

Policy on Good Corporate Governance

Leo Global Logistics Public Company Limited

Policy on Good Corporate Governance

Leo Global Logistics Public Company Limited (“the Company”) has conducted its business according to the Law, its objectives as well as all regulations and resolutions approved at the Company’s Shareholders’ Meetings. It also abides by and complies with the principle of Good Corporate Governance under the guidelines imposed by the Stock Exchange of Thailand. This is to enhance the Company’s operation efficiency and to ensure the Company’s transparencies in the eyes of investors, and thus building trust when conducting businesses with the outside people. The Company has, therefore, established this policy on Good Corporate Governance according to Corporate Governance Code for listed companies 2017 which comprises 8 principles as follows:

Principle 1: Recognize the roles and responsibilities of the Board of Directors as the corporate leader who creates sustainable value for the business

The Company clearly defines the Board of Directors’ roles and responsibilities as detailed on Charter of the Board of Directors. According to the Charter, the Board possesses the important duty in driving the organization towards successful management. The duty covers setting up the main objectives and targets of its business operation, operational policies, risk management, business strategies as well as the allocation of important resources to enable its staff to achieve the goals and objectives set. In this, the Company’s Board of Directors will follow up the process, evaluate and appropriately report the Company’s operation results.

However, the Company’s Board of Directors will oversee the business operation in an ethical manner, respect the rights of and take responsibilities to shareholders and all stakeholders for the sake of social benefits, care about the environment by ways of development or lessening the negative impacts on it, and enable the Company to always keep adjusting itself to get ready for any possible changes while maintaining its competitiveness to achieve good operational outcomes and long-standing benefits for shareholders and all stakeholders.

Moreover, the Company’s Board of Directors has also imposed the Chief Executive Officer’s duties and responsibilities and will supervise the Directors, the CEO, the Executives and other employees in order that they perform their duties as defined in a responsible, careful and honest manner for the utmost benefit of the Company. This will also be based on sufficient data and without having stake, whether directly or indirectly, in matters requiring decision making. The Company’s Board of Directors will oversee the Company’s business operations in compliance with the law, as well as the regulations and resolutions approved at Shareholders’ Meetings.

Principle 2: Establish objectives and main goals of the business toward sustainability

The Board of Directors will determine the Company's main objectives and goals that can sustainably create values not only to the Company itself but also to the customers, all Stakeholders and to the society as a whole which is in compliance with the organizational vision, mission and value, and it will also set up annual strategies, goals and working plans which are all in line with the aforementioned main objectives and goals of the Company making appropriate use of innovations and technologies based on social and environmental responsibilities.

The Company has determined its vision, mission and core values as follows:

• Vision

To be Thailand's Leading End – to – End Global Logistics Services Provider with sustainable growth and the first company of choice for customers and employee's mind.

• Mission

The Company has realized the principle of Good Corporate Governance and has thus established its mission to ensure sustainable growth and to earn trust from its customers, business partners as well as its staff in an attempt to operate the business effectively and in a quality-conscious manner with continual improvements according to the 4 principles of Quality Policy as follow:

1. HIGH-CUSTOMER SATISFACTION : HCS
2. EXCELLENT WORKING SYSTEM : EWS
3. QUALITY HUMAN RESOURCE : QHR
4. HEALTHY GROUP OF COMPANIES : HGC

• Core Values

The Company has set up LEO Core Values in order to cultivate the employees' common awareness on working attitudes and principles; the LEO Core Values are as follows:

- L Leading with ethics and integrity
- E Excellence teamwork with service mind
- O Open for continuous learning and improvement

Principle 3: Strengthen effective committees

The Company's Board of Directors consists of persons with knowledge, abilities and experiences who can perform their duties to benefit the Company, and they are also accepted by all related parties and

have an important role in determining the organization's policies and its overview and in overseeing, verifying, and evaluating the Company's business operations to be in conformity to the plans set.

The Company's Board of Directors consists of nine directors divided into Executive Directors and Non-Executive Directors, with not less than one third of the total number of them being qualified as independent directors thereby making it possible to maintain a balance of power when it comes to scrutinizing and voting for matters. In this, description on the composition of the Board of Directors, the qualifications required for the Chairperson and those of the Company's directors, terms of office, authorities and responsibilities, work performance appraisal, selection, determination of remunerations will be as set out in each of the Board Charters. However, the Company's Directors will hold their positions for no more than three years at a time as stipulated by the applicable law. Nevertheless, Independent Directors will continuously hold their positions no more than nine years, except that they are deemed suitable, by the Company's Board of Directors, for furthering their office terms for the utmost benefit of the Company. In addition, the Company's Directors and Executives will be able to take the position of Directors and Executives in the affiliated companies or other companies in the event that it is in compliance with the applicable laws and regulations and on condition that they report the matter at the Board of Directors' Meeting.

