CORPORATE GOOD GOVERNANCE

SANKO DIECASTING (THAILAND) PLC.

www.sankothai.net

REV.2

Agenda

Title Page

Part 1 General Provisions

Vision

SANKO strives to be the leader in the diecasting industry, to be accepted on an international level. This includes developing new innovations in all aspects and being able to manufacture quality products and provide excellent services to customers reliably.

Mission

1. Perform with excellence in all its operations.
2. Create innovations and use modern technologies in designing and production development.
3. Improving the skills of the employees in order to manufacture modern and up-to-date products in the industry that requires advance technology.

Our Core Value

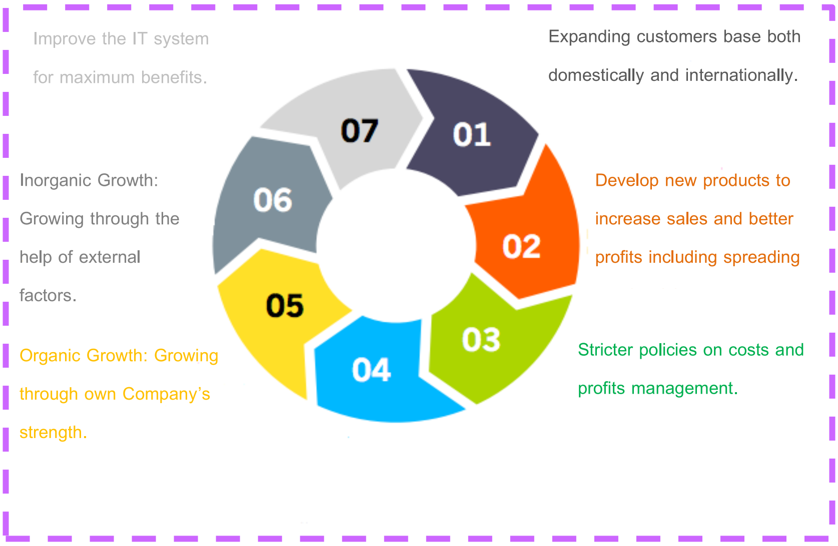
- Innovation
- Proactive Working
- Achievement Orientation
- Sense of Belonging

Company's Strategies

The Company focuses on growth strategy by expanding the customers base both domestically and internationally in order to reduce the risks poses by the domestic economy. This is achieved by increasing the demands of the customers and broaden the range into other industries other than automobiles. The Company will also research new products that have the potential to be profitable in the future with high margin, high technology and emphasizing on customers that requires the Company's expertise.

Business strategy and Functional Strategy

<u>Business Strategy and Functional Strategy</u>



Aim to be the innovative

- Quality: The Company can produce parts which are of the best quality and are well received among the automobiles producers. Moreover, the Company has been certified by the International Standards ISO 9001:2015 and ISO/TS 16949:2016 to ensure and build up confidence for the customers in the long run.
- Knowledge and Technology: The Company is specialized in designing molds which is the Know-How that has been passed down from generations to generations. Moreover, the Company continuously develops the production lines, so that it can respond to the demands of the customers.

  - The Company aims to develop new products in order to increase sales and for better returns, including spreading out the risks from relying on old customers and products.

  - The Company aims to be the innovative Organization by introducing robotic technologies into the production process in order to increase operational efficiency.

- Costs and profits - The Company emphasizing on strict management of costs and profits by using Budget Control System to control all of the departments' operation to be more efficient in managing costs and profits equal to the international standards.
- Manufacturing: Due to the design of the production line, the parts produced can be adjusted quickly with no hassle, meaning that the Company can support a variety of clients from many different industrial groups which reflects the continuous growth of the Company's revenue.
- Marketing: The Company has expanded internationally to reduce the risk of the domestic economic situation which increases the demands in the wider group of clients. Also, the Company expands the client base domestically to other businesses other than the automobiles industry by focusing on the groups that the Company is familiar with the productions and services.
- Products: Increase the production lines by introducing new injection technique which is "Gravity Die Casting" and metal diecasting techniques such as sand casting, lost wax casting. to add a variety of products and to reduce the restrictions in production and to meet the demands of the clients more. The increase in numbers of machineries, which the Company already has specialized in productions, means that the company can provide a full range of complete service to customers.

Principles and Rationale

Sanko Diecasting (Thailand) Public Company Limited recognizes the importance of the good corporate governance which allows the Organization to maintain an ethical managing system, transparent and can be monitored. In order to reassure the confidence of the shareholders, investors and the stakeholders, the Company has prepared the 'Good Corporate Governance Manual' for the Board of Directors, Managers and the Company's employees to acknowledge as the business guidelines and use if for the benefits of the shareholders including the stake holders and all the while being responsible to the society and the environment.

The Importance of Good Corporate Governance

To enhance the good corporate governance system so that it is transparent and has a clear standard which helps improving the Company's capability in competition and preventing any conflicts of interests that may arise. Building the confidence of the investors, shareholders and the stake holders to increase the stock value of the Company, as well as acting as the index to measure and inspect the performances so that they could be improve for better efficiency.

The Principles of SANKO's Good Corporate Governance Manual

The principle of good corporate governance is considered a good discipline which all levels of personnel must understand, uphold and strictly follow. If there are any violations of the said principles and the follow up of fair investigation deems guilty, the Company will proceed with disciplinary and/or legal actions accordingly.

