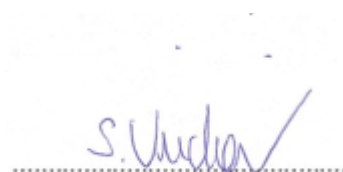


## CORPORATE GOVERNANCE POLICY

This document is effective from March 1, 2023 onwards.



Mr. Veerachai  
Suteerachai  
Chairman of the Board

## Introduction

Asia Metal Public Company Limited ("the Company") is committed to operating with morality and adhering to responsibility for all parties involved. To this end, the Company has developed a "good supervision policy" as a clear guideline for business operations and sustainable organizational development. The Company requires its subsidiaries, joint companies, or any other companies that it has the power to control (if any), as well as business representatives and individuals involved in business operations, to comply with this policy.

The Committee and executives of Asia Metal Public Company Limited sincerely hope that this policy will be useful for operators and related parties, including those who are interested in applying to continue their operations.

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## Message from the Chairman of the Board of Directors on Good Corporate Governance

Asia Metal Public Company Limited recognizes the importance of conducting business and managing with honesty, transparency, and social responsibility according to the principles of good corporate governance, including ethics and fair business operations. The Company is committed to managing operations with transparency and accountability to stakeholders while fulfilling its social and environmental responsibilities.

To achieve this, the Company is dedicated to creating a corporate culture by setting guidelines and policies for good corporate governance. The Company has developed a "Good Corporate Governance Policy" in writing to provide a clear and practical guideline for conducting business and developing into a sustainable organization. This policy defines responsibilities, guidelines, and requirements for proper action, ensuring that the Company operates with integrity and accountability.

Announced on March 1, 2023

Mr. Veerachai Suteerachai  
Chairman of the Board

## Definition

Definition	Meaning
<b>Corporate governance</b>	<p>The regulatory relationship includes mechanisms and measures used to direct the decision-making of people in the organization to meet objectives. This includes:</p> <ol style="list-style-type: none"> <li>1. Setting objectives and main goals (objectives).</li> <li>2. Determining strategies, policies, and approving work plans and budgets.</li> <li>3. Monitoring, evaluating, and supervising performance reports.</li> </ol>
<b>Subsidiaries company</b>	<ol style="list-style-type: none"> <li>1. The Company has control over limited companies or public limited companies.</li> <li>2. Limited companies or public limited companies are under the control of the subsidiary mentioned in (1).</li> <li>3. Limited companies or public limited companies are part of the chain of control that starts from the subsidiary mentioned in (2) having the power to control the business.</li> </ol>
<b>Associated company</b>	<ol style="list-style-type: none"> <li>1. The Company or its subsidiaries hold between 20 percent and 50 percent of the total number of shares with voting rights of the companies.</li> <li>2. The Company or its subsidiaries have the power to participate in decision-making on the financial and operating policies of the companies, but they do not have control over such policies, and the companies are not considered subsidiaries or joint ventures.</li> </ol>
<b>Director</b>	<p>Directors of the Company and its affiliates refer to individuals who have the qualifications of a director under Section 68 of the Public Limited Companies Act B.E. 2535, and who have been elected by the shareholders' meeting to serve as executive directors, directors, or advisors to the Board of Directors.</p>
<b>Executive</b>	<p>The executives of the Company and its subsidiaries refer to employees who have subordinates.</p>
<b>Employee</b>	<p>This includes people who have contractor labor or special employment contracts, as well as permanent employees, temporary employees, probationary employees, and employees of the Company with a fixed term of employment.</p>
<b>Related person</b>	<p>This includes spouses, children, parents, siblings, and close relatives of directors, executives, and employees at all levels, including employees and representatives of the Company and companies in the group who act on behalf of the Company, regardless of whether they have the authority to do so.</p>

## Corporate Governance Policy

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The committee of Asia Metal Public Company Limited ("Company") is well aware that good corporate governance is an important basic factor in improving the Company's standards, increasing transparency, enhancing credibility for stakeholders such as shareholders, investors and relevant parties, as well as increasing the competitiveness of the business. Therefore, the Board of Directors has formulated a policy for written supervision of the Company in line with good corporate governance principles for listed companies on the Stock Exchange of Thailand, and the concept of social responsibility for businesses, to ensure that the directors and employees of the Company act under good organizational management policies, taking responsibility for all those involved in the business, including employees, customers, and shareholders, as well as supporting society in a meaningful way. A team of secretaries to the Company is appointed to oversee compliance with various regulations of the Stock Exchange of Thailand and other related laws.

The good corporate governance principles of the Company are guided by operations divided into 5 categories as follows:

1. Rights of shareholders.
2. Equitable treatment of shareholders.
3. Role of stakeholders.
4. Disclosure of information and transparency.
5. Responsibility of the Board of Directors.

These principles are further supported by 8 practice principles, as follows:

Principle 1: Be aware of the role and responsibility of the committee as an organizational leader that creates sustainable value for the business.

Principle 2: Define the objectives and goals of the business for sustainability.

Principle 3: Strengthen the committee to be effective.

Principle 4: Recruit and develop senior executives and manage personnel.

Principle 5: Promote innovation and responsible business operations.

Principle 6: Supervise appropriate risk management and internal control systems.

Principle 7: Maintain financial reliability and disclose information.

Principle 8: Support participation and communication with shareholders.

## Chapter 1: Rights of Shareholders

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### Shareholders' Rights

The Board of Directors recognizes and gives importance to the rights of shareholders by encouraging them to exercise their rights without violating other shareholders' rights. Shareholders have basic rights, including the right to elect directors, remove individual directors, consider directors' remuneration, appoint and determine the auditor's remuneration, receive appropriate, adequate and timely information, attend meetings, and vote and comment on matters.