Moreover, the Company's Board of Directors has also set up its sub-committees to help each of the Boards to set out their policies and strategies and achieve the Company's goals in a quality-conscious and effective manner. They are as follows:

(1) The Audit Committee consists of three Independent Directors to help support the Board of Directors in supervising and verifying the Company's managerial work, internal control and compliance with the applicable laws including the review of financial reports to make sure the work operation and the revelation of data are performed in a transparent and reliable way.

(2) The Executive Committee consists of five members who perform their duties in assisting the Company's Board of Directors to manage the Company's businesses in conformity with the policies, plans, regulations, any orders including the set goals under the framework provided by the Company's Board of Directors.

(3) The Nomination and Remuneration Committee consists of three Nomination and Remuneration Directors, more than half of which including Chairman of the Committee being Independent Directors. Their duties involve recruiting persons with appropriate qualifications to fill the positions of Directors and high-ranking Executives and also defining the format and criteria for payment of remunerations for the Company's Directors, Chairman of the Executive Committee, Sub-Committees, the Chief Executive Officer and the Company Secretary to submit their proposal to the Company's Board of Directors to be further considered for approval and/or submit it to the Shareholders' Meeting to be further considered for approval (as the case may be). As for the Directors' remuneration which includes monthly remuneration and/or

meeting allowances, the Company has set up the Nomination and Remuneration Committee to define the format and criteria for payments of Directors' remunerations and submit them to the Shareholders' Meeting to be considered for approval. In so doing, the Directors' remunerations are required to meet the average criteria when comparing with those of other companies in the same industry, and this is based on the appropriation with their duties and responsibilities.

The Company's Board of Directors has defined a framework and a mechanism in overseeing the policies and work executions of its Subsidiaries and Associated Companies. This is by setting up a policy to invest and oversee the work executions in Subsidiaries and Associated Companies; this includes keeping the operations in both Subsidiaries and Associated Companies accurate and in alignment.

The Company's Board of Directors holds the Board's meeting at least once every quarter plus additional special meetings when necessary. In this, meeting agendas are clearly determined in advance, including a regular one which involves following up the operation results. The Company will submit a letter of invitation to each of the Directors not less than seven days before the meeting date (except in case of urgency) and will also submit the meeting documents to all Directors not less than five days before the meeting date (except in case of urgency) to provide them enough time for studying the information before attending the meeting. The meeting minute will be made and all the certified documents will be compiled to be used as references and can be examined. And in every meeting, there should be some executives and those involved present at the meeting to give additional information and details in an accurate and timely manner.

In voting for resolutions at the Company's Board of Directors' Meeting, it is defined that the rule of "majority vote" be used based upon the principle of "one person, one vote", and the Director who has any stake on any agenda will be required not to vote on that specific agenda. Nevertheless, in case of equal votes, the meeting Chairman will cast his decisive vote. In case there is a Director who is a stakeholder on any meeting agenda the Company will request the Director to report his holding of the stake under such an agenda at least before the consideration on related agendas at the Company's Board of Directors Meeting and record the stake holding in the meeting minute. This includes the prevention from attending the meeting the Director who has a significant stake in any agenda on which he cannot freely give his opinions on such an agenda.

In addition, the Company's Board of Director encourages Work Performance Appraisal at least once a year to improve and correct the work executions; this is with the meeting topics clearly determined before measuring the appraisal results in order to compile opinions and submit them to the meeting.

However, the Company's Board of Directors has appointed the Company Secretary who perform the duty related to the Board of Directors' Meetings, Shareholders' Meetings and support the Board of Directors'

jobs by providing advices on legal requirements and different guidelines in relation to the Board's fulfillment of duties including the job of coordinating compliance with the Company's Board of Directors' resolutions.

Principle 4: Nominate and Develop Senior Executives and Management

Besides putting an emphasis on the recruitment and nomination of the Company's Board of Directors, the Company also realizes the importance of the recruitment and nomination of High-Ranking Executives as well as Employee Development which can be viewed as cogs that drive the organization towards the policies and strategies as defined by the Board of Directors.

