

## Part 2

### Management and Corporate Governance

#### **7. Structure of Securities holding and management**

##### **7.1 Securities of Company**

(1) The Company has paid up capital of 383.125 million Baht and fully paid up, divided into 76,625,000 ordinary shares each of baht 5 per share.

(2) Other Share

- None

##### **7.2 Shareholders**

(1) Major shareholder list

(A) Top ten shareholders as at the last closing book date July 12, 2019.

Shareholder Name	Number of Share (Share)	% of holding
1. Stanley Electric group	27,655,450	36.10
- Stanley Electric Holding Asia-Pacific PTE	27,320,950	35.66
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,620,196	29.52
- Mrs.Porndee Lee-issaranukul	4,486,956	5.86
- Mr.Apichart Lee-issaranukul	5,435,971	7.09
- Mr.Thanong Lee-issaranukul	4,144,855	5.41
- Mrs.Pimjai Lee-issaranukul	2,838,895	3.70
- Mrs.Pornthip Sethiwan	2,831,195	3.69
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43
4. Thai NVDR Co.,Ltd.	2,329,423	3.04
5. NORTRUST NOMINEES LTD-CL AC	1,971,200	2.57
6. BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	1,805,000	2.36
5. ABERDEEN STANDARD SMALL CAP FUND	1,541,700	2.01
7. ABERDEEN STANDARD LONG TERM EQUITY FUND	1,490,200	1.95
8. ABERDEEN STANDARD GROWTH FUND	1,441,500	1.88
9. MR.KENNETH RUDY KAMON	1,303,800	1.70
10. STATE STREET BANK AND TRUST COMPANY	839,734	1.10

The currently shareholders list , the investor can see in company website ([www.thaistanley.com](http://www.thaistanley.com)) before the Annual General Meeting.

(B) Major Shareholders to participate in its operations by sending member to be a committee

Shareholder Name	Number of Share (Share)	% of holding
1. Stanley Electric group *	27,655,450	36.10
- Stanley Electric Holding Asia-Pacific PTE	27,320,950	35.66
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,620,196	29.52
- Mrs.Porndee Lee-issaranukul	4,486,956	5.86
- Mr.Apichart Lee-issaranukul	5,435,971	7.09
- Mr.Thanong Lee-issaranukul	4,144,855	5.41
- Mrs.Pimjai Lee-issaranukul	2,838,895	3.70
- Mrs.Pornthip Sethiwan	2,831,195	3.69
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43

\* Stanley Electric , Japan holding 100% in Stanley Electric Holding Asia-Pacific PTE , Singapore and holding 67.50% in Asian Stanley International Co.,Ltd.

\*\* Lee-issaranukul Family is the major shareholder and executive management in Sittipol 1919 ( holding 94.13%) and Sopa Kanok International (Holding 100%)

(2) The company does not conduct business by holding shares in other companies

(3) Shareholder's Agreement - None

### 7.3 Other Securities

-None

### 7.4 Dividend payment policy

The dividend payment policy of the company is that the rate of dividend payment of the Company is not less than 30 per cent of the net profits deduction of tax. (The Company Only)

Payment Year	2019	2018	2017	2016	2015
Earnings Per Share (Baht) **	25.81	21.65	16.58	17.01	15.11
Dividend Per Share (Baht)	8.25	7.00	5.00	5.00	4.80
Dividend Ratio (%) * **	35.28	36.03	34.15	32.68	34.53

\*\* From the equity method is applied \*\*\* From the company only

## 8. Management Structure

### 8.1 Board of Director and Meeting

Name	Position	Board of Director Meeting	
		Number of Meeting	Number of Attend the Meeting
Mr. Apichart Lee-issaranukul	Executive Chairman	6	6
Mr. Koichi Nagano	President	6	6
Mr. Thanong Lee-issaranukul	Director	6	6
Mr. Tadao Suzumura	Director	6	6
Mrs. Pimjai Lee-issaranukul	Director	6	5**
Mrs. Pornthip Sethiwan	Director	6	4**
Mr.Krisada Visavareeranon	Independent Director and Chairman Audit Committee	6	6
Mr. Chokechai Tanpoonsinthana	Independent Director and Audit Committee	6	6
Mr. Suchart Phisitvanich	Independent Director and Audit Committee	6	6
Mr. Picharn Sukparangsee	Independent Director	6	6
Mr. Katsutoshi Iino *	Director	6	3**
Mr. Toru Tanabe *	Director	6	5**

Remark \* Director worked at Japan. \*\* The reason of not attending the meeting - The director have oversea business.

#### Authorized directors and condition

Mr.Apichart Lee-issaranukul or Mr.Thanong Lee-issaranukul sign with Mr.Koichi Nagano or Mr.Tadao Suzumura and company seal

#### Board of directors meeting

The company has set the procedures and methods of the meeting in the regulations on the board meeting of the company that must be held at least once every 3 months and all directors are required to attend. There might be additional meeting if necessary. And according to the company's regulations , in the Board of Directors' meeting, there must be at least half of the directors present at the meeting and at least 1 independent director or audit committee member must attend the meeting to constitute a quorum

The resolution of the meeting of the board of directors requires the majority votes of the directors present at the meeting. One member has one vote. In the case of equal votes, the chairman of the board shall have the casting vote. The director having interests has no right to vote for that agenda. The procedure of the meeting has been described in the rules of board of directors meeting.

Meeting schedule and key agenda have been set for the whole year in advance in order to make sure the adequacy of time and the availability of the board members. The invitation letter is sent out at least 14 days in advance both in Thai and in English. TV conference is also set up for the board member who is on overseas business trip to join the meeting from abroad.

In the board of directors meeting, chairman of the board of directors and executive chairman shall set the agendas together and screen the agendas proposed by directors. As there has not been any one being appointed to

replace the former chairman of the board; hence, executive chairman and corporate secretary together shall set the meeting agendas.

Every time in the meeting, each director is required to report sale/holding of securities to the meeting. The company has not yet set a policy for directors and the executives to inform about trading of shares at least one day in advance of trading to the Board of Directors.

For the normal business transactions, the executives will report to the board meeting on the quarterly basis.

#### The Meeting operation in FY2019

- Total numbers of Board of Directors meetings are 6 times. At every meeting, adequate details in the form of supplementary documents will be sent out to the board members to study in advance.

According to attendance record, 10 out of 12 members that working in Thailand and 2 members main working in Japan that had attended the meeting via TV Conference .

- |                                      |                     |
|--------------------------------------|---------------------|
| - Attend the every meeting ( 100%)   | 8 persons or 66.67% |
| - Attend the meeting 5 time (83.33%) | 2 persons or 16.67% |
| - Attend the meeting 4 time (66.67%) | 1 persons or 8.33%  |
| - Attend the meeting 3 time (50.00%) | 1 persons or 8.33%  |

The director does not attending the meeting that have oversea business trip .

## **8.2 The Executive Board**

On March 31,2020 the executive board name list are 6 persons as follows

Name*	Position
1. Mr. Apichart Lee-issaranukul	Executive Chairman and Executive General Manager Administration Division
2. Mr. Koichi Nagano	President
3. Mr. Tadao Suzumura	Director and Executive General Manager Lighting Equipment Division
4. Mr. Kazunori Nakaii	Executive General Manager - Marketing Division
5. Mr. Koji Kobayashi	Executive General Manager - R&D Center
6. Mr. Etsuya Kawashima	Executive General Manager - Die & Mold Division

#### Executives in the Finance and Accounting Department

The company has designated Mr. Apichart Leeissaranukul, Executive General Manager, Administration Division, as Chief Finance Officer (CFO). His qualifications meet the requirements of the Stock Exchange of Thailand (SET).

**\*\*Ms. Supatra Ratanachinchai**, General Manager, Financial and Accounting Department , is responsible for accounting. Her qualifications and conditions as the bookkeeper meet the criteria stated in the Notification of Department of Business Development. She has also attended continued training in accounting, which is in compliance with criteria stated in Department of Business Development's notification No. Tor Jor 39/2559.

