



Corporate Governance Code Policy

Charan Insurance Public Company Limited

Creator	Reviewer and Approver	Approved by resolution of the Board of Directors of Directors No. 4/2567 Held on November 13, 2024
Ms. Munthana Peoungpathomporn Company Secretary	Mr. Sukich Charanvas Managing Director	Mr. Sopon Kluaymai Na Ayudhya Chairman of the Board of Directors
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February 22, 2023	-	Annual review / update of investor relations contact list and revision of certain information to ensure accuracy and relevance
October 11, 2024	POL-CG-Rev.01	Enhance and update information to reflect current context, incorporating ESG considerations and policies developed during the year



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Corporate Governance

Corporate governance establishes structures and processes governing the relationships among the Board of Directors, executives, employees, and shareholders. Its objective is to enhance competitiveness and ensure sustainable performance while addressing long-term impacts. The Company conducts its business ethically, respects stakeholders' rights, and upholds accountability to shareholders, stakeholders, society, the environment, government agencies, and regulatory bodies.

The Board of Directors comprises experienced professionals committed to acting responsibly, prudently, and with integrity. They operate in compliance with applicable laws, the Company's objectives, regulations, Board resolutions, and shareholder meeting resolutions. The Board is tasked with formulating strategies, setting goals, and developing annual plans. It ensures the adequacy of risk management and internal control systems, delegates authority effectively to management, allocates resources, prepares budgets, monitors performance, and ensures compliance with financial disclosure policies. Recognizing the importance of internal controls, the Company views them as essential for mitigating business risks, safeguarding assets, and preventing fraud or misconduct. The Board and management exercise due diligence and strict oversight to ensure operations align with legal and regulatory frameworks. Additionally, the Company has an audit committee that complies with the qualifications set by the Stock Exchange of Thailand. This committee ensures effective governance, providing independent opinions on financial reports and internal controls. The Company adheres to good corporate governance principles (CG Code) as outlined by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and the Office of Insurance Commission (OIC). Its corporate governance policy emphasizes transparency, builds investor and stakeholder confidence, and prevents conflicts of interest. Furthermore, the Company ensures equitable and fair treatment of shareholders and stakeholders to maximize benefits for all, including shareholders, customers, partners, and employees. Key highlights of the Company's corporate governance practices are as follows:

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

Principle 1.1 Leadership Responsibilities to Ensure Good Corporate Governance

The Board of Directors is responsible for independently performing its duties to act in the best interests of the Company and its shareholders as a whole. The roles and responsibilities of both the Board of Directors and management are clearly defined. The Board formulates policies and ensures that the Company's systems operate in compliance with relevant laws, regulations, ethical standards, and internal guidelines, while management is tasked with executing operations in accordance with these policies. The following areas are emphasized:



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(1) Define Objectives and Goals

The Board of Directors acknowledges its role as the leader of the organization, ensuring good governance, conducting business ethically, respecting rights, and being accountable to both shareholders and stakeholders. The Board prioritizes social and environmental impacts while adapting to changes and creating sustainable value for the business. This is aligned with the Company's objective: ***“Achieving sustainable business growth through effective risk management, fostering confidence and transparency, and demonstrating social and environmental responsibility.”*** To achieve this objective, the following goals are established:

- (1.1) Increase Annual Performance: Focus on enhancing annual growth rates by expanding new insurance products and services
- (1.2) Enhance Customer Satisfaction: Aim for continuous improvement in customer satisfaction by developing more customer-focused services and products.
- (1.3) Reduce Business Risks: Minimize errors and losses through effective risk management.
- (1.4) Promote Social and Environmental Responsibility: Reduce natural resource consumption and implement ongoing community support projects.

(2) Formulate Strategies and Operational Policies

The Board of Directors has established key policies, including good corporate governance, anti-corruption initiatives, ethical standards, and a business code of conduct. These guidelines, documented and communicated to directors, executives, and employees, serve as principles for organizational operations. The Company ensures understanding and adherence to these policies through internal communication channels, such as the corporate website, bulletin boards, or other appropriate methods.

(3) Monitor and Evaluate Performance

The Board of Directors continuously monitors and evaluates the Company's performance using metrics aligned with its objectives and strategies. The evaluation includes analyzing the impact of policies on sustainability and revising strategies to ensure alignment with current conditions and circumstances.

Principle 1.2 Governance to Foster Sustainable Value Creation for the Organization

(1) The Board of Directors prioritizes not only financial performance but also a framework of competition that aligns with regulations and ethical standards, ensuring compliance with legal requirements, transparency, and fairness.



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(2) The Board emphasizes governance to ensure that directors lead by example, fostering a corporate culture rooted in ethical business practices, respect for rights, responsibility to stakeholders, and adherence to good corporate governance principles. This approach aims to create sustainable value for the Company.

(3) To prevent any negative societal impact, the Board has established a business code of ethics as a guideline for directors, executives, and employees. This code is formally communicated and published on the Company's website to ensure transparency.

(4) To ensure adaptability to changing circumstances, the Board ensures that directors, executives, and employees are well-prepared for potential changes. Regular monitoring of performance and periodic policy reviews are conducted to maintain relevance and effectiveness.

Principle 1.3 Duties of the Board of Directors

The Board of Directors consists of qualified and experienced individuals dedicated to performing their duties responsibly, prudently, and with integrity. The Board ensures compliance with applicable laws, regulations, the Company's objectives, articles of association, and resolutions from both the Board of Directors and shareholders' meetings. The roles and responsibilities of the Board, the Chairman of the Board, and the Managing Director are disclosed in the Annual Registration Statement/Annual Report (Form 56-1 One Report).

