

Corporate Governance Policy

Bangkok Lab & Cosmetic Public Company Limited ("the Company") has complied with the laws, objectives, the Company's Articles of Association, and the resolutions of Shareholders' Meetings. Realizing the significance of good corporate governance, the Company pledges to conduct business with adherence to the eight principles of good corporate governance for listed companies recommended by the Securities and Exchange Commission (SEC). In line with these principles, the Company has formulated operational guidelines to ensure improved operational efficiency and transparency, resulting in investor confidence in the Company's business operations. The Policy encapsulates eight principles of good corporate governance:

1 Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

1.1 The Board of Directors understands and recognizes its leadership roles and responsibilities in overseeing and ensuring the Company's effective operations, encompassing

- (1) Setting objectives and goals
- (2) Defining strategies and operating policies, and allocating resources to accomplish objectives and goals
- (3) Monitoring, assessing, and overseeing the reporting of operating results

1.2 To create sustainable value, the Board of Directors ensures the following minimum governance outcomes:

- (1) Competitiveness and performance with long-term perspective
- (2) Conducting business with ethics, responsibility, and respect for rights of shareholders and stakeholders (Ethical and responsible business)
- (3) Contributing to society and developing or reducing environmental impact (Good corporate citizenship)
- (4) Ability to adjust amid the changing factors (Corporate resilience)

1.3 The Board of Directors ensures every director and executive performs their duties with due circumspection and caution (Duty of care), with faithfulness and honesty (Duty of loyalty), and in compliance with laws, objectives, the Company's Articles of Association, and the resolutions of Shareholders' Meetings.

1.4 The Board of Directors understands and recognizes its roles and responsibilities and clearly defines the scope of roles and responsibilities of the Chief Executive Officer (CEO) and the Management along with overseeing that they perform their duties as entrusted.

2 Principle 2: Define Objectives that Promote Sustainable Value Creation

2.1 The Board of Directors defines and oversees that the Company's objectives and goals are to achieve sustainability and are consistent with creating value for the Company, customers, stakeholders, and society as a whole.

2.2 The Board of Directors oversees to ensure the Company's medium-term and/or yearly objectives, goals, and strategies are in alignment with the Company's key objectives, and goals by adopting safe and appropriate innovations and technology.

3 Principle 3: Strengthen Board Effectiveness

3.1 The Board of Directors is responsible for defining and reviewing the structure of the Board of Directors in terms of the number of directors and the proportion of independent directors that are appropriate and necessary to enable the Company to accomplish its established objectives and goals.

3.2 The Board of Directors selects an appropriate person as Chairman of the Board and ensures the composition and undertaking of the Board allow the directors to express opinion independently.

3.3 The Board of Directors ensures a clear and transparent nomination and selection process for directors to ascertain the Board of Directors possesses the required qualifications in accordance with the Board Skills Matrix.

3.4 To seek shareholders' approval for the director compensation, the Board of Directors considers that the remuneration structure and director compensation are appropriate with their responsibilities and motivate the Board to direct the Company to operate in accordance with its short-term and long-term goals.

3.5 The Board of Directors oversees that every director performs his/her duty responsibly and dedicates appropriate time to the Company.

3.6 The Board of Directors ensures the frameworks and mechanisms are put in place to direct the policies and operations of subsidiaries and other significant investment projects at a level appropriate for each business and ensures the subsidiaries and investment projects share the same accurate understanding.

3.7 The Board of Directors undergoes a performance assessment of the Board of Directors and sub-committees on a yearly basis as a whole and self-assessment. The results of the assessment will be used to further enhance the Board of Directors' performance.

3.8 The Board Director shall ensure that each director understands his/her roles and responsibilities, the nature of the business, and relevant laws, and shall encourage all directors to enrich their skills and knowledge for their performance of duties on a regular basis.

3.9 The Board of Directors shall ensure the directors perform their duties in an orderly way, gain access to necessary information, and ensure that the Secretary to the Board has the knowledge and experience beneficial to support the Board's responsibilities.

