meeting agenda as set out, including avoiding unnecessarily adding agenda item to the meeting by an executive, particularly a significant agenda item in which is required prior consideration of the shareholders.

(4) In agenda of election of directors, the Company shall promote to elect on person-by-person basis.

(5) The directors of the Company shall file a report stating their own conflicts of interests in each agenda before considering such agenda and record such conflict of interest in relevant agenda in the minutes of the meeting, including prohibiting such director, who has a vested interest which is significant and may deviate independence of giving his opinion on any agenda item under consideration, not to participate in the meeting considering such an agenda item.

(6) The Company shall establish measure to control the maintaining and prevent misuse of inside information by prohibiting any person or section who deals with inside information disclosing such information to any other person or section who does not involve with such information. In case that any person discloses or misuses the inside information, whether or not to serve his/her own interests or others', or commits a transaction with a conflict of interest, he/she shall be deemed seriously convicted and considered discipline. Moreover, all directors and executives of the Company who is responsible to report their securities holding as prescribed by the laws must regularly file a report stating the said matter to the Company Secretary and disclose in the annual report.

### **Section 3: Role of Stakeholders**

The Company will follow the general principles of fair treatment of stakeholders, which includes shareholders, customers, employees, trading partners and creditors, public and competitors. In pursuit of the fairness and transparency objective, the company recognizes the interests of its stakeholders as follows:

#### **(a) Shareholders**

The Company will operate its business with transparency and efficiency in order to bring about good operating results and stable growth with a view to creating maximum benefit for the shareholders in the long run, including disclosing information to the shareholders with transparency and reliability.

#### **(b) Employees**

The Company will treat all of the employees equally and fairly and provide them with proper compensation. Moreover, the Company values constant development of the employees' skills, knowledge, and potential through organization of training and seminars, etc., where each employee will be given an equal opportunity, and encourages competent employees to continue their service to the Company so as to further develop the organization. The Company has also set out anti-corruption guidelines and instilled a notion on strict compliance with the relevant laws and regulations e.g. no use of insider information, into the employees.

#### **(c) Business Partners**

The Company has a process for selecting business partners where they are allowed to compete on a level playing field and selects the business partners fairly by complying with the Company's business partner assessment and selection criteria. Moreover, the Company has executed contracts that are proper and fair for every party and has a monitoring system to ensure full compliance with the terms of such contracts and prevention of fraud and misconduct in relation to every step of the procurement process where the Company will purchase products and services from the business partners in line with the commercial terms and in strict compliance with the contracts it has executed with the business partners.

#### **(d) Customers**

The Company has responsibility towards the customers by maintaining the quality and standard of the products and services and meeting the customers' needs thoroughly and inclusively to the maximum degree in order to provide satisfaction to the customers in the long run. Moreover, the Company takes into account the arrangement for channels through which the customers can voice their problems about the products or any inappropriate services received so that the Company can prevent and solve such problems relating to the Company's products and services promptly.

#### **(e) Creditors**

The Company will comply with all of the terms and conditions with its creditors, including repaying all principals and interests and maintaining collateral provided under the relevant agreements.

**(f) Competitors**

The Company follows the rules on fair competition, is ethical, and stays within the limits set by the law, including encouraging and promoting fair and free competition policy.

**(g) Society and Public**

The Company is concerned about and gives importance to the safety of society and the environment, as well as the quality of life of the people who are involved with the Company's operation. The Company also encourages its employees to be conscious and have responsibility towards the environment and society, including ensuring strict compliance with all relevant laws, rules, and regulations. Moreover, the Company always tries to participate in activities that are beneficial to the environment and society, including promoting local tradition where the Company operated.

In addition, stakeholders can ask for details, make a complaint, or report any illegal activities, inaccuracies of the financial statements, flaws within the internal audit, or any violation in the business ethics by the Company to the independent directors or the Company's Audit and Corporate Governance Committee. Any complaint or report received will be kept confidential and the independent directors or the Company's Audit and Corporate Governance Committee will be in charge of verifying such information, finding solutions (if any), and further reporting to the Board of Directors of the Company.

