



Human
Wellness

BOARD POLICY



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



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Introduction

Mega Lifesciences Limited's Board of Directors shall comprise of individuals of high expertise and experience with a demonstrated track record of operating in their areas of expertise with a high level of integrity. The Board shall be appointed by the Shareholders to oversee the operations. The Board shall, with due approval of the shareholders wherever necessary, appoint management in charge of various functions or in general, various committees to serve specifically defined purpose identified for such committees, the company's auditor and the corporate secretary to manage meetings and ensure compliance with laws and regulations.

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Composition and Appointment

The Board of Directors shall be led by the Chairman of the Board and shall direct and control the management of the company. It shall be responsible for the strategic direction of the company's operations and achieving the company's targets. The Board shall be responsible for maximizing the value of all stakeholders' money invested in the company. The Board shall represent the company and be responsible to the General Public and various other stakeholders.

- ❖ The Board must comprise minimum 7 Directors of which minimum one third (1/3rd) shall be Independent Directors provided that the Independent Directors shall not be less than Three (03) in number at any given point of time.
- ❖ Independent Directors will be selected as per the requirements laid down in this policy.
- ❖ The Board members shall have a background of experience in diverse fields.



- ❖ The Board of Directors shall encourage minimum attendance in minimum 75% meetings for individual Directors and on the whole
- ❖ The Board meetings shall have a quorum of minimum 2/3rd of the total number of Directors.
- ❖ No Director shall hold Directorships in more than three (03) companies listed on the Stock Exchange of Thailand.
- ❖ Executive Directors shall not hold positions outside the group in more than 2 public listed companies or 3 private companies as Board members.
- ❖ Independent Directors shall not hold their position as Independent Directors for a continuous period exceeding nine (09) years.
- ❖ No Director shall hold Directorship in any other company which is engaged in a business which is directly competing with the Company unless if it is disclosed to the Board and the Board has approved such association.
- ❖ Each Director shall be qualified under the Public Company Law, Securities and Exchange Act and shall possess other Standard Qualifications as required by the applicable laws.
- ❖ The Chairman of the Board must not be more than 75 (Seventy Five) years old and the other Directors must not be more than 65 (Sixty Five) years old and the term of appointment shall be Three (03) years.
- ❖ The Appointment process of Directors shall be transparent. The Remuneration and Nomination Committee shall nominate the names of the Directors and the names along with appropriate resume shall be presented to the Shareholder's for their approval in a General Meeting.
- ❖ The profile of all the Directors shall be presented in the Annual information disclosure (Form 56-1), Annual Report (Form 56-2) and on the Mega Lifesciences Limited website.



Directors shall participate in and vote on only such decisions and express opinions on such decisions which fall under their authority. The independence of the Board is necessary to ensure that the Directors can function with the best of their abilities and knowledge. In situations where the Director has any conflict of Interest or is not able to ensure arms length dealing then the Director shall not vote and may even chose to stay out of the meeting while decisions on such transactions are being taken.

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Roles and Responsibilities

The Board shall act in the best interests of the shareholders and with the highest degree of professionalism as is mandated by the position. Board shall make decisions on important matters and protect all shareholders' value and assets. The Board is expected to perform its duties and carry on business in accordance with applicable laws, regulations and related policies. They are authorized to carry on activities as per the Articles of Association or those related thereto under the Public Companies Act B.E. 2535.

Duties and Responsibilities of the Board shall include, but are not limited to:

- ❖ Act with care and exercise their duty of care to preserve the interests of the company.
- ❖ Develop and monitor the Strategy and ensure that the company is moving ahead in the stated direction. The Board shall identify the potential risk factors and ensure that the company achieves or appropriately changes its direction.
- ❖ Approve the Mission statement, Vision, Values and Business Ethics and Code of Conduct.