Principle 1.4 Defining Responsibilities and Delegating Tasks, as well as Monitoring Compliance with Assigned Duties

The Board of Directors is responsible for defining strategies and annual plans, overseeing the adequacy of risk management and internal control systems, and ensuring appropriate delegation of authority in alignment with management responsibilities. The Board allocates resources, develops budgets, monitors and evaluates performance, and ensures that financial disclosures comply with established policies. The Company prioritizes its internal control system as a critical mechanism for mitigating business risks, safeguarding assets from loss or misuse, and preventing fraud and misconduct. Both the Board and management fulfill their duties with diligence, exercising strict oversight to ensure compliance with laws, regulations, and applicable rules. Additionally, the Company has an audit committee, meeting the qualifications set by the Stock Exchange of Thailand, which plays a vital role in ensuring operational efficiency and providing independent and impartial opinions on the Company's financial reports and internal control systems.



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Principle 2 Define Objectives that Promote Sustainable Value Creation

Principle 2.1 Ensuring Clear Objectives to Create Sustainable Value for the Organization, Customers, Stakeholders, and Society

The Board of Directors oversees The Company's operations with a focus on achieving its goals while maintaining credibility and trust with customers. The Board defines the Company's policies, vision, objectives, targets, strategies, and directions, ensuring that management adheres to these policies effectively and efficiently. The Company strives to be a trusted non-life insurance provider, prioritizing customer satisfaction, and is guided by the vision: *"Charan's promise gives the public peace of mind."* Various policies are implemented to enhance operations, ensuring speed, accuracy, and continuous improvement in quality and service control. The Board supervises risk management and internal control systems to maintain an appropriate and acceptable level, ensuring that objectives are met in compliance with laws, standards, and company regulations, while adhering to principles of integrity, rationality, and caution in line with good governance practices.

Principle 2.2 Ensuring Alignment of Objectives, Goals, and Strategies with the Organization's Core Goals through the Appropriate and Safe Use of Innovation and Technology

The Board of Directors oversees the integration of innovation and technology to drive business opportunities and operational development. It ensures that the management of information technology risks adheres to relevant laws, regulations, and standards. The Board enforces data security measures to safeguard the confidentiality, reliability, and availability of information, preventing misuse or unauthorized modifications. Furthermore, the Board ensures the implementation of protocols to manage incidents that may affect the stability and security of information systems, enabling the organization to achieve its objectives and core goals effectively.

Principle 3 Strengthen Board Effectiveness

Principle 3.1 Definition and Review of the Board Structure, Including Size, Composition, and Proportions of Independent Directors, to Support the Organization's Objectives and Goals

(1) Qualifications of the Board

The Board of Directors evaluates the qualifications of potential directors based on alignment with the Board's expertise requirements, as outlined in the Board Skills Matrix. This matrix identifies areas where skills and expertise are lacking, ensuring the enhancement and diversification of professional knowledge, experience, and capabilities, including characteristics such as age and gender. When selecting candidates for Board or Independent Director roles, the Board collectively ensures the necessary skills are filled as per the Skills Matrix and submits the recommendations for



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approval at the shareholders' meeting. The appointment requires approval by a majority vote from shareholders present and eligible to vote.

(2) Board Structure

The Board of Directors is structured in accordance with good corporate governance principles, comprising a minimum of five (5) and a maximum of twelve (12) members. At least half of the directors must reside in Thailand. The Board ensures an appropriate balance between executive and non-executive directors, preventing any individual or group from holding sole decision-making authority. This structure promotes effective management and robust checks and balances. The Board members possess diverse expertise, experience, and specialized skills beneficial to the Company, irrespective of gender. They must fully understand their responsibilities as directors, the nature of the Company's business, and be prepared to engage in discussions while prioritizing the Company's best interests and fairness to shareholders, policyholders, and stakeholders. Directors must also dedicate sufficient time and effort to the Company. The Board is structured as follows:

- (2.1) Executive directors account for three (3) out of seven (7) Board members.
- (2.2) The Chairman of the Board is a non-executive director who plays a pivotal role in policy decisions, developed through Board discussions and collaboration with management to set business goals. The Chairman monitors management performance, oversees overall strategy and policy, and ensures compliance with laws, regulations, and applicable rules. The Chairman also ensures efficient board meetings, encouraging active participation from all directors and fostering independent viewpoints.
- (2.3) Three (3) independent directors, as required by the Company's bylaws, meet the qualifications set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). These independent directors collaborate effectively with the entire Board and provide independent opinions.

Furthermore, the Board must not exhibit any disqualifying characteristics under Section 34 of the Non-Life Insurance Act B.E. 2535, its amendments, the regulations of the Insurance Commission, the Corporate Governance Guidelines B.E. 2562, or the Public Limited Companies Act B.E. 2535.

The Company discloses its policy on Board composition diversity and provides details about the directors, including age, gender, educational background, experience, shareholding proportions, years of service, and directorships in other listed companies, in the Annual Registration Statement/Annual Report (Form 56-1 One Report).