#### 1. Right to Appoint a Committee

According to the company's regulations, the Board of Directors shall be elected at the shareholders' meeting in accordance with the following criteria and methods:

- 1) A shareholder has one vote for each share they hold.
- 2) Each shareholder must use all their votes to elect one or more directors but cannot divide the votes.
- 3) The persons receiving the highest number of votes in descending order will be elected as directors equal to the number of directors to be elected. If the persons elected have equal votes, which would otherwise cause the number of directors to be exceeded, the chairman will act as a referee in voting.

#### 2. Rights relating to the shareholders' meeting

##### Before the meeting

- 1) The company has given shareholders the opportunity to exercise their right to propose an agenda and nominate a person to be elected as a committee in advance of the meeting date, which is 60 days. This is done by providing detailed information about the proposed criteria on the Company's website at [www.asiametal.co.th](http://www.asiametal.co.th) and/or announcing it through the news channel of the Stock Exchange of Thailand (SET). The company also prepares a form to facilitate shareholders in proposing the meeting agenda and nominating such a person.
- 2) The company has sent an invitation letter to the shareholders' meeting that determines the agenda of the meeting and specifies the opinions of the committee for each agenda. The company also provides supporting documents for meeting agendas to shareholders at least 14 days in advance of the meeting date by giving them to the Thailand Securities Depository Co., Ltd. (TSD), which is the Company's share registrar, and couriering all documents not less than 21 days in advance of the date of the shareholders' meeting. The company presents information for the shareholders' meeting on the company's website under the topic "Information for Investors" for a period of 30 days in advance of the meeting date, according to the guidelines of AGM Checklists, in order to allow shareholders time to study the meeting information in advance before receiving such information in document form.
- 3) To facilitate the meeting for shareholders who are unable to attend the meeting by themselves, the Company has enclosed Proxy Form B and Form C together with the invitation letter of the Company's meeting. This allows both domestic and foreign shareholders to appoint others as

their proxies to attend and vote on their behalf or can authorize an independent director appointed by the Company to act as a proxy representative.

- 4) In addition to sending the meeting invitation letter to the shareholders, in order to increase the channel to get information, the company has published the meeting invitation letter and meeting documents on the Company's website under the topic "Information for Investors" at least 14 days before the shareholders' meeting. If there is a change in details in the meeting invitation letter that are important issues such as date, time, meeting place or meeting format, etc., the company must send the meeting invitation letter to the shareholders for acknowledgment at least 3 days before the date of the general meeting of shareholders immediately, as well as publish it on the Company's website and news channels of the SET as soon as possible.

**On the day of the meeting**

- 1) The Board of Directors, Audit Committee, Executive Committee and Chief of Financial and Accounting are aware of the importance of attending the meeting, and it is considered their duty and responsibility.
- 2) The Company gives shareholders the right to attend the shareholders' meeting after the meeting has started by giving them the right to vote on the agenda that is being considered and has not yet been resolved.
- 3) The company facilitates shareholders in terms of meeting venues that are convenient for traveling, including accessing information through the company's website and providing a QR CODE for downloading the Notice of the Meeting and 56-1 One Report, along with other supporting documents to shareholders who did not bring such documents with them. In this regard, the company arranges for the use of technology in the shareholders' meeting to support the epidemic situation or other events that result in the inability to hold a physical meeting. The meeting can be changed to be a meeting via electronic media or E-AGM according to the rules stipulated by law regarding meeting via electronic media.
- 4) The company prepares a registration point (barcode (if any)) with staff operating facilitates the registration and inspection of documents, along with distributing voting cards to shareholders or proxies attending the meeting. In the case of the E-AGM meeting, the shareholders or proxies attending the meeting must be registered in the system provided by the company notified in the invitation letter.
- 5) Within the meeting place, equipment and various electronic media are prepared to support the presentation of the meeting agenda in the form of Powerpoint for consideration of each agenda.
- 6) Before starting to consider the issues specified in the meeting invitation letter, the company has assigned the company secretary to explain the voting method for each agenda, including the notification of the number of shareholders who attended the meeting and the total number of shares that have the right to vote.



- 7) Shareholders or proxies have an opportunity to express their opinions, make suggestions and ask questions to the Board of Directors in each agenda according to the meeting agenda on issues related to that agenda, as appropriate.
- 8) Voting in each agenda is organized using voting cards or via E-Voting / E-Proxy (the system to count votes) or proxy documents from shareholders or proxies to collect votes. The meeting is informed of the vote counting results for each agenda.

**After the meeting:**

- 1) In addition to notifying the resolutions of the Annual General Meeting of Shareholders through the news channel of the SET, the company also publishes it on the company's website for shareholders to verify the accuracy of such resolutions. It is also a channel to receive news and information for shareholders who cannot attend the meeting by themselves and other investors.
- 2) The company prepares the minutes of the Annual General Meeting of Shareholders and publishes them on the company's website within 14 days from the date of the meeting. The minutes must include:
  - 2.1 List of directors and executives who attended the meeting and the proportion of directors attending and not attending the meeting.
  - 2.2 Voting and vote counting methods, meeting resolutions, and voting results (agree, disagree, abstain or voided ballots) for each agenda.
  - 2.3 Issues, questions, and answers at the meeting, including the name-surname of the questioner and the respondent.

