



**Corporate Governance Handbook**  
**Of**  
**Sri Trang Agro-Industry Public Company Limited**

**9<sup>th</sup> updated**  
**February 2024**

## **CORPORATE GOVERNANCE POLICY**

The Company has established a good corporate governance policy as one of the business policies aiming to improve business operation's efficiency and sustainable growth to build up the confidence of all shareholders, investors, and stakeholders. The Board of Directors of STA has adhered to the principles of good corporate governance outlined in the Corporate Governance Code 2017 (CG Code) issued by the Securities and Exchange Commission. The Company has also continually reviewed the recommendations from the Thai Institute of Directors Association (IOD) to amend and develop the policy to be always practical for the confidence of the Board of Directors of STA's efficient practices. The Company has acknowledged the guidelines for the corporate governance committee and adapted the revisions to the criteria for the Corporate Governance Report 2023 of the Thai Institute of Directors (IOD). The policy and regulations are reviewed on an annual basis.

The Board of Directors of STA has conducted the business operation appropriately and effectively following its objectives by utilizing expertise, diligence, conscientiousness, and due care to protect the interests of the Company and to comply with the laws, objectives, the Articles of Association of STA as well as the resolutions of the Board and shareholders' meeting. The roles and responsibilities of the Board of Directors of STA are all managed with due care, particularly in the process of decision making. Careful consideration is given using reasonable judgment based on honesty, transparency, ethics, and the concern of stakeholders as well as all aspects of the best interests of shareholders, as an organization leader that creates sustainable value for the business.

The Board of Directors has specified to monitoring the compliance on the policy and the communication to all employees through the internal intranet system (STA Family) and to the public on the Company's website under the topic of good corporate governance.

### **The principles of good corporate governance**

STA has established and reviewed principles for good corporate governance following the Principle of Good Corporate Governance for Listed Companies as prescribed by the SET. The Principle of Good Corporate Governance is conducted by OECD Principles of Corporate Governance, consists of (1) Rights of Shareholders, (2) Fair Treatment of Shareholders, (3) Role of Stakeholders, (4) Information Disclosure and Transparency (5) Responsibility of the Board of Directors. The details of the five principles of good corporate governance areas undergo a yearly review to ensure they are appropriate for the current business environment and can serve as cornerstone of the good corporate governance policy that meets international standards are as follows:

## CORPORATE GOVERNANCE GUIDELINES

### 1. Rights of Shareholders

STA realizes that the main factors for building shareholders' trust and the confidence of STA's investment are the application of policies and operations that protect the fundamental rights of the shareholders, the sufficient and timely information, the inclusivity in attending the shareholders' meeting and expressing opinion, as well as the equality of all shareholders as prescribed by the laws and encouraging the shareholders to exercise their fundamental rights, for example;

- (1) **Right to Receive Profit Sharing in the Form of Dividend:** STA has a policy on dividend payment, based on careful consideration of the financial position, operating results and cash flow of STA, the ability of our subsidiaries, associates, and joint venture entity to make dividend payment, STA's expected working capital requirements to support the future growth of STA, the economic situation, and other external factors that STA expects will have an impact on its operations. To maintain the stability of the business operations, the dividend payment policy is at approximately 30 percent of the net profit.
- (2) **Right to Attend the Shareholders' meeting:** STA pays considerable attention to the sufficiency of information so that the shareholders can make a well-informed decision at the shareholders' meeting, casting their votes and expressing their opinions on significant changes and the election of the Board of Directors of STA, based on the accurate, complete, transparent, and equally shared information.

Where the STA's shares are held through CDP (The Central Depository (Pte) Limited), CDP will be the only holder on record of such shares. Accordingly, as a matter of Thai law, CDP will be the only person or entity recognized as a shareholder and legally entitled to vote on any matter to be submitted to the vote of the Company's shareholders at a general meeting of shareholders.

CDP has appointed a Thai custodian to safe keep all the shares held by CDP. Such a Thai custodian will act as CDP's proxy during a general meeting of shareholders and CDP will instruct such a Thai custodian to split its votes following the instructions that CDP receives from investors holding shares through CDP. However, shareholders who desire to attend shareholders' meetings and exercise their voting rights under their names about the shares beneficially owned by them will be required to transfer their shares out of the CDP system and have the share transfer registered in the share register book. In addition, a shareholder who transfers the Company's shares out of the CDP system will not be able to trade such shares on the SGX-ST unless he first transfers such shares back into the CDP system.

STA has the policy to facilitate shareholders and institutional investors who attend shareholders' meetings equally by allowing them to send shareholders' meeting registration documents in advance to reduce time verifying documents on the meeting date both in the case of organizing a meeting in physical form or through electronic media (E-AGM). If organizing in physical form, STA arranges registration stations for the shareholders and institutional investors. The Company has also used technology in the meeting.

To facilitate the shareholders who cannot present at the meeting in person, the Company has provided a proxy form in accordance with the Ministry of Commerce in which the shareholders can set their voting guidelines and can delegate powers to the Company's independent directors nominated by the Company as an alternative for proxy by providing all 3 forms of proxy forms as required by law on the Company's website.

- (3) **Right to Vote on Agenda Items in the Shareholders' meeting:** The completed invitation to the shareholders' meeting and attachments prepared in Thai and English will be arranged to shareholders in advance. The invitation to shareholders' meeting includes details on agenda items, attachments to agenda items, opinions of the Board of Directors of STA, proxy forms as prescribed by the Ministry of Commerce, a name list of all independent directors to whom the shareholders can give their proxy, and a map of the meeting venue. The invitation to the shareholders' meeting also includes the information regarding the required documents that shareholders have to present to the meeting in order to protect their right to attend the meeting, and also attached the Articles of Association of STA related to the shareholders' meeting and voting instructions. Furthermore, shareholders can obtain information thoroughly and access to all information regarding to the agenda of the shareholders' meeting in advance at least 30 days before the meeting date via [www.sritranggroup.com](http://www.sritranggroup.com) and the website of the SGX-ST via [www.sgx.com](http://www.sgx.com) ("SGXNET"). The shareholders will be notified when such information is published through the news publishing system of the Stock Exchange of Thailand. Moreover, STA has assigned Thailand Securities Depository Co., Ltd. (TSD) and CDP as its securities registrar to dispatch the meeting invitation and other related documents to shareholders at least 21 days before the meeting aimed to give shareholders a time for considering the details of each agenda and conducting the meeting in order of agenda as informed in a notice of meeting. The policy of STA is that no additional agenda item is included in the meeting without prior notice to the shareholders.

For the agenda related to directors' election, STA gives an opportunity to shareholders to vote on each director individually. In addition, STA provides independent examiners with no relation with the Company's for the vote counting process on the meeting date and discloses the information in the minutes of the shareholders' meeting. In electronic meetings (E-AGM), shareholders who logged in after the start of the meeting can cast their votes in agendas under consideration on which the votes have not been cast.

- (4) **Equal Right to Express Opinions and Make Inquiries in the Shareholders' meeting:**

With respect to agenda items and proposed agenda items, the Chairman of the shareholders' meeting should allocate sufficient time and encourage the shareholders to express their opinions and make inquiries in the meeting.

The Chairman of each sub-committee and the legal advisors will be presented at the annual general meeting to address questions that shareholders may have. External auditors will also be presented to address queries about the audit of the Company and the auditors' report. STA will note the questions and clarifications in the minutes of the shareholders' meeting for acknowledgment of shareholders who did not attend the meeting.