Principle 3.2 Selecting an Appropriate Individual as Chairman of the Board to Ensure the Composition and Operations of the Board Foster Independent Decision-Making

The roles of the Chairman of the Board and the Managing Director are clearly separated in accordance with good corporate governance principles. This separation enhances transparency in management and prevents conflicts of interest. Furthermore, the Chairman does not hold any positions in subcommittees, ensuring a distinct delineation of roles and responsibilities. The process of selecting directors emphasizes diversity in gender, age, race, nationality, religion, and other factors, promoting inclusive decision-making that addresses the evolving challenges and opportunities in the industry.

(1) Roles, Duties, and Responsibilities of the Chairman of the Board:

- (1.1) Supervise, monitor, and oversee the Board's performance to ensure the effective achievement of the organization's objectives and goals.
- (1.2) Preside over Board and shareholder meetings, ensuring compliance with company regulations and meeting agendas, while fostering active participation to promote an ethical corporate culture and sound governance practices.
- (1.3) Collaborate with the Managing Director to set meeting agendas, ensure key issues are addressed, and cast decisive votes in the event of a tie during Board or shareholder meetings.
- (1.4) Allocate sufficient time for directors to thoroughly discuss key issues, encouraging independent judgment and diverse opinions.
- (1.5) Foster strong relationships between executive and non-executive directors, as well as between the Board and management.

(2) Authority of the Managing Director:

- (2.1) Manage The Company's operations in accordance with its objectives, regulations, operational guidelines, and Board resolutions, with accountability to the Board.
- (2.2) Establish work conditions for employees, issue directives, and define operational methods, provided they do not conflict with The Company's regulations, Board resolutions, labor laws, or other applicable laws.
- (2.3) Represent The Company in dealings with external parties within the scope of authority defined in (1.1). Transactions in which the Managing Director or authorized directors have a conflict of interest, stake, or potential conflict with The Company require prior approval



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from the Board, including participation from independent directors. The Managing Director and authorized directors may delegate specific powers as deemed appropriate.

(2.4) Propose transactions exceeding the financial limits established by the Board for review and approval in accordance with The Company's regulations or applicable laws.

(2.5) Hire, appoint, discipline, and terminate employees, including approving promotions and salary adjustments, except where Board-level approval is required by regulations.

(2.6) Manage business operations in compliance with applicable laws, including the Civil and Commercial Code, the Non-Life Insurance Act, the Public Limited Companies Act, and other relevant legislation, with honesty, fairness, and diligence, to fulfill The Company's objectives.

(3) The Board of Directors has appointed subcommittees to ensure critical matters are reviewed comprehensively. These subcommittees assess, evaluate, and provide recommendations for the Board's final approval.

Principle 3.3 Ensuring a Transparent and Clear Process for Director Nomination and Selection to Form a Board with Appropriate Qualifications

The Company has not appointed a nomination committee. However, it has established clear criteria for selecting qualified individuals with expertise and experience in non-life insurance. The selection process is transparent and structured to ensure the appointment of directors capable of fulfilling their duties and supporting The Company's objectives. This process complies with human resource management regulations and is presented to the Board of Directors before being proposed to the shareholders' meeting for final approval. Shareholders are provided with sufficient information about the nominees to make informed decisions.

Principle 3.4 Consideration of the Board of Directors' Remuneration

The Company does not have a remuneration committee but follows a clear, transparent, and appropriate process for determining directors' remuneration. This process takes into account compensation data from companies of similar industry and size, along with financial performance. The Board collectively reviews and decides on the remuneration, which is then presented for shareholder approval. The Company also discloses the criteria for determining directors' remuneration, reflecting their responsibilities, as well as the structure and amount of remuneration in the Annual Registration Statement/Annual Report (Form 56-1 One Report).



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Principle 3.5 Oversight of Board of Directors' Responsibilities and Time Allocation

(1) The Board ensures that directors fully understand their roles and responsibilities.

(2) The Board has established policies regarding the number of board positions each director, including the Managing Director, may hold:

(2.1) Each director may serve on the boards of no more than five listed companies, in accordance with regulations set by the Securities and Exchange Commission (SEC).

(2.2) The Managing Director may serve on the boards of no more than three listed companies, provided that these positions do not interfere with their duties as Managing Director, and the companies are not in the same business or in competition with The Company. Prior approval from the Board is required for accepting additional directorships.

(3) The Board has set policies and procedures to prevent directors, executives, and related parties from using inside information for personal gain. Directors, executives, their spouses, minor children, and auditors must report their holdings of The Company's securities (Form 59-2) electronically to the SEC within three business days of any transaction and disclose this information on The Company's website. This is to prevent conflicts of interest and ensure transparency in accordance with good corporate governance principles. Additionally, directors, executives, or any party with access to inside information are prohibited from disclosing it to external parties before financial statements are made public.

(4) Each director should attend at least 86% of the Board meetings held during the year.

Principle 3.6 Board of Directors, Sub-committee, and Individual Director Performance Evaluation

The Board conducts annual evaluations of its performance, as well as that of individual directors and sub-committees. Self-assessment methods are employed to gather feedback on various aspects of the Board's roles and responsibilities. The evaluation follows the format provided by the Thai Institute of Directors (IOD). The Company Secretary compiles the results, which are then presented to the Board. The evaluation outcomes are used to assess the appropriateness of the Board's composition and to analyze its performance. Recommendations from the evaluation are implemented for continuous improvement. The evaluation process and its results are disclosed in the Annual Registration Statement/Annual Report (Form 56-1 One Report).