The principle of good corporate governance of the Company will be improved for perfection accordingly. The Company expects the personnel to report honestly regarding any operations which may conflict with the principles to the superiors. The Company will treat all information as confidential materials. It is the responsibility of the superior to allow the operations to proceed according to the principles and the code of ethics.

Part 2 Policies and Corporate Good Governance

Good Corporate Governance Policy in accordance with the Good Corporate Governance Policy for Listed Companies 2012 of the Stock Exchange of Thailand

The Company is fully aware, and gives all its attention to the "Good Corporate Governance". The Company believes that the good corporate governance reflects the efficient and transparent management system, which will help promoting the confidence of the Shareholders, investors and all parties involved and will ultimately lead to a sustainable growth of the Company and an increase in value. The Company has continuously encourages the implementation of good corporate governance by advising the directors and the management to develop good corporate governance and the practices in accordance with the international standards. This is done by following the good corporate governance, as directed by the Stock Exchange of Thailand, and adapts it to the Company's corporate governance. Measures are taken to further improve the said policies in accordance with the guidelines of the Stock Exchange of Thailand, which me change in the future to be better suited for the evolving environment of the Company. The practices cover 5 categories as follows;

1. Shareholders' Rights

The Company is fully aware and gives its utmost attention to the rights of the Shareholders. This is shown by not taking any actions which may violate or reduce the rights of the Shareholders, including encouraging the Shareholders to use their rights. The basic rights of the Shareholders are, trading or transferring shares, sharing profits with the Company, receiving sufficient information about the Company, attending the meetings to use their rights to vote for appointing or removing the directors, appoints the auditors and any issues which have a direct impact to the Company for example, dividend allocation, setting or amending the regulations and the Memorandum of association, decreasing or increasing the capital and authorizing special transactions.

The Company has the policy to promote conveniency for the shareholders, including the institutional investors by holding the meeting in the place with sufficient access from the public transport so that the shareholders can easily attend the meetings. The Company always provides information, dates, time, place and agendas including all relevant information for making decisions to the Shareholders prior to the meeting and also notifies the shareholders about all the requirements, as well as the voting procedures. The Company encourages the Shareholders to exercise their rights to fully attend the meeting and to vote, and also to express their opinions and raise any questions relating to the Company in the meeting. The Shareholders may also submit the inquiries or agendas prior to the meeting. The Shareholders may also appoint a proxy to attend the meeting in the case of their absence.

2. Equal Practice to Shareholders

The Company treats all shares holders fairly and equally, no matter the Shareholders who are Executives, non – Executive, foreign Shareholders and minor shareholders which reinforce the confidence in the shareholders that the board and the management has taken great care in the spending of the shareholders funds which is the main factor in creating the confidence for investing with the Company. The Board of Directors holds the responsibility to make sure that all shareholders are treated fairly and that all their basic rights have been met equally.

The Board of Directors have arranged for the Shareholders Meeting in a way that encourages equal practice to all shareholders and give the chance even for minor shareholders to propose any individuals to take the position as directors, prior to the meeting and in an appropriate time frame. The Company also allows the shareholders who cannot attend the meeting themselves to let their proxies attend the meeting, and also have the rights to vote in their stead.

The Board of Directors has stated the methods to protect and prevent the use of the internal information in writings and will announce this as guidelines for all members of the organization.

3. Stakeholders' Roles

The Company is fully aware of its responsibility and practices to different groups of stakeholders and will seek the mutual benefits so that all groups of stakeholders can be confident that there rights will be fully protected and well exercised. This has been set as a guideline to follow in order to clearly meet the demands of all groups of the stakeholders as stated in the "Code of Conducts and Business Ethics" and will promote the Board of Directors, the management team including the workers to regard this as the fundamental principles for working in the Company and to take it as the important responsibility for all members.

4. Information Disclosure and Transparency

The Company prioritizes the disclosing of all important information relating to the Company, both financial and non-financial information through an accurate, complete, on-time and transparent channel which is easy to access, fair and respectable.

The Company believes that the quality of the financial related reports is something that the shareholders and the outside information give the utmost importance to, the Board of Directors will make sure that all the information displayed in the financial reports are accurate and follow the general standard accounting practices and have been evaluated by an independent auditor. The Company has appointed the Audit Committee, which consists of independent directors who takes responsibility for the quality of the financial report and the internal control. The Board of Directors' reports, Audit Committee's report and the auditor's reports are all presented in the Annual Repot.

5. Responsibilities of the Board of Directors

The Board of Directors has the vital role of overseeing the operation to ensure the benefits of the Company. The Board of Directors takes action in place of the shareholders and is independent from the management.

The Board of Directors must have leadership, visions and can make an independent decision for the benefits of the Company and for the shareholders. In order to do so, the system is in place to clearly separate the responsibilities between the Board of Directors and the management, and to ensure that all of the Company's activities proceed in a lawful and ethical way.

The Board of Directors consists of personnel with various qualifications, not only skills and experiences but also specialized talents that are useful to the Company, including their devotion and dedication to strengthen the Company and the Board of Directors.

The procedure to elect the Board of Directors, so that they can be appointed by the shareholders, have been done transparently with no influences of the shareholders or from the management team and is assuring to the outside individuals.

To ensure that the Board of Directors can work efficiently and the effectively, the Board of Directors had asked for the Audit Committee to help supporting the directors in the area of financial reports, internal control system's efficiency and executing the rules, regulations and all codes of ethics to promote good corporate governance.

