



Corporate Governance Policies

Do Day Dream Co., Ltd. recognizes the importance of good corporate governance, which is instrumental in cultivating fair treatment of all stakeholders, effective operations, value creation for shareholders, and solid and sustainable growth. The company endorses good corporate governance, which covers the following code of conduct:

1. Shareholder Rights

The company acknowledges the legal rights of shareholders, protects their rights, and accommodates the shareholders in exercising their rights. The company will not violate or impinge upon shareholders' rights. The company has established the following code of conduct and guidelines:

- 1.1. The company will ensure that the shareholders are treated well and appropriately within the laws.
- 1.2. The company will ensure that the shareholders receive basic rights such as the rights to
 - 1) Buy or transfer shares and sell the shares back to the company on a fair basis
 - 2) Fair share of the profits from operations
 - 3) Receive adequate information about the operation
 - 4) Attend meetings to vote on the following matters:
 - Nomination, appointment, or removal individual directors
 - Appointment of auditors
 - Dividend payment
 - Stipulation or correction of rules and the memorandum of association
 - Withdrawal or injection of capital
 - Approval of special transactions
 - Other matters that affect the business as stipulated bylaw
- 1.3 The company will accommodate and encourage all shareholders in attending shareholder's meetings by sending out invitations along with related information and documents.
- 1.4 The company will establish communication channels to provide information and handle inquiries for shareholders and investors.



1.5 Shareholder's Meeting

- 1) The company will inform the shareholders about the rules and procedures for attending the shareholder's meeting.
- 2) The company will ensure that shareholders receive sufficient information about each session for consideration in adequate time before the meeting.
- 3) The company will allow shareholders to inquire the directors both during the meetings and through advance submissions of questions.
- 4) The company will produce the minutes of the meetings and publish the resolutions from the meetings.

2. Equal Treatment of Shareholders

The company acknowledges the ownership of all shareholders, including managing shareholders, non-management shareholders, and foreign shareholders, and will treat them all fairly and equitably. The company has established the following code of conduct and guidelines:

- 2.1 The company will ensure that the basic rights of shareholders as stated in 1.2 are safeguarded and respected.
- 2.2 The company will organize shareholder's meetings in such a way that supports fair treatment of all shareholders.
- 2.3 The company will allow sufficient time for minority shareholders to submit nominations of directors in advance.
- 2.4 The company will allow shareholders who cannot attend the meeting to participate and vote in the meetings through proxies.
- 2.5 The company will allow the majority shareholders to add additional sessions to the meeting before the day of the meeting.
- 2.6 The company will establish measures to handle situations where directors and management inappropriately use internal information to seek benefits for themselves or others (abusive self-dealing), which is unfair to other shareholders, such as by engaging in insider trading.
- 2.7 The company will require directors and management to make disclosures about their interests and those of parties related to them, so that the board of directors can identify transactions that can give rise to conflicts of interests. The board can then make decisions



regarding those transactions for the benefit of the company. However, directors and management with interests in such transactions will not be involved in such decisions.

3. Consideration of the Roles of Stakeholders

Stakeholders play important roles to the company. The company guidelines for the treatment of key stakeholders such as customers, debtors, creditors, trade partners, shareholders or investors, employees, the community, the society, and the government. Other stakeholders include competitors and auditors. The company has established the following code of conduct and guidelines:

- 3.1 The company will treat each group of stakeholders in accordance with their legal rights or with agreements with the company.
- 3.2 The company will not engage in actions that violate the rights of stakeholders.
- 3.3 The company will prescribe compensation measures for situations where the stakeholders suffer damages from violation of their rights.
- 3.4 The company will develop the mechanism for stakeholders to participate in its business operations to create sustainability.
- 3.5 The company will disclose to stakeholders significant information that is of relevance adequately, so that they can participate effectively.
- 3.6 The company will establish measures for reporting to the board of directors issues relating to violation of laws, unfair accounting practices, ineffective internal controls, or violation of ethics, and will create mechanisms to protect the rights of whistleblowers.
- 3.7 The company will demonstrate corporate social responsibility, especially with regard to issues that directly impact the business, which ensures stakeholders that its business operations give considerations about environmental and social factors for sustainable growth.

4. Disclosure of Information and Transparency

The company realizes the importance of disclosing information that is material to the decision-making of shareholders or investors, and stakeholders, including financial and nonfinancial information, in accordance with regulations. The disclosure will be accurate, complete, timely, transparent, accessible, unbiased and reliable. The company has established the following code of



conduct and guidelines:

- 4.1 The company will produce reports about the performance of duties of the board of directors and of sub-committees for the previous year, and about compliance with various policies.
- 4.2 The company will install effective internal controls for reliable, accurate, complete, and high-quality financial reporting to provide reasonable assurance to shareholders and external parties that the information in the financial reports meets the generally accepted accounting standards, and is reviewed by independent auditors.
- 4.3 The company will have personnel responsible for the dissemination of information and news, public relations, and the response to inquiries of shareholders, investors, and external parties. These personnel shall perform their duties prudently.
- 4.4 The company will assign a unit or employees to be responsible for “investor relations” for fair and equitable communications with external parties, such as shareholders, institutional investors, retail investors, analysts, and the government.
- 4.5 The company will allow appropriate access to its management with the condition that the information to be provided must have been revealed to the public.

5. The Responsibilities of the Board of Directors

The board of directors plays a crucial role in overseeing the business for the ultimate benefits of the company, and is accountable to shareholders for the results of the operation. The board must exercise prudence and caution. The company has established the following code of conduct and guidelines:

- 5.1 The board of directors will demonstrate leadership, vision, and independence for the ultimate benefits of the company and shareholders.
- 5.2 The board of directors will create a structure that clearly segregates the duties of the board of directors and those of the management.
- 5.3 The board of directors will ensure that the operational processes provide assurance that the company’s activities are legal and ethical.
- 5.4 The board of directors shall be strengthened by diversity. Individual directors shall bring a variety of skills, experiences, specializations, and abilities to devote time and effort.
- 5.5 The process of nominating individuals to be elected as directors in the shareholders’



meeting shall be transparent and free from influence of controlling shareholders or management, which shall generate confidence among outsiders.

- 5.6 The board of directors shall form committees to investigate and deliberate issues as necessary, especially in situations that require objectivity in performing analysis and in prescribing policies, roles, responsibilities, and work processes, such as the process of the meetings and the process of reporting to the board of directors.
- 5.7 The board of directors shall have a complete understanding of the responsibilities of the directors and of the nature of the company's business operations and shall be able to independently offer their recommendations.
- 5.8 The board of directors shall keep themselves updated.
- 5.9 The board of directors shall perform their duties with honesty, caution, and prudence to provide the most benefits to the company and to be fair to all shareholders. The board shall receive accurate and complete information.
- 5.10 The board of directors shall devote sufficient time to perform their assigned duties fully. Unless there is a special reason, it is a duty for the directors to attend every meeting.
- 5.11 The board of directors shall not approve the directors' remuneration, but will establish a process for setting remuneration that is transparent and accepted by shareholders. The level and components of the compensation shall be appropriate and adequate for motivating and retaining qualified directors without being excessive.