Principle 3.7 Ensuring Directors Possess Knowledge and Understanding of Their Roles, Business Nature, and Relevant Laws, While Supporting Continuous Skill Development

(1) Orientation for New Directors

The Board mandates orientation for all new directors to build their understanding of The Company's business operations and prepare them for their responsibilities. The Board also implements policies to enhance directors' knowledge and perspectives, particularly in corporate governance, information technology, and innovations, to support their effective performance and enable them to assume their roles promptly. The Company Secretary facilitates the following

(1.1) Key Information: Business structure, board structure, authority scope, and essential legal frameworks.

(1.2) General Business Knowledge: Operational guidelines and departmental site visits.

(1.3) Meetings with Key Executives: Discussions with the Chairperson and Managing Director to gain deeper insights into operations.

(2) Training and Knowledge Development

The Board and management prioritize participation in seminars, training programs, or activities that enhance knowledge relevant to their roles. Directors have completed training courses offered by the Thai Institute of Directors (IOD), such as the Directors Certification Program (DCP) and the Director Accreditation Program (DAP). Internal training sessions are also conducted to ensure directors understand their roles, responsibilities, and the legal and regulatory framework applicable to the business. This fosters efficient performance and enables directors to stay current with evolving trends. Details of the Board's training and seminar participation are disclosed in the Annual Registration Statement/Annual Report (Form 56-1 One Report).

Principle 3.8 Oversight of Board of Directors Operations to Ensure Orderliness, Access to Essential Information, and Appointment of a Competent Company Secretary to Support the Board's Work

(1) Board of Directors' Meetings

(1.1) The Company ensures regular Board meetings, with a minimum of four meetings per year (at least once every three months). Special meetings may be convened as necessary to review financial statements, set policies, and monitor performance. Directors are expected to attend all meetings.



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- (1.2) Meeting agendas are clearly defined, and schedules specifying the date, time, and venue are communicated in advance. Supporting documents are distributed at least seven days before the meeting, except in urgent cases, to allow sufficient time for review.
- (1.3) A quorum for voting requires the presence of at least two-thirds of the total number of directors.
- (1.4) Directors have access to critical information through the Managing Director, Company Secretary, or other designated executives.
- (1.5) The Board encourages the Managing Director to invite senior executives to Board meetings to provide detailed information, address specific issues, and foster familiarity with senior management as part of succession planning considerations.
- (1.6) During meetings, the Chairperson assigns the Managing Director to present agenda items, allocate time for discussions, and summarize key points for decision-making. Directors are encouraged to share their views and contribute to forming collective decisions.

(2) Company Secretary

The Board of Directors appoints a qualified Company Secretary who undergoes continuous training to ensure The Company operates efficiently in alignment with good corporate governance principles. The responsibilities include:

- (1.1) Preparing and maintaining documents related to the Board, annual reports, Board meeting notices, and minutes, as well as shareholder meeting notices and minutes.
- (1.2) Keeping records of conflict-of-interest reports submitted by directors or executives.
- (1.3) Sending copies of conflict-of-interest reports to the Chairperson and Audit Committee Chair within seven working days of receipt.
- (1.4) Organizing Board and shareholder meetings in compliance with regulations and applicable laws.
- (1.5) Advising on corporate operations to ensure alignment with the Articles of Association, Memorandum of Association, Securities and Exchange Act, Public Limited Companies Act, and other relevant laws.
- (1.6) Acting as a communication hub between the Board, management, and shareholders.



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- (1.7) Coordinating and monitoring the implementation of resolutions passed by the Board and shareholders.
- (1.8) Ensuring accurate disclosure of information and reporting to regulatory authorities in compliance with regulations.
- (1.9) Performing additional duties as prescribed by the Capital Market Supervisory Board or assigned by the Board of Directors.

Principle 4 Ensure Effective CEO and People Management

Principle 4.1 Recruitment and Development of the Managing Director and Senior Executives to Drive Organizational Goals

(1) The Company does not have a Nomination and Remuneration Committee for selecting candidates for the position of Managing Director. Instead, a selection framework based on predefined qualifications is employed, including age, educational background, professional ethics, and work experience. The Board of Directors collaborates with the Managing Director to evaluate candidates using these criteria. Final approval must be obtained from the Board of Directors' meeting to ensure the appointment of a suitable individual to the position of Managing Director.

(2) The Company has established a **Succession Plan** to ensure seamless business operations. Senior executives and employees in critical positions are informed of their responsibilities under this plan within the specified timeframe. The plan outlines processes and procedures, pending tasks, and communication methods for transferring responsibilities. Departing personnel must notify The Company to facilitate an orderly handover of duties.

(3) The Board of Directors encourages and supports the Managing Director, senior executives, and key personnel in attending training and development programs. This enhances their knowledge and experience, contributing to more effective job performance.

Principle 4.2 Oversight of Compensation Structure and Performance Evaluation for Organizational Personnel

(1) The Board of Directors establishes a compensation structure that motivates the Managing Director, senior executives, and all personnel to perform in alignment with the organization's objectives and core goals. This structure is designed to support The Company's long-term interests and includes:

- (1.1) Evaluating the appropriateness of compensation components, such as salaries, bonuses, and long-term performance incentives.



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(1.2) Setting policies for compensation payments, considering industry benchmarks for organizations of similar size alongside The Company's operational performance.

(1.3) Establishing and clearly communicating performance evaluation criteria across the organization.

(2) The Board of Directors plays a key role in determining compensation and evaluating the performance of the Managing Director, focusing on:

(2.1) Approving performance evaluation criteria based on the organization's core objectives, goals, and strategies, ensuring alignment with The Company's long-term benefits.