Each director has a good understanding of their responsibilities as Board of Directors and to operate the Company, always ready to share their opinions independently and constantly improve themselves to adapt to the modern times. The Board of the Directors holds this position with honesty, carefully and thoughtfully by considering the benefits of the Company and being fair to all shareholders, giving all information fully and completely.

Good Corporate Governance policies and guidelines according to the CG Code by the Securities and Exchange Commission, Thailand.

Principle 1: Establish clear leadership role and responsibilities of the Board

The Board of Directors understands and is aware of the responsibilities as the leader that oversee the Organization with good governance. This includes establishing goals and objectives, establishing strategies, work policies as well as allocating vital resources in order to achieve the said targeted goals. The Board of Directors must follow up, evaluate and report the performance for creating sustainable value to the business. The governance outcome should consist of; competitiveness and performance with long-term perspective, good corporate citizenship, and corporate resilience. The Board of Directors is responsible for enforcing the employees to uphold the duty of care and the duty of loyalty, and operate under the rule of laws and the shareholders' resolution. The Board understands the roles and responsibilities and give clear missions and responsibilities to the CEO, including following up on any given tasks as necessary.

Principle 2: Define objectives that promote sustainable value creation

The Board of Directors defines core objectives of the business that promote sustainable value creation. The objectives must match the value creation for the business, customers, stakeholders and the society as a whole. The Board must ensure that the objectives and goals, including medium term and/or annual strategy also matches the objectives of the business by safely introducing adequate innovation and technology.

The Board of Directors clearly considers all appropriate directions and strategies for operating the business, including human resource development to make sure that the said strategies allow the business to function effectively and efficiently under various circumstances. The Company has the visions and organizational cultures that reflect the good corporate governance.

Principle 3: Strengthen Board Effectiveness

The Board of Directors have established and sufficiently revised the structure of the Board to lead the Organization to the targeted goals and objectives. This is done by selecting the most appropriate individual to be the Chairman and carry on the selection process of the Directors clearly and transparently. The remuneration of the Board will be approved by the shareholders fairly and appropriately. The Board of Directors will all carry out their duty responsibly and allocate their time suitably for the job.

The Board of Directors annually evaluates the performance of the Board, sub committees and individual Directors, where the evaluation result will be used further to improve the performance. The Board of Directors must all understand the roles, nature of the business and the laws relating to the business, including providing the support so that all Directors can improve their skills and carry out their duty splendidly. The Board of Directors must ensure that the operation runs smoothly, can access necessary information, and has the Company's Secretary with adequate experience to support the Board's performance.

Principle 4: Ensure effective CEO and people management

The Board of Directors selects and ensures that the CEO and high level Executives have adequate skills and experience necessary to drive the Organization to its goals. The Board makes sure that there are suitable remuneration and performance evaluation for the members of the Organization, to improve their skills, abilities, experiences and provides adequate motivations. The Board of Directors understand the structure and the relationship of the shareholders that may affect the management and the business operation.

Principle 5: Nurture innovation and responsible business

The Board of Directors emphasizes on supporting and promoting innovation that creates value to the Organization together with providing benefits to the customers or stakeholders, as well as being responsible to the environment.

The Board of Directors follow up and makes sure that the business operates with responsibility to the society and to the environment as reflected in the operational plan. This is so that all parties proceed by abiding to the core objectives, goals and the strategies of the Company.

The Board of Directors oversee the allocation of resources efficiently and effectively by considering the impact of the value chain, so that the goals and objectives can be achieved sustainably.

The Board of Directors manages the organizational information technology that matches the requirements of the Company, including overseeing the use of IT to create business opportunities and to improve the risks management. In order to achieve the objectives and core missions of the Company, the Board of Directors also covers risks management in terms of information technology, as well as establishing policies to safely protect the information.

Principle 6: Strengthen effective risk management and internal control

The Board of Directors makes sure that there are risk management system and internal control that allows the Company to achieve its objectives effectively, under the laws, regulations and standards related. The Board improves and develops the risks management process constantly by arranging independent auditors to be responsible for inspecting and evaluating the risks management and internal control systems, as well as reporting and disclosing their findings in the annual report.

The Board has set up the Audit Committee that can work effectively and independently with the qualifications and responsibilities as indicated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors have monitored and managed the conflicts of interests that may happen between the Company and the management, the Directors or the shareholders, including preventing the unlawful use of assets, information, opportunities and undesirable business transactions with any parties relating to the Company.

The Board has clear anti-corruption policies, including supporting activities that promotes awareness of the employees to abide by the law and all relating regulations in each level of the Organization, and to the external parties. The Company establishes channel to listen to claims and whistle blowers through the website with complete procedures to verify the information (record, follow up, solve the problem) and to report to the Board of Directors. The Company provides protection measures to whistle blowers that honestly reports the leads.

Principle 7: Ensure disclosure and financial integrity

The Board of Directors is responsible for selecting the person in charge of preparing financial reports and disclosing all significant information sufficiently, correctly and on time, and overseeing the financial liquidity and affordability ratio. The individual must possess necessary sills and experience suitable for this responsibility. This individual may be the Chief of Accounting and Finance, Accountant, Auditor, Company's

Secretary, and Investor Relation. In the case of a financial crisis, the Board prepares back up plan or any other methods of resolving financial situation. The Board is aware of the rights of stakeholders and has arranged for the representative to communicate with the shareholders. This individual must understand the Company's business, including its objectives, goals, values and can communicate well with investors and capital market such as Directors or the CEO. The Board promotes the use of IT in disclosing information. Other than publishing through the Stocks Exchange of Thailand as required, the Board of Directors also publishes the information both in Thai and English through other channels such as the Company's website and provides up-to-date information, accessible for all parties.

