



# CORPORATE GOVERNANCE POLICY

Human  
Wellness



RESPECT each other's  
differences

FREEDOM in your work and  
personal lives

TRUST you as an adult

TRUTH in what we do every day



MEGA COMMITMENT

is to provide

Quality Products and Services to  
Our Customers

Through constant Improvement and  
Innovation



1

## Introduction

The Board of Directors of Mega Lifesciences Limited, in accordance with the recommendations of the Stock Exchange of Thailand, has prepared and approved this policy document and will emphasise on adhering to the standards in the areas addressed by this document. The Company shall give an account of its Corporate Governance practice and policies and shall explain any deviation from the expected standards in its annual report.

2

## Core Values (Mega Way of life)

In our business and conduct we will strive to live up to our Core values:

**RESPECT** *each others differences*

**FREEDOM** *in work and personal lives*

**TRUST** *you as an adult*

**TRUTH** *in all that we do*

3

## Guidelines for Corporate Social Responsibility



Mega Lifesciences is committed to provide Quality products and services to its customers through constant improvement and innovation. As part of its vision and mission, the company strives to provide cost effective, high quality health solutions to people in lesser developed countries around the world.

The company actively encourages good health through various programs such as:

- 'Donor for Life' wherein employees are encouraged to donate their organs in participation with Red Cross Society.
- 'Good Health by yourself' wherein all stakeholders are constantly trained and encouraged to adopt healthy living practices thereby improving lives of immediate societies that work with Mega.
- 'Green Mega' wherein the company participates in adopting green technology thereby promotes sustainability.

The Board shall aim to maintain a healthy equity ratio as will be considered satisfactory in the light of the Company's Goals, Strategy and risk profile.

The Board's authority to expand capital, buyback shares and pay Dividends shall be as approved in the General Meetings from time to time.

It is an objective of the company to generate returns to the Shareholders in the form of Dividends and improvement in the value of the enterprise which is at least on the same level as other investment possibilities with comparable risk.



5

## Disclosure and transparency

- Transactions with Related parties shall be at arm's length and at fair value which, in the absence of any other pertinent factors, shall be at market value. All material transactions between the company and a member of the Board of Directors, a majority shareholder, a leading employee or their related parties shall be on arms length basis.
- The Board and the Management team shall at all time see to it that the company has adequate systems and internal control routines for any risks relevant to the Company and its businesses.
- Internal control and Risk Management shall be continuously evaluated and the Board shall assess the Risk Areas, Risk Management and its internal control systems.

6

## Auditor

Each year the Auditors shall present to the Audit Committee a plan for the implementation of the audit work. This plan subsequent to Audit Committee's review shall be placed before the Board for approval. The Auditor shall provide a written confirmation relating to independence, objectivity and the Auditor's willingness to take up engagement as Auditor.

The Auditor shall be present at the Board meetings where annual accounts are on the agenda. Wherever necessary, the Audit Committee or the Board shall meet with the Auditor to review his view on the Company's Accounting Principles, risk areas, internal control routines, etc



The Board shall present, in the Ordinary General meeting a review of the auditor's compensation as paid for statutory Audits and remuneration paid for other concrete assignments.

## 8 Shareholders' General Meeting

The Company shall summon the Shareholders' to a general meeting at a minimum 21 days notice. Documents in sufficient details as are necessary for the Shareholders to prepare an opinion shall be sent along with the meeting notice.

The notice shall address the Shareholders right to propose resolutions to the matters to be resolved upon in the General Meeting and give information regarding the required steps necessary to exercise Shareholders' rights.

The cut-off for confirmation shall be set as short as possible and Board shall arrange matters so that the Shareholders who are unable to come can vote through proxy. The proxy forms along with the general meeting notice shall be made available through post, emails or hosting on the company's website.

## 9 Shareholders

### Rights of Shareholders

Shareholders shall have the following statutory rights:

- 1) Buy, Sell or transfer shares held by them.
- 2) Share in the profit of the company
- 3) Obtain relevant and adequate information on the company in a timely and adequate manner and on a regular basis.
- 4) Participate and vote in the meetings



- a. To elect or remove members of the Board
- b. Appoint the external auditor
- c. To make decisions on any transactions that affect the company, including but not limited to, Dividends payment, amendments to the company's Articles of Association or the company's bylaws, capital increases or decreases and the approval of extraordinary transactions.

To uphold the Shareholders' rights the Board of Directors shall:

- ❖ Send an advance notice to attend the meetings accompanied with relevant details for introspection on the issues to be discussed and decided in the meeting.
- ❖ Not in any way restrict the flow of information to the Shareholders. The Shareholders shall receive the adequate information regarding the procedures and conduct of the meeting and the key issues to be decided in the meeting. Such information shall be shared by the company through channels which are sufficient to achieve this purpose.
- ❖ Ensure that the meetings are held at a convenient location on a business day and the meeting venue shall have adequate facilities, including the safety and emergency facilities, for the conduct of such a meeting.
- ❖ Post the relevant information on the company's website before posting the notice so that the shareholders can study all information prior to receiving the notice.
- ❖ Provide shareholders adequate opportunities to express their queries, both before and during the meeting, and participate in the conduct of the meeting. The Chairman shall ensure that sufficient time is apportioned for queries from the shareholders and the queries are duly addressed.





- ❖ Ensure that the Shareholders have the right to vote on each item separately and the voting equipment and procedures are simple and capable of compiling the results in a timely, transparent and credible manner.
- ❖ Ensure that voting procedures and equipment for voting on the Board of Directors shall satisfy all the requirements mentioned above.
- ❖ Be present for the meeting in full strength along with the Corporate Secretary in order to answer shareholders' queries and take note of their opinions.
- ❖ Encourage and allow the shareholders to directly question the chairpersons of the committees responsible for any specific issues.

### Equitable treatment of Shareholders

The shareholders may not hold equal amount of shares but their basic rights shall be the same. Shareholders regardless of their gender, age, race, nationality, political opinion, disabilities or religion shall be given same treatment by the Board. The Board and the management shall:

- ❖ Treat the shareholders with equal respect.
- ❖ Communicate the information in a language suitable to the investors which may be English or Thai or both..
- ❖ Respect the Shareholders right to appoint a proxy if they are unable to attend the Meeting and provide a proxy form alongwith instructions to fill the form. An individual who shows the duly filled proxy form shall be entitled to attend and vote in the meeting.
- ❖ Encourage minority shareholders to propose items for the agenda and nominate Independent Directors and the office of President and Corporate Secretary shall take efforts to bring this up to the other Shareholders.



- ❖ Provide inside information and formulate procedures and communicate them to everyone in the company and make it compulsory for Directors and Executives to submit to the Board a report on their ownership of the Company's shares.
- ❖ Ensure that shareholders with management positions should not add any agenda items without notifying other shareholders in advance especially if it is an issue that will require shareholders to spend a good deal of time to study relevant information before making their decisions.