(2.2) Conducting annual performance evaluations of the Managing Director collectively.

(2.3) Approving the annual compensation of the Managing Director based on performance evaluations and other relevant factors.

(3) The Board of Directors approves the criteria for performance evaluations and the compensation of the Managing Director. Additionally, it delegates authority to the Managing Director to determine the compensation structure for all employees within the organization.

Principle 4.3 Understanding Shareholder Structure and Relationships Impacting Management and Operations

The Board of Directors understands the structure and relationships of shareholders, which may be in the form of family business agreements, whether written or not, shareholder agreements, or company policies that impact the authority to control the management of the organization. The Board ensures that such agreements do not impede the performance of the Board's duties and oversees that there is no disclosure of information under such agreements that affects the control of the organization.

Principle 4.4 Monitoring and Managing Personnel to Ensure Adequate Numbers, Knowledge, Skills, Experience, and Motivation

The Board of Directors oversees and manages human resources in alignment with the organization's direction and strategies, ensuring that employees at all levels possess appropriate knowledge, abilities, and motivation and are treated fairly to retain quality personnel within the organization. Additionally, the Board has established a provident fund as a mechanism to ensure employees have sufficient savings for retirement. The Board also encourages employees to gain knowledge and understanding in organizational management and in selecting investment policies aligned with various risk profiles.



Principle 5 Nurture Innovation and Responsible Business

Principle 5.1 Emphasizing and Supporting Innovation That Creates Value for the Business Alongside Benefits for Customers or Stakeholders, and Responsibility Towards Society and the Environment

The Board of Directors has established a business policy aligned with the organization's objectives, regularly reviewing strategies and operational plans to ensure continuity and goal alignment. Employees and stakeholders are encouraged to develop innovations that effectively meet customer needs. The Company focuses on developing business sectors and expanding opportunities to provide comprehensive and prompt services to customers. New innovations are implemented within the organization to enhance the quality of products that meet the needs of consumers across all age groups, while improving the capabilities of service systems and distribution channels to ensure broader and faster service delivery to customers and partners. Additionally, the Board prioritizes social responsibility and environmental conservation to foster confidence in sustainable business operations over the long term. The Company does not support inappropriate, illegal, or unethical actions, aiming to build trust and credibility among customers and society at large.

Principle 5.2 Monitoring and Ensuring That Management Operates with Social and Environmental Responsibility, reflected in the Operation Plan, to Ensure Consistency with the Organization's Main Objectives and Strategic Plans

The Board of Directors has disclosed its compliance with this policy to stakeholders. The Company has established environmental management and human rights policies to guide the organization towards achieving its objectives and sustainable development goals as follows:

(1) Respect for Human Rights

The Company recognizes its responsibility towards all stakeholders, including shareholders, investors, employees, customers, partners, competitors, creditors, and the community, to create mutual long-term benefits. The Company adheres to the rights of stakeholders defined by law or agreements made with The Company. It will not engage in any actions that violate these rights and has established a human rights policy to guide management and employees. Furthermore, The Company clearly defines the rights of different stakeholders in its business ethics, ensuring their protection and proper implementation.

The Company ensures fairness and equality in its treatment of employees, acknowledging the importance of human resources in driving organizational success. This is evident from the employee guidelines outlined in the business ethics manual, including reasonable work hours and leave policies in compliance with labor laws. Fair compensation and bonuses are provided, and The Company promotes the development and advancement of employees based on their knowledge and abilities, with appropriate position transfers in line with employee needs.



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(2) Responsibility towards Society and the Environment

The Company is committed to conducting business that is environmentally friendly by implementing comprehensive environmental policies aligned with sustainable development principles. The Company aims to reduce unnecessary energy and resource consumption, while encouraging employees to be aware of and value environmental conservation. Additionally, The Company considers investing in environmentally friendly projects that will have a positive long-term impact on the environment and society.

(3) Responsibility towards Employees and Workers

The Company treats its employees fairly and respects human rights, emphasizing their safety and well-being. Employee benefits include healthcare, annual health checks, general loan and housing benefits, a retirement fund, and severance pay. Personnel management complies with labor law requirements, and employees are provided with training and development opportunities to enhance their skills and career advancement.

(4) Responsibility towards Customers

The Company is committed to customer care and responsibility by complying with legal and industry standards. It offers appropriate insurance policies and services that meet customer needs, maintains customer data securely, and provides fair, prompt, and complete compensation when customers experience losses as specified in their policies.

(5) Responsibility towards Partners

The Company conducts business with partners in accordance with fair and transparent trade practices. It adheres to commercial terms and contracts with partners, notifying them in cases where conditions cannot be met to jointly find solutions and avoid conflicts of interest. The Company has established clear regulations for procurement and operations, does not accept or solicit gifts or benefits from partners, and avoids doing business with partners who violate human rights or intellectual property rights or engage in unlawful conduct. The Company also assesses and evaluates partners to ensure sustainable business development.

(6) Responsibility towards Competitors

The Company competes fairly, transparently, and ethically. It avoids unfair competitive advantages and focuses on operating with quality and efficiency to maximize customer satisfaction and benefit.



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(7) Responsibility towards Government

The Company operates in compliance with legal requirements and maintains good relationships with regulatory bodies. It communicates openly and cooperates in providing requested information to ensure transparency, fostering mutual trust and confidence.