Principle 8: Ensure engagement and communication with shareholders

The Board of Directors ensures that the shareholders engage in making important decisions of the Company fairly and equally as stated in the Company's corporate governance guidelines. The Board promotes shareholders participation in the shareholders' meeting and allow the shareholders to exercise their rights effectively and transparently. The shareholders can add agendas prior to the meeting and if the agenda is not approved, the Board must notify the shareholders.

The minority shareholders can propose the individuals to take the position of Directors. The Board of Directors must disclose such information to the shareholder in advance and also publish the regulations on the Company's website and make sure that the meeting invitations contain complete and accurate information as per the rights of the shareholders, both in Thai and English language. The invitation must be sent out and revealed publicly at least 28 days before the meeting. The Board of Directors and all Executives must be present so that the shareholders can inquire on any relating matters. The Company disclosed the resolution of the shareholders' meeting along with the voting results on the day of the meeting, through the information channel of the Stock Exchange of Thailand and on the Company's website. The copy of the shareholders meeting minutes will be sent to the Stock Exchange of Thailand within 14 days since the day of the shareholders meeting.

The Principles of Good Corporate Governance

1. SANKO's Good Corporate Governance principles

Good corporate governance means the mechanism of operating the infrastructure and the internal managing system in a way that there are relationships between the Board of Directors, Managers and employees. The management of the said infrastructure and mechanism must reflect the principles of good corporate governance where the Board of Directors act as policy makers and operate honestly and cautiously by assigning the managers to act as their representatives.

2. The selection and the appointment of Directors and High level managements

The Selection of Directors and Executive

The Board of Directors

The selection of the individuals for the position of the Board of Directors does not come from the nomination committee. The selection of the directors is the responsibility of the Board of Directors which will consider from the qualifications as per the Section 68 of the Public Limited Company Act B.E 2535 and as per the related announcement by the Securities and Exchange Commission. Moreover, the Board of Directors will consider experts from various fields to take up the positions which will be beneficial to the company for advising and giving opinions on many issues. The person must have a strong leadership, visions, morals and ethics with a clean, transparent work profiles and can make an independent decision. Once this is decided, the names will be presented in the Shareholders Meeting for appointment.

Directors shall be elected by the General Meeting of Shareholders under the criteria and procedures as follows;

(a) A shareholder has one vote per one share.

(b) In the election, the shareholders may vote to the nominee individually or many persons at a time depending on the decision of the meeting. The share holders may utilize the vote as per a) to vote, but cannot distribute different amount of votes to many different nominees.

(c) The person who receives the votes of the highest number and the next persons in the order of the number of votes received shall be elected Directors in the number permitted. In case the next persons in the order of the number of votes received obtain equal numbers of votes and the number of such persons exceeds the remaining number of Directors permitted, the Director to be elected therefore shall be decided by the Chairman.

At the Annual General Meeting of shareholders one-third of the Directors, or if their number is not multiple of three, then the number nearest to one-third must retire from office. A retiring director is eligible for re-election. The directors, who will retire in the first and second year after the company is listed, will cast lots to see who will retire in the following years and the director with the longest time on the post will retire from office. The retired directors may be re-elected back into position again.

In case the post of a Director has been vacated owing to reasons other than by completion of his tenure, the Board of Directors shall elect a qualified person, who does not have any prohibitive attributes pursuant to

Section 68 of the Public Limited Company Act B.E. 2535 as a replacement Director for subsequent meetings of the Board of Directors unless the remaining period of the tenure is less than two months. The person who becomes a replacement Director may remain so as long as his/her time as Directors allowed, and must have the approval of no less than 3 out of 4 of the remaining directors.

In addition, the Board of Directors must consist of at least 1 in 3 Independent Directors from all of the Company's directors but no less than 3 persons.

The Definition of Independent Directors

"Independent Director" is the person who has no relation at all to the management of the company and/or the operation of the Company's business. This person is independent from major shareholders and from Company's executives, including the close relatives of the said people and can express their opinions freely by considering the benefits of the Company and of the Shareholders first.

Qualifications of Independent Directors

1. Must be a person with qualifications that does not violate the rules, regulations and any other applicable laws.

2. Holding shares not exceeding 1% of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, or juristic persons which may have conflicts of interests by counting also the shares of relating persons.

3. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than 2 years before the appointment date.

4. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company.

5. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years before the appointment date.

6. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company. , its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years before the appointment date.

7. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary company, associate company, or juristic persons which may have conflict of interests, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years before the appointment date.

8. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to a major shareholder of the Company.

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

10. Not undertaking any business in the same nature and in competition to the business of the Company 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 holding shares exceeding 1% 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 the Company or its subsidiary company.

11. Independent Directors must immediately notify the Board of the Directors in any situation which may jeopardize their qualifications as the Independent Director of the Company.