- (5) **After the completion of the shareholder meeting**, Upon conclusion of the Meeting, the Company uploaded to the resolutions of the Annual General Meeting to the website of the Stock Exchange of Thailand and the Company's website on the same day as the meeting date. The Company also uploaded the minutes of the meeting in Thai and English versions with accurate and complete details of the Meeting that shareholders can consult within 14 days of the meeting date.

## **2. Fair Treatment of Shareholders**

STA has the policies of fair and equitable treatment to all groups of shareholders including institutional investors, foreign investors, and retail shareholders.

- (1) The shareholders' meeting shall be held in accordance with the agenda mentioned in the invitation to the shareholders' meeting. STA sends a complete invitation to shareholders' meeting, including attachments, both in Thai and English language with all sufficient information relevant to the meeting to the shareholders. Moreover, STA posts all information which is relevant to the meeting via its website ([www.sritranggroup.com](http://www.sritranggroup.com)) so that the shareholders will have sufficient time to carefully study this information and can download the proxy form and the Company has nominated the independent directors to be a proxy on behalf of the shareholders who cannot attend the meeting by themselves. In addition, the invitation to the shareholders' meeting shall be advertised no less than three days before the shareholders' meeting in a daily newspaper for at least three consecutive days to allow shareholders to have sufficient time to prepare for attending the shareholders' meeting. Before the commencement of each meeting, the Chairman will give instructions on the voting and the counting methods as clearly prescribed. Furthermore, the Company's Board of Directors had the policy not to add any unnecessary agenda which did not notified shareholders in advance. During the meeting, the Chairman allows the shareholders, equally, to make inquiries and express their opinions as well as to make recommendations. The Chairman also answers questions and provides complete information as requested by the shareholders. The Company disclosed the shareholders' meeting resolutions and voting results within the same day through the system of the Stock Exchange of Thailand and on the Company's website. After the meeting, STA will send the minutes of the shareholders' meeting to the SET within the prescribed period.
- (2) STA gives an opportunity to shareholders to cast their vote on one share one vote approach and encourages the shareholders to use ballots for voting on each agenda item. The ballots shall be kept in the meeting room for vote counting prior to the announcement of the resolutions. For transparency, STA announces the detailed results showing the number of votes cast for and against each resolution, no vote and voided ballots and the respective percentages and keeps all ballots having signatures of the shareholders or their proxy of the disagreed agenda for future reference. However, if the meeting is via electronic system, shareholders still have the right to vote by registering to attend the meeting in advance of the meeting date. For voting at the meeting, shareholders can vote through the system one agenda at a time when the presentation of each agenda ends, there will be a designated and announced voting period at the beginning of the meeting.

- (3) Minutes of the shareholders' meeting must be accurately and completely recorded and submitted to the SET within 14 days after the shareholders' meeting. The resolutions of the shareholders' meeting will be announced on SET and SGX's websites and posted on the website of STA at [www.sritranggroup.com](http://www.sritranggroup.com) and on SGXNET.
- (4) The policy regarding the monitoring of the use of insider information has been established for strict compliance by personnel at all levels, and it has also been publicized and provided knowledge training management by human resources department with public relations at least once a year, such as disseminating through the intranet system within the organization, sending e-mail to directors, executives, and employees, or sending documents for acknowledgment with signature.
- (5) Directors, executives and related persons as stated in Section 89/1, the Securities and Exchange Act B.E. 2535, must report changes in securities holding of STA to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the first day that securities holding changes through online channels. Then, the Company Secretary will get the report from the SEC's system and gather, submit a summary and propose to the Board of Directors' meeting in every quarter.
- (6) STA establishes the silent period policy to abstain from securities trading 30 days before the announcement to the Stock Exchange of Thailand and at least 24 hours after the public disclosure for directors and executives, as the SEC's prescribed, to strictly comply with.
- (7) Directors and executives are required to report their conflict of interests including their related persons at the first time for newly nominated directors and executives and if any changes during his/her position as well as at the end of each year by assigning Company Secretary to keep the report. If there is any conflict of interest found, Company Secretary shall report to the Chairman of the Board and the Chairman of Audit Committee to acknowledge. Such information can be used to investigate and prevent conflicts of interest.
- (8) A full and clear disclosure of shareholding structure in the subsidiaries and associates is made to assure shareholders that the operational structure of STA is transparent and accountable.
- (9) STA places importance on the accurate, full, timely, and transparent disclosure of information on various issues to shareholders. As such, significant information is disclosed on a regular basis.
- (10) STA has established a channel of communication for minority shareholders to directly access information on various issues e.g. the activities of the Board of Directors, supervision and monitoring of the operation, and auditing through the email address of the independent directors. Furthermore, minority shareholders may directly seek information from the Company Secretary of STA and the Investor Relations Office as following details:
- The Audit Committee, E-Mail Address: [auditcommittee@sritranggroup.com](mailto:auditcommittee@sritranggroup.com)
  - The Company Secretary, E-Mail Address: [corporatesecretary@sritranggroup.com](mailto:corporatesecretary@sritranggroup.com)
  - The Investor Relations Office, E-Mail Address: [ir@sritranggroup.com](mailto:ir@sritranggroup.com)

### **3. Role of Stakeholders**

STA fully realises that the growth and development of STA has resulted from the full support given by all interested parties. STA places importance on the rights of all stakeholders, both internal stakeholders such as personnel, staff members, and the Executives of STA and the subsidiaries and external stakeholders such as commercial partners ranging from the suppliers of raw materials to various groups of customers of finished products, financial institutions, government agencies that provide close co-operation, and finally, the shareholders of STA. In this regard, STA realises its responsibilities towards the above-mentioned stakeholders. The Board of Directors of STA has reviewed stakeholder engagement policy and established the policies concerning the non-infringement of intellectual property such as copyright, patent, and trademark as well as the whistleblower policy which has specified the channels of notice or complaint, operating procedure, and guidelines for the protection of claimer(s) in the Company's website. The Board of Directors has also established the anti-corruption policy to build a good conscience and right core value in order to prevent any type of corruptions in the organisation.

STA is aware of the principles and standards on human rights. As such, STA has established human rights and non-discrimination policy focusing on the equitable treatment to all stakeholders. Such policy was disseminated to all employees for their adherence.

The Company has a policy to protect personal information. In order to carry out the protection of personal information of the Company in accordance with and consistent with the Personal Data Protection Act 2019, the Company announces the Personal Data Protection Policy through internal communication channels and on the Company website to raise awareness of the importance of protecting personal information, treatment of personal information of data owners, collection of personal information, treatment of personal information, purpose for collecting and storing personal information, rights of the owner of personal data, disclosure of personal information, security measures for storing personal information, security measures for storing personal information. The company's personal data protection officer has been appointed. and determining channels for contacting the company clearly stated in accordance with the requirements of the law.

The followings are details of policies in connection with stakeholders:

#### **Shareholders:**

STA is committed to be the representative of its shareholders in conducting its business operation in a transparent manner, and having a reliable accounting and finance system that brings the highest satisfaction to shareholders by continuous considering the long-term, sustainable growth of STA and an adequate return.

#### **Employees:**

STA treats its employees equally and fairly by providing a good and safe working environment as well as adequate remuneration that is consistent with performance. Moreover, STA supports its employees in terms of providing the opportunity to develop knowledge, skills and experiences for career improvement. STA has established a Health and Working Environment Committee. A training program is specially designed for relevant personnel responsible for overseeing, providing advice, and giving accurate information on safety, occupational health, and the working environment, and the prevention of accidents resulting from work as well as providing other interesting health information to the employees. STA also promotes and provides training to employees

to use natural resources wisely. Considering the employee's welfare with respect to the safe and maximum working efficiency, STA has introduced various activities that promote the quality of life of employees, such as establishing annual health checkup, a library and creating entertainment programs as well as various activities which are designed to promote employees' good physical and mental health. Moreover, a handbook for employees has been published and is publicized through STA Intranet.