(8) Anti-Corruption and Fraud

The Company emphasizes fair and transparent business practices, recognizing that corruption and fraud hinder economic and social development. These actions create unfair business practices that harm The Company's reputation and stability, potentially leading to societal rejection. The Company has an anti-corruption policy requiring that the board, management, employees, and all stakeholders adhere strictly to it.

Principle 5.3 Monitoring and Ensuring Efficient and Effective Resource Allocation, Considering the Impact and Development of Resources throughout the Value Chain, to Achieve Sustainable Objectives and Goals

(1) The Board of Directors considers the resources required for operations, such as financial, production, human, and natural resources. They recognize that various departments need different resources and have delegated the responsibility to management to allocate these resources appropriately and adequately, ensuring that operations are not disrupted.

(2) The Board of Directors acknowledges that the business model impacts resources differently. Therefore, they consider these impacts and allocate resources thoughtfully, while maintaining ethical standards, responsibility, and sustainable value creation for the organization.

(3) The Board of Directors oversees and develops the resource allocation to ensure its effectiveness. They regularly review and consider external factors' changes to achieve the organization's objectives and goals as a priority.

Principle 5.4 Governance and management of enterprise-level information technology (IT) aligned with the business needs, including overseeing the use of IT to create business opportunities and enhance risk management operations, to ensure the organization achieves its objectives and goals.

(1) The Board of Directors delegates the responsibility for formulating The Company's IT strategy to the IT department, considering the true needs of business operations. The department is tasked with providing solutions if resource allocation is insufficient, while continuously updating, developing, and modernizing The Company's IT systems to remain competitive in the industry and to enhance business opportunities.

(2) The Board of Directors ensures the management of enterprise-wide risk, including IT-related risks, by requiring the IT manager to prepare regular risk reports for presentation to the Risk Management Committee.



(3) The Board of Directors has a policy to maintain the security and stability of The Company's IT systems, providing a framework for operations that safeguards information systems and prevents unauthorized access or alterations of data.

Principle 6 Strengthen Effective Risk Management and Internal Control

Principle 6.1 Oversight of the risk management system and internal controls to ensure the achievement of objectives effectively and in compliance with applicable laws and standards.

(1) Risk Management System

The Company has established a Risk Management Committee responsible for ensuring that The Company has a risk management and internal control system in place to achieve its objectives and comply with relevant laws and standards, as well as corporate governance principles. The Risk Management Committee meets at least quarterly and presents the results of the risk management plan implementation to the Board of Directors regularly. The Company's key risk management policy covers 11 areas, including:

- (1.1) Strategic Risk
- (1.2) Insurance Risk
- (1.3) Market Risk
- (1.4) Credit Risk
- (1.5) Liquidity Risk
- (1.6) Operational Risk
- (1.7) Reputation Risk
- (1.8) Information Risk
- (1.9) Catastrophic Risk
- (1.10) Group Business Risk
- (1.11) Emerging Risk

The Company also emphasizes early warning signals by reporting risk status from the Early Warning System monthly and summarizing the results for presentation to the Board of Directors each quarter.

(2) Internal Controls

The Board of Directors has established an internal control system to oversee The Company's operations in compliance with relevant laws and regulations, supported by effective auditing mechanisms to ensure continuous development. The Company has engaged an external firm to serve as the internal auditor. The Board has



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delegated the responsibility of developing the operational system independently, with the Audit Committee reviewing the adequacy of this role. The internal auditor is considered independent and experienced in internal auditing within the insurance industry and similar sectors.

Principle 6.2 Establishment of an Audit Committee with the ability to perform its duties effectively and independently.

The Board of Directors has established an Audit Committee composed of three independent directors, with one independent director appointed by the Board to serve as the chairman of the committee. The Audit Committee's duties and responsibilities are in accordance with the regulations and qualifications set by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, and the Office of the Insurance Commission (OIC) to ensure alignment with corporate governance principles. The duties and responsibilities of the Audit Committee are documented in writing, with at least four meetings scheduled annually. Each director serves a three-year term and must meet the independence criteria as outlined in the Securities and Exchange Act B.E 2535.

Principle 6.3 Monitoring and Managing Conflicts of Interest Between the Company, Management, Board Members, or Shareholders, Including Preventing the Misuse of Company Assets, Information, and Opportunities, and Transactions with Related Parties

The Company has implemented a governance policy to prevent directors and executives from using internal company information for personal gain. It prohibits executives, their spouses, and their minor children from using inside information to buy, sell, transfer, or receive company securities before such information is made public. This policy complies with Section 59 of the Securities and Exchange Act B.E. 2535. Additionally, it mandates the submission of a report on the securities holdings of directors, executives, their spouses, minor children, and related parties within three business days following any change in securities holdings. These reports must be submitted to the Securities and Exchange Commission (SEC) and a copy is to be kept by the company secretary for tracking and summarizing the individual securities holdings, to be presented to the board during meetings and at the year-end board meeting. Securities holdings are disclosed in the Company's Annual Registration Statement/Annual Report (Form 56-1 One Report). Furthermore, the board requires directors and executives to disclose their interests and those of related parties annually, allowing the board to assess any potential conflicts of interest regarding transactions. Directors and executives with interests in a transaction will abstain from participating in the deliberations concerning that matter. Penalties are established for non-compliance with these requirements.



