

# Corporate Governance

The company realizes the importance of good corporate governance and stipulate as guideline for the code of conduct in the business ethics to ensure transparency in the operations of employees at all levels. The Company's management has impelled the establishment of corporate governance culture as a foundation of sustainable growth and generation of added value to all stakeholders (please see further information in Form 56-1)

## Corporate Governance Policy

To achieve the Company's objectives of business operation; to create responsibilities for performance of work according to the duties; to generate honesty-based transparency; to increase sustainable business competitiveness; and to increase the confidence of stakeholders, the Board of Directors has determined its corporate governance policy, as follows:

1. Operate the business with transparency and accountability; and disclose sufficient information for all stakeholders
2. Manage the Company's businesses at its full capabilities with care to maximum benefits for shareholders
3. Provide risk management and control system by operating the Company's businesses with reasonable care; evaluate risks and determine strategies for correction and monitoring of risk management on a regular basis
4. Provide equal and fair treatment to all shareholders and stakeholders
5. Clearly establish the structure of roles, duties, and responsibilities of each group of directors
6. Oversee and support the management and all employees to perform their duties in operating business ethically and righteously

The company was listed on the MAI Stock Exchange on May 10th, 2006; whereas, the Board of Directors and executives of the Company has its policy to operate businesses with transparency, to adhere to the principle of merit, and to comply with the law and the corporate governance policy of the Company. Therefore, the Company has implemented its corporate governance policy practices for the purposes of transparency and accountability; and has been disclosed sufficient information to all related parties. The Company has reported the result of implementation of its good corporate governance policy in 2019 according to the principle of good corporate governance of listed companies as follows:

## Section 1 Right of Shareholders

The Board of Directors has prioritized the right of shareholders; and the company has implemented the policy of corporate governance by taking into account the rights of shareholders as follows:

### Structure of Shareholders

The company has organized clear and transparent structure of shareholding between the company and its subsidiaries; and has disclosed the names, numbers and shareholding ratios of major shareholders of the Company and its subsidiaries in Form 56-1 and the Annual Report.

### Encouragement on the Exercise of Shareholders' Rights

The company has practical procedures to maintain and protect the rights of shareholders. The company has determined the Good Corporate Governance policy with respect to the rights of shareholders and encouraging shareholders to exercise the basic rights and their fundamental rights after the trading of securities, rights to receive dividend, supervising the coordination between shareholders and the Registrar of Thailand Securities Depository Co., Ltd. (TSD). The company has providing a responsible department to handle inquiries and to facilitate shareholders regarding the registration; the company has support the active roles of shareholders in the shareholders' meetings, including the right to attend the meeting, the right to vote, and the expression of opinions so that shareholders will have active participation in considering the crucial matters. In addition, the company has policy to facilitate and encourage the shareholders and institutional investors to attend the shareholders' meeting.

### Facilitation the exercise of rights to attend the meeting and support the voting right of shareholders

The company facilitates the shareholders to attend the meeting and fully exercise their rights the voting right in meetings and has refrained from any actions, which may impair their opportunities to attend meetings; and has managed to



promote the exercise of rights of shareholders before, during, and after the date of shareholders' meetings. These adhere in compliance with principles and guidelines specified in "AGM Checklist", prescribed by the Thai Investors Association, the Listed Companies Association, and the Securities and Exchange Commission by which, the company has been evaluated the arrangement of AGM 2019 at the level of 92%.

## Section 2 Equitable Treatment of Shareholders

The company takes into account the equality among all groups of shareholders and allow the shareholders to have opportunities to participate in its administration of work; and promote the mechanism for the check and balance and audit of the company's operations, in which the principles of equitable treatment for shareholders are as follows:

### Shareholders Meeting

The company realizes that shareholders' meeting is one channel that shareholders can exercise their rights to audit and control the operations of the company; therefore, the company has created the supportive environment of shareholders' meeting so that shareholders shall have an opportunity to exercise their rights and to receive equal treatment. In the year 2019, the company has convened shareholders' meeting (AGM) on April 24, 2019, whereas, the Board of Directors has supervised the arrangement of shareholders' meeting and has invited all shareholders, and has notified them of the date, time, venue, as well as agenda of the meeting. The Board of Directors has duly convened the shareholders' meeting within adequate time and has promoted the equal opportunities for inquiries, expression of opinions, and recommendations to all shareholders. In addition, the company has kept the approved minutes of shareholders' meeting systematically for easy and convenient accesses.