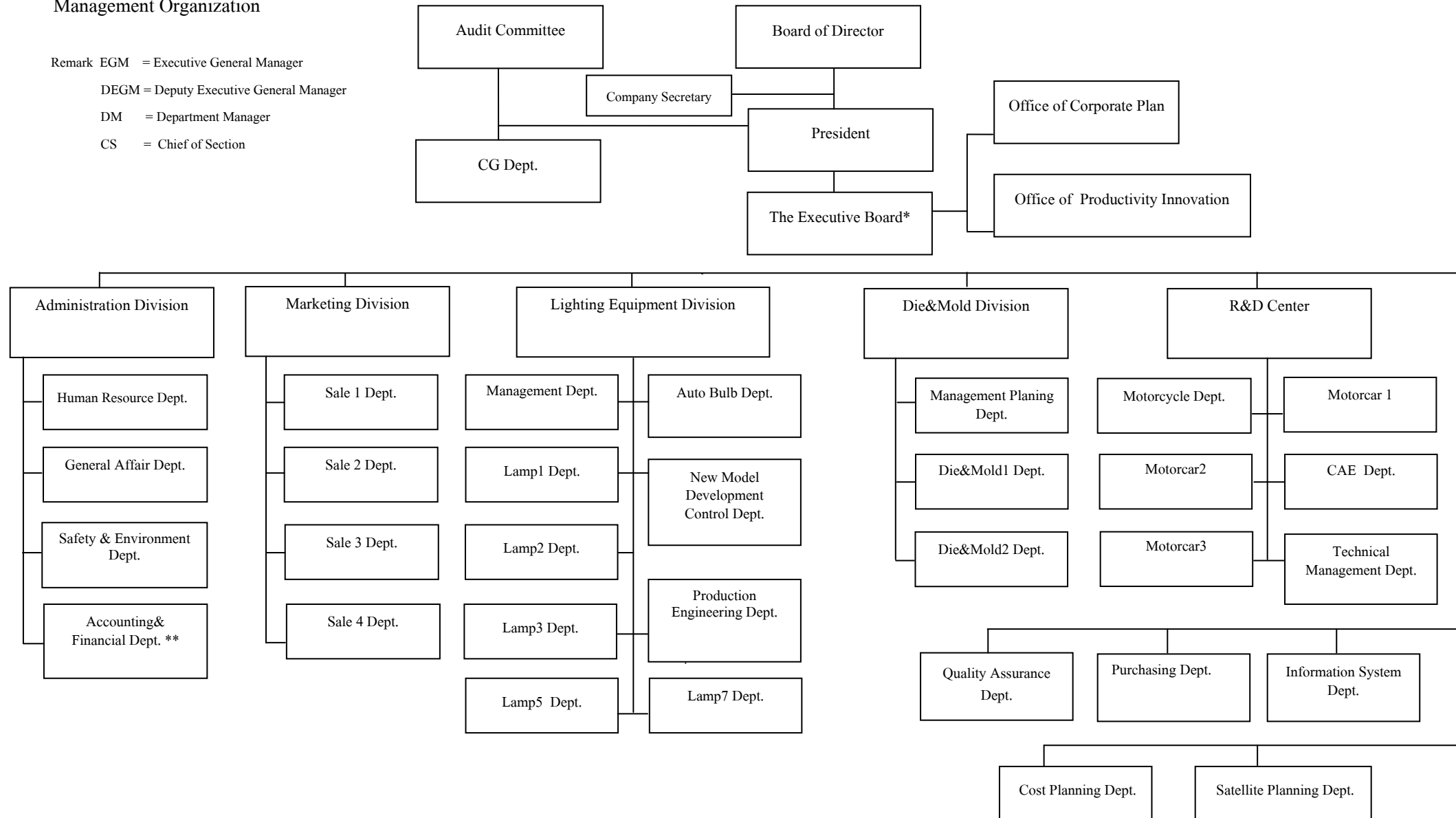
## Management Organization

Remark EGM = Executive General Manager

DEGM = Deputy Executive General Manager

DM = Department Manager

CS = Chief of Section



### 8.3 Company Secretary

The Board of Directors has appointed Mrs. Sudjai Srifuengfung. Held the position of company secretary Since July 4, 2008 by the properties of the incumbent secretary of the Company is as attached document 1

### 8.4 Remuneration for the company's management

#### (1) Remuneration in cash

The company setting the remuneration policy for director on the appropriate consideration and comparing with the remuneration for the directors paid by the companies listed in Stock Exchange of Thailand with the same size of business or the same industry, and approved by shareholders' meeting.

In year 2019, the Annual General Meeting of Shareholders approved the remuneration of directors in the amount of 5 million baht equal to the previous year. The conditions and criteria for payment are under the discretion of the Board of Directors.

The composition of the directors' remuneration consists of the remuneration of the board , Audit Committee Compensation and meeting allowance (only directors and audit committee members attending the meeting)

The policy of remuneration for executives shall be considered from their roles and responsibilities as well as performance

(A) The Board of director remuneration for 2019 , details as follows

Name	Position	Director Fee (Baht)		
		Director	Audit Committee	Total
Mr.Apichart Lee-issaranukul	Executive Chairman	270,000		270,000
Mr.Koichi Nagano	President	270,000		270,000
Mr.Thanong Lee-issaranukul	Director	270,000		270,000
Mr.Tadao Suzumura	Director	270,000		270,000
Mrs.Pimjai Lee-issaranukul	Director	265,000		265,000
Mrs.Pornthip Sethiwan	Director	260,000		260,000
Mr.Krisada Vissavateeranon	Independent Director and Audit Committee Chairman	270,000	410,000	680,000
Mr.Chokechai Tanpoonsinthana	Independent Director and Audit Committee	270,000	290,000	560,000
Mr.Suchart Phisitvanich	Independent Director and Audit Committee	270,000	290,000	560,000
Mr.Picharn Sukparangsee	Independent Director	270,000	5,000 *	275,000
Mr.Katsutoshi Iino	Director	255,000		255,000
Mr.Toru Tanabe	Director	265,000		265,000
Total		3,205,000	995,000	4,200,000

Remark Company only has Audit Committee

\* Meeting fee as attending a special meeting with the audit committee

### The executive board remuneration

In year 2019 the company paid the remuneration for executive board as salary and bonus to 6 person amount 43.38 million baht

### (2) Other remuneration

- Other remuneration of directors - There is no other compensation or other benefits , other than monthly director fee and meeting allowance.

- Other remuneration of executive director - The company provides a provident fund for Thai executive directors, which the company has contributed at the rate of 7% of salary as well as contributions to employees However, the amount of payment in 2019, the company has disclosed in the employee remuneration in item 8.5

### 8.5 Personal

Total employees as at March 31st, 2020 were 3,084 persons . The company paid for employee's remuneration in year 2019 were 1,641.26 Million Baht as salary , bonus , provident fund and other welfare such as Public transportation and Shift expense , details as follows;

Division	Male	Female	Total
Administration	38	58	96
Marketing	24	31	55
Production	1,606	1,303	2,909
Japanese	24	0	24
Total	1,692	1,392	3,084

The total number of employees decreased by 6.64% from the previous year. In the past 3 years, the number of employees has changed to a level not exceeding 10%, so there is no significant change in the number of employees and no labor disputes.

#### Policy of personal ' s development

The company determines the personnel development policy every year. To develop personnel to have knowledge and skills in both management and work skills ,with a target value that all employees must receive training, knowledge or skills in the job , we divided into general employee levels must be trained at least 1 course per year and have at least 6 hours of training per person per year. In the supervisor level and manager level must train at least 2 courses per year

The company policies in employee training and development plans to all levels of employees about knowledge and skills to work , Foreign language , Mind development , and internships to study abroad, such as Japan, U.S.A and other country regularly.

That for 3 years ago, the Company does not have any conflict or dispute with employees and the company was awarded the Outstanding Labor and Welfare Labor continuously since 2006 – 2019 (14 consecutive years) certification system and standard of Thai workers. (MRT. 8001-2546) complete level from the Ministry of Labor.