**3. Right to receive dividends:**

The company has a dividend payment policy for operating results of not less than 50% of net profit after the allocation of such net profit as a legal reserve. The company must allocate profits as a legal reserve not less than 10 percent of the paid-up capital.

**4. The right to receive sufficient business information:**

The company publishes important news, such as operating results or financial statements, through the news channel of the Stock Exchange of Thailand (SET). Additionally, this information is also published on the company's website under the "News" section, which informs the Stock Exchange of Thailand. The company has an investor relations team to communicate with investors, analysts, as well as relevant government and private agencies.

They can be contacted at:

Telephone : 02 338 7222 Fax : 02 383 4102  
E-MAIL : [ir@asiametal.co.th](mailto:ir@asiametal.co.th)

## Chapter 2: Equitable Treatment of Shareholders

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1. The company prepares invitation letters for the annual general meeting of shareholders in both Thai and English versions and provides supporting documents for consideration of various agendas. Both domestic and foreign shareholders are treated equally.
2. The company has prepared Proxy Form B and Form C for both domestic and foreign shareholders who are unable to attend the meeting. They can appoint other persons or independent directors proposed by the company as proxies to attend the meeting and vote on their behalf. Shareholders can download the proxy form from the company's website 30 days prior to the meeting.
3. The company notifies shareholders in advance before adding any agenda.
4. The company requires directors and executives to report to the company about their interests or those of related persons related to the management of the company's business. This is specified in Section 89/14 of the Securities and Exchange Act (No. 4) B.E. The report must be submitted to the Company Secretary Department within 7 working days. The company has extended this requirement to management level employees of the company and its subsidiaries from department managers upwards. Directors and executives who have interests in transactions with the company will not be involved in the decision-making of such transactions. The board of directors can consider the company's transactions that may have conflicts of interest and make decisions in the interests of the company as a whole.
5. The Board of Directors realizes the importance of protecting the company's internal information from personal gain. Therefore, the company has a policy to keep information that has not yet been disclosed to the public confidential and to recognize only those who are involved. The company has informed all directors and executives of their obligation to report their shareholding in the company, including spouses and children, as well as reporting changes in securities holdings to the SEC and SET under Section 59 and penalties under Section 275 of the Securities and Exchange Act. Directors and executives, including spouses and children, are prohibited from buying, selling, transferring or receiving transfers of the company's securities by using inside information that has not been disclosed to the public. In cases where directors, executives, including spouses and children, buy, sell, transfer, or receive transfers of securities of companies that are not subject to the above cases, they must report to the SEC and SET every time they purchase, sell, transfer, or accept such securities within 3 days from the date of the transaction. Along with submitting a copy of this report to the Company Secretary to be kept as evidence every time. However, if directors, executives, and employees of the company use inside information of the company in any matter for their benefit and such action causes damage to the company, the company will consider taking legal action as appropriate.

## Section 3: Roles of Stakeholders

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The company is aware of the rights and importance of stakeholders, including customers, employees, partners, shareholders or investors, creditors, competitors, and the community where the company is located, including society and the government sector. The company focuses on environmental responsibility and has added good practices and policies, such as the use of information and communication technology, non-infringement of intellectual property, encouraging employees to use resources efficiently, promoting worthwhile values, attentiveness, and operating with safety consciousness. The company also encourages employees and stakeholders to continuously participate in community and social development. This can be summarized as follows:

**1. Treatment of customers:**

With a customer-centric concept, the company is ready to serve the comprehensive needs of customers in all aspects by providing advice, solving problems, helping to procure products, creating new types of services, inventing a variety of options for customers, and adding value to steel products. This is a new perspective on doing steel business under a management system that fully supports the needs of production, modern technology, product quality inspection, fast and on-time delivery in line with the customer's production plan to ensure customer confidence and convenience.

**2. Treatment of employees:**

Because the potential of employees is one of the most important structures that make every idea and every imagination come true. Therefore, the company is committed to develop the company's people to be professionals, valued in both ways of thinking and practices that strive for success, credibility and trustworthy, ready to meet all needs. At the same time, the company also focuses on creating employees with knowledge, experience, expertise and ready to give advice and learn new things all the time by organizing training and skill development regularly.

The Company has a Personal Data Protection Policy (PDPA) to protect the personal information of employees. If there is an infringement of personal rights, it is considered a disciplinary offense with penalties according to the company's regulations or by law.

**3. Treatment of business partners:**

The Company has a policy to build good relations with business partners, including treating partners fairly, according to trade conditions and/or an agreement between them. This is to develop and maintain a sustainable relationship based on mutual benefits.

**4. Treatment of shareholders/investors:**

The company is committed to expanding business growth continuously and sustainably until it can become a leading company in the steel industry. Although there were economic problems due to many factors in the past year, the company strives to create confidence and added value to shareholders in the long term. The company provides a channel for shareholders/stakeholders to contact and complain to independent directors and also has a channel to receive complaints about corporate governance. Good governance from employees is ensured through the company secretary by presenting reports on good governance to the audit and corporate governance committee.

**5. Treatment of creditors:**

The company complies with the terms of the loan agreement and provides accurate financial information, including paying debts on time every time.

**6. Treatment of commercial competitors:**

The Company conducts business under the framework of fair competition and does not damage the reputation or cause unlawful damage to competitors.

**7. Environmental responsibility, community, and society:**

The Board of Directors places importance on social development and responsibility. The company realizes that business can survive only when based on a stable, growing society and environment. Therefore, the company pushes for various activities for development and environmental friendliness in terms of production, working environment, workplace, and the surrounding community. The company takes care of the physical and mental health of employees and creates activities to show social responsibility (CSR).