**Section 4: Disclosure and Transparency**

(a) The Board gives an importance to correct, complete, sufficient, transparent and punctual disclosure of information, both financial and general information, including other information affecting price of securities in which influences to the procedural decision making of the Company's investors and stakeholders. The Company will disclose such information in accordance with rules of the SEC, the Capital Market Supervisory Board (the "CMSB") and the SET.

(b) The Company will set up Investor Relations (the "IR") to communicate with investors and shareholders. For this, the Company will regularly organize a meeting to assess performance, including disclosing the Company's information which are financial information and general information to shareholders, a securities analyst, a credit rating company and relevant government agency through various channels, namely reporting to the SEC, SET and the Company's website. The Company also gives an importance to regularly disclose the information, both in English and Thai, in order to provide opportunity to shareholders to acknowledge such information regularly through the Company's website. Such information on the Company's website shall be regularly updated in which the information shall include visions, obligations, financial statements, press release, an annual report, corporate structure and executives, including the shareholders' structure and the major shareholders, an invitation to a meeting, register documents and charters etc.

(c) The Board gives an importance to financial statement and financial information stated in the annual report in which the Audit and Corporate Governance Committee shall review the quality of the financial report and internal control system, including sufficiently disclosing significant information in notes to financial statement and report to the Board's meeting for further acknowledgement. The Company will also organize the report of the Board's responsibilities concerning the Company's financial reports alongside with the auditor's report in the annual report. Moreover, the Board also encourages the Company to make a Management Discussion and Analysis (MD&A) for each quarterly financial statement.

(d) The Company will disclose information of each director, roles and duties of the Board and sub-committees, a number of meeting, a number of meeting attendance in the past year and simultaneously give an opinion on their performance, including information of trainings and professional knowledge development in the annual report. The Company also discloses the remuneration of directors and senior executives of the Company and its subsidiaries (if any), forms and details of such remuneration.

(e) The board of directors ensures that the audit and non-audit fees are disclosed.

(f) The Company will arrange a report of the Corporate Governance Policy, Business Ethics, Risk Management Policy and Corporate Social Responsibility Policy, as approved, and the operating result in compliance with such policies, including any failure to comply with the policies together with rationale through various channels e.g. the annual report and the Company's website etc.

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

### **1. Composition of the Board and sub-committees**

The Board comprises competent and experienced persons benefiting for the Company who are responsible for drawing up corporate policy and organizational overview. The Board plays an important role in supervising, examining, and assessing the performance of the Company as planned by the Board.

The Board member serves a 3 years term as prescribed by relevant laws. The independent directors shall serve no more than 9 consecutive years, unless the Board deems it appropriate to extend the term by taking into account the utmost benefit of the Company. Moreover, the directors or executives of the Company may serve the Company's affiliates in accordance with rules and regulations of the SEC, the SET and other related organization by notifying the Board's meeting for further acknowledgement.

In addition, the Board has set up the following committees to assist the Board in the operation of the Company:

- (1) Audit and Corporate Governance Committee – This Committee consists of a minimum of 3 members which assists the Board in monitoring the Company's operation, internal control, internal audit and compliance with relevant laws, including preparing financial report in order to promote the transparency and credibility of the business operation and disclosure of the Company, including the Company's corporate governance.
- (2) Nomination and Remuneration Committee – This Committee consists of a minimum of 3 members which assists the Board in recruiting a person with suitable qualification to be a director, including recommending remuneration of the Board and propose to the Board's and shareholders' meetings for further consideration and approval.

The Board shall also appoint the Company Secretary to assist in any undertaking related to the Board's and shareholders' meeting by supporting and advising the Board regarding laws and regulations with respect to the Board's operation, including collaborating to comply with the resolutions of the Board's meeting.