## **9. The Corporate Governance**

The Board of Directors attaches great importance to corporate governance. The company has a transparent business operation , honesty , fair competition environmental and social considerations

### **9.1 The corporate governance policy**

The board has developed the corporate governance policy since year 2007 with details as follows:

1. Develop Business Ethics or Ethics and Code of Conduct for the board and employees to comply with, ensure the compliance, together with review and update it.
2. Define structure, role and responsibility of the board and the executive clearly and appropriately
3. Require the board conduct performance self-evaluation
4. Create, maintain, and review the control system in respect with finance and operation, ensure the operational effectiveness and compliance with law and ethics, and manage risks by paying attention to red flag warning and unusual transaction.
5. Ensure that disclosure information is accurate, complete, in time, and in equitable manner for shareholders and stakeholders.
6. Develop reliable financial reporting procedure and inspection process, and assess the sufficiency of internal control, risk management, and effective monitoring system
7. Assure that the rights of shareholders and stakeholders are protected and treated in an equitable manner.
8. Resolve the conflict of interest with discretion and transparency
9. Develop environmental and social care system

To comply with the corporate governance policy The company has prepared the code of conduct for directors and employees. In order to abide by the guidelines and to prevent damage that may occur from misconduct of the person in the company by publishing as a manual for directors, executives and employees to acknowledge and abide . This includes the vision and ethics are provided in the orientation program of directors, executives and new employees, which are disclosed in the website. ([www.thaistanley.com](http://www.thaistanley.com)) of the company as well

### **9.2 Director**

The company determines the structure of directors , qualifications of the board roles and responsibilities, recruitment and appointment of directors , Performance evaluation of the Board of Directors - in the regulations of the Board of Directors as follows

- (1) Director structure - The company has 3 groups of directors, as the Board of Directors , the Executive Board and the Audit Committee by defining the roles and responsibilities of each committee as follows

## **The Board of Directors**

Structure of Board of Directors as of 31 March 2019 consists of 12 members as follows:

1. Executive Directors: involving in managing day to day operations or have authority to sign and bind the company, total 4 peoples or 33.33% of total members.
2. Non-Executive Directors including independent directors totaling 8 people accounting for 66.67% of the total Directors. Four independent directors are accounted for one-third of the Board's total numbers which is in accordance with the provision of Securities and Exchange Act (No. 4) B.E. 2008.

All directors are qualified in terms of knowledge and experience required for company business operation and focus on performing their role.

Independent directors meet the qualification as required by Securities and Exchange Commission.

### **Authority of the Chairman**

The Chairman plays an essential role as a visionary leader with the power to direct the Company's business vision and monitor the performance of senior executives

### **Authority of the Board of Directors**

The framework of the Board's duties and responsibilities includes organizational strategies, corporate governance, human resources management, financial reporting, information disclosure and communications as follows:

1. Organizational strategies Review and advise on key strategies and policies, financial objectives and other plans, including the Company's budget. Monitor the implementation of the Company's plans and policies.

2. Corporate governance , establish a policy of corporate governance and regularly evaluate the outcome in practice. Ensure that all stakeholders are properly protected and treated. Create a proper understanding on various matters among different classes of stakeholders and ask for their cooperation in enhancing the stability of the Company's business.

Determine the necessary procedures and mechanisms to ensure that all the Company's activities comply with the law and are carried out on a sound moral basis.

Make available the code of conduct or code of ethics, monitor the directors' and employees' compliance with these codes, and occasionally review and update them.

Prepare, maintain and review the financial control, operating control, corporate governance and risk management, and be alert to warning signs and irregularities on any transactions.

Establish an independent internal control unit with a precise definition of roles, duties and responsibilities.

Ensure that the existing structural and procedural requirements of the Board concerning corporate governance and the code of ethics are effective enough and may be adjusted if necessary.

Monitor and resolve any conflict of interests which may arise relating to management, the Board and shareholders, any illegal use of the Company's assets, and any irregularities on connected transactions.

3. Human resources management, to appoint the executive committee and evaluate their performance once a year. Appoint the Company secretary, whose main duties relate to Board meetings and shareholder meetings. The Company secretary's duties include providing legal advice to the Board.

4. Financial reporting Ensure that the financial reporting and audit system is reliable and that efficient mechanisms are made available to evaluate the adequacy of internal control, risk management and performance monitoring systems.

From the company's regulations, the authority of the Board of Directors are to take responsible for the company's business management, making decision and to supervise the business within the scope and law, as well as the company's objective and regulations.

#### Approval authority of the board of directors

The company has determined the matter to be approved by the board of directors in the regulations regarding the board meeting, such as

1) Considering the calling of the general meeting of shareholders and the resolution of the draft document proposed for consideration

2) Considering calling for the extraordinary general meeting of shareholders and voting on draft documents proposed for consideration

3) Considering and approving documents, financial statements, including the balance sheet, profit and loss statements of the company to send the SET

4) Selection of the appointment of directors and the release of directors

5) Considering and approving the trading of shares of rival companies and the trading of company shares of directors

6) Consider issuing new shares and buy back the company's shares

Except the following topics that have to get approval from shareholders' meeting.

1. Anything that has been stated by law has to get the shareholders' conclusion.

2. Conduction of any related items that meet the criteria of getting permission from shareholders' meeting.

#### Tenure of Director

Board of directors has a term of 3 years, when the term is expired directors may be considered for re-election by the shareholders' meeting.

The Company setting for directors can serve as director in no more than 5 listed companies, there are no exceptions that for the efficiency of their duties.

### **The Executive Board of Directors**

Consist of 3 directors and 3 executives general manager (EGM) , total 6 person , The role and responsibility is to develop policy and direction and inspect the implementation

#### **Authority of the Executive board**

The Executive board has a duty to set policies and directions for the management of the company and check the company's performance , approving various plans, including monitoring and evaluating performance to achieve the objectives

The Executive board will report the performance according to the policies and goals of the company. that is consistent with the Stanley Group policy which is defined as a medium-term long-term plan, each year there are annual numerical strategies and numerical goals such as quality targets, cost, safety, etc. which are considered both positive and negative factors as well as various risks That the stakeholders will pay attention the annual policy meeting will be held for executives and inform in documents format to employees.

Meetings of the Executive Committee are approximately 4 times per month and may be convened if necessary and can invite executives or other relevant parties to ask for details directly at the meeting.

The resolution of the meeting must receive more than half of the total number of participants in the meeting. In the event that cannot be settled .The chairman of the meeting has the right to vote.

### **Audit Committee**

Appointed by the Board of Directors, the Audit Committee is found to be fully qualified in accordance with the criteria stated in the laws governing securities and exchange as well as the Stock Exchange of Thailand's requirements. The Audit Committee is to remain impartial and has no interest either directly or indirectly in a manner that could jeopardize its discretion and independent responsibility.

#### **Structure of Audit Committee**

Consisting of 3 independent directors; one of those has enough knowledge and adequate experience to review the reliability and accuracy of financial statement. Role and responsibility is clearly stated in the audit committee charter, amended for additional roles on 8 August 2019 to be in accordance with the notice from Stock Exchange of Thailand subject: Qualification and scope of work for audit committee B.E.2551.

#### **Authorities of audit committee** are as follow

1. The Audit Committee is responsible to the Board of Directors in accordance with the duties assigned as follows

1.1 To verify and assure that the Company's financial report is accurate and sufficiently disclosed

1.2 To verify and assure that the Company shall have an appropriate and effective internal control and internal audit systems. To consider the independence of the internal audit agency, as well as provide an approval for

an appointments, transfer, termination of the chief of the internal audit agency or any other agencies responsible for the internal audit.

1.3 To Review that the Company has acted compliance with the company's anti-corruption policy.

1.4 To verify and assure that the Company has acted in compliance with the law on Securities and Exchange, requirements of the Stock Exchange of Thailand, and other laws in relation to the Company's business

1.5 To consider, select, propose to appoint an independent person(s) to perform the duty as the Company's auditor. To propose remuneration for that person(s) and to participate in a meeting with the auditors without the management involvement at least once a year.

1.6 To consider connected transactions and any transaction that may have a conflict of interests by referring to the requirements of laws and the Stock Exchange of Thailand, to assure that such transactions are reasonable and resulted in maximum benefits to the Company.

1.7 To prepare a report of the Committee as disclosed in the Company's Annual Report which must be signed by the Chairman of the Audit Committee and must consist of the information as follows (at least);

- An opinion(s) about an accuracy, completion and reliability of the Company's financial report.
- An opinion(s) about the adequacy of the Company's internal control systems.
- An opinion(s) about an action in compliance with law of Securities and Stock Exchange, provisions of the Stock Exchange of Thailand or any related laws regarding the Company's business.
- An opinion(s) about an appropriateness of the auditors.
- An opinion(s) about any financial transaction that may have a conflict of interests.
- A total number of the Committee's meetings and each member's meeting participation.
- An overall opinion(s) or an observation(s) obtained by the Committee from the operation as required in this charter.
- Other essential information or transactions as deemed to be acknowledged by shareholders and investors under the scope and responsibilities assigned to them by the Board of Directors.

1.8 Any other operation as assigned by the Board of Directors with an approval by the Committee.

2. One of the Audit Committee's tasks is when suspicion is found in a transaction or an action that could materially affect the company's financial position and operation results, the Audit Committee is to report such incident to the Board for remedy. If the Audit Committee fails to do so, any committee member may report it to the Securities and Exchange Commission (SEC) or to the Stock Exchange of Thailand.