- ❖ Review and propose to shareholders the company's Quarterly and Annual financial statements to ensure that due reporting standards are observed and financial targets as well as business plans are aligned with the strategy and future direction. The Board shall ensure that the management is moving ahead as per the approved business plans.
- ❖ Ensure that the company's accounting systems and internal controls are reliable and effective and the system of audits of such accounting systems and internal controls is credible and effective.
- ❖ Ensure that the Risk Management procedures have been appropriately set considering the potential risk factors. The Board shall ensure that the management has an efficient risk management processes in place and it has the ability to identify the business opportunities arising from such risks.
- ❖ Identify and resolve any existing or potential conflicts of interest and examine the key transactions to ensure that they are being done on Arms length basis.
- ❖ Ensure appropriate remuneration system for recruiting and retaining senior management.
- ❖ Ensure that appropriate information is communicated to the Shareholders and such disclosures shall be done with the highest levels of accuracy, integrity, transparency and timeliness.
- ❖ Responsible for deployment of profits and shall consider paying Dividends after absorbing accumulated losses, if any.
- ❖ Consider and approve the acquisition or disposition of assets, investments in new businesses, and any operational matters required by relevant laws, notifications, rules and regulations
- ❖ Consider seeking advice from independent advisors, as deemed appropriate, at the company's expenses to support the Board's decision making.



The Audit and Corporate Governance Committee shall comprise of Independent Directors only. The Committee shall have minimum Three (03) members. The Committee shall be appointed by the Board of Directors and one of the members shall be appointed by the Board of Directors as the Chairman of the Committee. The members of this Committee shall not be related to any other Directors or the major Shareholders of the company. The Committee shall be able to perform, express its judgment or opinions on duties assigned by the Board of Directors without being controlled by the management or major shareholders or a related person. The committee shall comprise of minimum one member with financial and accounting expertise. The Committee members shall possess the minimum qualifications as required by the Securities and Exchange Commission's (SEC) notification regarding qualifications and scope of work of Audit Committees. Apart from the qualifications specifically mentioned in this section, the Committee members shall possess such qualifications as may be laid down under this policy for the Directors and Independent Directors.

The Roles and Responsibilities of this Committee shall be as below:

- a) Review the process of preparation of financial statements to ensure accuracy and adequate disclosures.
- b) Ensure that the company has sufficient internal controls and the system of Internal Audit is independent and effective.
- c) Review the Risk management system and suggest improvements if any.
- d) Review the Corporate Governance Policy and make recommendations to the Board to maintain the same at international standards.
- e) Review the performance of the company to ensure compliance with the Securities and Exchange Law and other laws relating to the business of the company.



- f) Select and Nominate for shareholders' approval, the external auditors and recommend remuneration for the external auditors. The Committee may meet the external auditors if necessary.
- g) Review related party transactions that may lead to conflict of interest and to ensure the disclosure of such transactions.
- h) Provide a report of the Committee's activities and present in accordance with the Stock Exchange of Thailand's regulations and disclose it in the Annual report, such report shall be signed by the Chairman of the Committee.

The Remuneration & Nomination Committee shall comprise of minimum three (03) Directors of which minimum one (01) shall be an independent Director. The Committee shall ensure that there is a fair and adequate compensation policy for staff and management and shall propose the criteria and set up guidelines for nominating new Directors and for recruitment and selection of top executives for the company and make suitable proposals to the Board. This Committee shall review the compensation paid to Directors. The remuneration for Board of Directors shall be proposed by this Committee and with the Board's approval place for further approval by the Shareholders. The qualifications relating to Independent Directors and other Directors shall apply respectively to each of the members of this Committee.

Duties and responsibilities:



- a) Propose to the Board, compensation guidelines for Directors and Senior management.
- b) Propose Directors' remuneration to the Board for its approval upon which the Board shall further place the same for approval in the Shareholders' meeting.
- c) Update the Board about the compensation norms in the industry.
- d) Propose guidelines for selection and nomination of Directors to the Board of Directors.
- e) Review the Board structure and propose a succession plan for Directors and Senior Management.
- f) Propose to the Board the names of the potential candidates for appointment as Directors.
- g) Propose a person to be a director of the Company, in case any vacancy of the Board arises other than due to retirement at end of term, provided that such person shall be qualified to be a director and does not possess any disqualifications as prescribed by the Public Companies Act, 2535.
- h) Such other matters as the Board may assign.

Nomination Criteria:

- a) Experience, Qualifications and other criteria which reflect the ability of the candidate to add value to the Board.
- b) Qualities required for good leadership, good corporate governance and ability to live the values of the company.
- c) The person should not be blacklisted by the SEC (Securities Exchange Commission, Thailand)
- d) The candidate, if considered as an Independent Director, should possess the qualifications as laid down for Independent Directors in this policy.