**8. Treatment of the government sector:**

The company strictly complies with the laws, regulations, and various government requirements and cooperates in providing information about the business operations of the business and participating in various activities organized by government agencies.

## Section: 4 Disclosure and Transparency

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1. The Board of Directors has supervised the disclosure of important information related to the Company, including audited financial information from an independent certified public accountant (CPA) in accordance with generally accepted accounting standards, and non-financial information such as information on the remuneration of directors, the number of times directors attend meetings, the scope of work of various committees, information on related party transactions, and the Company's corporate governance policy, etc. The Company ensures that the information is relevant, accurate, complete, timely, and transparent in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. Investors and all stakeholders of the Company receive the information equally through the news channel of the SET, annual reports, and various policies posted on the company website at [www.asiametal.co.th](http://www.asiametal.co.th). The Company has also appointed a company secretary who prepares and maintains such information and provides accurate information to investors, shareholders, analysts, and stakeholders.
2. The remuneration policy for directors has been clearly and transparently defined, with remuneration at the same level as the same industry. This policy has been considered by the Remuneration Committee and has been approved by the Annual General Meeting of Shareholders. Details of remuneration for directors and executives are disclosed in the Management Structure section.

## Section 5: Responsibilities of the Board of Directors

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### 1. Determination of the Agenda of the Board of Directors

According to Article 13 of the Company's Articles of Association, at every annual general meeting, one-third of the directors shall retire from office, and if the number of directors cannot be divided exactly into three parts, the number of directors nearest to one-third shall retire. The director who has been in office the longest is the one who retires, and the director who retires under this term may be re-elected.

### 2. Qualifications of Independent Directors

The Company's independent directors are fully qualified according to the qualifications of independent directors in the Notification of the Capital Market Supervisory Board No. Tor Jor. 4/2009: Subject: Application for and approval of offer for sale of newly issued shares (No. 2).

### 3. Leadership and Vision

The Company's Board of Directors has leadership, vision, and independence in decision-making, setting policy and goals, developing a business plan, and considering the budget for the best benefit of the shareholders and the growth of the company. The plan is reviewed annually to meet the business goals set.

- The director must hold no more than 5% of the company's paid-up capital of the company, affiliated, associated, or related companies, including shares held by related persons.
- The director should not participate in the management of the company, affiliated companies, associated companies, related companies, or major shareholders of the company. They should not be an employee, staff, or consultant who receives a regular salary from the company, affiliated companies, associated companies, related companies, or major shareholders of the company. For example, the managing director of the company cannot be a member of the Audit Committee because the Managing Director is directly responsible for management.
- The director should have no benefit or interest, whether directly or indirectly, in terms of finance and management of the company, affiliated companies, associated companies, or major shareholders of the company. They should not have any benefits or stake in the above for a period of 1 year before being appointed as an audit committee member, unless the Board of Directors has carefully considered that having such benefits or stake will not affect the performance of duties and the giving of independent opinions.
- The director should not be a related person or a close relative of an executive or major shareholder of the Company.
- The director should not have been appointed as a representative to protect the interests of the company's directors, major shareholders, or shareholders who are related to the company's major shareholders.

- The director should be able to perform duties, express opinions, or report performance according to duties assigned by the Board of Directors without being under the control of executives or major shareholders of the Company, including related persons or close relatives of such persons.

In addition, in the event that the Capital Market Supervisory Board or the Securities and Exchange Commission has announced an amendment or relaxation of the criteria for qualifications of independent directors, subsequent announcements shall be followed.

#### **4. Conflict of Interest**

The Board of Directors has prepared the policy to comply with setting and using the guidelines for employees and executives to support the internal control system and internal audit system to be more efficient. (Refer to policies and guidelines on conflicts of interest.)

- To prevent conflicts of interest, the Board of Directors carefully oversees transactions that may cause conflicts of interest, including setting policies and procedures to prevent executives and related persons from using the company's inside information for their benefit.
- Transactions that may have conflicts of interest: The Board of Directors has been informed of transactions that may have conflicts of interest, including connected transactions, and has carefully considered the suitability of each transaction every time. This includes compliance with the regulations of the Stock Exchange of Thailand, with prices and conditions as if making transactions with a third party (Arm's Length Basis). The Board will disclose details of the transaction value, counterparty, reason/necessity in the 56-1 One report.
- Supervision of the use of inside information: The Board of Directors requires executives to report changes in their securities holdings to the Office of the Securities and Exchange Commission, according to Section 59 of the Securities and Exchange Act B.E.1992. Executives or departments with inside information are prohibited from disclosing it to outsiders or persons not involved in the transaction and from trading the Company's securities during the one-month period before the financial statements are publicly disclosed.

#### **5. Business Ethics**

The Board of Directors has established codes of conduct for the Board of Directors, management, and employees (refer to the Business Ethics and Code of Conduct Handbook) for relevant parties to adhere to as a guideline for performing duties according to the Company's mission with honesty, integrity, and fairness in treating the company, all groups of stakeholders, the public, and society. The aforementioned roles and responsibilities have been defined in the scope, authority, and duties of the Board of Directors, managing director, and in the regulations of the company. The company has also imposed disciplinary sanctions. Each year, the Board of Directors has reviewed and improved the corporate governance policy and business ethics to comply with best practices, as follows:

- Determine the policy on the number of companies in which each director can hold a directorship, but do not specify the number of terms of office. All ten directors of the Company hold director positions in no more than five listed companies, in accordance with the principles of corporate governance.
- The Managing Director is allowed to hold a position as a director at another company by reporting to the Board of Directors in writing within 14 days after knowing that they will assume the position or before being appointed as Managing Director (in the case of accepting a new Managing Director position).
- The Board of Directors attaches importance to complaints and suggestions by providing opportunities for employees and stakeholders to have channels to complain, express opinions, and lead to improvements in the management system for notifying illegal acts by sending a letter of complaint through the Company Secretary.