#### Tenure of Audit Committee

The audit committee has a term of 3 years. When the term is expired the Board of Directors may be considered for re-election.

(2) The Audit Committee who adequate expertise and experience in accounting and financial to audit creditability of the financial reports

Mr.Chokechai Tanpoonsinthana

2000-Present Independent Director and Audit Committee Thai Stanley Electric PCL.

2003-Present Independent Director and Audit Committee Chairman

Advance Information Technology PCL.

2013 – 2019 Independent Director and Audit Committee Witcorp Co.,Ltd.

Experience in accounting and finance

2000 - 2004 Managing Director Bangkok Thanathorn Finance Public Company Limited

Director (authorized signatory), BFIT Securities Company

Audit committee performs its duty by having the support from internal audit as an operation unit and report to audit committee. Also, the committee can asks for advices from independent advisor its expense is absorbed by the company.

The audit committee meeting must be held at least once every 3 months and there might be additional meeting if necessary. Executive or involved person might be invited to give information directly to the meeting. Meeting with auditor without executive attending must be held at least once a year.

Total numbers of audit committee meetings held during fiscal year 2019 are 10 times. Details of meetings are as follows:

- 6 meetings are among auditors, executives, and internal audit
- 4 meetings are only with auditors, no executive attended.

Name	Position	Board of Director Meeting	
		Number of Meeting	Number of Attend the Meeting
Mr.Krisada Visavareeranon	Chairman Audit Committee	10	10
Mr. Chokechai Tanpoonsinthana	Audit Committee	10	10
Mr. Suchart Phisitvanich	Audit Committee	10	10

### 9.3 Nomination and appointment of directors and Top management

The nomination and appointment of directors of the Company not through the Nomination Committee because The Company is in the process of setting up the Nomination Committee. However, in nominate directors

the board will consider the qualifications. This is in accordance with the Company's Articles of Association , - Selection and appointment process , as follows:

1. Have the qualifications required by law (i.e. the Public Limited Companies Act and the Stock and Exchange Act)
2. Have knowledge, experience and expertise material to the Company's business
3. Be a visionary leader able to express opinions independently of management or any group of stakeholders
4. Work morally and ethically with an unblemished work record
5. Be able to dedicate enough time to working as the Company's director. And the number of listed companies that each director to be director not more than 5 companies.
6. Not be a director or executive of any entity that has a conflict of interests with the Company

The Company has no restrictions on the qualifications of its directors in terms of gender and age, to ensure the diversity of the board structure.

The appointment to be director will be proceed belong to the Public Limited Companies Act.

### **(1) Independent Director**

Criteria for selection of independent directors

- Qualifications of independent directors

The Company's setting definition of Independent Directors to be on a level of the Capital Market Supervisory Board's definitions No. TorChor. 4/2009 No. 16 and TorChor.39/2016 No.17 details as follows:

1. Hold not more than 1% of the voting shares in the company, its subsidiaries, associates, or related companies, major shareholder or person with controlling power over the company, whilst the number of shares held by any related person of such an independent director must also be counted.
2. Have not been or are not involved in the management, employees, wage earners, advisors on the payroll of the company , its subsidiaries , associates , or equivalent companies , major shareholder or person with controlling power over the company except when such qualifications have ended for more than two years, provided that such restriction or prohibition shall not apply to an independent director who has been a government authority , which is the major shareholder of the company or the person having controlling power over the company.
3. Are not related by blood or registration as parents, spouses, siblings, or children, spouses of any of the children to members of the management, major shareholders, those exercising control, or those about to be nominated as members of the management or those exercising control over the company or subsidiaries.
4. Do not have and have not any business relationship with the company, subsidiaries, associated companies, major shareholders or those exercising control over the company in the manner in which independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the

person that has business relationship with the company subsidiaries, associated companies, major shareholders or those exercising control over the company unless such an independent director has not been a person referred to above for at least two years.

Business referred to in the first paragraph above shall meant to include any ordinary course of business or trade for business engagement purpose , any lease taking or lease out of any property , any transaction relating to asset or service , any financial support or acceptance of financial support by way of either borrowing , lending , guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant or twenty million baht or more, whichever is lesser. In light of this , the method for calculating the value of connected transaction pursuant to the Capital Market Supervising Committee's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied mutatis mutandis for the purpose of calculation of such amount of debt of the applicant, provided that the amount of the debt incurred during the past one year prior to the date on which such a business relationship with such a business relationships with such person exists:,

5. Is not and has not been an auditor of the company, subsidiary, associated company, major shareholder or those with controlling power over the company and not be and have not been a substantial shareholder of , a person having power to control over , or a partner of any auditing firm or office in which the auditor of the auditor of the company , subsidiary , associated company , major shareholder or those with controlling power over the company unless such an independent director has not been a person referred to above for at least two years.

6. Is not and has not been a professional advisor , including legal or financial advisor who obtains fee more than 2 million baht a year from the company , subsidiary , associated company , major shareholder or those with controlling power over the company and is not and have not been a substantial shareholder of , a person having controlling power over , or a partner of any of such professional service provider firm or office , unless such an independent director has not been a person referred to above for at least two years.

7. Is not a director appointed as a representative of a director of the company , a representative of a major shareholder of the company , or a representative of a shareholder of the company which is a related person of the major shareholder of the company.

8. Does not engage in any business with similar nature as that of the company and is competitive with the business of the company , subsidiary or is not a substantial partner in a partnership , a director participating in any management role , an employee or officer , an advisor obtaining regular salary from , or a shareholder holding more than one per cent of the voting shares of accompany engaging in any business with similar nature to the company or subsidiary.



9. Does not have any characteristics which will inept the ability to provide independent comment or opinion on the operation of the company.

Process of recruiting independent directors

The appointment independent director not yet approve by nomination committee because of in considering process to setting but the board of director considered the qualification due to their knowledge and capability will benefit to the company and The Company has no restrictions on the qualifications of independent directors in terms of gender and age, and not yet fix term end of the independent director.

Business relationship of independent directors - Have , 1. The company paid for law service to Bangkok Global Law Offices that Mr.Picharn Sukparangsree be director in amount 0.81 million baht , this transaction was not over than the company 's definition .

The election of directors through at the shareholders meeting , as follows

1. Provide that shareholders vote for the election of directors by shareholders or other person who is not a shareholder. Each shareholder shall have one vote for each share

2. Each shareholder shall exercise all votes applicable under (1) for the appointment of one or more Director, provided that the votes of any shareholder shall not be divisible and shareholder voted one by one for one director.

3. Persons who obtain the highest vote and the next highest vote appoints (in descending order) shall be appointed as directors in order to fill the number of position of director required to be appointed at that time. In the case where more than one person obtains equal votes , and the number of directors with such vote exceeds the remaining number of directors positions to be appointed, the chairman shall have a casting vote in respect of those with equal votes.

4. In the case there is vacancy among the Directors which has occurred other than a retirement by rotation, the Board of Directors shall elect a person who is qualified and not being prohibited by the Public Company Law to fill the vacancy in the next Board of Directors' meeting except in the event that the period of time the Director is entitled to remain in office is less than 2 months. The person who is elected shall remain in office only for such period of time as the Director he replaces was entitled to remain in office. The resolution of the meeting of the Board of Directors as specified in the first paragraph shall consist of votes of not less than three-fourth of the remaining Directors.

Succession plan - The company is in the process of considering and approving policies and operational plans from the Executive Board.

#### **9.4 The operations of the subsidiaries and associates company control.**

( 1 ) To corporate governance in subsidiaries and associates company .

The company appoint representatives to the company's executives are directors of subsidiaries, associates and the company holds. The policies acknowledge involvement in the management of these companies . Counseling and assistance as appropriate and approved by the Board of Directors. Not intended to interfere with or dominate these affairs.

( 2 ) An agreement with other shareholders in the management of subsidiaries and associated companies.

- None

#### **9.5 Internal information controlling**

The Company published the Code of Conduct to Directors and Employees to take the way of implement a good appropriate which covers the use of inside information that non-profit for themselves and others. Based on inside information of the company and set the time to employees and directors not to trade the company's assets within 1 month before the financial statements are disclosed or general corporate information to publish and within 24 hours after disclosure of financial statement and general corporate information .The Directors and Executives will report to the Secretary trading company and report to the Board Meeting every time and in addition.