- ❖ Meeting schedules shall be circulated and approved by the Board for the year in advance, including the Annual General Meeting date for the year which can be planned along with the Board meetings.
- ❖ The Board shall devote its time and efforts for the Mega Lifesciences Limited's operations and shall hold meetings regularly. The Board shall meet at least 4 times in a year. The Corporate Secretary shall coordinate the meetings and prepare the necessary documents and invitations. The quorum shall be at least half the total number of Directors.
- ❖ In a case where the Director is unable to attend the meeting a notice to the Chairman in writing or email is necessary. If a Director is absent from minimum 3 meetings without an acceptable reason the Board may treat this as unwillingness to act as a Director.
- ❖ The Chairman in consultation with the CEO will approve the Agenda and proposals by other Directors shall be considered by the Board for the next meeting if found appropriate.
- ❖ The Chairman must ensure that the Board allocates sufficient time for the management to present information for the Directors to discuss important issues.
- ❖ The Chairman must ensure that the Directors receive relevant information relating to matters to be discussed at least 7 days before the meeting to allow them sufficient time to review and study the decisions to be taken.
- ❖ The Board can request additional documents or information if the information or documents already sent are not sufficient to decide on the matters being discussed.
- ❖ The Board may also request at Mega Lifesciences Limited's expense, independent advice from external consultants.
- ❖ Any Director who has interest or involvement in any item on the agenda must not vote or express views on that item and may even leave the room while the matter is being discussed.



- ❖ The minutes of the Board meeting shall be clearly drafted to indicate the resolutions and also the comments by the Directors. Details of director/s' voting against any resolution shall be specifically recorded in the minutes of meeting.
- ❖ The Board shall appoint a Corporate Secretary in accordance with the Securities and Exchange Act. The responsibilities of the Secretary are to assemble and arrange the documents for meetings, retain and submit a copy of interests filed by the Directors or executives to the Chairman of the Audit Committee within 7 days. The Corporate Secretary shall be in charge of other tasks as are directed by the Capital Market Supervisory Board in accordance with the Securities and Exchange Act. After appointing the Corporate Secretary, the Chairman of the Board shall notify the Office of the Capital Market Supervisory Board within 14 days.
- ❖ The office of the CEO and the Corporate Secretary are responsible for arranging the Board Meetings and the Annual General Meeting of Shareholders as well as providing Legal advice and Training and other useful information to the Board.

- ❖ The Remuneration & Nomination Committee is responsible for providing advice to the Board concerning remuneration to the directors and the CEO. The formulation and structure of such remuneration shall be in line with the Board's performance. The remuneration structure shall be clear, transparent and easy to understand.
- ❖ The Board shall propose the Remuneration packages as an item on agenda for Shareholders meeting for consideration.



- ❖ The Board and Senior management shall disclose the policy, principle and rationale underlying the directors' remuneration in the Annual Report and financial statements.

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Succession Plan

The Board shall ensure that Mega Lifesciences has an appropriate nomination and nurturing process for key management positions at all levels.

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Independent Directors

Independent Directors shall be those who are:

- Not employees of the company or its subsidiaries
- Experts in the industry or any function which they review in the company.
- Having no business or dealings or relation with the company or its subsidiaries which will compromise the interests of the company or its shareholders

The Independent Directors shall be members of Committees and shall be available for retirement by rotation. The Board may assign a time limit for the Independent Directors, however, this shall be reviewed considering the expertise and the knowledge about the company operations that the Independent Directors possess.

Qualifications of Independent Directors



They must not hold shares in the company either directly or indirectly exceeding 0.75% of the paid up capital of the company.

They must not be involved in the day to day management of the company or a related business or any of its subsidiaries or associated companies.

They must not be related directly or indirectly to any of the other Directors.

They must not have a related business pursuant to the regulations of the Securities and Exchange Commission and also must be free from any direct or indirect financial or other interest in the management and business of the company, its subsidiaries, associated companies or major shareholders.

They must not be acting as the Nominee or representative of any Director, major shareholder/s, relative of such shareholders of the company.

[Roles and responsibilities](#)

The Independent Directors shall regularly attend the Board meetings and Committee meetings held.

The Independent Directors shall have access to the Financial and such other Business information as is necessary to perform their roles.

The Independent Directors shall provide a letter of confirmation of independence or no conflict of interest to the company on the date they accept appointment or a later date.

The Independent Directors shall possess the expertise and abilities to understand the company's business objectives and shall learn about the company's business and offer independent views on matters involving their views.

The independent Directors may decide to meet separately as and when required.



We care