The Company's Board of Directors has defined the qualifications and attributes needed for the Executives and/or the Employees in each field to pave the way for recruiting employees with knowledge, skills and experience that match the Company's requirement and are able to take different positions.

The Executives will receive their payoffs in forms of monthly salary and yearly bonus based largely on the Company's operation results. This is to motivate work service provision that is in compliance with the Company's important Objectives and Goals as well as its business benefits in the long run. However, the overall amount of the Board of Directors' and the Executives' yearly return must not be equal to an abnormally high amount compared with the average return amount of all Directors and Executives of the listed companies in the Stock Exchange of Thailand for the sake of Shareholders at most.

The Board of Directors needs to understand the shareholders' structure and relationship, which may influence the management control power.

For employee development, the Company's Board of Directors has a policy to promote and facilitate trainings and transfers of knowledge for those involved in the Company's Corporate Governance System, for example, the Company's Directors, the Audit Committee member, the Executives and the Company's Secretary to ensure its continual improvement. However, the trainings and transfers of knowledge may be provided inside of the Company or may be conducted using the services of outside institutions. And in case there is a change in director position or a new Director has joined in, the administrative section will arrange the documents and all information beneficial to the new Director's fulfillment of duties, including providing the introduction to the Company's nature of business and guidelines for conducting businesses to the new Director.

In addition, the Company's Board of Directors will set up a job rotation program in which the Executives and Employees will exchange their job assignments according to their skills based mainly on the appropriation of work and time; in this, the CEO will define the duration and examine such working outcomes to facilitate the Company's developing and job succession planning. This is to develop the Executives and Employees' work knowledge and abilities and enable them to fill in one another's job.

Principle 5: Promote innovation and responsible business conduct

The Company's Board of Directors also puts an emphasis on the development of innovations for the Company's sustainable growth. It, therefore, encourages the Management to find new products with innovations and up-to-date technologies that create benefits for the society and for customers' use together with maintaining the environment and it also encourages to implement up-to-date Information Technology in the organization and set up a supervising framework and organization-level IT management to develop the work executing process and run the risk management to enable the Company to achieve the main Objectives and Goals in a sustainable way.

The Company's Board of Directors will keep track of the Management's work executions so that they perform them with awareness of social and environmental responsibilities. Such a matter is reflected on the action plan for complying with objectives, goals and business strategies. Therefore, the Company will comply with the applicable laws and regulations to maintain such stakeholders' rights well enough. Moreover, in operating its businesses, the Company takes into account the stakeholders' rights as detailed in the following guidelines:

- Shareholders** : The Company will operate its business in a transparent and effective way being committed to creating good operating outcomes and to secure growth to bring the Shareholders utmost benefits in the long run including revealing the data to Shareholders in a transparent and reliable manner.
- Employees** : The Company will treat each of its employees in a fair and equal way and give them appropriate returns. Besides, the Company also see the importance of constantly developing the employees' skills, knowledge, abilities and potentials; for example, it provides trainings and seminars, and gives the employees enough chances and tries to create motivation to retain the talented employees to further develop the organization and also set up the guidelines for combating corruptions including cultivating them to comply with applicable laws and regulations, for example, the law on the serious prohibition of internal data use.
- Business Partners** : The Company has a process for business-partner selection; this is by ways of letting them compete on equal information and make selections with fairness under the Company's criteria for evaluating and selecting business partners. Also, it creates the contractual formats which are suitable and fair for each of the contract parties and sets up a tracing system to ensure the completion in fully complying with the terms and conditions stipulated on the contract to prevent from corruptions and misconducts in every step of procurement process; in other words, the Company will purchase products from a business partner under the trading conditions by strictly complying with the contract.

- Customers** : The Company has taken responsibilities to customers by keeping the standards of its services including serving the customers' needs as completely and comprehensively as possible to focus on long-term customer satisfaction. Besides, the Company has provided accurate information on its services and also provided its customers with some channels in which the customers can inform of their problems or undesirable services so that the Company can quickly prevent and correct them.
- Creditors** : The Company will comply with terms and conditions defined in compliance with the Contract with the Creditor at most and will repay principle and interest including protecting all collaterals under related contracts.
- Competitors** : The Company acts within the frame of competition, cringing to ethics while being within the frame of law and promoting free and fair competition.
- Society and Participating** : The Company cares and gives importance to social and environmental safety and the quality of life of the people involved with the Company's work executions and also promote its employees to be aware of and responsible for the environment and society. This includes building up an atmosphere where all regulations and applicable laws are strictly complied with. What's more, the Company has tried to take part in different activities that create and maintain good environment and society including cultural promotion in the local area where the Company runs its business.