Failure to comply with such requirements constitutes a disciplinary offense. The person who commits the offense will have to go into the process following the company's penalties.

The Company has not yet set a policy for directors and top executives to inform about the trading of shares at least 1 day prior to trading to the Board of Directors.

The company announced the information system security policy. To control the company's information that cover on customer information. Information System Department , is response to control all information , equipment and license computer programs and all department manager to review , checking and evaluation at least 1 time per year and report to the risk management committee and the executive board meeting and annual auditing by Internal Audit section.

The company added confidentiality measures in physical control by requesting cooperation, those who come in contact with every company do not use devices that can take pictures in the company area , and if having to take pictures in the company must be allowed in every cases , in which the photographers must attach a label showing the permission to take every time. In addition, the ban on the recording device communication equipment or equipment that can be photographed into a strict control area, such as Research and Development Department , New Product Development and Production Engineering Department.

The company has set the penalty for violation. Adhere to the employment rules of the company or be punished by other means.

In 2018, Stanley Group has started to use GDPR (General Data Protection Regulation) to the companies in the group to know and take appropriate action. At present, the company has issued the Personally Identifiable Information Protection Policy for handling personal information. Including customer-related information ,supplier.

## **9.6 Auditor's remuneration**

Our auditor in the 2019 fiscal year was PricewaterhouseCoopers ABAS Co Ltd, whose qualifications had been approved by the Audit Committee and the Annual General Meeting of Shareholders. The auditor was proven to be independent and had no connection or interest with the company, executives and major shareholders. That is reputable and has an international network aside from the fact so that is an approved audit company by the Office of the SEC.

### **A. Audit fee**

The company paid the audit fee for the previous year to the auditor PricewaterhouseCoopers ABAS Limited total amount 2.16 million bath.

### **B. Other service fee**

- Reviewing compliance with conditions of BOI promotion certificate amount 0.23 million baht.
- Reviewing Stock Destroy amount 0.02 million baht.
- Reviewing auditing for Vietnam Stanley Electric Co.,Ltd. Amount 0.20 million baht

## **9.7 Other practice from the corporate governance**

The company has complied with Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand and Good Corporate Governance Principles for Listed Companies 2017 of the Securities and Exchange Commission.

The board of director has complied with the corporate governance policy; the summary of those 5 sections are as follows:

### **1. Rights of Shareholders**

The company is committed to ensuring that the basic right of the shareholders is protected and treated in an equal manner as regulated by law. The company gives the right to shareholders to independently buy, sell, or transfer the securities that they are holding. The shareholders are eligible to receive dividend, participate in the shareholder meeting, freely express opinion in the meeting, and can take part in making key decision such as board election, key

business transaction approval, and key company letters amendment. In addition, the company promotes the right of shareholders and facilitates as follows:

#### 1.1 The right to receive important and necessary information

To make sure that the disclosed information is accurate, complete, transparent, and in timely to shareholders and stakeholders as required by related regulations. Such information will also be posted on the website as another information channel for shareholders, including other key information such as investment structure, shareholders, management policy, members of the board of directors and so on, as well as other financial information and the information disseminated to the public so that the shareholders and the stakeholders will receive the same information.

The company uses the criteria for determining the list of shareholders (Record Date) for the Annual General Meeting of Shareholders that for all shareholders to have time to consider necessary and sufficient information about the shareholders' meeting, which includes the date, time, venue, and agenda, together with supplementary details for each agenda in advance. The company posts such information on the company's website 1 month before distributing the documents.

#### 1.2 The right to participate in the shareholder meeting and the right to vote

##### The Invitation Letter

The company shall send the invitation letter to the shareholders at least 14 days in advance of the shareholder meeting. The letter shall include complete and adequate details of the meeting, agenda, together with supplementary documents which will be both Thai and English language for foreign shareholders.

Details about the right to participate and vote, what documents needed to bring along will be advised. In case of being unable to attend in person, that shareholder can appoint any independent director or any person to be a proxy for him by presenting any proxy form which the company attached together with the invitation letter. The proxy form can be downloaded from the company's website.

##### Facility

The company will arrange commuting transportation as facilitation for shareholders.

Staffs to welcome and provide service to participating shareholders will be standby 2 hours in advance.

For institutional shareholders facilitate to checking number of shareholding and a name list of the various funds in advance.

For voting process, poll cards will be collected in case of disagree vote in order to use for processing the data of each agenda. Investigation can be done upon request from shareholders.

The following persons are required to attend the shareholders' meeting:

- Every member of executive directors and audit committee
- Auditors to provide information in case of having inquiries from shareholders or lawyers

- Lawyers from the third party company will act as a middleman for voting inspection
- Interpreters to ensure the content be understood for shareholders and committee
- Employee representatives such as the chairman of welfare committee and elected members from welfare committee
- Community representatives from Ban-Klang Municipality

Voting one share one vote , Shareholder has votes equal to the number of shares held. Can not cumulative voting (Cumulative Voting) that from The Articles of Association setting.

### 1.3 The right to freely express opinion in the meeting

Every shareholder has an equal right to express opinion or make an inquiry with an adequate time providing for each agenda before resolution. In the shareholders' meeting, all members of the boards and executives are required to attend the meeting to answer any inquires to the meeting.

### 1.4 The right to consider remuneration for board members

In the agenda of remuneration for board members, the criteria and details of remuneration for each member will be notified.

### 1.5 The right to appoint and nominate the board members and then have shareholders to vote individually

### 1.6 The board allows shareholders to propose agenda for the annual shareholder meeting.

To ensure the fair and equitable treatment to shareholders, the company sets the criteria and Procedure for shareholders to propose agenda to the board to consider it to be the agenda in the annual shareholders' meeting. The details of right, criteria, and procedure are posted on the company website. The company shall notify such dissemination through SET news for shareholders to know in advance.

The company invited the shareholders to proposed the agendas and director nomination in advance for the 2019 Annual General Meeting period January 22 to April 22, 2019 that there was no any proposal and director nomination from the shareholders.

## **2. Equitable Treatment of Shareholders**

The company pays attention to an equitable treatment to every shareholder whether or not , they are major or minor shareholder, institutional investor, or foreign investor. The implementation includes:

2.1 Every shareholder has right to vote depending on number of shares they are holding; one vote per share .The company have only common stock.

2.2 For the shareholders' meeting; the proxy forms B approved by Ministry of Commerce together with the meeting invitation letter, documents, and instruction about proxy assignment will be sent to shareholders so that they can appropriately prepare themselves for the meeting.

2.3 The company agrees to give the right to vote for shareholder who is late in attending the meeting; however, only for the agendas on discussion and have not been reached the resolution yet. That share will be counted for quorum starting from the agenda that he attends as well as votes onwards, unless otherwise instructed by the meeting.

2.4 Besides Thailand Securities Depository Co., Ltd., the share registrar of the company, who will be responsible for sending out the notice for attending shareholders' meeting for 14 days in advance of the meeting, the notice will also be posted on the company website for 30 days in advance of the meeting and published on the daily newspaper in Thai for at least 3 consecutive days and at least 7 days before the meeting date.

2.5 The Minutes of Shareholders' Meeting will be posted on the company website within 14 days after meeting , so that the shareholders who did not attend the meeting being able to know the same information. After the meeting, the company informed the resolution to the Stock Exchange of Thailand and for the minutes of the meeting, the company will send a copy to the Stock Exchange of Thailand and publish the minutes on the company's website within 14 days after the meeting date. Which will show the list of directors and the proportion of directors attending and not attending the meeting Voting methods, voting results and questions and answers showing the full name of the questioner and the respondents.

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

The company is aware of the rights of each group of stakeholders such as customers, suppliers, employees, shareholders, government sectors, and other related parties as well as community as specified by law and make sure that their rights are properly protected and treated and will also push for activities or operations that benefit all groups of stakeholders as follows:

3.1 Customers , that consist of manufacturers of automobiles and motorcycles that buy company products. And automotive users who also have a part of the company's products. The company has set policies regarding

customers with emphasis on satisfaction and trust from customers in terms of products in kind of quality, cost, delivery, development, safety and human relations. Which has the Marketing department responsible for liaising with each automotive company in particular in order to build a reliable relationship and maximum satisfaction for each customer. The company sets up the Quality Assurance to be responsible for assurance product quality, giving advices on products, providing consultations, and receiving complaints, to make sure the customers will satisfy with the quality of products and services.