## Provision of the Prevention and Monitoring System the Use of Internal Information

The Board of Directors give the priority to the provision of protection system and monitor the use of internal information, to prevent from exploiting the inside information for the benefits of inside trading of securities; and has specifying guidelines for keeping and prevention the use of internal information, which shall be strictly abided by the entire organization.

In addition, the directors and executives have recognized the obligations and responsibility to prepare and disclose the report on the holding of the company's securities to the Office of Securities and Exchange Commission, in accordance with Section 59 of the Securities and Exchange Act B.E. 2535.

## Section 3 Awareness of the Role of Stakeholders

The Board of Directors are aware of rights and roles of inside and outside stakeholders and prescribes the company's mission to become a credible organization that provides maximum benefits to stakeholders. The company has established the written policy and ethical standards on fair treatment to stakeholders to be complying with by the Board of Directors and employees at all levels.

The Board of Directors recognize the importance of the rights of all groups of relevant stakeholders through the "Core Value" Project, which consists of TQIC (Teamwork, Quality, Integrity and Customer Focus). Based on the collaboration of executives and employees at all levels through the processing of opinions, inventing from the identity of the people within the organization for practical implementation. The values of this organization clearly communicate to all employees at all levels for mutual understanding. In addition, the corporate values are using to select new employees and outline new employees to understand the company's business practices.

The Board of Directors and senior executives are confident that the organizational values and culture determined by the needs and directions of the personnel in the organization will lead to practical implementation and embedding good conscience, which is in line with the company's businesses ethics. The company emphasize the transparency and morality of all groups of related parties, which leads to the achievement of the organization's goals. This is one of the mechanism to protect the rights and interests of all groups of stakeholders at the same time. Therefore, it can be trust that the company pays equal attention to all groups of shareholders, stakeholders, employees, business partners and creditors, customers, competitors, communities, society and the environment. In addition, the following procedures have been defining, which include the rights and benefits that the interested parties should receive as follows:





## Shareholders

The company has a policy to protect the rights of shareholders in terms of receiving information, rights to vote, rights to receive fair treatment that the shareholders should have including the continuous satisfactorily operating results of the company in order to add value to shareholders without complicate and cross shareholding. The company also has policy for all of the shareholders to communicate freely among themselves and do not neglect to disclose any significant conditions in the Shareholders Agreement, which has the significant impact to the company, or any other shareholders (if any).

For the measures to approve the connected transaction performed by the Audit Committee in terms of legality, regulatory and reasonable as well as to the maximum benefit of the company prior to proposing to the board of directors for consideration and approval. Directors with related interests will abstain from voting on approving the said transaction, including overseeing connected transactions, the acquisition and disposal of assets to be in strict accordance with the rules set by the Stock Exchange of Thailand.

## Employees

The company considers employees as one of the factors for the success of the organization and commits to develop various aspects to become a learning organization, strengthen culture and promotes teamwork. The company provides reasonable returns in line with short-terms such as Bonus and long-terms such as Provident Funds according to the company operation in comparison with the same market and industry. At the same time, the company provides legitimate benefits such as social security, compensation fund, first aid, and company welfare such as group life insurance, Accidental insurance and accidental organ loss and health insurance, Provident Fund Savings and Credit Cooperatives, cash for funeral assistance, Shuttle Bus. Etc.

The company also has a system for Occupational Health and Safety at work OHSAS 18001 to look after the health and safety of employees, as well as to focus on the development of employees' ability, knowledge transfer, welcoming employees' opinions and suggestions by means of establishing core values, and adhere to integrity as part of the corporate culture.

## Business Partners and Creditors

The company has a policy of fair treatments to business partners and creditors especially in the fair selection of trade partners, Suppliers evaluation, and Price comparison process etc. in compliance with legal, strictly honoring trade terms as mutually agreed upon, in compliance with the law, commercial conditions and business ethics. The fair practices include the borrowing of money from creditors and repayments of debts, modification of terms and conditions of guarantees for the company to be able to operate business flexibly. With less collateral, including capital management, the company maintains a strong debt-to-equity ratio to be able to support future business growth. In the previous year, the company had no disputes with its business partners or creditors.

## Customers

The company takes good care and responsible to customers by producing quality and standard products, respond to customers' needs very well by focusing on the quality of the product and service with reasonable price, and deliver products on time. If there are obstacles preventing the product from being delivering as required, the company notifies customers in advance in order to find solutions.