#### Whistleblowing Channels or Complaints About Anti-Corruption

The Board of Directors has assigned the Audit Committee to receive and consider any clues, complaints (referring to the whistleblowing or complaints policy), or actions that may raise suspicion of anti-corruption activity that has occurred within the Company, either directly or indirectly. Whistleblowers must provide specific details of the matter being reported, along with evidence or information sufficient for investigation, and provide their name, address, and telephone number through the designated receiving channels as follows:

Notify via e-mail ( E-Mail )	Notify by mail
Audit Committee : ia@asiametal.co.th Company Secretary : Secretary@asiametal.co.th	Chairman of the Audit Committee or Chairman of the Board of Directors Asia Metal Public Company Limited Address : 55 , 55/1 Moo 2 Soi Wat Nam Daeng, Srinakarin Road, Bang Kaeo Subdistrict, Bang Phli District, Samut Prakan Province 10540

In the case of whistleblowers or complainants who have a complaint against the Board of Directors, please send the complaints directly to the Chairman of the Audit Committee.

All stakeholders of the Company can report clues or complaints about anti-corruption activity. However, regardless of the notification method used, the Company will maintain confidentiality.

#### Action Guidelines:

- 1) The Board of Directors regards the "Ethics and Code of Conduct" handbook as a discipline that all directors, executives, and employees must strictly follow. Non-compliance or violation of these guidelines will be considered a disciplinary offense according to personnel management regulations.

- 2) The Board of Directors has implemented policies and guidelines to prevent conflicts of interest and the use of opportunities for personal benefits.
- 3) Candidates for the Board of Directors must not have a history of violating the rules and regulations of the Securities and Exchange Commission/Stock Exchange of Thailand.
- 4) The Chairman of the Board must be a different person from the Managing Director, with clearly separated roles, powers, and duties.
- 5) The Board of Directors should organize meetings among non-executive directors without management present to ensure freedom of expression for opinions and ideas to support management development.
- 6) The Board of Directors should arrange for an internal control system that covers financial aspects, performance, and compliance with relevant laws, rules, and regulations. This includes providing appropriate and sufficient risk management and examination mechanisms that are effective in protecting and maintaining assets. The company should have an independent internal audit department that reports directly to the Audit and Corporate Governance Committee. The audit reports should contain all important information and have a clearly defined risk management policy.

**6. Combining or separating positions**

The Chairman of the Board is not the same person as the Managing Director, but they represent a group of major shareholders with registered and paid-up capital. However, the structure of the Board of Directors of the Company consists of three members of the audit committee, which provides a balance and review of the management.

**7. Remuneration for Directors and Executives**

The Company has set a clear and transparent policy on remuneration for directors by assigning the Nomination and Remuneration Committee to consider it. The remuneration is at the same level as the industry and suitable for assigned duties and responsibilities. The level is also high enough to attract and retain directors with desired qualifications and has been approved by the shareholders' meeting. As for the remuneration of executives, it is in accordance with the principles and policies set by the Board of Directors, which is connected to the performance of the company and the performance of each executive.

**8. Internal control and audit system**

The Company is concerned about the effectiveness of its internal control systems at both the management and operational levels. Therefore, the responsibilities and operational powers of operators and executives have been clearly defined in writing, and there is supervision of the use of company assets for the benefit. The duties of operators, followers who are responsible for control and evaluation, are separated from each other in order to create an appropriate balance and examine the internal controls related to the financial system. The company has provided a financial reporting system to executives according to the line of responsibility, including an internal audit to ensure that the main operations and important financial activities of the company are operated in accordance with the specified and effective guidelines, including auditing compliance with laws and regulations related



to the company (Compliance Control). The internal audit is independent and able to perform a complete examination and balance. The Board requires the internal audit unit to directly report the audit results to the Audit Committee and to be evaluated for performance by the Audit Committee to ensure that the audit of the control system and the internal audit are very independent.

The Board of Directors has a policy to appoint an internal or external audit committee, which depends on the discretion of the Board of Directors in each year.

#### **9. Report of the Board of Directors**

The Board of Directors is responsible for the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries. The financial information appearing in the annual report has been prepared in accordance with generally accepted accounting standards in Thailand by selecting appropriate accounting policies and consistently implementing them and using careful discretion and the best estimate in the preparation. Important information is adequately disclosed in the notes to the financial statements.

The Board of Directors has maintained an effective internal control system to reasonably ensure that accounting records are accurate, complete, and sufficient to maintain the assets and to identify weaknesses in order to prevent fraud or materially abnormal operations. In this regard, the Annual General Meeting of Shareholders has appointed an audit committee consisting of non-executive directors who are responsible for the quality of financial reports and internal control systems.

The Board of Directors is of the opinion that the Company's overall internal control system is at a satisfactory level and can generate reasonable confidence in the reliability of the Company's financial statements.

#### **10. Relationship with investors**

The Board of Directors realizes that the Company's information, both financial and non-financial, affects the decision-making process of investors and stakeholders of the company. Therefore, the Board has instructed the management to take action on disclosing complete information that is honest, reliable, consistent, and timely. The management of the company has given importance to this and will always adhere to it. As for investor relations, the Company is currently in the process of setting up a specific unit, but has assigned the Director of Accounting and Finance to be responsible for communicating with institutional investors, shareholders, analysts, and relevant government agencies.