### **2. Roles, Duties and Responsibilities of the Board**

The Board is accountable to the shareholders in relation to operate the Company's business and determine corporate policy and direction of the Company, including supervising management to meet goals and business courses in accordance with the laws and business ethics for long-term benefits of the shareholders, as prescribed in the Charter of the Board.

(1) Corporate Governance Policy

The Company provides the Corporate Governance Policy in writing in order to propose the Board's meeting for further consideration and approval. For this, the Company also arranges a corporate governance manual to be a guideline for compliance to the Company's directors, executives and employees. The Company undertakes to annually review this Policy.

(2) Business Ethics

The Company strives to transparently, ethically and responsibly operate its business for the stakeholders as well as society and environment. The Company provides the code of conducts in writing to be a guideline to the Company's directors, executives and employees as follow:

- (a) Ethics on Responsibility to Shareholders
- (b) Ethics on Customer Relation
- (c) Ethics on Relation with Business Partner, Competitor and Creditor
- (d) Ethics on Responsibility to Employees
- (e) Ethics on Responsibility to Society and Environment

The Company will ensure the dissemination to all employees and the strict compliance.

(3) Conflict of Interest

The Company has a policy to deliberately, honestly, rationally and independently eliminate a conflict of interest within good ethic principles for the best interest of the Company by prescribing that the persons who have conflict of interest in a transaction shall make a disclosure stating their own conflicts of interests and others' to the Company and such persons must be prohibited to participate in approval of such transaction.

The Company has a policy on connected transactions and transactions that may cause conflict of interest pursuant to laws as well as rules and regulations of the SEC, the CMSB and the SET, including disclosing such transactions in the annual report and the annual registration statement (Form 56-1)

(4) Internal Control

The Company establishes an internal control system in order to supervise and control efficiency in management and operation level. The Company also set up internal section to assess an adequacy of internal control system and directly report to the Audit and Corporate Governance Committee.

(5) Risk Management

The Board undertakes to set out Risk Management Policy and put in place an effective organization-wide, including overseeing the risk management system or procedures in order to suitably mitigate effects to the Company's business.

(6) Report of the Board

The Audit and Corporate Governance Committee undertakes to review the Company's financial report by jointly meeting with the accounting department and the auditor and quarterly report the financial status of the Company to the Board. For this matter, the Board is responsible for the consolidated financial statement of the Company and its subsidiaries and information stated in the annual report.

### **3. Principles of the Board**

The Board shall comply with the following 8 CG Code Principles:

**Principle 1 : Establish Clear Leadership Role and Responsibilities of the Board for Sustainable Value Creation of the Company**

The Board demonstrates a thorough understanding of its leadership role, assume its responsibilities in overseeing the Company to ensure that it has good governance, as well as manage the Company in order to achieve sustainable value creation of the business.

**Principle 2 : Define Objectives and Goals of the Company to Achieve Sustainability**

The Board defines or will ensure that the objectives and goals of the Company lead to sustainability where such objectives and goals will benefit the Company, its customers, stakeholders and society as a whole.

**Principle 3 : Strengthen Board Effectiveness**

The Board is responsible for determining and reviewing the Board structure in terms of the appropriateness and necessity of size, composition, and proportion of independent directors so as to achieve the Company's objectives and goals. The Board will ensure that all directors are properly accountable for their duties, responsibilities and actions and allocate sufficient time to discharge their duties and responsibilities effectively. In addition, the Board will ensure that the procedures for the selection and nomination of directors are clear and transparent in order to secure the desired director candidate.

Also, the Board will ensure that the Company's governance framework and policies extend to its subsidiaries and other businesses in which it has a significant investment.

**Principle 4 : Select and Develop Senior Executives and Manage Human Resources**

The Board oversees human resources management and development to ensure that the Company has an appropriate number of, knowledgeable, skilled and experienced staff. Moreover, the Board will ensure that a succession plan for the chief executive officer and senior executives are in place and an appropriate compensation structure and performance evaluation are aligned with the Company's performance. The Board will also consider its responsibilities in the context of the Company's shareholder structure and relationships, which may impact the management and operation of the Company.