## Competitors

The company has complied with the framework of fair competitions to maintain the norms of competition regulations, whereas, in the previous year, the company had no disputes with its commercial competitors.

## Communities, Society, and Environment

The company pays great attention to environmental protection by being responsible and preventive any potential environmental impacts to communities and society. According to implementation of the aforementioned policy, the company has been accrediting with ISO 14001 Standard environmental certification in 2006 and the TIS/OHSAS 18001 Occupational Health and Safety Management standard management from the Management system Certificate Institution (Thailand) (MASCI) on 11 September 2009.



## Whistleblower Policy

The Board of Directors arranges notification of complaints, incidence or suggestions from interested parties affected by the operations of the company, both through electronic mail and letters. The Shareholders and stakeholders can provide clues in the event of a violation of the law or the regulations of a person or an event that may cause damage to the company to the attention of the Board of Directors. The company keeps such information confidential in order to prevent the whistleblower to suffer from any trouble. The company has guidelines to protect the rights of interested parties that are affecting from the result of the violation of the rights of business operations of the company. The consideration for compensation of damages will be not less than the rate required by law. The incidence, grievance or suggestion via the following channels:

1. Electronic Mail:

- Chairman of the Audit Committee: annopt55@gmail.com
- Chairman of the Executive Board: sumpan@tirathai.co.th
- Executive Committee: upakrom@tirathai.co.th
- Executive Committee: amporntat@tirathai.co.th
- Human Resource Administrative Office Manager: sunan.s@tirathai.co.th

2. Red Box Clue Notifying locate at the walkway up the office building, Human Resource Division

3. Post Mail Attention to: Chairman of the Audit Committee or Company Secretary Office

Tirathai Public Company Limited  
516/1 Moo 4 Bangpoo Industrial Estate Soi 8 D  
Sukhumvit Road, T. Praksa, A. Muang  
Samutprakran 10280  
Tel: (+66)2 – 769-7699

## Section 4 Disclosure of Information and Transparency

The company is aware of the disclosure of information that are accurate, complete, sufficient, reliable, timely, and transparent, including financial and non-financial data of the company allowing all stakeholders to conveniently access information and receive information equally. For transparency disclosure of information within the organization, the company has organized meetings between executives and employees from department heads to acknowledge the directions and the company's business operations as well as convey the policy to those in the chain of commands and to provide channels for employees' knowledge sharing. For the disclosure of information outside the organization, the company has complied with the Requirements of the Stock Exchange of Thailand (SET) and has disclosed the information in both Thai and English languages through SET channels and the company's website.

The Board of Directors prioritize importance to the quality of financial statements and accuracy of information given therein in accordance with the accounting standards. The company has supervised the preparation of financial reports for audit by an independent auditor and by the Audit Committee. The Board of Directors has prepared a report of the responsibility of the financial statements in the Annual Report.

In addition, in the year 2019, the company has given importance to the publicity of the company's overall performance and the progress of the company's operations through the Opportunity Day activities and the media regularly to provide another channel for distribution of the company's information to the public.

## Relationship with Investors

The company has established the Investor Relations Section as a direct channel to communicate with shareholders, Individual and institutional investors, analysts, and other related parties such as the Stock Exchange of Thailand and Office of the Securities and Exchange Commission. For legal compliance with the law and regulations, the company has prepared the investor relations work plans throughout the year. The senior officers of the company and the Investor Relations Section have opportunities to provide information on business activities; provided that shareholders, investors, analysts, and interest persons may directly contact the Investor Relations Section: Mrs. Chadapa Tantitanatat or Ms. Atittaya Sangkaeo at Tel. (+66)2-769-7699 Ext.1220 or email: ir@tirathai.co.th





## Section 5 Responsibilities of the Board of Directors

### Structure of the Board of Directors

The Board of Directors regards as the backbone of good corporate governance, which must consist of people with knowledgeable, expertise, and experience that can benefit the company operations. Over a half of the Board of Directors of the company are composed of knowledgeable people and direct experience in transformer business management; including directors with abilities and knowledge in other business fields such as finance, economics, etc. All directors have received training courses from the Thai Institute of Directors (IOD). The term in office of directors is determined and qualifications of the Board of Directors including the appointment and removal of directors that must be approved by shareholders at AGM.