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Additionally, the Board has implemented controls to safeguard access to information systems and prevent unauthorized external access to company data. It also sets appropriate access levels to company information based on the responsibilities of employees at various levels. If any individual is found to be using internal information or engaging in behavior that could harm the company's reputation or cause financial damage, management will submit an annual report to the board to support compliance with legal requirements and safeguard the company's interests and those of its shareholders. The board will also monitor actions that may result in conflicts of interest in accordance with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand regulations on asset acquisition or disposal and related transactions.

Principle 6.4 Overseeing the Formulation of Clear Anti-Corruption Policies and Practices, and Communicating Them Across All Levels of the Organization for Practical Implementation

The Board of Directors has complied with relevant laws and standards by establishing an anti-corruption policy that prohibits directors, executives, and all employees from using their authority to support or tolerate any form of corruption, both directly and indirectly. It also prohibits offering illegal incentives to others to gain business advantages for the company. The company regularly monitors and reviews the implementation of this policy and updates practices and procedures to ensure alignment with changes in business, regulations, and laws. Any violations, including supporting or cooperating in corruption, will be subject to disciplinary action according to company regulations. Additionally, the company has set up a whistleblowing channel for employees and stakeholders to report suspicious activities, ensuring confidentiality of the whistleblower's identity and protecting them from potential harm. Promotions, performance evaluations, and compensation decisions are based on compliance with the policy, with no history of corruption or behavior that obstructs policy adherence. The anti-corruption policy is communicated to new employees, and training programs are implemented to ensure understanding. Information on the policy is also made available to the public and stakeholders through internal communication channels.

Principle 6.5 Oversight of Mechanisms for Receiving Complaints and Handling Reports of Corruption

The Board of Directors oversees the establishment of mechanisms for receiving complaints and addressing whistleblower reports to ensure transparency in operations. The Board has set up appropriate and secure channels for whistleblowers to report concerns. If any irregularities arise, such as weaknesses in corporate governance, financial reporting, regulatory violations, rights violations, threats, corruption, or other doubts, shareholders, customers, the general public, or other stakeholders can report such issues through the following channels:

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408/1 Ratchadapisek Road, Samsen Nok, Huai Khwang, Bangkok 10310

Email : charanins@charaninsurance.co.th

Website : www.charaninsurance.co.th

Phone : 02-276-1024 ext. 207

Fax : 02-275-4919

The Board ensures that complaints are managed systematically to protect the rights of the whistleblower and those providing information in good faith. Information will not be disclosed to unrelated parties unless required by law, court order, or relevant regulatory authorities.

Employees and stakeholders may directly submit complaints or suggestions to the Board of Directors and management via the Company Secretary.

Principle 7 **Ensure Disclosure and Financial Integrity**

Principle 7.1 **Oversight of Financial Reporting and Disclosure Compliance with Standards and Relevant Practices**

(1) The Board of Directors delegates responsibility for preparing financial disclosures to qualified personnel with the necessary knowledge, skills, and experience. These individuals ensure that financial information is disclosed accurately, completely, and transparently, in accordance with relevant rules, standards, and practices. The Board considers the following factors when approving financial disclosures:

- (1.1) Results of the internal control system evaluation
- (1.2) Auditor's opinion on the financial statements and the auditor's comments regarding the internal control system
- (1.3) Opinion of the Audit Committee
- (1.4) Alignment with the company's objectives, goals, strategies, and policies

(2) The Board oversees the disclosure of information, including quarterly financial statements and the Annual Registration Statement/Annual Report (Form 56-1 One Report), to adequately reflect the company's financial position and performance. This includes the preparation of Management Discussion and Analysis (MD&A) accompanying the financial statements, in compliance with the Securities and Exchange Commission's Notification No. Tor Jor 44/2013 regarding the guidelines, conditions, and methods for reporting financial position and performance disclosures for listed companies.

Principle 7.2 **Oversight of Financial Liquidity and Debt Repayment Capacity**



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(1) The Board of Directors has established a department responsible for monitoring and assessing the company's financial position, reporting regularly to the Board. This includes the implementation of an Early Warning System and maintaining sufficient capital reserves according to the risk levels necessary to mitigate potential business risks, as defined by the Office of the Insurance Commission (OIC). These measures serve as key standards for overseeing the company's operations to ensure business continuity and efficiency.

(2) The Board ensures that any approvals for transactions or proposals to the shareholders' meeting are made with due consideration to their impact on the company's operational continuity, financial liquidity, and debt repayment capacity.

Principle 7.3 Oversight of Financial Issue Resolution Plans and Mechanisms, Considering Stakeholder Rights

The Board of Directors manages business risks with caution, establishing written guidelines to ensure clarity and rigor. Regular meetings are held with relevant parties to review and discuss these guidelines in preparation for potential business difficulties. These procedures are framed within established boundaries and take stakeholder rights into account. The Board has delegated the responsibility to the Risk Management Committee to develop risk management policies for Board approval. The Committee oversees, reviews, and proposes policies, along with assessing overall organizational risk indicators. The Board is regularly informed of the fund status and performance evaluations to ensure that risks are managed within acceptable limits and in alignment with the company's risk policies.

Principle 7.4 Preparation of Sustainability Reports According to the Company's Appropriateness

The Board of Directors is responsible for determining the appropriateness of disclosing information in accordance with regulations, company policies, and practices to prevent any leakage of confidential information, as per the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Board has integrated various operational processes to promote organizational sustainability, adhering to principles of legal compliance, business ethics, conflict of interest prevention, insider trading prohibition, anti-corruption measures, whistleblowing, and fair treatment of employees and stakeholders. Additionally, the company ensures social and environmental responsibility, following reporting frameworks recognized both domestically and internationally. Relevant information is disclosed in the Annual Registration Statement/Annual Report (Form 56-1 One Report), highlighting practices that contribute to the creation of long-term value for the company.