The Company has provided a provident fund for employees to encourage employees to have savings for retirement and/or retirement as another welfare for employees. Regular employees are entitled to apply for membership of the fund. There are plans for members to choose according to their own suitability and the investment plan and plans can be adjusted. Employees are entitled to apply for with options to pay the contribution at the minimum of 3% to the maximum of 15% of total salary, which is not entitle to years of service. The contribution rate paid by the Company depends on years of services of each employee. The employee will receive such provident fund benefit on the termination of their employment or upon their resignation from provident fund according to their entitlement except for cases where the terminations are not eligible to the compensations.

The Board of Directors of STA has established the anti-corruption policy, which is reviewed annually and communicated with employees to provide better knowledge and understanding for the prevention of corruption. This is to build a good business conscious, right core value, and good corporate culture.

The Board of Directors of STA has established the Whistleblower Policy and set channel for appellant from all groups of stakeholders regarding falsify or inappropriate actions which may cause the damage to the Company including protective measures for claimer who is in good faith.

The Company takes care of the use of inside information in accordance with the law and good corporate governance principles. This is set out in writing in the policy on the use of inside information to prevent the use of information to buy and sell the company's securities or seek illegal benefits. The said policy has been published on the company's website.

**Customers:**

STA is committed to creating customer satisfaction by producing quality products and delivering the products on a timely basis and maintaining a good sustainable relationship. A guideline for customer relations practice is included in the Code of Business Conduct under Conduct of Relations to the Customers.

**Business Partners:**

STA has the procurement policy to screen business partners and purchases goods and services from such business partners pursuant to commercial conditions. The Company always complies with the agreements entered with its business partners and strictly follows the laws and regulations. In addition, the Company establishes good business ethics aiming to encourage our business partners to run their business along with our ethics and practices, and this will be the opportunity both for the Company and business partners to contribute to social and environmental development to create sustainable growth together.



**Competitors:**

STA promotes and supports the policy of fair and free competition. STA will not take any actions that infringe or violate any laws related to commercial competition or that could cause harm reputation of its competitors.

**Creditors:**

STA complies with the conditions of loan agreements and provides accurate, transparent, and accountability information to creditors. Moreover, STA strictly adheres to the compliance with the prescribed conditions of the contract from creditors.

**Government Agencies and Related Organizations:**

STA strictly complies with various laws and regulations e.g. laws pertaining to the environment, safety, labour, tax management and accounting, as well as the government notifications relating to the business operations of STA.

**Society and Environment:**

STA is aware of and concerned about the safety, environment, and the quality of life of the people, and the importance of natural resources conservation, the promotion of energy sufficiency, the alternative use of natural resources to minimize the impact on society, the environment and people's quality of life to the greatest possible extent. As such, STA supports activities in the neighborhood community of the factories by providing the most efficient management of safety and environment.

The Board of Directors has supervised and monitored the management system to ensure full compliance with laws and regulations of regulatory agencies and the fair and strict equitable treatment of all stakeholders. Additionally, the Company has prepared Sustainability Report to communicate the Company's operation in materiality matters to all stakeholders.

STA has established a channel of communication for shareholders or any stakeholders to directly report to the directors. The Audit Committee assigned to receive these complaint reports will investigate and report to the Board of Directors. Furthermore, shareholders or any stakeholders may directly seek information from the Company Secretary of STA and the Investor Relations Office through the aforementioned channels:

**Policy and Practices involved with Shareholders and Stakeholders:**

The Board of Directors has focused on protecting the rights of all stakeholders both in the internal and external company as well as social and environmental responsibility. Therefore, the Company has established a Good Corporate Governance, Ethics, and Code of Business Conduct for the directors, executives, and employees to adhere to in their operations. For further detail about STA's corporate governance, the Company has disclosed the policy involved with the stakeholders in the Good Corporate Governance manual which is available on the Company's website ([www.sritranggroup.com](http://www.sritranggroup.com)). Additionally, the Company's disclosure of the operations of stakeholders through STA's 56-1 One Report for guiding the practices for each group of stakeholders.

#### **4. Information Disclosure and Transparency**

- (1) The Board of Directors of STA is responsible for the accurate, complete, clear, timely, and transparent disclosure of both significant financial and non-financial information of STA both Thai and English in balance and easy to understand form through STA's 56-1 One Report, and management discussion and analysis quarterly basis via easy-to-access channels, which reflects fairness and reliability at the same time of maintaining the commercial interest of STA so that the stakeholders are all equally able to receive information in compliance with the Securities and Exchange Commission, the Stock Exchange of Thailand, and the requirements of various regulators.
- (2) STA has set up a public relations department to communicate with investors and related third parties. The Investor Relations Office is the center for communication between shareholders, stakeholders, investors, analysts, and other related parties.
- (3) To report the corporate governance policy through STA's 56-1 One Report and the Company's website.
- (4) To disclose vision, mission, and goal of the Company. Such disclosed information will be reviewed by the Board of Directors of the Company on yearly basis. And follow up on the performance of the management.
- (5) To clearly disclose the shareholding structure of the Company including shareholding of the directors and the Executives of the Company both direct and indirect by presenting the beginning and ending shares as well as movement transaction during the year.
- (6) To establish the policy that the directors must report all trading in securities and quarterly present to the Board of Directors.
- (7) To establish the policy for the directors and the Executives to report their interest on the first appointment to the position and at the end of every year or every time when there is a change.
- (8) To present report of the Board of Director's responsibility for the financial reports together with auditor's report in 56-1 One Report.
- (9) To disclose minutes of the annual general meeting on website of the Company.
- (10) To disclose profile of the directors and their attendance on the Board of Directors and Sub-Committee meeting of the preceding year.
- (11) To disclose the date of first appointment to the Board of each director.
- (12) To disclose details of training and development program that the directors joined during the preceding year.
- (13) To disclose the audit fees and non-audit fees in 56-1 One Report.
- (14) To disclose Memorandum of Association and Article of Association in the website of the Company.
- (15) The Board of Directors of STA has a duty to provide management discussion and analysis and report risk factors, types of risk, the cause and impact of risk upon the business operation of STA, competitions, market share, business structure, and dividend policy through STA's 56-1 One Report.

(16) STA provides various communication channels such as website, 56-1 One Report, sustainability report, analyst meeting so that shareholders or investors can easily access company information thoroughly and equally.

(17) STA discloses significant information in Thai and English through website and STA's 56-1 One Report that are updated regularly. The Investor Relations Office at Bangkok Branch can be contacted at: Tel: +66-2207-4500, Email Address: [ir@sritranggroup.com](mailto:ir@sritranggroup.com) , or at [www.sritranggroup.com](http://www.sritranggroup.com)

Investor Relations Department has published the key information and held several activities to provide and deliver the information to shareholders and investors domestically and internationally through various channels. STA organized analyst meetings on a quarterly basis, and joins local & international roadshow/ conferences hosted by the Stock Exchange, financial institutions, domestic and foreign mutual funds, including contacting Investor Relations directly throughout the year via virtual conference systems such as Microsoft Teams, Zoom, and Webex etc. In addition, Investor Relations Department has organized the meeting to provide all the data to credit rating agency and bondholders, aiming to encourage analysts and investors to acknowledge and understand Sri Trang Group's direction and business opportunity.