The company has a balance of power for non-executive directors by not allowing any person or group of people the sole decisions-making power in order to create a mechanism for counterbalancing and effective administration. The Board of Directors consists of 11 members, 5 executive directors, 3 non-executive directors (1 independent director) and 3 audit committee / independent directors. The company has 4 independent directors equal to 36% of the total directors. The Board of Directors considers that it is an appropriate element. Executive directors can provide in-depth comments, while Non-executive directors are industry experts resulting in a creative expression of opinions at the board meeting. The Board of Directors' decision bases on the overall benefits of the company as a whole.

### Components of the Board of Directors

The Board of Directors shall have all the qualifications as prescribed by law and shall be qualified persons from different fields of business in order to integrate their necessary knowledge and abilities and to devote their efforts and time to perform the duties of directors of the company. By which, the process of appointment of directors are clear and transparent. The biography of all directors are disclosed; and each time of director replacement, the newly appointed directors shall promptly receive the information, which is necessary and beneficial to perform the duties of directors of the company or not later than 3 months after the date of appointment.

Chairman of the Board of Directors shall not be the same person as the Managing Director by clearly separating duties of determination of corporate governance policy and routine administration. The Chairman shall have freedom to express opinions and shall have a casting vote, in case of equal votes in the Board of Directors' meeting, in accordance with the company's Regulations.

Vice Chairman of the Board of Directors shall have duties according to the company's Regulations in any business assigned by the Chairman of the Board of Directors. The Vice Chairman shall perform the duties on behalf of the Chairman of the Board of Directors in the event that the Chairman of the Board of Directors is unable to perform the duties temporarily basis or when the position of Chairman of the Board of Directors is vacant.

Independent Directors shall have the specified qualifications of independent directors according to the Regulations of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) so that the independent directors of the company shall have their genuine independence, which is suitable for characteristics of the company. (Please see details of profile qualifications of independent directors in "Criteria for Selection of Audit Committee/ Independent Director" on Page 27).

Managing Director shall be appointed and determined with the scope of power according to the duration and the amounts of legal transactions from the Board of Directors' meetings; and shall have the authority to carry out business matters in accordance with the resolutions of the Board of Directors including duties and responsibilities in the normal business operations of the company. This is in accordance with the policy of the Board of Directors and with the principle of good corporate governance.

Company Secretary shall be responsible for conducting meetings with the Board of Directors and shareholders meeting efficiently by taking into account of the rights and equality of shareholders. The Secretary shall give advice and support the work of the Board of Directors business regarding laws, rules, regulations, requirements, and related procedures, including providing information that the Board of Directors and the newly appointed directors should be informed, and to ensure the compliance with the principle of corporate governance and to communicate/take care of shareholders appropriately.

Subcommittee In compliance with the principle of good corporate governance, the Board of Directors has set up 3 sub-committee to consider and review specific crucial operations carefully and efficiently by clearly specifying the components and rules/duties of the 3 subcommittees. The 3 sub-committee consist of:

### 1. Audit Committee

In 2019, the Audit Committee held total 4 meeting, each member of the Audit Committee shall assume the office for a term of 3 years and shall always report the results to the Board of Directors. The Audit Committee has performed its duties in accordance with the charter of the Audit Committee approved by the Board of Directors. In addition, the Audit Committee has prepared the report of the Audit Committee in the Annual Report. (Please see details of composition, roles and duties of the Audit Committee on Page 25).

Records of attendance of each Audit Committee are as follows:

Names of the Audit Committee	Attendance/Total Meetings 2018 (Time)	Attendance/Total Meetings 2019 (Time)
1. Mr. Annop Tagajarin	4/4	4/4
2. Mr. Singha Nikornpun	4/4	4/4
3. Mr. Somchai Rojrungvasinkul	-	1/4

- Dr. Pisit Leeahtam resigned from the position of Chairman of the Audit Committee on 17 July 2019
- Mr. Annop Tagajarin being appointed as Chairman of the Audit Committee on 8 August 2019
- Mr. Somchai Rojrungvasinkul being appointed as an Audit Committee replaced Dr. Pisit Leeahtam on 8 August 2019

### 2. Nominating Committee

The Nominating Committee consists of 3 directors and 2 are independent directors, each of them shall assume the office for a term of 1 year. In 2019, the Nominating Committee held a meeting to select the suitable person to be appointing as a director to replace the person who retired by rotation, propose to the Board of Directors for consideration as per the criteria for nomination of directors, with fair and transparency; and has prepared a report of the Nominating Committee in the Annual Report. (Please see details of roles and duties of the Nominating Committee on Page 26).