If a person having qualifications stated in 1 to 11 above is appointed as an independent director of the Company, such appointed independent director may be assigned by the Company's Board of Directors to make decision in respect of business operation of the Company, or the Company's parent company, subsidiary or associated company, or a subsidiary of another company in the same level of the Company, the major shareholder of the Company, or the person having controlling power over the Company, provided that such decision making by such appointed independent director must always be made on a collective decision basis.

Audit Committee

The Remuneration Committee will evaluate and select the Audit Committee and will then propose for the approval from the Board of Directors of the Company. The Company's shareholders will appoint the Audit Committee in the Shareholders Meeting. The Audit Committees who are qualified under the Securities and

Stock Exchange Act, regulations, announcement, principles and / or regulatory guidelines of SEC and SET. The Audit Committee must be more than 3 persons with at least one person who qualified in accounting and finance field.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) was established for the first time by the Board of Directors' Meeting No.3/2017 on August 10, 2017 to support the good governance of the company. The committee is responsible for setting the company's policy and criteria in the selection of directors and determining the remuneration of the Board of Directors, sub-committees and Chief executive officer. Also, to recruit, select, and nominate the right person to be a director as well as to set the remuneration for a director. This includes working on other assigned tasks and present to the Board of Directors and/or to the Shareholders' Meeting.

Composition of the Nomination and Remuneration Committee

1. The NRC is to be appointed by the Board of Directors company's committee and has to comprise of not less than three persons, being the Company's directors and executives.
2. The independent director shall be the Chairman of the NRC.

Terms of the positions

1. The Nomination and Remuneration Committee's member has the office term has a tenure as the term of the Board of Director member.
2. The NRS's member may be re-appointed as the Board of Directors see as appropriate.
3. Apart from vacating upon the end of office term stated in Item 3.1, the Audit Committee's member will retire from the office upon the following conditions:
    1) Resignation
    2) Dismissal by the Board of Directors
4. The Board of Directors has power to appoint a new member of the Nomination and Remuneration Committee as to resume the operation and to substitute the member of the Nomination and Remuneration Committee who is out of office term according to Item 1 or Item 3 The substituted member can only be in the office within the remaining term of the member he/she replaced.

Executive Board

1. The Executive Board consists of the Chief Executive Officer and no more than 4 others as suggested by the CEO and must be approved by the Board of Directors. However, the Executive Board will select an individual within the committee to be the Chairman of the Executive Board and another person to be Vice Chairman.

2. The Executive Board appoints the secretary of the committee. The role of the secretary of the Executive Board is to arrange meetings, gather documents for the meeting and also prepare the meeting minute for the committee every time.

3. The Executive Board must hold meetings as appropriate but must not be less than once per month.

4. The Chairman of the Executive Board will call for the Executive Board Meeting. In the case that the Chairman could not perform his/her duty, the Vice Chairman will do it instead.

Terms of the positions

1. In the case that the Executive Director is the Board of Director, let the terms be under the Board of Director.

2. In the case that the Executive Director is the Manager, let the terms be under the Company's Manager.

3.In the case that the Executive Director is an outsider who is neither Director or Manager of the Company or is an outside individual, the position will be as the resolution of the committee.

3.Scope of authorities of the Board of Directors

The Board of Directors

Significant duties and responsibilities of the Board of Directors as concluded in the 2nd Shareholders Meeting on 15th December 2009;

1. To manage the Company in compliance with laws, objectives, Article of Association, the legalized resolutions passed at shareholders' meeting with honesty, carefulness and protection of the interests of the Company.

2. To appoint the management of the Company from some of directors and / or its executives to take any action as assigned by the Board of Directors and appoint other committee as it determines appropriate

3. To determine the Company's target, policy, business plan and budget, as well as supervise and monitor the management to ensure that they conform the Company's policy.

4. To review and approve policy, direction, strategic, business plan and large investment projects of the company that proposed by management.

5. To monitor the Company's operating performance to ensure ongoing compliance with the plans and budget

6. To consider and approve the significant matters relating to the company or any appropriate operations for the best interest of the Company

An exception for the following matters will be made when approved by the shareholders' meeting. In addition, directors cannot approve any transactions that he/she has interests or conflict of interests of any nature with the Company or its subsidiaries.

(A) Subject to laws must be resolved by the shareholders meeting.

(B)The transactions, which directors have interests or conflict of interests under laws or the requirements of the Stock Exchange of Thailand, have required an approval of the shareholders' meeting.

The following matters must be approved by the Board of Directors by majority vote of the directors attending the meeting and the shareholders' meeting by vote of not less than 3 in 4 of the total votes and entitled to vote.

(A) To sell or transfer entire of the business or a significant part to other parties

(B) To acquire or transfer other companies or private company

(C) To change or terminate some or whole of leasing contracts of the Company and assign person to manage the business of the Company or merge with another party with the purpose of sharing profit together.

(D) Any changes in memorandum of association or article of association.

(E) Capital increase or reduce, bond issuing, merger and acquisition or liquidate the company

(F) Any other matters must be approved by the Board of Directors and the Shareholders' Meeting under the securities laws and / or the requirements of the Stock Exchange of Thailand.

<u>Chairman of the Board of Directors</u>

1) Responsible for following up and oversee the operation and performance of the Board of Directors effectively and efficiently according to the established goals and regulations of the Company.
2) Ensure the participation of all Directors, including setting a good example both professionally and ethically. Perform the duties under good governance to promote great organizational culture.
3) Organize the meetings with the CEO and the Independent Directors and ensure that various issues relating to the Company had been prioritized appropriately.