#### **11. Subcommittee**

The Board of Directors of the Company consists of the Board of Directors and the Audit Committee. The Board of Directors and executives of the company consist of qualified persons who are fully qualified under Section 68 of the Public Limited Companies Act B.E. 1992 and do not have prohibited characteristics according to the announcement of the Securities and Exchange Commission. At present, a sub-committee has been appointed to perform the duties of screening, inspecting, and managing various matters, with the various sub-committees meeting together at least every 3 months to consider various matters that arise in order to keep up with the management of the company.

## 11.1 Working Group Structure of Corporate Governance and Responsibilities.

### 11.1.1 Board of Directors

The Board of Directors is divided into independent directors and 3 members of the Audit Committee, which are in accordance with the regulations of the Stock Exchange of Thailand, as the persons who have knowledge, experience, and skills that are beneficial to the business operations of the company. The Board of Directors has been approved by the shareholders' meeting for relevant details, and the scope of duties and responsibilities are shown in the Structure and Management section.

#### Scope of authority of the Board of Directors

The Board of Directors has duties and responsibilities to shareholders regarding the Company's business operations. They supervise management to ensure that the goals and policies set are for the utmost benefit to shareholders and all stakeholders while being within the framework of good ethics. The Board of Directors has duties to perform and is responsible for managing the company in accordance with the laws, objectives, and regulations, as well as legitimate resolutions of the shareholders' meeting. They must act with honesty, caution, and protect the interests of the company, except for matters that must be approved by the shareholders' meeting before proceeding, such as matters required by law to be approved by the shareholders' meeting, connected transactions, and the purchase or sale of important assets according to the regulations of the Stock Exchange of Thailand or as required by other government agencies, etc.

The Board of Directors may assign one director or another person to perform any act on behalf of the Board of Directors, to consider and approve any important business related to the Company, or deemed appropriate to undertake for the benefit of the Company. However, the following matters can only be performed upon prior approval from the shareholders' meeting: transactions that involve directors or persons who may have conflicts of interest or have a stake in the Company or its subsidiaries. If a director has an interest in a matter, they have no right to vote on that matter.

- 1) Matters required by law to be approved by the shareholders' meeting.
- 2) Transactions where directors have interests and are within the scope of the law or regulations of the Stock Exchange of Thailand require approval from the shareholders' meeting.
- 3) Additionally, the following cases must be approved by both the Board of Directors' meeting and the shareholders' meeting, with a vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote:
  - Sale or transfer of all or important parts of the Company's business.
  - Purchase or acceptance of business transfers of other companies or a private company to become part of the Company.
  - Making, amending, or terminating contracts related to the lease of all or important parts of the Company's business, assigning other people to manage the Company's business, or merging business with other parties for the purpose of sharing profit and loss.
  - Amendment to the memorandum of association or the articles of association of the Company.

- Capital increase, capital reduction, bond issuance, merger, or dissolution of the Company.
- Any other matters as required by law.

At present, the scope, duties, and responsibilities of the Board of Directors can be summarized as follows:

- 1) Organize a shareholders' meeting, also known as an annual general meeting, within four months from the end of the Company's accounting period.
- 2) Organize a meeting of the Board of Directors at least once every three months.
- 3) Arrange for the company's balance sheet and profit and loss statement, which have been audited by the auditor, to be presented to the shareholders' meeting for consideration and approval at the end of the company's accounting period.
- 4) The Board of Directors may authorize one or more directors or any other person to act on behalf of the Board of Directors, under the control of the Board of Directors, or may authorize such a person to have the authority that the Board of Directors deems appropriate within a period of time that the Board of Directors deems appropriate. The Board of Directors may cancel, revoke, change, or amend the authorized person or such authority as it deems appropriate. The Board of Directors may authorize the Executive Committee to perform various duties within the scope, authority, and duties of the Executive Committee, as specified in the details of authorization. The delegation of authority must not allow the Executive Board to consider and approve transactions that they or persons may have interests or conflicts of interest with the Company or its subsidiaries, except for the approval of transactions that are in accordance with the policies and criteria that the Board of Directors has considered and approved.
- 5) Set goals, guidelines, policies, plans, and budgets of the company to supervise the administration and management of the Executive Committee in accordance with the assigned policy, except in matters that require approval from the shareholders' meeting, including matters required by law to obtain approval from the shareholders' meeting.
- 6) Consider the management structure by appointing the Executive Committee, managing director, and other committees as appropriate.
- 7) Continuously monitor the performance to ensure that it is in accordance with the plan and budget.
- 8) Directors must not operate businesses of the same nature and that are in competition with the business of the Company or become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership or be a director of a private company or other companies operating businesses of the same nature and in competition with the business of the Company, whether it is done for personal benefit or for the benefit of others, unless notified to the shareholders' meeting prior to the appointment resolution.
- 9) Directors must notify the company without delay if there is a direct or indirect interest in the contract made by the Company or if there is a change in the number of shares or debentures held in the company or its affiliates.

### 11.1.2 Audit and Corporate Governance Committee

The audit committee consists of three independent directors. The audit committee members must be independent directors who have no interest or relationship with the company, the board of directors, the executive committee, major shareholders, or any other persons related to the aforementioned parties. All three members of the audit committee must have sufficient knowledge and experience to review the credibility of the financial statements for relevant details. The scope, duties, and responsibilities of the audit committee are listed in the Management Structure section.