## **5. Responsibility of the Board of Directors**

The Board of Directors of STA has the duty to understand and realize the responsibility under the principles of a good corporate governance leader company which consists of (1) Goals Determination, (2) Strategies and Policies Determination and Resource Allocation for Objective and Goals Achievement, (3) Monitor, Evaluating and Performance Reporting. The Board of Directors of STA oversees the business operation and the mission of STA to be following the approval given by shareholders, applicable laws, objectives, the Articles of Association of STA, and resolutions of the Board of Directors meeting and the shareholders meeting. The Board of Directors of STA must ensure that the Executives Directors perform their duties and exercise good business judgment in making business decisions and perform its duty with responsibility, due care, and loyalty in the best interests of the Company.

### **Board of Directors' Independence from the Management**

STA separates the roles and responsibilities of the Board of Directors and the Management for ensuring the balance of power and authority. The Board of Directors is responsible for establishing policies and overseeing their consistency with the Company's primary business objectives and goals. The Management, on the other hand, is charged with administering day-to-day operations according to established policies with ethical business conduct, transparency, efficiency, and effectiveness, and reporting to the Board of Directors periodically as deemed appropriate.

In addition, to comply with the principles of good corporate governance, the Board of Directors has established a policy to determine the number of listed companies in which the Company's directors and the president will serve as a director to effectively perform their duties in the position of Directors. The Company's directors and managing director are required to hold positions in other listed company no more than 5 listed companies.

According to the Company's regulations, the Board of Directors is required to set up the meetings at least every 3 months. The Company has prepared a meeting scheduled throughout the year in advance, notified all directors within December of each year and may have additional meetings as needed. It is necessary to allow the Board of Directors to monitor the performance and give opinions on operations, vision, mission, strategies, key policies, risks, and others that affect the creation of sustainable value for the business. The invitation letter for the meeting was sent to the directors for consideration at least 7 days before the meeting date except in case of an urgent need to maintain the rights or benefits of the Company in which every meeting there will be a clear agenda set. Document for the meeting is prepared completely and sufficiently to deliver to the committee in advance for the Board of Directors to have sufficient time to study the information before attending the meeting. The Company stipulates that there is a minimum quorum, while the Board of Directors to vote at the meeting must be at least two-thirds of the total number of directors. In the meeting of the Board of Directors, all directors can discuss and express their opinions openly. Senior executives may be invited to attend the meeting, as a directly related person, to provide more detailed information.

STA is committed to providing the Board of Directors with adequate, complete, continuous information in a timely manner prior to a Board of Directors meeting. The management provides information requested by the Board promptly and keeps the Board informed of all material events and transactions as they occur. The Board has separate and independent access to senior management and the Company Secretary at all times.

The Directors may, in fulfilling their duties, as a group or individually, when necessary, direct the Company to appoint external professionals to render advice. The Company Secretary is responsible for advising the Board of Directors on compliance with legal and regulatory requirements.

#### ***(1) The Structure of the Board of Directors***

The Board of Directors of STA has conducted the business operation appropriately and effectively following its objectives by utilizing expertise, diligence, conscientiousness, and due care to protect the interests of the Company and to comply with the laws, objectives, the Articles of Association of STA as well as the resolutions of the Board and shareholders' meeting. The roles and responsibilities of the Board of Directors of STA are all managed with due care, particularly in the process of decision making. Careful consideration is given using reasonable judgment based on honesty, transparency, ethics, and the concern of stakeholders as well as all aspects of the best interests of shareholders, as an organization leader that creates sustainable value for the business.

According to the Articles of Association of STA, at every annual general meeting, one-third of the directors, or, if the number of directors is not a multiple of three, then the number nearest to one-third, shall retire from office. The directors who are to retire from office in the first and the second years after registration of the Company shall be drawn by lots. In subsequent years, the Directors who have been holding office for the longest time shall retire.

The Board of Directors of STA resolved to appoint Company Secretary (the "Company Secretary"), having the duties and responsibilities as provided in the Securities and Exchange Act, including providing advice on

compliance with the relevant laws and regulations to the Board of Directors, organizing Board of Directors' activities and ensure compliance with the resolutions of the Board of Directors.

The Structure of organization of STA consists of the Board of Director of STA and 7 sub-committees which are Audit Committee, Executive Committee, Nomination Committee, Remuneration Committee, Risk Management Committee, Corporate Governance Committee, and Sustainability Development Committee.

## **The Board of Directors of STA**

### **Scope of Duties and Responsibilities of the Board of Directors of STA**

The Board of Directors of STA is responsible for corporate governance and mission of STA in accordance with the law applicable to the Company's objective, articles of association, as well as the resolution of the Board of Directors and shareholders. The Board of Directors must exercise good business judgment in making business decisions and perform its duty with responsibility, due care, and loyalty in the best interests of the Company. Moreover, the Board of Directors will develop its understanding about the structure of and relationship with shareholders to the extent that they will have a possible impact on the management and operations of the Company.

STA has determined the scope of duties and responsibilities of the Board of Directors of STA as follows:

1. The Board of Directors have power and duties and responsibilities in the management of the Company in accordance with the law, the Company's objectives, Articles of Association, the resolutions of Board and the resolutions of the general meeting of shareholders. The Board of Directors shall make prudent business decisions. They shall perform their duty responsibly with care and honesty for the best interests of the Company.
2. Response to propose, review and approve the policy of the Company
3. Appoint, remove and assign duties to advisors to the Board of Directors, various committees, and the Managing Director.
4. Authorize the Executive Directors management officers or any person to act on behalf of the Board of Directors.
5. Approve investments in securities or debt instruments.
6. Approve the entering into guarantee for credit facility, for the benefit of companies having business connection with the company as the shareholder.
7. Approve the establishment, merger or dissolution of subsidiary companies.
8. Seek advice from specialists or company consultants (if any), or retain the services of outside specialists or consultants at the company's expenses.
9. Propose the capital increase or capital decrease, or the change in par value, or amendment to the memorandum of association, the articles of association, and/or the objectives of the company to the shareholders for consideration.
10. Appoint and remove the Company Secretary.
11. Consider and approve the connected transactions, except if such transactions require approval of the shareholder meeting. Such approval will be in accordance with notifications, rules and/or regulations related to the Stock Exchange.

12. Provide the efficiency internal audit system especially the transactions which are the Interest of Directors which is within the scope of Stock Exchange of Thailand's regulation.

However, in the granting of powers, duties and responsibilities, the Board of Directors shall not grant or sub-grant power to a grantee that causes the Board of Directors or the grantee to approve transactions in which the Board of Directors or the grantee, or any person who may have any conflict of interest (as defined in the notification of the SEC), may have a vested interest, or any other conflict of interest with the Company or its subsidiaries. Approval of such transaction is required to be presented to the Board of Directors Meeting and/or the Shareholders.

The Board of Directors will develop understanding about its scope of duties and will delegate its managing powers to the Chief Executive Officer and the management. Such delegation to be made in writing, however, shall not discharge the Board of Directors from its duties as the Board of Directors. It shall continue to follow up on and supervise the management to ensure that they perform the delegated duties. Scope of duties of the Board of Directors, the Chief Executive Officer and the management are as follows:

Matters which require the Board of Directors to have an oversight and ensure that they are carried out

These include matters for which the Board of Directors is mainly responsible to ensure that they are carried out properly. The Board of Directors may delegate the management to propose the following matters to the Board of Directors for consideration:

- a. Determination of objectives and main goals of business operations;
- b. Creation of corporate culture which adheres to ethics and acting as a role model;
- c. Supervision of composition and performance of the Board of Directors in order to efficiently achieve the defined objectives and main goals of business operations.