4) Organize the meetings with the Board of Directors, oversee the preparation for both invites and agendas related to the meetings so that the Directors can receive the information fully and on time, prior to the meeting.

5) Act as the Chairman of the Board and Chairman of the Shareholders Meetings, as well as guiding the meetings to proceed as regulated and under the agendas given.

6) Allocating sufficient time for the Board of Directors and the management to give the presentation fully, including allowing the Directors to explain the issues concerned in details and also allowing the Board of Directors to voice their opinions freely.

7) In the case of an equal votes in the meeting, the Chairman must provide one more vote to decide as absolute.

8) Promote good relationship between all members of the Board of Directors and to the management team.

Follow up and oversee the disclosing of public information according to the laws and regulations, both for the 56-1 One Report and through the Company's website (www.sankothai.net).

Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;

2. To review the Company's 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 Exchange's regulations, and the laws relating to the Company's business;

4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;

5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit 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 audit committee's chairman and consist of at least the following information:

- an opinion on the accuracy, completeness and creditability of the Company's financial report,
- an opinion on the adequacy of the Company's internal control system,

- an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,

- an opinion on the suitability of an auditor,

- an opinion on the transactions that may lead to conflicts of interests,

- the number of the audit committee meetings, and the attendance of such meetings by each committee member,

- an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and

- other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and

7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

In its performance of duties under the first paragraph, the audit committee must be directly responsible to the Company's board of directors, while the Company's board of directors shall remain responsible to third parties for the operations of the Company.

<u>The Nomination and Remuneration Committee</u>

The Nomination and Remuneration Committee perform duties as assigned from The Board of Directors and had the duties and responsibilities that following

1. <u>Nomination</u>

   1. Setting guidelines and policies in nominating Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.
   2. Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired and/or became vacant, including newly appointed director.
   3. Executing other tasks related to nominations as assigned by the Board of Directors.
   4. Setting guidelines and policies in nominating and evaluating the performance of the Chief Executive officer (CEO) and reporting to the Board of Directors for their consent.

2. Remuneration

1.Preparing guidelines and policies in determining the Board of Directors, other sub-committees' remuneration and Chief Executive Officer, and proposing it to the Board of Directors and/or Shareholders' Meeting for approval as appropriate.

2.Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.

3.Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders' Meeting.

4.Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.

5. Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors. The management team and other units have to report or present the information relating to the Nomination and Remuneration Committee in order to support the operation of the Nomination and Remuneration Committee to achieve their assigned tasks.

3. Reporting

The Nomination and Remuneration Committee directly reports to the Board of Directors.

4.Meetings

1. The Nomination and Remuneration Committee holds a meeting when seen as appropriate (at least 2 times a year) and has power to call for an extra meeting if necessary. The Nomination and Remuneration Committee shall comprise of not less than one-half of the total existing members.
2. All the Nomination and Remuneration Committee's members shall attend every meeting unless he/she has any necessary matter. In this case, the member has to notify his absence in advance to the Chairman of the Nomination and Remuneration Committee.
3. The Chairman of the Nomination and Remuneration Committee shall be the chairman of the meeting. In case where the Chairman of the Nomination and Remuneration Committee is absent, other

Nomination and Remuneration Committee's members attending the meeting can select one member to be a substitute chairman of the meeting.

4.The resolution of the Nomination and Remuneration Committee can be made by majority vote. Any member of the Nomination and Remuneration Committee, who has any interest or benefit in the related topic, shall not vote in that particular topic.

5.The meeting invitation letter shall be issued to the Nomination and Remuneration Committee in advance prior to the meeting date held. This excludes the emergency case, where the dates of the meeting will be informed by other methods or the meeting shall be scheduled earlier. The secretary of the Nomination and Remuneration Committee shall take the minutes of the meeting.

6.The Nomination and Remuneration Committee can invite any related personnel to attend the meeting in order to provide relevant information to the Nomination and Remuneration Committee.

Executive Committee

1. The Executive Board has the authority in setting the policies, goals, strategies, work procedure and annual budget as designated and also the business activities which must follow the policies, regulations or any other orders by the Board of Directors. Moreover, the Executive Board is responsible for evaluating, screening, inspecting all issues presented to the Board of Directors for further approval or acknowledgement.

2. The Executive Board has the power to direct the organizational structure by covering the selection process, trainings, benefits and including the Company's dismissal of the staffs.

3. The Executive Board may appoint or assign any individual to perform any tasks instead of the Executive Board as appropriate and that the Executive Board may cancel, adjust or revise such authorities.

Scope of work of the Chief Executive Officer (CEO)

1. To manage and monitor the Company's business

2. To consider employment, appointment, transferring of employees, termination of employment, setting salary, remuneration and bonus packages of all employees, except CEO position

3. Authorize to consider and approve the lists of short-term loan within limits of 40 million baht per year for each item.

4. Authorize to approve the common and necessary action in the affairs of company general operation such as Sales and services, Procurement of raw materials., Subcontract or Vender and the service contract, Expense for all management in term of other productions., Approval of machinery / utilities reparation costs. and Rental/Hire Purchase of machinery, equipment for all production, transportation for

company officer, transportation for product distribution, equipment and tools including the rental of property etc.

5. Authorize to approve the action of any investment for business expansion, to develop the production system or buy machinery with a value not exceeding 20 million baht per year.

6. To empower the command, announcement, regulation or memorandum for operation being in line with policies and interest of the Company and to maintain discipline within the organization.