3.2 Competitor, in the competition, The company has policies and practices to fair competition and on normal business.

3.3 Suppliers, Supplier is one of business partners. The company have policy that strictly complies with agreement or contract made with the suppliers by adhering to operating business with integrity to self and to other parties in accordance with law and related rules and regulations. The supplier selection is according to purchasing policy that consider cover to company documents, performance, environmental, employee practical and human rights.

In addition, there are regular activities with partners, such as organizing meetings to inform policies, company news and also hearing another comments and take award QCD for vendors with quality of products and delivery on time

The company initiated the project of developing raw material suppliers to be quality suppliers by delivering goods on time, being competitive which leads to quality raw material with reasonable price. The project has been carried on until present

The company also provides customer support and encourage vendors to be certified to international standards as quality assessment to provide a quality of supply chain

The company underlines our treatment of sellers/suppliers as our creditor where we strictly comply to the terms and conditions and financial obligations. The management is subject to a clear authorization and approval condition when conducting debt guarantee and other financial transactions

3.4 Employees, The company realizes that the company is growing because of the cooperation of every employee so the employees are valuable resource of the company. The company policy are cover employee sustain in respect with safety, welfare, privilege for employees and the company have certified for Thai Labor Standard, TLS800-2003 (since June 2008 until present) from Ministry of Labor and Social Welfare.

The company introduced employee development system in name the STAR Plan System, from Stanley Group which covers wages, position systems, hierarchy, migration, job evaluation which must be based on fair, appropriate and acceptable principles.

3.5 Shareholders , The company policy is to protect shareholders' rights in an equitable manner as required by law. The policy is set that dividend paid to shareholders will not be less than 30% of net profit (Financial Statement - The company only), and allow shareholders to visit the company after finishing Shareholders' Meeting or the next available time

3.6 Society and Community , The company recognizes the importance of society and local communities that the company have become a part of society , so from founding to the present the company has met with representatives of local communities, Banklang Municipality and participation in support of local activities regularly

The company has been doing social activities under the name of Stanley Thailand Foundation. And reported the foundation activities on Sustainability Report and Annual Report.

In addition, the company has developed the policy about the right of stakeholders and put in corporate governance policy and code of conduct for directors and employees of the company. Stakeholders can communicate or complain with the company via as follow

Company Secretary email [companysecretary@thaistanley.com](mailto:companysecretary@thaistanley.com)

Investor Relations email [adths@thaistanley.com](mailto:adths@thaistanley.com) or [info@thaistanley.com](mailto:info@thaistanley.com)

The company publishing the principles of contact procedures and operations on the company website [www.thaistanley.com](http://www.thaistanley.com)

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

The company and the executive committee focuses on managing and operating business under the principle of good governance and being aware of information disclosure with accuracy and in timely fashion as specified by regulatory agencies. Therefore, the company sets the policy and practice regarding information disclosure as follows:

##### **4.1 Information Policy**

- Disseminating information about the company must be aligned to disclosure policy and under the scope of laws, provisions, and related regulations.

- Disseminating information about the company must be clear, accurate, complete, transparent, and reliable. The information must be explained clearly, easy to understand, and promptly to stakeholders.

- The information must be fair to all parties by treating all parties in an equitable and consistent manner under the scope of operation practice, also avoid causing conflict of interest.

- Ensure that such dissemination will not cause negative impact on relationship between the customers and the company or violate the privacy of customers, shareholders, or other stakeholders.



- Performing duty about disseminating confidential information must be complied with the company rules and regulations specified in the code of conduct for the board and employees.

#### 4.2 Communication

Chairman of the Board of Directors and Executive Chairman have authority to notify key information of the company and can delegate to management to give information about its own function through responsible department or person in charge of investor relation.

Company information is available for customers, shareholders, investors, or interested persons or requesting for more information via the company website (<http://www.thaistanley.com>).

In addition, the company has appointed Investor Relations officer; in charge of providing general news and respond to inquiries, coordinating with staff or involved person to provide news and answer to inquiries, monitoring financial and information reporting system notified to various regulatory agencies. To contact Investor Relations, please call 02 581 5462 ext.1164 email [adths@thaistanley.com](mailto:adths@thaistanley.com) or [info@thaistanley.com](mailto:info@thaistanley.com).

#### 4.3 Communication Standard and Channel

Company performance and general information will be periodically communicated to shareholders, investors and public through media of Stock Exchange of Thailand and company website.

Meeting with securities analysts is held in a quarterly basis. Information that is revealed to analysts in the meeting will be posted on the company website. The company has no policy to meet analyst, fund manager, investor, or any person interested in investing with company individually.

News and information about the company is available on the company website (<http://www.thaistanley.com>) which includes:

- Vision, Management Policy, Governance Policy
- Disclosure policy consists of information policy, communication channels to the company, authorized spokesman, type of communication and information disclosure to public
- Financial information such as financial statement, key financial information, financial ratio, rate of dividend and so on.
- Company information such as type of business, board of directors, executive directors, and shareholder structure.
- Shareholders' Meeting information such as Minutes of Meeting, pictures from the meeting, VDOs presented in the shareholders' meeting.
- Annual Report and other reports submitted to Stock Exchange of Thailand and Securities and Exchange Commission

- Web board
- Investor Relations activities such as quarterly meeting with securities analysts

## 5. Board Responsibilities

### 5.1 Directors and Executives Development

The board of directors set the policy to provide an orientation course for new director in order to educate them about role and responsibility, business operation so as to efficiently support the company. In case of new directors, the company will take orientation course on the date of appointment; the content provided in the class such as the company's regulations, vision, governance policy, code of conduct for directors and employees, as well as rules and regulations of the Stock Exchange of Thailand and SEC about roles of director and code of conduct for the listed companies. The directors had visited the factory for better understanding about the company operation.

The existing members of the Board are also educated by attending the training courses arranged by each function. Any change of information or rules will also be informed to the board in the board of directors meeting. In 2019 our 2 directors attend to training as follows:

1. Mr.Apichart Lee-issaranukul Course Property Tax from Omega World Class Research Institute
2. Mrs.Pimjai Lee-issaranukul Course Exponential Manufacturing, Singularity Thailand Summit in collaboration with the Federation of Thai Industries

The company organized at least one outside seminar a year for executive directors and department managers to enhance their knowledge, experiences and visions. During the 2019 fiscal year, we planned to organize the Electric Vehicle Industry and Technology Disruption Era workshop during February 22-23, 2020 at Nakhon Ratchasima Province, but due to Covid-19, the seminar was indefinitely postponed.

### 5.2 Self-evaluation of the Board of Directors.

Since 2007, the Board of Directors has evaluated the overall annual performance of the entire Board of Directors, covering all roles and duties of the Board of Directors, 6 categories, including 55 items as follows:

1. Structure and Qualifications	11	Items
2. Roles, duties and responsibilities	18	Items
3. Board meetings,	9	Items
4. Director duties	7	Items
5. Relationship with the management	5	Items
6. Self-development of directors	5	Items

Evaluation process, The company secretary prepares the assessment form. Deliver the evaluation form to all directors to evaluate themselves as a whole. On the 4<sup>th</sup> quarterly meeting of the Board of Directors' meeting and

returned to the secretary of the meeting to calculate the average value and report the results to the board meeting at the next meeting.

Assessment criteria	Meaning of score
	0 = Strongly disagree or there is no action on that matter
	1 = Do not agree or have little action on that matter
	2 = Agree or have enough action on that matter
	3 = Quite agree or have taken action on that matter well
	4 = Highly agree or have performed in that matter perfectly

Score evaluation	Results
More than 90	Excellent
More than 80	Very good
More than 70	Good
More than 60	Fair
Equal to or less than	60 should be improved

For the fiscal year ending March 31, 2020, which was evaluated in May 2020. The results were very good. And brought the evaluation results Remarks and suggestions go to review , to improve the operations of the Board of Directors

#### Evaluation of The Audit Committee

The Audit Committee conducted a self-evaluation in 2019 in the following three areas:

1. Structure and qualifications of the Audit Committee: This was to identify topics to enhance efficiency of the Committee.
2. The Audit Committee's meeting: Actions were made to ensure that the Audit Committee effectively performed its duties during the meeting.
3. Roles, duties and responsibilities of the Audit Committee: Time was allocated to allow the Audit Committee to review their tasks to thoroughly fulfil their roles and responsibilities.

Evaluation criteria, score meaning, results of the evaluation and scores: The same principles applicable to evaluating the Board of Directors were implemented.

Evaluation Result: Excellent

However, The Company does not yet have an individual performance evaluation in Board of Director , Sub-committee and the President.