Furthermore, the Company's Board of Directors will help support the Management to develop, allocate and manage resources in an effective and efficient way in search of the success in achieving its Objective, Goals and Business Strategies while taking into accounts effects and all-through-the-chain development of resources (Value Chain).

Principle 6: Ensure appropriate risk management and internal control system

The Company's Board of Directors has initiated the setting up of the risk management policies which covers the whole organization; this includes its supervision to create a risk-management system or process to minimize impacts on the Company's businesses and also an effective internal control system to perform the supervising and internally controlling at both the managerial and operational levels. In this, the Company has employed an outsourcing Internal Auditor to examine and evaluate the sufficiency of the Internal Control System and report the results to the Audit Committee as indicated in the Auditing Plan set.

The Company's Board of Directors has appointed the Audit Committee consisting of three Independent Directors to fulfill its duties in supporting the Board to set up a good supervising system and in auditing the managerial work, the internal control and work operations in compliance with the standard and with trustworthiness according to the Company's policy and not performing any actions in violation of applicable laws. It also performs the job of reviewing the financial report to ensure the transparency and

reliability in the Company's work operations and disclosure of data. In addition, the Audit Committee has another duty to review the financial report in coordination with the Accounting Department and Auditor and submit the audited financial report to the Board of Directors on a quarterly basis. However, the Company's Board of Directors will take the responsibilities for the Company's and its Subsidiaries' Consolidated Financial Reports as well as the Financial Information.

The Company has a careful policy to tackle conflicts of interests in honest, reasonable and independent manner under a sound ethical frame for the benefits of the Company at most. This is to say it requires that those related to the considering transactions disclose one's stake and that of his related persons to the Company and that they not participate and not be authorized to approve such a transaction. However, the Company has the policy to make related parties transactions and ones that are in line with the applicable laws and regulations.

What's more, the Company and its Subsidiaries have a policy to run their businesses by putting an emphasis on combating corruptions, abiding by ethics and morality and on transparent management with responsibilities to all stakeholders.

In case any stakeholders have doubts about the Company executions, they can ask for more details, make complaints or give clues about legal offences, the inaccuracy of Financial Reports, defective Internal Control System or violations of the Company's Code of Conduct. The Company's channels for making complaints or giving clues (Whistleblower) are through the Independent Directors or the Audit Committee members. Nevertheless, all complaints and clues will be kept confidential, and the Independent Directors or the Audit Committee will order the examination of the information and find solutions (if any) and will further report to the Company's Board of Directors.

Principle 7: Maintain financial credibility and disclosure of information

(1) The Company has emphasized on disclosure of information that is accurate, complete, sufficient and timely, be it financial or general information or other information that might have an impact on the Company's Securities' prices which can all result in the decision-making process of the Investors and the Company's stakeholders. Therefore, the Company will conduct the disclosure of information according to the guidelines imposed by Office of the Securities Exchange Commission, Thai Capital Market Supervisory Board and the Stock Exchange of Thailand.

(2) The Company has put an importance on its Financial Liquidity, the ability to repay Debts, Preparation of Financial Statements, and Financial Information declared on the Annual Report. Regarding this matter, the Audit Committee is authorized to review the quality of Financial Report and the Internal Control System, including the sufficiency of disclosure of important information in the Notes to Financial Statements and report ones to the Company's Board of Directors and to provide the report on the

Company's Board of Directors' responsibilities to Financial Reports presented on the Annual Report side by side with the Accounting Auditor's Report. Besides, the Company's Board of Directors has also supported the preparation of "Management Discussion and Analysis", to be used as a supplementary document for the disclosure of Financial Statements in every quarter.

(3) In case the Company suffers or has a tendency to suffer financial problems, the Company's Board of Directors will carefully sustain the Company's Business Execution to make sure the Company has plans to tackle the financial problems, scrutinized with reasonableness with fairness to all stakeholders including the Creditors taken into accounts.

(4) The Company's Board of Directors will prepare the report on sustainability when appropriate.

(5) The Company will provide, at the Head Office, the disclosure of information regarding each of the Directors, the roles and duties of the Company's Board of Directors, the Company's Sub-Committees, the number of Meetings and attendances during the passing year and will reveal opinions given while performing duties, including the occupational trainings and development, Form 56-1: Annual Registration Statements, the disclosure of the Policy on Payment of Remunerations and nature and details of the Remunerations for the Company's Directors and High-Ranking Executives on the Annual Report.