Principle 7.5 Establishment of an Investor Relations Department or Responsible Person for Communicating with Shareholders and Stakeholders



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The Board of Directors prioritizes transparency in information disclosure, ensuring that both financial and general information is accurate, complete, and transparent. Such disclosures are crucial as they influence the decision-making processes of investors and stakeholders, particularly when required by regulatory bodies overseeing the company's operations. The Board has established an Investor Relations department to serve as a central point of communication, addressing inquiries and providing important company information to investors, shareholders, stakeholders, and relevant government analysts. Should investors or stakeholders have any inquiries or require additional information, they can contact the Investor Relations department at:

- **Ms. Munthana Peoungpathompron**

Address : Charan Insurance Public Company Limited
408/1 Ratchadapisek Road, Samsen Nok, Huay Kwang, Bangkok 10310

Email : charanins@charaninsurance.co.th

Website : www.charaninsurance.co.th

Phone : 02-276-1024 ext. 207

Fax : 02-275-4919

Principle 7.6 Promoting the Use of Information Technology in Disseminating Information

The Board of Directors encourages the use of information technology for disseminating various types of information. Information is disclosed in both Thai and English on the company's website, with regular updates to ensure its currency.

Principle 8 Ensure Engagement and Communication with Shareholders

Principle 8.1 Ensuring Shareholder Participation in Significant Company Decisions

The Board of Directors emphasizes the rights and equality of shareholders, ensuring their involvement in decisions that materially impact the company.

Pre - Shareholders' Meeting Day:

(1) The Board ensures the Annual General Meeting (AGM) is convened within four months of the company's fiscal year-end. Shareholders are informed of the meeting schedule through announcements via the Stock Exchange of Thailand (SET). The company also promotes shareholder engagement, such as enabling minority



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shareholders to propose agenda items, submit questions, or nominate director candidates at least three months prior to the AGM. Guidelines and procedures are disclosed on the company's website, in compliance with legal and regulatory requirements.

(2) The Board ensures that significant matters, including legal obligations and operationally impactful issues, are presented for shareholder consideration and/or approval. Key decisions include director remuneration, profit allocation and dividend payments, and the appointment and remuneration of auditors.

(3) The Board schedules the meeting at a convenient time and location, providing sufficient discussion time and accessibility for shareholders.

(4) The invitation to the AGM is prepared in both Thai and English, containing accurate and complete details, including the meeting venue, date, time, agenda, and objectives. Each agenda item is clearly identified as either for acknowledgment, approval, or consideration. The Board's opinions on each agenda item are provided, along with a proxy form issued by the Ministry of Commerce for shareholders unable to attend in person. Relevant supporting documents are also included.

(5) The Board ensures the meeting invitation and related documents are available on the company's website under the "Investor" section at least 30 days prior to the AGM. Notifications are made through the SET system, and documents are sent to shareholders and the registrar no later than 14 days before the meeting. Additionally, the company publishes a meeting notice in a newspaper at least three days prior to the event.

(6) Shareholders are invited to submit questions in advance through the company's website or via designated communication channels.

Principle 8.2 Ensuring Shareholder Participation in Key Decision-Making

Shareholders' Meeting Day

(1) The Board of Directors ensures that no actions are taken to unduly restrict shareholders' attendance or impose unnecessary burdens, such as requiring excessive documentation beyond the standard identification requirements.

(2) The company integrates technology into the shareholders' meeting process, including barcode systems for registration, vote counting, and real-time display of voting results for each agenda item. This approach ensures accuracy, efficiency, and immediate transparency for all shareholders.

(3) The Chairperson of the Board serves as the meeting chair, ensuring compliance with relevant laws and regulations while allocating adequate time for each agenda item. Equal opportunities are provided for



shareholders to express opinions and raise questions. Legal advisors oversee the transparency and legality of the meeting, supported by shareholder rights volunteers from the Thai Investors Association as independent vote observers.

(4) The Board, management, accounting, legal teams, and external auditors attend the meeting (unless faced with unavoidable obligations) to provide clarifications and address shareholder inquiries.

(5) Before the meeting commences, the Managing Director announces details regarding the number and proportion of attending shareholders, proxy submissions, meeting regulations, voting methods, and vote-counting procedures.

(6) The company employs voting cards for all agenda items, adhering to a “one share, one vote” principle, with the majority vote determining the resolution outcome.

Principle 8.3 Ensuring Accurate and Comprehensive Disclosure of Shareholders’ Meeting Resolutions

Post - Shareholders’ Meeting Day:

(1) The Board of Directors ensures that the company discloses shareholders’ meeting resolutions, including voting results, in both Thai and English through the Stock Exchange of Thailand’s news system by 9:00 AM on the following business day. The meeting minutes, prepared in both languages, must be submitted to the Stock Exchange of Thailand within 14 days of the meeting and made accessible on the company’s website.

(2) The Board ensures that the meeting minutes contain at least the following details:

- (2.1) Names of directors and executives present, including the proportion of attendees and absentees.
- (2.2) Voting and counting methods, resolutions passed, and voting results categorized as approved, disapproved, abstained, and invalid for each agenda item.
- (2.3) Key questions raised and responses provided during the meeting, along with the full names of the individuals posing questions and providing answers.