#### Scope of duties and responsibilities of the Audit Committee

The Audit Committee has the authority, duties, and responsibilities assigned by the Board of Directors, including reporting to the Board of Directors. These can be summarized as follows:

- 1) Review financial reports for accuracy and adequate disclosure by coordinating with external auditors and executives responsible for preparing both quarterly and annual financial reports. The audit committee may suggest that the auditor review or examine any item that it deems necessary and important during the audit of the company's accounts.
- 2) Review the appropriateness and effectiveness of the internal control system and internal audit by co-reviewing with external auditors and internal auditors, as well as considering the independence of the internal audit department.
- 3) Review the Company's operations to ensure compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, or laws related to securities business.
- 4) Consider, select, and nominate the Company's auditors, including considering the auditor's remuneration, credibility, resource sufficiency, workload, and the experience of personnel assigned to audit the company's accounts. The committee should also consider the independence of the auditor and have a meeting with the auditor at least once a year without the participation of management.
- 5) Consider the disclosure of company information in the case of connected transactions or transactions that may cause conflicts of interest to ensure accuracy and completeness.
- 6) Perform any other tasks assigned by the Board of Directors and approved by the Audit Committee, such as reviewing financial management and risk management policies, reviewing management's compliance with business ethics, and reviewing important reports that must be presented to the public as required by law, such as management reports and analysis.
- 7) Prepare a report on the Audit Committee's activities to be disclosed in the company's annual report, which the committee chairman should sign. The report should include the following information:
  - Opinions on the accuracy, completeness, and reliability of the Company's financial reports preparation and disclosure process.
  - Opinions on the adequacy of the Company's internal control system.
  - Reasons to believe that the Company's auditor is suitable for reappointment for another term.
  - Opinions on compliance with the law on securities and stock exchange regulation of the SET or laws related to the company's business.

- Opinions or overall observations received by the Audit Committee from performing its duties.
  - Items that may have conflicts of interest.
  - Any other reports that shareholders and general investors should know within the scope, duties, and responsibilities assigned by the Board of Directors.
- 8) Report the performance of the Audit Committee to the Board of Directors at least once a quarter.
  - 9) Perform any other acts assigned by the Board of Directors of the Company with the approval of the Audit Committee.

In addition, the Board of Directors has set the tenure of the Company's Audit Committee as follows:

- Chairman of the Audit Committee      3 years
- Audit Committee                              3 years

However, when the term of office has expired, the Chairman of the Audit Committee and members of the Audit Committee who retire by rotation may be reappointed.

The Corporate Governance Committee consists of three members who are independent directors with no interest or relationship with the Company, the Board of Directors, the Executive Board, major shareholders, or those related to the aforementioned persons. All three members of the Corporate Governance Committee have sufficient knowledge and experience to review the credibility of financial statements. For relevant details, scope, duties, and responsibilities, please refer to the Management Structure section.

**Scope of Duties and Responsibilities of the Corporate Governance Committee**

The Corporate Governance Committee's scope of authority, duties, and responsibilities, as assigned by the Board of Directors, can be summarized as follows:

- 1) Consider and approve policies, strategies, goals, practices, and plans related to corporate governance and social responsibility of the Company and propose them to the Board of Directors for consideration and approval.
- 2) Encourage the participation of the Board of Directors, executives, and operators in the company's corporate governance and social responsibility activities.
- 3) Supervise to ensure compliance with policies and regulations related to corporate governance and social responsibility of the Company.
- 4) Follow up and regularly report the results to the Board of Directors after every meeting of the Corporate Governance and Social Responsibility Committee.
- 5) Regularly review and propose improvements to the Company's corporate governance and social responsibility policies and practices, as appropriate, by comparing them with those of leading companies and making recommendations to the Board of Directors for continuous improvement consideration.
- 6) Perform any other duties related to good governance and social responsibility as assigned by the Board of Directors.

However, once their term of office has expired, the Chairman of the Corporate Governance Committee and members who retire by rotation may be reappointed.

#### **11.1.3 Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of the Chairman of the Board and two other directors, totaling three members. All three members of the Nomination and Remuneration Committee are knowledgeable and experienced enough to perform duties related to nomination and remuneration.

**The scope, authority, and duties of the Nomination and Remuneration Committee for directors and executives can be summarized as follows:**

- 1) Set policies and criteria to be submitted to the Board of Directors on the following matters:
  - Method for the nomination of directors and managing director.
  - Method of payment of remuneration and other benefits paid to the Board of Directors, Executive Committee, sub-committees, and managing director.
- 2) Select and nominate qualified individuals to propose to the Board of Directors, considering the following:
  - Director
  - Members of various sub-committees who are directly assigned authority, duties, and responsibilities from the Board of Directors.
  - Managing Director and Deputy Managing Director. For the position of Deputy Managing Director, assign the Managing Director to consider the preliminary proposal to the Nominating Committee for approval and propose it to the Board of Directors for consideration.
- 3) Ensure that there is a board size that is suitable for the organization, including adjustments in accordance with the changing environment.
- 4) Ensure that directors and managing directors receive compensation that is appropriate to the duties and responsibilities assigned.
- 5) Set guidelines, present and approve the results of the performance assessment of the managing director to consider adjusting remuneration and paying incentives for the year.
- 6) Follow up on succession plans for the position of Managing Director and Deputy Managing Director to be proposed to the Board of Directors for consideration at least once a year.
- 7) Report performance to the Board of Directors at least once a year.
- 8) Perform other tasks as assigned by the Board of Directors.