Matters to be carried out together with the management

These include matters to be carried out collectively by the Board of Directors, the Chief Executive Officer and the management. The management will propose the matters to the Board of Directors for approval while the Board of Directors ensures that the overall policy is in line with the defined objectives and main goals of business operations and will delegate the management to implement. The management shall then report to the Board of Directors regularly. These matters are:

- a. Determination and review of annual strategies, goals and business plans;
- b. Oversight of suitability and sufficiency of risk management and internal control;
- c. Determination of powers that are suitable for the responsibilities of the management;
- d. Determination of resources allocation framework, development and budgeting such as policy and plan for the people management and information technology management policy;
- e. Follow-up on and assessment of performance;
- f. Oversight over reliable financial disclosure and reporting and sufficient and appropriate non-financial disclosure.

Matters which should not be undertaken by the Board of Directors

These include the following matters that the Board of Directors may only supervise at the policy level and will delegate the Chief Executive Officer and the management to take the main responsibility in carrying out:

- a. Execution of strategies, policies and plans approved by the Board of Directors. The Board of Directors should allow the management to take the responsibilities in making decisions on operations, procurements, recruitments, etc. in accordance with the defined framework. The Board of Directors should only exercise oversight over these matters without interfering the decisions of the management except in case where it is necessary to do so.
- b. Matters which are subject to restrictions such as the approval for matters in which directors have an interest.

In determining annual strategies and work plans, the Board of Directors will ensure that environmental considerations and relevant risk factors on the stakeholders throughout the value chain including such other factors which could affect the achievement of main goals of the Company are analyzed and that there shall be a mechanism to allow the Board of Directors to truly understand the need of stakeholders.

#### **Scope of Duties and Responsibilities of the Chairman of Board of Directors of STA**

The Company's Board of Directors Meeting No. 6/2018, held on 16 July 2018, resolved to approve the scope of duties and responsibilities of the Chairman of Board of Directors as below:

1. Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve STA's objectives.
2. Ensure that all directors contribute to STA's ethical culture and good corporate governance.
3. Set the board meeting agenda by discussing with independent directors and have a measure to oversight that important matters should be included as the meeting agenda.
4. Allocate sufficient time for management to propose topics and for directors to discuss important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of SAT.
5. Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.
6. In case of an equality of votes, the Chairman of the Board shall have an additional vote as the casting vote.

To encourage good corporate governance and ensure the balance of power and authority of the board and between the Board and management, the Board therefore designated an independent director to participate in setting the Board meeting agenda.

In addition, the Company has set the scope of duties and responsibilities of the Managing Director to be transparent and clear as follows:

#### **Scope of Authorities and Responsibilities of the Managing Director**

1. Approve any juristic act binding the company for the normal business operation of STA in an amount not exceeding Baht 200,000,000.
2. Issue and amend the rules, orders, and work rules of STA, for example, the acceptance, appointment, removal and disciplining of staff and employees, and the determination of salary and other monies, including compensation and other welfare.
3. Determine the salary rate and other remuneration, including expenses rate and facilities of the manager or equivalent for proposing to the Executive Committee for further approval.
4. Administer STA pursuant to the resolutions and policies of the Board of Directors of STA.

5. Propose significant matters to the Board of Directors of STA or the meeting of shareholders for further approval or other appropriate action.
6. Study the feasibility of new projects and consider and approve the projects as delegated by the Board of Directors of STA and the Executive Committee.
7. Perform other matters as delegated by the Board of Directors of STA and/or the Executive Committee from time to time.

However, the abovementioned approvals shall not be given in a way that may cause the Managing Director or his authorized representative to be able to approve any transaction in which he himself or any related person has or may have a conflict of interest with STA or its subsidiaries as defined in the Notification of the SEC or the Capital Market Supervisory Board.

#### **Conflict of Interests**

The Board of Directors of STA has established a policy for preventing any conflict of interest on the basis that any decision-making on business transactions must be made only for the best interest of STA, and that any act which may cause a conflict of interest should be avoided. It is required that a person involved in or having a conflict of interest in any agenda item to be discussed in a meeting shall report the relationship or conflict of interest in such agenda item to STA, as well as abstain from voting and shall have no authority to approve such transaction. For any transactions that are related to any director of the Company, that particular director does not have the right to vote on such transactions. The Board also has established a policy that prohibits management and staff from utilizing inside information for personal use.

The Company has communicated its conflict of interest policy to directors, executives, and employees via email and disseminating through the Company's intranet system, including organizing training for employees to create correct knowledge and understanding.

#### **Conflict of Interest Report Preparation**

The Board of Directors is provided the disclosures to prevent conflicts of interest and activities that may cause conflicts of interest, illegal and inappropriate activities. The Directors, Executives, and the permanent employees must prepare their report of the lists of the suspect which may be themselves or their relatives who related in their family that was suspected to have any conflict of interest annually.

The policy on the prevention of conflict of interest disclosed on the Company's website

([www.sritranguroup.com/en/cg/important-policies](http://www.sritranguroup.com/en/cg/important-policies)).

#### **Composition and Appointment of the Board of Directors of STA**

The following is a summary of the composition, appointment, removal or retirement from the Board of Directors of STA set forth in the Articles of Association of STA and The Listed Companies Handbook:

1. The number of members of the Board of Directors of STA shall be determined by a shareholders meeting but shall be not less than five persons and not less than one-half of the total number of Directors must reside in the Kingdom of Thailand.
2. Of the total number of Board members, at least one-third and no fewer than three persons must be independent directors;



3. At least 1 person of 3 members of audit committees must have independence, knowledge, and experience to review the reliability of financial statements
4. At every annual general meeting, one-third of the Directors, or, if the number of Directors is not a multiple of three, then the number nearest to one-third, shall retire from office.  
The Directors who are to retire from office in the first and the second years after registration of the Company shall be drawn by lots. In subsequent years, the Directors who have been holding office for the longest time shall retire.
5. Any Director wishing to resign from office shall submit his or her resignation letter to STA. The resignation shall be effective from the date on which STA receives the resignation letter.
6. The shareholders meeting may pass a resolution to remove any Director from office prior to rotation, by a vote of not less than three-fourths of the number of the shareholders attending the meeting and having the right to vote, and whose shares represent a total of not less than one half of the number of shares held by the shareholders attending the meeting and having the right to vote.

The composition of the Board takes into consideration the nature and scope of the Group's operations to allow constructive discussion on the basis of board diversity in terms of knowledge, skills, experiences, ages, and genders of directors bringing about the reasonable decision making. In this regard, STA's directors have invaluable experience in accounting, finance, business management, strategic planning, marketing, law and the rubber industry in order to perform their duties effectively.

#### **Qualifications of Independent Director**

1. Holding shares not exceeding one percent of the total number of shares with voting rights of STA, its parent company, subsidiary company, associate company, major shareholder or controlling person of STA, including shares held by related persons of such independent director.
2. Not having any relationship with (a) STA; (b) STA's holding company, subsidiary or fellow subsidiary; (c) any person who has an interest or interests in one or more voting shares in STA and the total votes attached to that share, or those shares, is not less than ten percent of the total votes attached to all the voting shares in STA ("10% Shareholder"); and/or (d) STA's officers, that could interfere or be reasonably perceived to interfere with the exercise of the Director's independent business judgment with a view to the best interests of STA.
3. Neither being nor having an immediate family member who is or was, in the current or immediate past financial year, a 10% shareholder of, or a partner in (with 10% or more stake), or an executive officer of, or a director of, any organisation to which STA or any of its subsidiaries made, or from which STA or any of its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), in the current or immediate past financial year.
4. Not being nor having been directly associated with a ten percent shareholder of STA in the current or immediate past financial year.
5. Neither being nor having been an executive director, employee, staff, advisor who receives salary, or a controlling person of STA, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person of STA, unless the foregoing status ended not less than three financial years prior to the appointment as an independent director. Such prohibited

characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of STA.

6. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, of a director, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of STA or its subsidiary company.
7. Not have an immediate family member including spouse, child, adopted child, stepchild, brother, sister and parent, who is, or has been in any of the past three financial years, employed by the Company or any of its related companies and whose remuneration is determined by the remuneration committee.
8. Not being a director or having an immediate family member including spouse, child, adopted child, stepchild, brother, sister, and parent, accepting any compensation from STA or any of its related corporations for the provision of services, other than compensation for board service, for the current or immediate past financial year.
9. Neither having nor having had a business relationship with STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor having been a significant shareholder or controlling person of any person having a business relationship with STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship ended not less than two years prior to the appointment as an independent director .
10. Neither being nor having been an auditor of STA, its parent company, subsidiary company, associate company, major shareholder or controlling person of STA, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of STA, its parent company, subsidiary company, associate company, major shareholder or controlling person of STA, unless the foregoing relationship ended not less than two years prior to the appointment as an independent director.
11. Neither being nor having been a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from STA, its parent company, subsidiary company, associate company, major shareholder or controlling person of STA, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship ended not less than two years prior to the appointment as an independent director .
12. Not being a director appointed as representative of directors of STA, major shareholder or shareholder who is related to a major shareholder, or a director who is or has been directly associated with a 10% Shareholder, in the current or immediate past financial year. A director will be considered "directly associated" with a 10% Shareholder when the director is accustomed or under obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the 10% Shareholder in relation to the corporate affairs of STA.
13. Not undertaking any business in the same nature and in competition to the business of STA or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holds shares exceeding one percent of the total number

of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of STA or its subsidiary company.

14. Not having any other characteristics which would cause the inability to express independent opinions with regard to STA's business operations.

The qualifications of the Independent Director of STA are more stringent than the definitions as specified in the notification of the Capital Market Supervisory Board.

### **Company Secretary**

The Board of Directors of STA resolved to approve the appointment of Mrs. Pacharin Anuwongwattanachai, who had an appropriate qualification, graduated in accounting, passed the company secretary training program and other related training programs, as well as possessed skill, knowledge, understanding in business, laws and other related regulations, as the Company Secretary (the "Company Secretary") by having the duties and responsibilities as provided in the Securities and Exchange Act, including providing advice on and ensuring compliance with relevant laws and regulations which the Board is required to know and follow. The Company Secretary attends and documents all Board meetings and ensures Board procedures are followed. The appointment and removal of the Company Secretary is subject to the approval of the Board in the Securities and Exchange Act.

### **(2) Sub-committees**

To comply with good corporate governance, the Board of Directors of STA has appointed 7 sub-committees namely Audit Committee, the Executive Committee, Remuneration Committee, Nominating Committee, Risk Management Committee, Corporate Governance Committee, and Sustainability Development Committee to scrutinize specific matters thoroughly and effectively which the structure of sub-committees are as follow:

#### **Audit Committee**

The Audit Committee consists of three Independent Directors and all have the qualifications required by the Capital Market Supervisory Board and the SET as follows:

There is Audit Committee member who has sufficient knowledge and experience to review the reliability of the financial statements of STA at least 1 person.

#### **Qualifications of Audit Committee**

Members of the Audit Committee shall be independent directors with the following qualifications and shall not have any of the following prohibited characteristics:

1. Holding no more than one percent of the total number of voting shares of the Company, its parent companies, subsidiaries, associate companies, major shareholders or persons with controlling power of the Company. For this purpose, shareholding of related persons of such independent directors shall be accumulated with the shareholding of the independent directors.
2. Not being or not having been directors involved in the management, employees, hired workers, advisers earning fixed salary or persons with controlling power of the Company, its parent companies, subsidiaries, associate companies and same-level subsidiaries, major shareholders or persons with

controlling power of the Company except where such status has terminated at least two years before the date on which he or she has assumed the position of a member of the Audit Committee. This prohibited status shall, however, exclude the case where the independent director used to be a government official or adviser of a governmental agency, which is a major shareholder or the controlling person of the Company;

3. Not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child of other directors, executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiaries;
4. Not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent judgement. This prohibition shall also include cases where the independent is or has been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person except where such relationships have terminated at least two years before the date on which he or she has assumed the position of a member of the Audit Committee.

The business relationship described above shall include normal business transactions, rental or lease of immovable property, transactions relating to assets or services or granting or receipt of financial assistance by way of acceptance or provision of loan, guarantee, use of assets as collateral, and such other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the Company or from THB 20million baht or more, whichever amount is lower. Such indebtedness shall be calculated in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, *mutatis mutandis*. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year prior to the date of establishing the business relationship with the related person;

5. Not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, person with controlling power, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or person of controlling power, except where such relationship has terminated not less than two years before the date on which he or she has assumed the position of a member of the Audit Committee;
6. Not being or having been a provider of professional services, including legal advisory services or financial advisory services earning a service fee of more than THB two million per year from the Company, its parent company, subsidiary, associated company, majority shareholder, or person with controlling power, and not being a significant shareholder, person with controlling power, or partner of such provider of professional services, except where such relationship has terminated not less than two years before the date on which the independent director has assumed the position of a member of the Audit Committee;

7. Not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a major shareholder;
8. Not undertaking any business of the same nature and in significant competition with that of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, hired worker, adviser earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with that of the Company or its subsidiary;
9. Not being a director assigned by the Board of Directors to make decisions regarding business operations of the Company, its parent company, subsidiary, associated company, majority shareholder, or person with controlling power;
10. Not being a director of parent company, subsidiary or same-level subsidiary, which are listed companies;
11. Having other complete and appropriate qualifications required by the law or in accordance with the requirements of government agencies;
12. Not having any other characteristics that could cause the independent directors to express their independent opinion about business operations of the Company.

#### **Scope of Duties and Responsibilities of the Audit Committee**

1. To review the Company and its subsidiaries' financial reporting is accurate, reliable, and adequate following financial reporting standards by coordinating with external auditors and executives responsible for preparing financial reports. The Audit Committee may suggest that the auditors review or examine any items that are considered important and necessary during the audit;
2. To review the Company and its subsidiaries to have an internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer, and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the regulations of the SET, and the laws relating to the business of the Company;
4. To consider the election, the nomination and the removal of persons with independence, reliability, acceptable qualification and are auditors approved by SEC to act as an auditor of the Company and to determine the remuneration of such person as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the connected transactions, interested person transactions, or the transactions that may lead to conflicts of interest, to ensure that they comply with the laws and the regulations of the SET, and are reasonable and in the best interests of the Company;
6. To prepare, and to disclose in the Company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
  - a) an opinion on the accuracy, completeness, and credibility of the Company's financial report;
  - b) an opinion on the adequacy of the company's internal control system;

- c) an opinion on the compliance with the law on securities and exchange, the regulations of the SET, or the laws relating to the Company's business;
  - d) an opinion on the suitability of an auditor of the Company;
  - e) an opinion on the transactions that may lead to conflicts of interests;
  - f) the number of the Audit Committee meeting, and the attendance at such meetings by each committee member;
  - g) an opinion or overview of comments received by the Audit Committee from its performance of duties in following the charter; and
  - h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, within the scope of duties and responsibilities assigned by the Company's board of directors;
7. To commission and review the findings of significant internal investigations and/or consult with the auditor about such findings and report the findings to the Board of Directors of the Company if there is any suspected fraud or irregularity or infringement of any law or regulations of Thailand, the rules of the SET, or other relevant regulations which has or is likely to have a material impact on the results of operations and/or financial position of the Company;
  8. To review and approve the Internal Audit charter and is reviewed for suitability at least once a year;
  9. To review the audit plans, the scope of work, and results of audits compiled by internal and external auditors;
  10. To review the co-operation given by officers to the external auditors;
  11. To review the risk management system to ensure that it is concise, appropriate, and efficient. To ensure that there is an appropriate and adequate control system against potential fraud risks;
  12. To review the Compliance with the anti-corruption policy;
  13. To report the results of the internal audit of the Audit Committee to the Board of Directors at least once per quarter;
  14. To Evaluate the performance of the Audit Committee at least once a year;
  15. To review and update the Audit Committee Charter to be current and appropriate with the company's environment at least once a year.
  16. To perform any other activities as delegated by the Board of Directors and approved by the Audit Committee.