Records of attendance of each Nominating Committee are as follows:

Names of the Nominating Committee	Attendance/Total Meetings 2019 (Time)	Term in office will expire in (Year)
1. Mr. Singha Nikornpun	2/2	2020
2. Mr. Charuvit Suanmalee	2/2	2020
3. Mr. Tai Chong Yih	2/2	2020

### 3. Anti-Corruption Committee

The Anti-Corruption Committee consists of 3 directors with a term of 1 year. In 2019, the Anti-Corruption Committee held a meeting to consider the proceeding of the announcement of the intention to become a Private Action Coalition Against Corruption (Collection Action Coalition Against Corruption: CAC). The company has achieved the target set of the Anti-Corruption progress Indicator Level 2 (Declared) as well as continuing to announce anti-corruption policy and measures continuously achieving in accordance with the rules of the CAC, including other relevant laws





The attendance of each member of the Anti-Corruption Committee are as follows:

Names of the Nominating Committee	Attendance/Total Meetings 2019 (Time)	Term in office will expire in (Year)
1. Mr. Singha Nikornpun	1/1	2020
2. Mr. Upakrom Thaweephoke	1/1	2020
3. Mrs. Sunan Santichotinan	1/1	2020

## Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors is aware of the corporate governance obligations for best interest of the company. The Board of Directors have roles, duties and responsibilities to consider the principles of law, the company's regulations, resolutions of the shareholders' meetings, and the principle of good corporate governance in an honest, ethical, responsible, and transparent information disclosure. This includes supervising the administration of work of the management to achieve the goals as well as maximum benefit to shareholders and all stakeholders.

All members of the Board of Directors possess the leadership, vision, and independence in making decisions for the best interest of the shareholders as a whole. The company will be able to strengthen the good corporate governance principles effectively. The Board of Directors has approved and determined a written policy and good corporate governance principles by having to review and approve the vision, mission and strategy of the company in the past fiscal year including periodic monitoring.

## Board of Directors' Meetings

The company has a policy to hold a board meeting at least once every 3 months. The Executive Committee meets once a month, with the date / time scheduled for the Board meeting in advance throughout the year and inform all committee members of the said schedule so that the directors can allocate time to attend the meeting. The special and extraordinary meetings maybe convene as deemed necessary under the condition that half of the total directors shall attend the meeting to constitute a quorum. In considering the meeting agenda, the Chairman of the Board will agree by consulting with the managing director. Each director is independence to propose matters to be included in the meeting agenda as well. In addition, the company sends a meeting invitation letter together with the meeting agenda and documents 7 days in advance so that the board has sufficient time to study the information before the meeting. After the meeting, the company secretary prepares the minutes of the meeting with complete and important information. The meeting minutes are certified and signed by the Chairman of the meeting for the directors and related parties to review and reference. In the year 2019, there are 7 meetings, whereas, the records of attendance of each director are as follows:

Names of the Board of Directors	Attendance/Total Meetings 2018 (Times)	Attendance/Total Meetings 2019 (Times)
1. Dr. Pisit Leeahtam	5/5	3/7
2. Mr. Sampan Vongphan	5/5	7/7
3. Mr. Upakrom Thaweephoke	5/5	7/7
4. Mr. Charuvit Suanmalee	5/5	6/7
5. Mr. Ouichai Siriwanjana	5/5	7/7
6. Mr. Ampornrat Poolcharoen	5/5	7/7
7. Mrs. Sunan Santichotinan	5/5	7/7
8. Mr. Tai Chong Yih	5/5	7/7
9. Mr. Annop Tegajarin	5/5	7/7
10. Mr. Singha Nikornpun	5/5	7/7
11. Mr. Somchai Rojrunvasinkul	3/5	7/7

## Self-Assessment of the Board of Directors

The Board of Directors realizes the importance of self-Assessment of work performance to use as framework for inspecting of the Board of Directors' performance of duties, thus, in accordance with the principles of good corporate governance. In 2019, the entire Board of Directors has approved the self-assessment of its work performance by using the Self-Assessment Form prescribed by the Listed Corporate Governance Development Center for the Registered Companies.

The results of overall assessment including recommendations and additional opinions obtained from the result of performance evaluation of the Board of Directors will be considering for finding guidelines to improve operations in order to support the Board of Directors' operations more effectively.

## Business Ethics

The company has established the code of conduct relating to the business ethics for the Board of Directors, the Management, and employees, to be adhered by all related parties as the guidelines for performance of duties in accordance with the company's missions with honesty and fair treatment to the company, all groups of stakeholders, and the society as a whole.