#### **11.1.4 Risk Management Committee**

The Risk Management Committee consists of a chairman and two other directors, totaling three members. All three members of the Risk Management Committee are knowledgeable and experienced enough to manage risks and prevent damages that may occur.

**The scope, authority, and duties of the Risk Management Committee can be summarized as follows:**

- 1) Supervise departments to formulate plans and implement risk management plans.
- 2) Consult and approve principles for enterprise risk management planning and appropriate control measures.

- 3) Be responsible for risk assessment, preparation, and supervision of the implementation of the risk management plan at the enterprise level.
- 4) Propose matters to the Executive Board and the Board of Directors for direction, risk management strategy, and risk appetite framework for review or approval.
- 5) Organize a meeting to review the results of risk management and report the results to the Executive Committee or the Board of Directors.

#### **11.1.5 Board of Directors**

The Board of Directors consists of a chairman and four other directors, totaling five persons with sufficient experience to manage the company, make it stable, progressive, and competitive within the industry.

#### **Scope, Authorization, and Duties of the Executive Committee**

The Executive Committee is responsible for managing the company's normal business operations and management, determining policies, business plans, budgets, management structures, and various management powers. They also set rules for conducting business in accordance with economic conditions and propose them for approval and/or approval by the Board of Directors. The Executive Committee monitors and assesses the company's performance according to the specified policy. At present, the Executive Committee's duties and responsibilities can be summarized as follows:

- 1) Ensure that policies, strategies, financial structures, and various administrative powers are in line with and support economic conditions.
- 2) Consider and provide opinions on the business plan and annual budget allocation proposed by the Managing Director to present to the Board of Directors.
- 3) Supervise and follow up on the Company's performance to ensure efficiency and suitability for business conditions for the benefit of the business administration and operations of the Company in accordance with its objectives and regulations.
- 4) Perform other actions assigned by the Board of Directors.
- 5) Have the power to make decisions with banks regarding the normal business of the company, such as borrowing money and providing various guarantees to banks, among others.
- 6) Approve expenses for normal business transactions, such as operating expenses and selling and administrative expenses. The amount approved per transaction should not exceed 250 million baht per item or the amount specified by the Board of Directors.
- 7) Allocate gratuity approved by the Board of Directors to employees, company staff, or any person who performs business for the Company.

The Executive Committee may delegate authority to executive-level employees of the company to act on one or more matters, as the Executive Committee deems appropriate. The power of attorney must comply with the requirements and agendas approved by the Board of Directors each time. The Executive Board must not approve any transaction in which oneself or a person who may have a conflict of interest has an interest, or there may be a conflict of interest



in any other manner with the Company and its subsidiaries, and must present such transactions to the Board of Directors for consideration.

In addition, the Board of Directors has set the tenure of the Company's Executive Committee as follows:

- Executive Chairman 3 years
- Executive Director 3 years

#### **Scope of authority of Managing Director**

The scope, duties, and responsibilities of the managing director in the administration, in regards to the normal operations and management of the company, can be summarized as follows:

- 1) The managing director is the authorized person of the company in management within the company to be in accordance with policies, objectives, plans, rules, regulations, and requirements as assigned by the board of directors or the executive board of the company.
- 2) The managing director is the authorized person to supervise the day-to-day management of the company.
- 3) The managing director is the authorized person to manage the company in accordance with the objectives, rules, regulations, requirements, orders, and oversee the overall operations.

In this regard, the aforementioned authorization of the managing director requires compliance with the requirements and various agendas approved by the board of directors each time. The managing director must not approve any transaction that oneself or a person who may have a conflict of interest having an interest or there may be a conflict of interest in any other manner with the company and its subsidiaries. The managing director must disclose such transactions to the board of directors for the board of directors to consider other matters. The managing director cannot do this unless assigned by the board of directors from time to time.

#### **12. Combining or Separating Positions**

The Chairman of the Board is not the same person as the Managing Director. However, the Chairman and Managing Director are representatives of the major shareholder group of registered and paid-up capital. The structure of the Board of Directors of the Company consists of three members of the Audit Committee, which creates balance and review of the management.

#### **13. Supervision of operations of subsidiaries and associated companies**

The Company's Board of Directors has established the scope, duties, and responsibilities of the Company's directors and executives. Subsidiaries and Associated Companies use the same policies as the Company. In addition, if it is a transaction with a connected person, the same information must be disclosed to the Company. The company has sent representatives to join as directors in subsidiaries and associated companies in proportion to their shareholding.

#### **14. Prevention of the Use of Inside Information**

- 1) The company has set up protection against the use of the company's information by requiring agencies that know the information not to disclose the information to unrelated agencies or persons.



- 2) The company's executives who receive the company's financial information must not exploit it before it is disclosed to the public. Executives are prohibited from trading the company's securities for a period of one month before the financial statements are disclosed to the public.

**15. Auditor's Remuneration**

According to the announcement of the SEC, the Board of Directors of listed companies is required to rotate auditors. If the former auditor has reviewed or audited and expressed opinions on the Company's financial statements for five consecutive fiscal years, and in the event that the former auditor has performed their duties for five consecutive fiscal years, the company can appoint the former auditor, and at least two consecutive accounting years must have expired.

The Audit Committee has proposed a list of auditors for appointment by considering other qualifications of auditors as a component and found that they have complete qualifications as specified. Together with the development of information systems for management, the company also considers people who have experience in using the system. The company has appointed the auditor of the company. The audit fee is specified in 56-1. One Report, whereby the auditor is not a person or business related to the Company.