

## **Chapter 1 The Rights of Shareholders**

The Company recognizes and places importance on the various basic rights of the shareholders, both as investors in securities and as owners of the Company, by defining the guidelines to encourage the exercise of shareholders' rights as follows:

### **1. Shareholders' Meeting**

1.1 The Board of Directors has a policy to support or encourage all groups of shareholders, including institutional investors, to attend the shareholders' meetings and exercise their rights, which covers the basic legal rights, i.e. obtain a share in the profit of the Company; buy, sell or transfer shares; obtain adequate news and information on the Company; and participate and vote in the shareholders' meetings to elect or remove directors, determine all forms of the remuneration of directors, including meeting allowances, regular compensation or other benefits, appoint the external auditor and determine the audit fee, and make decisions on any matter that affects the Company, such as dividend payment, determination or amendment of the Articles of Association and Memorandum of Association, capital decreases or increases, and the approval of extraordinary transactions.

1.2 The Company has provided information on the date, time, venue and agenda, with rationale and explanation for each agenda item or resolution requested, in the notice of the Annual General Meeting or Extraordinary General Meeting of Shareholders or attachments to the agenda. The Company has refrained from any action that limits the opportunity of the shareholders to study the information on the Company. The details of which are as follows:

1.2.1) The Company does not undermine the rights of the shareholders to study the Company's information that must be disclosed according to various requirements and to attend the shareholders' meeting. For instance, the Company does not abruptly distribute documents containing additional important information in the meetings, add new agenda items or alter sensitive information without prior notice to the shareholders, not provide shareholders with the right to pose questions to the Board of Directors in the meeting, not restrict the right to attend of shareholders who come late for the meeting, etc.

1.2.2) The Company has provided information as to the date, time, venue and agenda of the meetings. Each agenda item of the shareholders' meeting is set as individual subjects and the objective and rationale of each agenda item is clearly defined. Adequate information is provided for decision-making as follow:

#### **a. Agenda for appointment of directors**

- 1) Preliminary information of the nominated person, such as title, name, age, type of director, educational background, experience, number of companies holding the position of directors etc.
- 2) Positions held in other companies with clear details of any company that may potentially have a conflict of interest with the Company
- 3) Nomination criteria and procedures (in the case of appointment of a new director)
- 4) Date, Month, and Year of Appointment Years holding the attendance record in the past year (in the case of reappointment of directors)
- 5) Reviewed by the entire Board of Directors serving as the Nominating Committee
- 6) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote

**b. Agenda to consider the remuneration of directors**

- 1) Amount and form of remuneration by position or responsibilities of the directors
- 2) Directors' remuneration policy
- 3) Criteria and procedures for determining remuneration
- 4) Other benefits received as director (presently the directors do not receive any other benefit apart from meeting allowance and regular compensation)
- 5) Reviewed by the Board of Directors serving as the Remuneration Committee
- 6) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote

**c. Agenda to appoint the auditor and determine the audit fee**

- 1) Name of the auditor and the audit firm
- 2) Experience and competence of the auditor
- 3) Independence of the auditor
- 4) Years of service to the Company (in case of appointment of the current auditor) or reason for the change of auditor (in case of appointment of a new auditor)
- 5) How the suitability of the audit fee together with other fees of the auditor is determined
- 6) Reviewed by the Audit Committee
- 7) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote

**d. Agenda on dividend payment**

- 1) Dividend policy
- 2) Actual amount to be allocated compared with the policy, along with reasons and supporting information for consideration
- 3) Reason why dividend payment does not conform to the policy
- 4) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote

**e. Agenda to consider material matters of the Company, such as capital increase/decrease, amendment**

**of regulations, business sales/ dissolution/ transfer/ merger, etc.**

- 1) Details of the matter proposed
- 2) Objective, reason or necessity
- 3) Impact on the Company and its shareholders
- 4) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote

1.3) The Board of Directors fully facilitates shareholder participation and voting in meetings and refrains from any action that may limit the opportunities of the shareholders to attend the meeting. The procedures for attending and voting should not be complicated or too costly for shareholders. The meeting venue should be of a sufficient size and easily accessible.