## Policy on Remuneration for Directors and Executives

The company has clearly and transparently determined the remuneration policy for directors at appropriate levels and in line with the industry sufficiently to attract and retain the qualified directors and must be approved by the shareholders' meeting.

The company has determined the Executive remuneration in accordance with the principles and policies prescribed by the Board of Directors, which is in connection with the operating results of the company and the performance of work of each executive. Currently, the company still does not have the Remuneration Committee but has proper remuneration consideration procedures based on the data of remunerations of companies of similar industry and of similar sizes, as well as the operating results of the company. (Please see details in Remuneration of Directors and Executives)

## Development of Directors and Executives

The company promotes and facilitates the training and educational courses to personnel involved in the corporate governance system at all levels including Chairman of the Board of Directors, Independent Directors, Audit Committee, Executives, and the company secretary for continuous self-development and self-improvement. At present, personnel involved in the aforementioned corporate governance system has accredited several training programs organized by IOD, the Stock Exchange of Thailand, and the Office of Securities and Exchange Commission. In 2019, Mr. Annop Tegajarin attended the Director Accreditation Program DAP 164/2019.

## Succession Plan

Regarding the succession plan and nomination of the top management, the Board of Directors and the management are aware of actions to ensure that the company shall be able to select personnel to assume responsibilities in the managerial posts properly. The concrete process and action plan shall be in accordance with the human resources management principles.

## Internal Control and Internal Audit Systems

The company prioritizes the internal control system both at the managerial level and operation levels, and specifies the obligations and authority of operators, Board of Directors, and the management team clearly in writing. The company supervises the control on the use of the company's assets, and has separated the duties of operators, controllers, and evaluators for balance of powers and cross-examinations, and has also determined the internal control relating to the financial system and has provided the financial reporting system to be responsible for line management.

The Audit Committee, in cooperation with the Management, has reviewed the internal control system of the company and agreed that the internal control system of the company is sufficient and suitable for the internal control system.

The company has appointed Mr. Thammarat Meeatham as secretary of the audit committee from the Audit Committee Meeting No. 1/2019, held on February 28, 2019, acting on behalf of ANS Business Consultants Company Limited (consulting





company). This is in order to perform internal audit duties for the company in coordination with the company secretary, thus, to ensure that the company's main operation and significant financial activities follow the Company established guidelines. This includes inspecting the compliance with the laws and regulations relating to the company, enable the external company shall have full independence to perform the inspection and balance. The Board of Directors has thus determined that the external company shall direct report the audit results to the Audit Committee and shall specify the scope of audits in cooperation with the Audit Committee. (Please see details of the internal control system in Internal Control)

### **Conflict of Interests**

The Board of Directors shall have to deal with transactions, which may have conflict of interests and shall carefully consider the suitability of the said transactions based mainly on the company's benefits. In case, the company has any transactions may cause conflict of interests, the company shall present to the Audit Committee for opinions and shall then propose the said transactions for the Board of Directors' further consideration.

The company shall strictly comply with rules and regulations prescribed by the Stock Exchange of Thailand. The Board of Directors stipulate that Directors and Executives with stakes in any matter are unable to take part in the decision-making process to consider the transactions between the company and that stakeholder.

The company requires that directors and executives have duty to report their own conflict of interests or related parties to the company every time there is a change.

In 2019, the Board of Directors has not received any reports on conflict of interests; therefore, it has not submitted this matter to the Audit Committee for any special consideration and comments.

### **Supervision on the Use of Inside Information**

The Board of Directors has established guidelines for preserving and preventing the use of inside information by strictly adhering throughout the organization, as follows:

1. The company has stipulated the protection against the use of internal company information by prohibiting the departments involved from disclosing the inside information to unrelated persons or department
2. The management of the company who has received any significant information that affects the price of securities, must not use of the information before disclosing such data to the public. The management shall not be allowed to trade the company's securities for a period of 1 months and within 24 hours before and after the financial statements or significant information have been disclosed to the general public; and shall be prohibited the disclosure of such significant information to the third parties
3. Directors and executives of the company shall be obliged to report their securities holdings under Section 59, thus, to be in accordance with the Announcement of the Office of Securities and Exchange Commission No.Sor.Jor.12/2552 regarding the preparation and disclosure of securities holdings reports
4. The company set penalties for those who violates the measures to prevent the use of inside information by circulating letters to employees and executives.

In the previous year, the company has not received any reports or complaints about wrongdoing or punishment of those violations the use of inside information of directors, executives, and the related persons.