### **Executive Committee**

#### **Scope of Duties and Responsibilities of the Executive Committee**

STA has specified scope of duties and responsibilities of the Executive Committee as follows:

1. To order, plan, and operate the business of STA to be in accordance with the policies set out by the Board of Directors of STA.
2. To appoint STA's management to efficiently and transparently manage STA's businesses.

3. Any two of the Executive Committee members jointly signing and affixing the company seal are eligible to grant proxies to any person to perform on behalf of STA in respect of any business that will benefit STA.
4. To determine the appropriate employees' benefits and welfare in compliance with corporate culture and applicable laws.
5. To approve the credit limits of the normal business transactions or other transactions that bind STA.

In any case, the assignment of duties and responsibilities of the Executive Committee shall not constitute an authorization or sub-authorization which may cause the Executive Committee or its assignee to be able to approve any transaction in which such person or other related parties (as defined in the Notification of the SEC or the Capital Market Supervisory Board) may have a conflict of interest or may benefit in any manner or any other conflict of interest with STA or its subsidiaries. Such approval must be proposed at a meeting of the Board of Directors and/or the meeting of shareholders, as the case may be, for approval, as stipulated in the Articles of Association of STA or subsidiaries, or any applicable laws.

### **Nominating Committee**

#### **Scope of Duties and Responsibilities of the Nominating Committee**

1. Reviewing and assessing candidates for directorships (including executive directorships) before making recommendations to the Board of Directors of STA for the appointment of Directors.
2. Reviewing and recommending nominations for an appointment, re-appointment, or re-election or renewal of appointment of the Directors having regard to the Director's contribution and performance.
3. Determining annually whether or not a Director is independent.
4. Deciding whether or not a Director is can and has been adequately carrying out his duties as a director.

Certain factors considered by the Nominating Committee in order to carry out their responsibilities above include:

- independence of mind;
- capability of the individual and how it meets the needs of the Company and simultaneously complements the skill set of the other Board members;
- experience and track record as directors in other companies; and
- ability to commit time and effort toward discharging his responsibilities as a Director.

### **Remuneration Committee**

#### **Scope of Duties and Responsibilities of the Remuneration Committee**

Our Remuneration Committee is responsible, among other things, for recommending to the Board of Directors a framework and criteria of remuneration for the Directors and executive officers, and for recommending specific remuneration packages for each Director and the Managing Director and to perform any other acts as delegated by the Board of Directors.

## **Risk Management Committee**

### **Scope of Duties and Responsibilities of the Risk Management Committee**

1. To determine the overall risk management policy and framework for the Company to cover material risks and to require the management to put in place protective and corrective measures and risk elimination that are appropriate;
2. To prepare risk management policy to cover overall aspects of risk management and to include key risks that are in line with the objectives, main goals, strategies, and acceptable level of risks for use as a unified risk management framework for all parties in the organization and submission to the Board of Directors for consideration. The Risk Management Committee shall supervise and ensure that the Company and its subsidiaries identify risks that could cause the Company and its subsidiaries to fail to achieve the defined objectives, taking into consideration both internal and external factors;
3. To review and ensure that the risk management policy is appropriate and efficient and prepare a report of the Risk Management Committee to be proposed to the Board of Directors as may be appropriate or when requested;
4. To draw up strategies for use in managing risks following the risk management policy approved by the meeting of the Board of Directors and to analyze, assess and follow up on the compliance with the defined risk management policy;
5. To follow up, assess and supervise risk management procedures of the management to ensure that it has the appropriate level and is following the defined policy;
6. To consider and approve the determination of an acceptance risk level (Risk Appetite) and a deviation of the organization's risk tolerance (Risk tolerance) prior presenting to the Board of Directors to consider and approve, including the opinion given on the guidelines and risk management measures and the action or mitigation plan to manage the residual risk to ensure that there is adequate and appropriate risk management.
7. To provide suggestion and support to the Board of Directors and the management on the Enterprise Risk Management, including promoting and supporting to the continually and regularly risk management system improvement.
8. The Risk Management Committee has the authority to empower all departments to collaborate with risk management departments to clarify information in writing or inviting executives or employees in the relevant departments to attend the meeting with Risk Management Committee for providing the required information in accordance with the responsibilities as the Risk Management Committee deems appropriate. It is deemed that being invited, asked, or requested information is considering as the duty of all level of employees to collaborate with the Risk Management Committee.
9. The Risk Management Committee has the authority to request any business unit under the Group of company to take action or act as is necessary to enable the performance of the responsibilities set forth



in this Charter or any other special duties as assigned by the Board of Directors to perform additional duties.

10. To be in charge of supervising and providing support to ensure success of the Enterprise Wide Risk Management with the focus on raising risk awareness for the management and employees, and to promote risk management culture as a key factor in making any decisions relating to the use of resources or in taking any actions. The Risk Management Committee shall also have the duty to provide support to the function of the risk management sub-committee and/or the Risk Manager.
11. To support for reviewing the sufficiency of the risk management policy of the Company and its subsidiaries including the effectiveness of the system and compliance and propose the same to the Board of Directors at least once a year to ensure that the risk management policy is in line with and suitable for the overall current business strategies and environment.
12. To advise the Board of Directors on actions to be taken and improved to be in line with the policies and strategies defined by the Board of Directors.
13. To seek advisers or persons who are independent to express opinion or give recommendations as may be necessary.
14. To consider, review and revise Charter for the Risk Management Committee at least once a year and propose to the Board of Directors for consideration and approval.
15. To perform other tasks as may be assigned by the Board of Directors meeting by and with the consent from the Risk Management Committee.

#### **Corporate Governance Committee**

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

1. Determine the scope and policy of corporate governance in a manner consistent with international best practice and propose to the Board of Directors for approval.
2. Propose guidelines on corporate governance to the Board of Directors as well as provide advice and recommendations to the Board of Directors on matters of corporate governance.
3. Provide recommendations on requirements related to business ethics, good practices for directors, executives and employees as well as overseeing the principles of good corporate governance and sustainable development effective in practice to be continuity and suitable for business.
4. Provide advice, encourage and support the Company's operations in accordance with the principles of good corporate governance code of conduct and other policies related to the good corporate governance of the Company completely and efficiently.
5. Encourage and support the Company to communicate with Directors, executives, employees at all levels and related parties in aware of and understand the policies and guidelines regarding good corporate

governance principles code of conduct social responsibility and other policies related to the company as well as supervise the implementation of such policies and guidelines.