### 5.3 Report on interest of directors and executives

At the end of each fiscal year (March 31), the company requires directors and executives that have a duty to report their own interests and related persons under Section 89/14 of the Securities and Exchange Act BE 2535 ,as amended by the Securities and Exchange Act (No. 4), 2008, requiring directors and executives prepare reports of their own interests or related persons. Which is a vested interest in the management of the business of the company or subsidiary in order for the company to have information for the implementation of the regulations relating to connected transactions The Company Secretary will collect and report to the Chairman of the Audit Committee in every May.

## **10. Social Responsibility**

### **10.1 Policy Overview**

The Company's policy is to achieve business goals effectively , be the entrepreneurship to the society by one of the company's vision is to be a priority and uphold the values that support complementary Stanley sincerely. The Company considers that the underpinning and is involved in all aspects of the employees, shareholders, customers, suppliers, sellers, local community and society.

Each year the company targets including the implementation of environmental and social. The top management will monitor and evaluate the various monthly continuously.

### **10.2 Operation and report**

(1) Report preparation process , The administrative section is the data collector to prepare the report by specifying topics for reporting referring to the 8 principles of corporate social responsibility conducted by the Stock Exchange of Thailand and disclosed according to the GRI Standard (Global Reporting Indicator) with key issues such as economic, social and environmental and energy conservation by disclosing in the sustainability report as part of the annual report Which has been sent to the shareholders And published on the company website [www.thaistanley.com](http://www.thaistanley.com)

(2) Operations on issues of social responsibility of the company Each work unit that is involved in safety Environment and society Will give importance and work with caution There is a constant assessment of the impact of operators and senior management, such as product design, with regard to the use of environmentally friendly raw materials. Safety-oriented production and pollution

Each year, the company holds a meeting for managers at the manager level. In order to summarize the results of the numerical data according to these issues as well as assigning policies and goals for the next year so that all sections can be further planned into their operations.

In 2019 The company operation of social responsibility in 3 items are as follows.

#### **1. Economic Performance**

The company has a policy to manage the business to be effective and corporate governance policies that give priority to operations with fairness, transparency, and taking into account the impact of business operations on the entire supply chain

##### **1.1 Corporate Governance**

From the Corporate Governance (CG) Policy , The company provides guidelines for business ethics, including the code of conduct for directors and employees to be considered as a guideline. The Board of Directors and executives have regularly reviewed and adjusted to suit the situation.

For the directors The Company clearly and appropriately establish the structure, roles, duties and responsibilities of the Board of Directors and executives and the Board of Directors has to evaluate their own performance

In management, the company produces, maintains and reviews the control system in terms of financial status, operations, and oversight of various operations. To be effective and legitimate. As well as risk management and priorities for early warning signs and irregular transactions.

Information disclosure , the Company concern into account the accuracy, completeness, transparency and timeliness for shareholders and all groups of stakeholders to receive information equally. The company has disclosed the principles and practices of corporate governance set out by the Stock Exchange of Thailand in the annual report

The company participated in the evaluation survey project of the Corporate Governance Report of Thai Listed Company : CGR) on a yearly basis. In 2019, being evaluated at a Very Good level

### **1.2 Anti-Corruption**

The Company has set Anti-corruption Policy considered the company's Code of Conduct stating that "The Board of Directors, executives, staff members, and other related parties are strictly prohibited to get involved in any form of corruption including offering, promising, soliciting, demanding, and giving or accepting bribes as well as request others to accept those corrupted practices on their behalf, related to the company's business operations".

For the review and evaluation of this requirement, each department manager is directly responsible for assessing risks in various areas prior to informing the Risk Management Committee at least once a year. Similarly, the Office of Internal Audit will be required to annually evaluate all corruption-related issues before proposing them to the Audit Committee and the Board of Directors, respectively.

For the penalty of misdemeanor, the company will consider the termination of employment contract without compensation payment. However, over the past years, there was no risk of corruption found.

The company provides training to educate employees and stakeholders about the anti-corruption policy. Including the requirements for reporting business suggestions for providing clues about corruption , be illegal , be wrong from the code of conduct of Stanley group both the organization and the individual , which can be informed at Company Secretary Office by the telephone, fax, e-mail and the secretariat will collect evidence data to propose to the Business Ethics Committee.

### **1.3 Risk and Crisis Management**

Our risk management policy is as follows.

The Company must control and reduce the impact of unexpected events and sustainably maintain the operational objectives including controlling the compliance with the laws and international standards.

Therefore , the Company requires that;

1. EBM brings guidelines in Risk management and control to be part of the control of strategic management policy and management according to the objectives within the Company.

2. There is a Risk Management Committee (hereinafter referred to as the “RM Committee) responsible for the consideration and screening of potential risks and impacts on the implementation of strategic management policies, compliance with laws of relevant standards and the severe impact on the Company.

3. There is the RMC unit that is responsible for the overall monitoring , evaluation and performance evaluation of the management plan for risk management in the operational process of the management of the Company

4. There is an effective risk management and control process that complies with international standards and does not conflict with the good governance of Thailand.

5. There is an Internal Audit Unit responsible for concretely reporting the effectiveness of the risk management and control operation to the Audit Committee and Risk Management Committee of the Company.

In 2019, The Company carried out are updating our risk management practice to reflect the operation within the current environment; complying with the risk management policy in a constructive manner by incorporating administration and risk control practices in the strategic management policy and general administration. Reviewing and approving risk control and management requirements as well as the risk management manual, which functioned as a framework to assess and manage the risks.

In case of crisis , The Risk Management Committee will consider establishing the Business Continuity Plan (BCP) , which will act as a centralized response to the crisis so that it can continue its operations. The structure is as The Director is the President , Deputy Director is the Vice President and membership is the board of directors. The executives from each division and person appointed by the director as necessary.

The Business Continuity Plan (BCP) to coordinate with the Risk Management Committee of Stanley Electric Co., Ltd., Japan. to continue to operate.

The company has conducted a review of various crises such as floods, fires every year by simulating the situation from the beginning of the situation until the end of the operation process to the level of entry into normal conditions , for that all departments understand the role and the simulation results to improve the risk management plan of each agency accordingly with the cooperation of the Stanley Electric Co., Ltd., Japan to advise such simulations.

## 1.4 Supply Chain Management

As the Company manufactures automotive lighting equipment for sale to automotive manufacturer customers, its supply chain includes suppliers, customers or automotive manufacturers, and consumers or motor vehicle users. The Company manages its supply chain as follows:

The company has set the policy of the operations in purchasing and sale of goods and assets, to be a guideline for practice in this regard, the management and operations of each group are as follows:

### Supplier Management

The company have policy that strictly complies with agreement or contract made with the suppliers by adhering to operating business with integrity to self and to other parties in accordance with law and related rules and regulations , are as follows:

- Supplier selection , The Purchasing Department is responsible for selecting suppliers based on the qualifications required by the Executive Board . According to purchasing policy that consider cover to company documents , performance , environmental , employee practical and human rights. At present, the company constantly selects new suppliers for price competition, especially raw materials , and reduce the risk of relying on one supplier too much.

- Supplier Evaluation , after selection and business dealing together , our Purchasing Department also has an annual assessment in quality, delivery and price etc.

- Supplier Development , The company has extended production improvements to suppliers as well. The company adheres to the policy of quality assurance ,by establishing the principle of not buying, not producing, or passing on defect. Therefore, the development of quality to the supplier is beneficial to both the supplier to increase the competitiveness and the company to get quality raw materials on time delivery and the cost is not too high.

The project has been carried on until present, divided into 2 activities as follows:

- 1.Supplier SNAP , The company extends productivity improvement activity to suppliers and sends SNAP (Stanley New Approach for higher Productivities) team together with purchasing officer to the supplier company in order to educate and conduct productivity improvement activity in an periodical manner during 6 month period.

- 2.Supplier Improvement Project , The company will choose the suppliers to help them to identify problems and give advices on manufacturing efficiency.

The company also provides customer support and encourage vendors to be certified to international standards as quality assessment to provide a quality of supply chain.

- Supplier Meeting The Company arrange for Meeting with business partner is also held with the purpose to keep partner updated about the company movement and to hear opinions and confer QCD award to the suppliers who delivered the good products and being punctual.



For construction contractor, a separate meeting will be held by occupational health and safety officer and invite the staff who is responsible in the field of repairing, construction, or expansion of the company properties to the meeting in order to ensure that safety measure is extended to the involved parties.