### **Personnel**

In the year 2019, from 1 January to 31 December 2019, the company has 503 employees, divided into 194 office staff and 309 production line staff, 348 male and 355 female.

In the year 2019, the company does not have any labor disputes.

### **Remunerations for Employees**

Ended December 31, 2019, the company paid total remuneration in the form of salaries, wages, provident fund, bonuses and other benefits for 231,555,676.60 baht.

## Remunerations of Auditor

### 1. Auditor Fee

The company and its subsidiaries paid audit fees to AMT Associate Co., Ltd., which is the audit firm of the company's auditor for the year 2019, with the total amount of 2,810,000 baht, of which 1,980,000 baht belonging to the company, and 830,000 baht belonging to the subsidiaries company.

### 2. Other Service Fees

-None-

## Human Resource Development Policy

The company has a policy of personnel development with aims to provide employees with knowledge and ability and retain the skill and qualified employees to be with the company in a long-term period with a career path advancement. The company has provided the training that is suitable for their positions according to the line of work.

The company always strives for the best by focusing on promoting and developing personnel at all levels to have knowledge and expertise while raising consciousness of Teamwork, quality, integrity, and customer satisfaction, which will lead to sustainable economic growth and stability. The company encourages employees to have knowledge and training in various fields, including environmental training. A wide variety of training programs offer to appropriate job positions, age, and responsibilities such as management team, section manager, and supervisor operational staff.

## Employees' Potential Enhancement Training

The company focuses on promoting and developing personnel at all levels to have knowledge and expertise as well as raising consciousness of Teamwork, quality, integrity, and customer satisfaction, which will lead to sustainable economic growth and stability. The company therefore provides a variety of training programs suitable for the job position, job length and responsibilities, such as management group, division manager, department heads and engineers, supervisors and Operational staff etc.

In the year 2019, a total 503 employees (as of December 31, 2019), 413 people received training, representing 82.11%, the total budget for training was 813,148 baht divided into.

Executive, Division & Department Heads	62 out of 86 received training,	accounting for 72.09 %
Engineering and Specialists	48 out of 66 received training,	accounting for 72.73 %
Support Functions	85 out of 120 received training,	accounting for 70.83 %
Operating Functions	218 out of 231 received training,	accounting for 94.37 %
Classified by Training Category		
Knowledge	Total 531 hours	
Skills	Total 606 hours	
Attitude	Total 3 hours	

Number of training hours in 2019

Employee Level	Average number of training hours per person	The goal of the curriculum
Executive, Division & Department Head (Management Level)	19.74	Focus on the development of organizational management to increase competitiveness and create sustainability.
Engineering and Specialists	28.61	Focus on developing knowledge and expertise to support future needs. Build knowledge management system to maintain knowledge and experience and organization development.
Support Functions	10.55	Aims to promote the development of skills and knowledge to back up or support the operations to achieve the goals.
Operating Functions	17.42	Focus on developing technical, manufacturing and operational skills so that employees can perform their assigned duties by On the Job Training and Coaching.





The capability development of Tirathai personnel under supervision by the Human Resources Development are developed and trained personnel as well as improving the curriculum to meet the needs and changes of business operations in the present practices in order for trainees to gain knowledge that benefit the organization. This classifies into 3 categories, which are 1. In-House Training 2. Public Training 3. On-the-Job training. In 2019, details are as follows:

Type of training	Number of courses	* Number of participants (people)
1. In-House Training	38	895
2. Public Training	65	135
3. On the Job Training	185	1400
Total	288	2430

Note \* Number of participants is repeated

### Non-Infringement of Intellectual Property or Copyright Policy

The company has defined policy of non-infringement of Intellectual Property or copyright as shared responsibilities of all employees to respect the rights of the owners of intellectual property and must carefully use information and communication technology under the laws with prudence. In case, any employees are found to violate intellectual property or the use of information technology and communication, the fair investigation will be conducted and if the results appear to be true, the disciplinary punishment will be considered depending on the company rule and regulation/or law where it is appropriate. There is no complaints in the past year.

### Shareholding of the Board of Directors and the management of the company at the end of the year 2019 compared to the end of 2018.