**Principle 5 : Promote Innovation and Responsive Business Conduct**

The Board prioritizes and promotes creation of innovations that create value for the business, benefit its customers or other related parties and take responsibilities for society and the environment. The Board will also ensure that the management allocates and manages resources efficiently and effectively, taking into account the effect to and development of resources, to enable the Company to achieve its objectives and goals.

**Principle 6 : Ensure Appropriate Risk Management and Internal Control Systems**

The Board will ensure that the Company's risk management and internal control systems can effectively achieve the objectives, and comply with the applicable laws and standards.

In addition, the Board will manage and monitor conflicts of interest that may occur between the Company and its management, directors or shareholders, including preventing inappropriate use of the company's assets, information and opportunities, as well as inappropriate transactions with the Company's related parties.



**Principle 7 : Maintain Financial and Information Disclosure Reliability**

The Board is responsible for ensuring that the preparation of financial reports and disclosure of material information are made accurately, sufficiently, in a timely manner and consistent with the applicable laws, regulations, standards and practices.

In addition, the Board has a duty to monitor the sufficiency of financial liquidity and ability to pay debts and ensure that the mechanisms for solving financial difficulties are in place in case the business encounters or has a tendency to encounter a financial difficulty.

**Principle 8 : Support Participation by and Communication with Shareholders**

The Board will ensure that shareholders have the opportunity to participate effectively in making key decisions of the Company.

**4. The Board's Meeting and Self-Assessment**

The Board shall hold its meeting at least every quarter and as frequently as necessary. The Board will establish a schedule of clear agenda in advance and include agenda to follow-up an annual operating result. The Company shall deliver an invitation to the Board's meeting together with supporting documents not less than 7 days prior to the meeting date to all directors in order to provide sufficient time for the directors to review before attending the meeting. Where it is necessary or urgent to preserve the rights and benefits of the Company, a meeting may be called by other methods and the meeting date may be called earlier. The Company shall also record the minutes of the meeting and maintain such minutes certified by the Board's meeting for further reference. For all the Board's meeting, the Company's executive and other relevant persons shall attend the meeting to giving information and details in order to make a correct decision and on time.

A decision of the Board's meeting shall be made by a majority of votes. Each director shall have 1 vote except for a director who has a conflict of interest in agenda under consideration must not attend the meeting to consider and vote in such agenda. A chairman of the meeting shall have a casting vote in the case of a tie vote.

However, the Board will set up a self-assessment at least once a year in order to improve and fix the Company's operation by determining clear issues before the said assessment so as to gather and propose to the meeting, including disclosing criteria, procedures and results in the annual report.

**5. Remuneration**

The remuneration for directors comprises of the fixed remuneration on annual basis as approved by the shareholders' meeting in which is at rates comparable to companies in the same industries by taking into account sufficiency for the operation and responsibilities of the Board. The remuneration for the Board shall be considered based on the Company's operating results. By taking into account the utmost benefits of the shareholders, the remuneration for the Board and executives shall not be too high comparing with the average remuneration for the directors in those companies listed in the SET.

**6. Board and Executive Development**

The Board has a policy, within the budget set in the annual budget of the Company, on promoting and facilitating to organize trainings and dissemination to the persons who are relevant to the corporate governance system of the Company, such as, the Company's directors, members of the Audit and Corporate Governance Committee, executives and Company Secretary etc. in order to encourage simultaneous improvement of the operation. Such trainings and disseminations can be internally arranged or used an outsource organization.

In the case of changing directors or having new directors, the management shall provide documents and information in which necessary for the operation of the new directors, including introducing a nature of the Company's business and the Company's business plan to the new directors.

The Chief Executive Officer shall make a succession plan of the Company to ensure smooth transition, continuity, sustainable and profitable growth.

Approved by:



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**Mr. Permpoon Krairiksh**

Chairman of Board of Directors

Date February 28, 2022