7. To authorize to act and being representative of the company to a third party involved in the business and benefits of the company

8. To appoint consultant as deemed necessary for the Company's operations

9. Other duties assigned by the Board of Directors

The authority so assigned, however, must not give Chief Executive Office or the persons as authorized the opportunity to consider and approve any transactions that he or his related parties may have interests or conflict of interests of any nature with the Company or its subsidiaries, except for transactions in compliance with Article of Association, SEC and/ or SET criteria that have already been considered and approved by the Board of Directors and/or shareholder's meeting and reviewed by the Audit Committees.

<u>Self-Assessment Evaluates the performance of the Chief Executive Officer.</u>

The Remuneration Committee will evaluate the performance of the CEO and the CEO must also perform a self-evaluation assessment according to the CEO evaluation form by the Stock Exchange of Thailand in the 4th quarter annually. The evaluation will be divided into 3 categories as follows;

1. Projects Progression
2. Operation Performance
3. CEO Development

Then the results will be proposed to the Board of Directors for consideration and use the evaluation to further improve the operation and achieve all of the assigned goals.

4. <u>Board of Directors Meeting and Obtaining Documents</u>

Constantly hold the Board of Directors meeting, the Audit Committee meeting and allows sufficient time to debate on various significant agendas. The management must prepare the appropriate information, punctually and accurately to the Board of Directors before the meeting, allowing enough time to study and make correct decision on various topics in the Board of Directors meeting.

5. Code of Ethics for the Board of Directors, Managers and Employees

Provide work guidelines which relates to morals and ethics so that the Board of Directors, Managers and the employees may acknowledge the standards and the work guidelines which the managers should encourage and thoroughly notify the personnel. The code of ethics for the Board of Directors, Managers and employees are as follows;

- The Board of Directors must perform their duties in accordance with the law, the Company's policies, objectives and the Company's regulations. The Directors must manage by putting the benefits of the Organizations and the staffs both present and in the future and also maintaining the corporate image.
- The Managers must perform their duties up to the expectation of the Board of Directors. The actions may affect many groups of stakeholders such as the employees, the shareholders, the general public, trade partners and debtors, competitors and the society as a whole.
- The employees must perform their duties given from the management to the best of their abilities.

6. Information Disclosure and Transparency

1) The Board of Directors have the responsibilities of disclosing the information both financially and non – financially, sufficiently, reliably and on time, so that the Company's shareholders and stake holders may obtain the information fairly, in accordance with the law, the regulations of the Company and following the information disclosure policies of the Company.

2) The Company's information must be prepared carefully, clearly, accurately and transparently with concise and simple language. Constantly disclose important information both positive and negative information.

3) Establish the Public Relation Department which advertises helpful information to investors, employees, relating parties and the general public. Establish the Investors Relation Department to represent the Company in communicating with the shareholders, financial institutions and securities analysts.

4) The Board of Directors is responsible for presenting the assessment report and the trend of the Company by summarizing simply in the Company's Annual Report.

5) The Board of Directors prepares the balance sheet, profit and loss statement and the audit report of the auditors and also the Board of Directors' Annual Report to present to the annual Shareholders Meeting for consideration.

6) The Board of Directors must prepare the report explaining their responsibilities in assembling the financial reports, together with the auditor's reports in the Company's Annual Reports.

7. Duty to the Stake Holders

1) The Board of Directors should prioritize the balance for all stake holders by fully indicating all groups of the Company's stake holders and allow proper cummunication channels between each groups.

2) The Board of Directors should report all information showing that the Company always take the benefits of the stake holders into account, before making and decisions

8. Potential Development

The Committee members are encouraged to increase their knowledge by means of entering the valuable seminars or courses or training programs concerning global news, world innovation, new idea of business management, etc.; and, this could help the members work effectively.

At present, all Board of Directors had completely attended the workshops on the roles and responsibilities of the Directors.

In order to follow the latest Corporate Governance Policy that all committee have the rights to access up- to-date information thoroughly, precisely, adequately and equally, the company secretary will inform them about the SET Regulatory Authority and the Securities and Exchange Commission (SEC)'s latest involved regulations in every meeting, additionally, the company secretary is encouraged to be in the related programs and seminars held by SEC and involved institutions.

9. Committee's performance Evaluation

The company's performance is aimed to be evaluated annually in order to bring its useful result in improving the committee and the subcommittees' performance in various aspects that leads to encourage the effectiveness of the committee's performance monitor.

The Board of Directors

To comply with the laws and regulations Securities and Exchange Act, for the year 2024, Self- Evaluation is fully used; and the 4 subjects are as follow

1. Board structure and qualifications are appropriate and allow the Directors to work effectively
2. Board meeting are carried out so that Directors can participate in the meeting effectively
3. Roles, duties and responsibilities of the Board. The Board greatly emphasizes on providing sufficient period of time to evaluate all important matters.
4. Others aspects,

There are 29 sub categories

The Audit Committee

To comply with the laws and regulations Securities and Exchange Act, for the year 2024, Self- Evaluation is fully used; and the 3 subjects are as follow

1. The committee's structure and qualification is suitable for productive work
2. The committee take action in these jobs which leads to efficient performance in the meeting
3. The committee's role duty and responsibility is focusing on taking action in these aspects.