1.4) The Company provides the shareholders with an opportunity to send their questions prior to the meeting date, by clearly determining the criteria for submission of questions in advance and duly informing the shareholders along with the delivery of the notice to the shareholders' meeting. In addition, the Company also disseminates the criteria for submission

of questions in advance on its website. The Board of Directors has prescribed the procedure for screening the questions submitted in advance and requires that the Company to provide answers to the shareholders in advance, as well as inform the shareholders' meeting. The details of the procedure are as follows:

1.4.1) The Company provides shareholders with the opportunity to submit questions related to the meeting agenda to the Board of Directors in advance throughout the submission period. As for the Annual General Meeting of Shareholders, the Board will gather the questions until about 7 days prior to the meeting date. The Company adheres to the following guidelines:

- 1) Clearly determine the criteria for submission of questions in advance
- 2) Inform the shareholders along with the delivery of the notice to the shareholders' meeting
- 3) Prescribe procedures for advance submission of the questions, such as allowing the shareholders to send the questions through the Company's website, by email or by post to the Board of Directors
- 4) Set the submission period for advance submission of the questions prior to the date of the shareholders' meeting
- 5) Prescribe the procedure for screening the questions submitted in advance by the shareholders for consideration of the Board of Directors in answering those questions
- 6) The Company answers the questions for the shareholders in advance of the meeting date.
- 7) The Company answers the questions for the shareholders on the day of the meeting.
- 8) The Company informs the shareholders' meeting of the questions submitted in advance by the shareholders and the answers to such questions.

1.5) The Board of Directors encourages shareholders to use proxy forms on which they can specify their votes and proposes as an option at least 1 independent director for shareholders to appoint as their proxy.

However, shareholders can download the proxy form from the Company's website. The Board determines that the Company must also provide revenue stamps for the shareholders to attach to the proxy form. In addition, the shareholders who attend the meeting after the Chairman has declared it duly convened are provided with the right to vote on the agenda item under consideration where the vote has not been casted and the shareholders shall be counted as part of the quorum as from the agenda where first attending, except in the case where the shareholders' meeting considers otherwise.

## **2. Procedures on the Shareholders' Meeting Date**

2.1) The Board of Directors encourages the use of technology with the shareholders' meetings, including registration of the attending shareholders and vote counting and reporting, so that the meeting can be conducted quickly, accurately and precisely.

2.2) Directors' attendance at shareholders' meetings:

2.2.1) All directors should attend the shareholders' meetings.

2.2.2) In the case where not all the directors can attend, at least the following persons must attend the shareholders' meetings:

- 1) Chairman
- 2) Managing Director

3) Chairman of the Audit Committee

2.2.3) The shareholders are presented with the opportunity to pose questions to the chairpersons of the various committees on matters in which they are involved.

2.3) In the shareholders' meeting, voting is made separately for each item in the case of several items in an agenda, such as the election of directors.

2.4) The Company has in place a process for vote counting, storage of voting papers for every agenda item and full video recording of the meetings, which is disclosed on the Company's website. The meeting and vote counting for every agenda item are conducted with transparency and auditability.

2.5) The Chairman has allocated adequate time for discussion and encourages the shareholders to express opinions and pose questions related to the Company to the meeting.

### **3. Preparation and Disclosure of the Minutes of the Shareholders' Meetings**

3.1) The minutes of shareholder's meetings record the explanation of the voting and vote counting procedures used to the meeting prior to commencement of the meeting, as well as the opportunity provided for the shareholders to raise issues and questions. It also records the questions and answers, the voting results for each agenda item of the number of shareholders approving, dissenting and abstaining, and the list of directors who attend or are absent from the meetings.

3.2) The Company discloses to the public the voting results and the minutes of the meeting on its website. The details of the practice are as follows:

3.2.1) Disclose the resolutions of the meeting separated into approving, dissenting or abstaining votes on the next working day.

3.2.2) Disseminate the minutes of the meeting within 14 days from the shareholders' meetings to serve as a channel for shareholders to express an opinion without having to wait for the next meeting.

3.2.3) Post the videos of the shareholders' meeting on the Company's website.

### **4. The Company provides more care to the shareholders than their legal rights by providing current important information on its website.**