3.10 The Board of Directors directs the formulation of the Conflict of Interest Policy and the Connected/Related Transaction Policy.

4 Principle 4: Ensure Effective CEO and People Management

4.1 The Board of Directors ensures the nomination and development of CEO and Top Executives who possess the knowledge, skills, experience, and qualifications needed to drive the Company toward achieving its goals.

4.2 The Board of Directors ascertains the establishment of an appropriate remuneration structure and assessment.

4.3 The Board of Directors understands the structure and relationship of shareholders which may impact the Company's operation and management.

4.4. The Board of Directors oversees and monitors human resources management and development to ensure an appropriate number of personnel with knowledge, skills, experience, and motivation for work.

5 Principle 5: Nurture Innovation and Responsible Business

5.1 The Board of Directors places great significance and supports the development of innovations that create value for the Company and benefit consumers, customers, and stakeholders together with taking responsibility for society and the environment.

5.2 The Board of Directors ascertains that the Management carries out business with responsibility for society and the environment, which reflects in the operational plan to make sure that every unit in the Company operates in consistency with the Company's key objectives, goals, and strategies.

5.3 The Board of Directors shall monitor to ensure the Management allocates and manages resources efficiently and effectively with consideration for impact as well as develops the resources throughout the value chain to achieve key objectives and goals sustainably.

5.4 The Board of Directors ensures the provision of frameworks for overseeing and management of a corporate-wide IT system that aligns with the Company's needs and ensures the implementation of IT to expand business opportunities and to develop operations and risk management, enabling the Company to accomplish key objectives and goals.

6 Principle 6: Strengthen Effective Risk Management and Internal Control

6.1 The Board of Directors ascertains that the Company has implemented risk management and internal control that allow for the effective accomplishment of the Company's objectives as well as practices that comply with relevant laws and standards.

6.2 The Board of Directors shall appoint the Audit Committee capable of performing their duties efficiently and independently.

6.3 The Board of Directors monitors and manages a conflict of interest that may arise between the Company and the Management, Board of Directors, or shareholders as well as prevents any misuse of the Company's assets, information, and opportunities, and entering into transactions with the related persons inappropriately.

6.4 The Board Directors oversees and mandates formulation of a clear anti-corruption policy and guidelines and communicates them to the Company's employees at all levels and to outsiders to ensure compliance.

6.5 The Board of Directors oversees to ensure the Company has put in place mechanisms to handle whistleblowing and complaints.

7 Principle 7: Ensure Disclosure and Financial Integrity

7.1 The Board of Directors monitors and ensures that the preparation of financial statements and disclosure of material information are accurate, sufficient, and timely and are in compliance with the relevant regulations, standards, and guidelines.

7.2 The Board of Directors monitors the Company's liquidity and debt service.

7.3 In the event the Company faces or may face a financial problem, the Board of Directors shall ascertain that the Company has emergency plans and mechanisms to resolve the problem with consideration for the rights of stakeholders.

7.4 The Board of Directors monitors the preparation of a Sustainability Report as deemed appropriate.

7.5 The Board of Directors ensures that the Management has set up a dedicated function or person responsible for investor relations to communicate with shareholders and other stakeholders such as investors and analysts in a proper, equitable, and timely manner.

7.6 The Board of Directors shall promote the use of IT in information dissemination.

8 Principle 8: Ensure Engagement and Communication with Shareholders

8.1 The Board of Directors shall ensure shareholder participation in key decisions of the Company.

8.2 The Board Directors ensures that an Annual General Meeting of Shareholders is conducted with orderliness, transparency, and efficiency and allows shareholders to exercise their rights.

8.3 The Board of Directors ensures accurate and complete disclosure of the Shareholders' Meeting resolutions and preparation of the minutes of the Shareholders' Meeting.

Review of the Policy

The Corporate Governance Policy is reviewed and assessed for completeness and adequacy every year.

This Corporate Governance Policy was approved by the Board of Directors' Meeting No. 6/2565 on October 19, 2022 and took effect from November 10, 2022 onwards. Continuous enforcement of the Policy is endorsed upon the conversion of the Company into a public limited company.