There are 20 sub-categories

The Nomination and Remuneration Committee

To comply with the laws and regulations Securities and Exchange Act, for the year 2024, Self- Evaluation is fully used; and the 3 subjects are as follow

1. The committee's structure and qualification is suitable for productive work
2. The committee take action in these jobs which leads to efficient performance in the meeting
3. The committee's role duty and responsibility is focusing on taking action in these aspects.

There are 19 sub-categories

10. New Directors Orientation

When taking up the position of the Company's Director / Independent Director, each director will receive the Director Manual and learn all vital information regarding the Company such as the regulations outlining the limit of the authorities, duties and responsibilities of the Directors, advice on the law, rules and all the terms for being the Directors in a listed Company of the Stock Exchange of Thailand, including the knowledge in the business of the Company.

Part 3 Ethice

Note: The information on code of ethics can be reviewed from the Business Ethics and Code of Conducts Manual

Part 4 Charter of Internal Audit

Internal Audit Charter

This charter is established to define the mission, scope of work, responsibilities, authority of the audit, as well as the guidelines and procedures for conducting internal audits within the company. The purpose is to ensure that the board of directors, management, and employees at all levels have a clear understanding of the internal audit function, as outlined below:

Mission

The internal audit function has the mission of providing independent and objective consulting and assurance services to add value to the organization and improve the company's internal control systems. The internal audit function helps the company achieve its objectives by evaluating and enhancing the effectiveness and efficiency of the risk management system, internal control system, and corporate governance system through systematic and structured methodologies.

Structure of Internal Audit

The company's internal audit function will employ certified internal auditors (CIA) from external sources to perform internal audit duties. The Audit Committee is responsible for selecting independent internal auditors, approving the internal audit plan, and determining appropriate compensation for the auditors. The internal auditors report the audit results to the Audit Committee and senior management of the company.

Scope of Work

The internal audit function has a defined scope of work to ensure that the company's risk management system, internal control system, and corporate governance processes are adequately and effectively established in line with the company's objectives. This includes:

- Identifying risk factors, assessing risks, and managing risks appropriately.
- Ensuring that financial, administrative, and operational information is accurately, reliably, and timely prepared.
- Ensuring that the company's business operations and practices comply with relevant policies, regulations, and laws.
- Ensuring that resources and assets are acquired economically and adequately safeguarded.
- Ensuring that the company's resources and assets are used efficiently and cost-effectively.
- Ensuring that plans and projects are implemented in accordance with their objectives.
- Ensuring continuous quality improvement in all control processes and activities.

Roles and Responsibilities

The internal auditor is responsible for the company's internal audit function in accordance with the company's policies and regulations. The auditor reports audit results to the Audit Committee and summarizes the findings for management. The auditor evaluates the effectiveness of the internal control system and risk management system, identifies areas for improvement, and coordinates with various departments to enhance the efficiency of the system. The detailed responsibilities are as follows:

1. Prepare an annual internal audit plan based on risk factors (Risk-based Methodology) for approval by management and the Audit Committee.
2. Conduct audits in accordance with the approved plan, including special projects assigned by the Audit Committee and management.
3. Report audit results, including progress against the planned audit schedule.
4. Follow up on the implementation of recommendations by the auditees.
5. Support the Audit Committee and management by providing necessary information related to audits and relevant regulations.
6. Coordinate with the company's external auditors to ensure the financial audit objectives are met.
7. Provide consulting services to management on risk management planning and internal control system improvements.
8. Perform other duties as assigned.

Authority of the Audit

The internal auditor is authorized to access company data, systems, and personnel as necessary and appropriate for the audit. All levels of management are required to support the internal auditor in fulfilling their duties and achieving the audit objectives for the benefit of the company.

Any documents or information obtained or known during the audit process will be kept confidential and not disclosed to any unauthorized person, except as required by law.

Professional Standards

The internal auditor must adhere to the company's policies and regulations, as well as professional standards (Standards of Practice) and relevant ethical guidelines.

Audit Procedures

1. Audit various departments of the company according to the audit plan to assess compliance with plans, policies, objectives, and relevant regulations and laws.
2. Upon completion of the audit, the internal auditor will hold an exit conference with the management of the audited department to discuss findings, exchange opinions on identified issues, and agree on corrective actions before finalizing the audit report.
3. The audit report will be documented in writing, explaining the audit objectives, scope, identified issues, recommendations for improvement, and the auditee's comments.
4. The internal auditor will follow up on the implementation of recommendations by the audited departments and provide guidance for corrective actions.
5. The internal auditor must maintain independence, neutrality, and act with integrity, honesty, and ethics.

Reporting Audit Results

The audit report will cover the audit objectives, scope, background information on the audited activities, audit findings, corrective actions by the auditee, recommendations by the auditor, and the auditee's comments.

The internal audit report is the property of the company and the internal auditor. Any request to view or use the audit report for external reference must be approved by the company's authorized senior management.

After the exit conference, the audit report will be distributed to the relevant parties as follows:

- The Chief Executive Officer will receive one copy of the audit report.
- The audited department will receive one copy of the audit report.
- The Audit Committee will be informed of the audit results during their quarterly meetings.

The internal auditor will follow up on the implementation of recommendations and report the follow-up results to the Audit Committee, ensuring that management has effectively implemented the recommendations or that senior management has accepted the risks of not implementing them.

This Internal Audit Charter was approved for review by the Audit Committee on May 15, 2024.

(..)

Chairman of the Audit Committee