6. Consider reviewing the policies and guidelines on corporate governance for continuous efficiency and effectiveness as well as to ensure that information is disclosed in the form of a report as appropriate.

### **Sustainable Development Committee**

#### **Scope of Duties and Responsibilities of the Sustainable Development Committee**

1. Formulating directions, policies, strategies, goals and work plans for sustainable development covering environmental dimensions, social and governance & economic of the company to be presented to the Board of Directors.
2. Support and drive cooperation in sustainability operations throughout the organization by providing advice and promoting the integration of sustainability performance into business strategies risk assessment and corporate plans for both short-term and long-term to achieve the organization's sustainability goals.
3. Review and recommend the Company's sustainability practices in line with best practices and international standards to be up-to-date at all times as well as propose to the Board of Directors for consideration, improvement and development.
4. Consider and approve the organization's annual sustainability issues in accordance with the needs and expectations of the stakeholders, external context, direction and goals of the organization as well as propose to the Board of Directors for approval and assign the management to respond and follow up.
5. Follow up and summarize the sustainability performance of the organization and report progress to the Board of Directors at least once a year.
6. Oversee the disclosure of company sustainability information through the Company's annual report and annual sustainability report.
7. Consider the appointment of a sustainability working group as it deems appropriate.

### **(3) *Remuneration***

The director remuneration policy has been established to consider and review the appropriateness by the Board of Directors, delegating the Remuneration Committee with clear and transparent as well as propose to the Board of Directors for approval before proposing to the annual general meeting of shareholders for approval.

#### **● The Remuneration of Directors Policy**

The Board of Directors defined the director remuneration policy. The remuneration and meeting allowance is specified to the Chairman of the Board of Directors, Executive Directors, Non-Executive Directors, the Chairman of Audit Committee, and Audit Committee Members. There is a meeting allowance based on the actual attendance of the meeting. In this regard, the Remuneration Committee must propose a framework and criteria of remuneration for the Directors to the Board of Directors' meeting to agree with before proposing to the Shareholders' meeting to approve. Remuneration is considered based on the Company's performance, the director's responsibility, and compared with the other listed companies in SET that have similar market capitalization and other listed companies in the same industry. This shall

support the remuneration structure to be appropriate for the perseverance, responsibilities, and experiences of Directors that shall lead the Company to be achieved in both short-term and long-term goals. In addition, the remuneration will be disclosed in the Company's annual report.

- **The Remuneration of Management Policy**

The CEO, as a representative of the Board of Directors, shall consider the management remuneration policy. Such remuneration will be appropriately considered based on the remuneration structure of the Company compared to remuneration information surveyed by recognized institutes, organizations, and entities as well as the inflation rate and net profits of the Company together, including performance and consistency with the duties and responsibilities assigned.

Sri Trang International Pte. Ltd. has entered into employment agreements with Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee. Each of these employment agreements does not have a fixed term of employment.

Pursuant to their respective employment agreements, Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee will be entitled to the following:

- a monthly salary and a variable bonus, as determined by the Profit Incentive Scheme (as defined below); and
- reimbursements of all reasonable business expenses incurred or paid for during the term of employment, in connection with the performance of their duties to Sri Trang Group.

#### **Profit Incentive Scheme**

Mr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee, who are the Directors of the Company, have the right to participate in the Profit Incentive Scheme in each fiscal year of Sri Trang International which is a subsidiary of the Company.

Under the Profit Incentive Scheme in each fiscal year, if the Board of Directors of Sri Trang International considered that there is a surplus after deducting (a) 10% of Sri Trang International's paid-up capital; or another amount as the Board of Directors of Sri Trang International deems appropriate, (b) 5 percent of the relevant fiscal year retained earnings; and (c) the relevant fiscal year retained earnings from Sri Trang International's earnings. after tax (as stipulated in the audited financial statements), 20% of the said Surplus will be paid under the Profit Incentive Scheme ("Profit Incentive").

#### **(4) Training for Directors and Executives**

If there is a newly appointed or elected director, the Company will arrange an orientation by stipulating guidelines to create knowledge and understanding for directors to be able to perform efficiently.

The Company Secretary is a coordinator in various subjects such as company certificate, company regulations, the Listed Companies Handbook, and 56-1 One Report.

### **Succession Planning**

The Company has initiated a succession plan for high-level Executives to ensure that the Executives or supervisors in the key positions shall have successors. The succession plan is key to maintain and increase competitiveness, mitigate Human Resources management risk, and retaining qualified employees.

#### **Succession Plan for Group Manager and Above**

Succession plans for key positions are the process of preparing personal readiness proactively, planning a career path for management-level employees, and preventing the lack of employees in critical jobs or key positions of the Company in the future. The Company will select from the things are as follows:

- 1) Performance
- 2) Potential; considering from leadership competency, attitude, and behavior relative to core values

Those who pass the assessment as successors will be considered as high potential talents and appropriately developed to prepare them to be a leader of the organization in the future. For the selection, the Company will take the Company's employees as the priority. The Company will review the list of successors regularly every two year, and if the successor cannot be found from internal candidates, the Company will then select qualified persons from outside.

### **Developing of Directors, Executives, and Company Secretary**

The Board of Directors emphasizes the development of knowledge and ability to perform their duties as Directors. The Company's directors have already passed the training courses on the directors' duties and responsibilities from the Thai Institute of Directors Association (IOD). The Company has facilitated Directors and Executives to attend various training and seminars to increase their knowledge in their work operations.

#### **(5) *Assessment of the Directors' Performance***

The Company has conducted for the assessment of the performance of the Board of Directors and all sub-committees, including the assessment of the managing director's performance and present the results at the Board of Directors' meeting annually at least once a year for the Company's directors to acknowledge and use to improve and develop to be more effective.

#### **(6) *Nomination and Appointment of Directors***

STA Board of Directors has considered and assigned the Nomination Committee to be the reviewer of the criteria and methods for searching qualified persons to be appointed as an Independent Director. For the consideration of qualifications and prohibited characteristics, the Company has followed the Public Company Limited Act, Securities and Exchange Act, the Capital Market Committee announcement, related announcement, rules and/or regulations, including the qualifications of the Company's Independent Directors. Furthermore, to recruit a qualified Board of Directors, the Company has considered from knowledge, expertise and experience, skill matrix, and Director's pool from the reliable organization. Further, the Nomination Committee will consider the qualifications of the directors in various aspects such as legal qualifications, related rules, expertise, and experience which are beneficial to the Company's direction and strategies. In addition, the consideration has been considered by the board diversity, knowledge, abilities, skills, experience, age, gender, race, or any other distinction to conclude and present to the Board of Directors and/or Annual General Meeting to consider and resolve the representative to be the independent director. In addition, the Company had the

policy to determine the number of Independent Directors at least one-third of the total number of Directors and must not be less than three.

**(7) CONTROL OF SUBSIDIARIES AND ASSOCIATED COMPANIES' BUSINESS OPERATIONS**

The Board of Directors has established a policy to control subsidiaries and associated companies' business operation including monitoring the implementation of the policy.

The company has established a policy to control and manage the business of its subsidiaries and associated companies. The objective is to determine direct and indirect measures and mechanisms for the company be able to supervise and manage the business of subsidiaries and associated companies including monitoring the subsidiaries and associated companies to comply with various measures and mechanisms that can be defined as if it were the company's own department. And in accordance with the Company's policy including public company law Civil and Commercial Code securities law and relevant laws, as well as announcements Regulations and guidelines related to the Capital Market Supervisory Board Securities and Exchange Commission and the Stock Exchange of Thailand to maintain the investment benefits of the company in such subsidiaries and associated companies.