No.	Name of Board of Directors/Executives	As. Of 31.12.2018	As. Of 31.12.2019	Change in shareholding Increase (Decrease) in 2019	% of Shareholding in 2019
1.	Mr. Sumpun Vongphan	40,109,927	40,109,927	-	13.02%
	Spouse and minor child	-	-	-	-
2.	Mr. Upakrom Thaweephoke	5,488,558	5,488,558	-	1.78%
	Spouse and minor child	-	-	-	-
3.	Mr. Charuvit Suanmalee Spouse	8,521,014	8,521,014	-	2.77%
	and minor child	250,000	250,000	-	0.08%
4.	Mr. Ouichai Siriwanjana	1,519,500	1,519,500	-	0.49%
	Spouse and minor child	-	-	-	-
5.	Mr. Ampornrat Poolcharoen	2,253,900	2,253,900	-	0.73%
	Spouse and minor child	-	-	-	-
6.	Mr. Sunan Santichotinan	6,991,809	6,991,809	-	2.27%
	Spouse and minor child	-	-	-	-
7.	Mr. Tai Chong Yih	33,000	33,000	-	0.01%
	Spouse and minor child	-	-	-	-
8.	Mr. Singha Nikornpun	-	-	-	-
	Spouse and minor child	-	-	-	-
9.	Mr. Annop Tegajarin	239,700	239,700	-	0.08%
	Spouse and minor child	-	-	-	-
10.	Mr. Somchai Roadrungrasinkul	-	-	-	-
	Spouse and minor child	-	-	-	-
11.	Mr. Yossagorn Burakamkowitz	-	-	-	-
	Spouse and minor child	77	77	=	0.00%

# Internal Control and Risk Management

The Audit Committee appointed by the board of directors consisting of experts in finance and accounting, legal and corporate management to act as an important tool or mechanism for the Board of Directors in corporate governance. In accordance with the principles of good governance, the committee review, follow-up and evaluation of the operations, financial report, Risk assessment in management, review the internal control system and reports from internal auditors according to professional standards for internal auditing, including related policies, regulations, or practices as well as suggest solutions for administration problems

In the year 2019, the Audit Committee performed its duties in accordance with the scope of authority assigned by using knowledge, ability, experience, and express opinions independently by meeting with the management and various departments according to the relevant agenda, discuss and consider important matters. From the past operations, the Board of Directors and the Audit Committee agreed that the company has sufficient internal control systems, able to manage risks at an appropriate level as always practices, which summarized as follows:

## Organization and Environment

The company has organized the organizational structure and determined the authorities and responsibilities appropriately in accordance with the business conditions and efficient business operations. The company has set up policies, goals, and action plans by taking into account the fairness, ethical values of the organization and business ethics of all group of stakeholders such as employee, shareholders, business partners, customers, society and the environment etc. The Audit Committee who is independent from the management has supervised the company to comply with the policies, relevant regulations or practices by having the set clear business objectives, measureable in order to achieve the stated objectives and for the benefit of the company in the long term.

In addition, the company has established procedures, written guidelines and make revisions to suit the company's business. There is a monitoring and tracking of the actual operation in the accounting and financial transactions, administration and the main operations of the company Including affiliates such as sales, service, procurement / outsourcing, warehouse and raw material control as well as control and maintenance of company assets, etc.

## Risk Management

The Company has identified the risks at the organizational level and operational level or work in process, supervising by the executive and those who perform their duties in the process. The internal auditor is also auditing to assess the controls, and coordinate to plan the risk control measures that may still exist.

The company considers, analyzes, and determines measures or guidelines to identify risks at the organizational level and activity levels or work in process, which is supervising by management and those performing duties in that activity or process. This include the audit by internal auditors using the risk assessment criteria approved by the audit committee to assess the risk and control system and jointly plan to determine risk control measures that may still exist

## Operational Control of the Management and Operation level

The Company has specified the overall operational plan and sectional plan as well as the performance report compared with target periodically. The Executive Committee and Board of Director has monitor and control on monthly and quarterly basis respectively.

The company has specified scope of duties and the approval limit of each level of management clearly in writing and monitor the company's management and its subsidiaries regularly by executive meetings hold every month.

For operations at the operational level, the company has an internal audit unit under the supervision of the audit committee to perform audits on various procedures according to the annual audit plan approved by the audit committee or other special assignments. In conclusion, the company as a whole, the company has an internal control system that is sufficient and appropriate, as well as policies and measures in place to prevent or reduce the risk of corruption, or causing errors that may cause serious damage and that the company does not use the company's assets in any way. In checking the operation of various process, in case of finding the incompliance with the policy, regulations, work guidance, or related practices, the internal auditors will provide recommendations for improvement. The management is responsible for the process in order to carry out the appropriate adjustments, improvements and more concise.