(6) The Company will disclose the Audit fees and Non-audit fees incurred by the services provided by the Accounting Auditor.

(7) The Company will provide a summary report on the Policies of Corporate Governance, Business Code of Conduct, Risk Management, Corporate Social and Environmental Responsibilities that have been approved, including the Operation Results according to such policies as well as the case in which any of the policies cannot be complied with together with the supportive reasons; all will be reported through channels such as the Annual Report and the Company's Website.

Principle 8: Encourage participation and communication with shareholders

(1) The Company's Board of Directors will also supervise to make sure the Shareholders get involved in making decisions on the Company's important matters.

The Company has realized and put an emphasis on respecting rights and equality of all Shareholders with equitability both as Investors in Securities and as Owners of Companies. All fundamental rights that the Shareholders will equally receive such as the right to attend Shareholders' Meetings, the right to express their opinions, and the right to jointly make decisions in the Company's important matters such as allocation of dividends, an appointment or dismissal of Director, an appointment of an Accounting Auditor, an approval of an important transaction that might affect the direction towards which the Company runs its business including the amendment of the Company's Memorandum and regulations. However, the Company

also support the participation of all Shareholders in matters such as the definition of guidelines to allow the minority of Shareholders to propose the addition of meeting agendas and also the guidelines to enable them to nominate a person to take the position of Director.

Moreover, the Company will submit a letter of invitation together with some supplementary information for different agendas which are accurate, complete and sufficient for exercising their rights. This is with the description of objectives, reasons and the opinions of the Board of Directors in each agenda to give them a chance to completely study the information in advance before the Shareholders' Meeting date. On this matter, the Company will submit the letter of invitation together with the supplementary information for each of the agendas in advance before the Shareholders' Meeting date according to the duration as required by the applicable Laws, Announcements, Orders. In case any of Shareholders are not able to attend the Meeting by themselves the Company allow them to nominate an Independent Director or any other person as a proxy to attend the Meeting for them.

(2) The Company's Board of Directors will supervise the work operation on the Shareholders' Meeting date to make it proceed with order, transparency and effectiveness and allow for the Shareholders' use of their own rights.

In organizing a Shareholders' Meeting, the Company will choose to a place that is convenient in terms of travelling to be the Meeting venue, and the date and time will be appropriately defined including the sufficient allocation of time; this is to comply with the Company's policy to facilitate its Shareholders.

Before the Shareholders' Meeting starts, the Meeting's Chairman or his authorized person will explain the voting method and how to count the Shareholders' votes for each agenda. And as the Meeting proceeds, the Company will allow each of the Shareholders to equally use their right to express their opinions, suggestions or freely ask questions on the different agendas related to them before voting within an appropriate and enough period of time. The Chairman of the Meeting or his authorized person will operate the Meeting according to the defined agendas. And the Company will invite its related Directors and Executives to participate and answer questions at every Shareholders' Meeting.

On the agenda for Director Election, the Company will give the Shareholders a chance to use their right to vote for Director Election individually and will also allow the minority of Shareholders nominate in advance persons to take Director positions in proper duration together with supplementary documents indicating qualifications and a letter of consent from the nominated persons.

(3) The Company's Board of Directors will supervise the disclosure of resolutions at the Shareholders' Meeting and the preparation of the Minute for Shareholders' Meeting in an accurate and complete fashion.

After completion of the Shareholders' Meeting, the Company will notify the Meeting resolutions along with the voting results for each of the agendas to the Shareholders through the Notifications of the Stock

Exchange of Thailand for both Shareholders who are present at the Meeting and those who are not present to be informed immediately and equally. Also, the Company will prepare Minute of the Shareholders' Meeting in which all data will be accurately recorded with complete main points, including the issues raised at the Meeting and the responses and the names and surnames of the questioners as well as the answerers', important opinions and suggestions to enable the Shareholders to verify. The report will be submitted the Stock Exchange of Thailand within 14 days from the Shareholders' Meeting date or submitted to such related agencies as Ministry of Commerce according to the period of time as stipulated by applicable Laws, Announcements or Orders.

Nevertheless, this edition of Policy on Good Corporate Governance will be effective from August 14, 2019 onwards.

Note: Approved at the Company's Board of Directors' Meeting No. 3/2019 on August 14, 2019

-Signature-

(Mr. Sanee Dangwung)

Chairman of the Board of Directors

Leo Global Logistics Public Company Limited