### **Customer Management**

The Company has set a customer policy as follows:

Management: To meet customer satisfaction first and foremost by improving standards in key areas, including quality, cost, delivery, development, safety, and human relation through the plan – do – check cycle.

Quality: To develop a quality assurance system that meets international standards and to deliver products with confidence in gaining customer satisfaction and trust.

The company has also issued policies and procedures for controlling customer data. To avoid various risks that can be properly applied to customer data. The Company considered the customers' information that is the most important asset.

The Company has adopted the competition policy and guidelines that promote fair competitive practices and as normal business.

- Product Design and New Technology Exhibition Because each vehicle or motorcycle model uses specific automotive lamp, the Company's research & development and sale teams work with individual customers to design products that truly meet the needs of each customer

Furthermore, Stanley Group has organized a exhibition to present automotive lamps designed by the Group's research & development teams and other products to customers.

- Customer Meeting and Involvement Because each of the Company's products is designed and manufactured for specific vehicle model, the Company has regularly held a meeting with its customers and participated in activities organized by customers

- Customer Evaluation The Company has been evaluated by customers on an annual basis for its quality, price, and delivery. In 2019 , the Company won the following awards from customers.

1. 95 Ki Environment Award From Thai Honda Manufacturing Co.,Ltd. (June 2019)
2. 2019 Nissan Supplier Quality Award and ASEAN Regional Quality Award From Nissan Motor Co.,Ltd. (July 2019)
3. 2019 TCC HRD Award From Toyota Co-operation Club ( TCC ) (December 2019)
4. 2019 TCC Safety Activity Target and achieving audit (Level A) From Toyota Co-operation Club ( TCC ) (January 2020)
5. KUBOTA Green Procurement Awards 2019 From Siam Kubota Corporation Co.,Ltd. (December 2019)

6. QCD Award From Siam Kubota Corporation Co.,Ltd. (December 2019)

### **Vehicle Consumer Management**

The Company has set up a Quality Assurance Department to be responsible for assuring product quality, providing suggestions about products, consulting, and receiving complaints to ensure that customers satisfy with the quality of products and services.

### **1.5 Business and social innovation**

The company and the Stanley group have the idea of designing products from being a lighting device to safety devices by helping motorists to have visibility in various environments or weather conditions in driving better. In addition to adding value to products, there is also a greater contribution to social security.

## **2. Social Performance**

The Company's social performance can be divided into 3 groups as follows:

### **2.1 Labor Management and Human Resource Development**

#### **Labor Management**

The Company realizing in the value of our human resources by has established a labor management system to provide fair protection and treatment to our employees because we believe that this will result in higher quality of life and better productivity. We have formulated the Thai labor standard policy to guide our practice to meet the requirements of the Thai labor standards, labor laws and other regulations governing work enhancement continually.

The management convenes annually to review the adequacy and suitability of this policy. In addition, the Thai labor standard will apply not only internally to the entire organization but also to suppliers and subcontractors.

The company take the Certified of Thai Labor Standard (TLS 8001-2010), the complete version from the Ministry of Labor Which has been assessed by the Ministry of Labor annually.

The Company has issued its Labour Management Manual, considered an ultimate document of the labor management system according to the Thai Labor Standards explained below:

**Discrimination** The Company has expressed its intention not to support any discrimination action on employment, payment of wages and other financial supports, social welfares, training and development opportunities, promotion, employment termination, and retirement, which are due to the difference of nationality, race, religion, language, age, gender, marital status, sexual orientation, disability, HIV infection, preference of a political party, or personal concept and idea.

The company will never hinder, interfere, or conduct any action deemed to have affected the employees' rights and their routine practices without causing any damage to the company.

Child Labor The Company will never approve, support, or get involved in employing a child labor whose age is under 15 years old. Also, the company has never encouraged the use of child labor in any business activity that may cause an impact on occupational health and safety.

Pregnancy Female employees who are pregnant are not allowed to work in jobs that may jeopardize their health as designated by the laws. Pregnant employees will be offered work in an environment that will not threaten their wellbeing and pregnancy. There won't be any termination, or reduction of job responsibility, rights or benefits as a result of the pregnancy. The company has arranged a breastfeeding area as welfare for female staffers who return to work after giving birth to their babies.

The company has cautiously evaluated this issue with its suppliers to promote the abolition of human rights in the Thai society.

Freedom of Business Association and Negotiation The Company provides its employees with the right to join various committees in the company and fully possess the right of negotiation, selection, or election of corporate representatives. The company will never hinder or interfere with the exercise of employees' rights.

At present, the company possesses authorized representatives elected to represent the Welfare Committee and the Occupational Health and Safety Committee. The election will be held in every two years. In which the company has provided measures to facilitate staff representatives in performing their duties Equal to other employees without being bullied, relocated, dismissed, or treated that unfair.

Since the establishment, The Company has never been involved in any labor dispute and there is no labor union existing in the company.

Welfare and enhancement of quality of life, The company strives to improve quality of life of our staff to reflect the current economic condition. We increase salary and welfare annually. Adequate and appropriate welfare such as hygienic facilities, clean and sanitary toilets, clean water, first aid necessities, daily healthcare service offered by doctor and professional nurses available throughout office hours, clean canteen and healthy and inexpensive food are provided. In March 2020, we refurbished our welfare building, which contains a canteen, a convenience store and an exercise area, by making it more accessible and sophisticated to enhance employee welfare.

Other welfare, the company also providing such as travel allowance, uniform, and laundry service. Employees will also be offered special presents for special occasions like birthday and the New Year festival. The company approves food expenses for diligent employees working overtime and outside the company. Furthermore,

the company also remains alert in offering medical expenses to employees and their family members. These benefits will be considered and approved on a yearly basis

The company organizes fun-filled activities to promote employees' good health, for example, sporting events and recreation activities. To foster greater awareness of Thai cultures for all employees, the company has launched its culture-based activities. Remarkable examples are the Buddha image bathing, Buddhist lent candle parade, dry-food almsgiving, and merit-making ceremony for special occasions

Promoting the Use of Technology , We have produced a QR Code as an option for employees who use smart phones to download employee's manuals, training manuals and other types of manual in a more convenient manner. In addition, corporate work forms are accessible through the intranet via a program. This includes, for example, the Human Resource Management System (HRMS), which allows employees to submit leave forms based on their entitlement to supervisors who will approve it via the system, or a system to reserve meeting rooms and company cars.

The company have implemented the cashless project since 2017 in which we encourage employees to use less cash while making payments by relying more on Siam Commercial Bank's mobile application to pay, for example, food in the company's canteen and return of advance to our Finance & Accounting Department. The idea is to reduce the use of cash, increase transaction speed, promote sanitation by having vendors contact fewer banknotes and coins and foster technology that will help the country transiting into the Thailand 4.0 digital age.

Discipline and punishment The company has set the principles of disciplinary calling by deducting or reducing wages or compensation or other money specified by the law on labor protection to be paid to employees and will not perform or encourage the use of physical, mental or compulsive punishment methods intimidate. And set preventive measures and solving problems to prevent employees being trespassed. Harassment or sexual harassment expressed by words, gestures, physical contact or by other methods

In addition to carrying out internal labor activities in the company, for outside the company has always participated in labor activities with government agencies. In August 2019 the Company received the Outstanding Workplace Award for Labor Relations & Welfares from the Ministry of Labor for the 14th consecutive year.

### **Human Resources Development**

The company has implemented the STARs Plan as a principal system to develop our human resources. The plan covers the capacity-building process and career advancement programs, which can be specified into six systems as follows.

1. Qualification , We determine job qualifications to reflect capacity levels of employees when it comes to their performances. The qualification is also used to determine fair and suitable remunerations.

2. Position , About duties, roles, authority and responsibility in each position of each department are clearly described. Promotion and qualification system are evaluated based on the criteria set by the Promotion Committee.

3. Rotation , This refers to the practice of rotating employees to work at another department to handle different types of work in order to create and enhance their capacity, which will finally allow them to be promoted.

4. Evaluation , The evaluation system determines criteria for evaluation, which will be used to support the increase of salary, awarding bonuses, promotion and career advancement. The system also reflects strengths and weaknesses of employees for further development. The evaluation criteria is based on the principles of fairness, suitability and acceptability.

5. Wage , The wage structure consists of base salary, competency allowance, title/position allowance and other assistance benefits such as overtime pay, overtime holiday pay, food stipend, attendance allowance and transportation and shift allowance. There will be an annual salary increase, which will be based on the following indexes: the government's increase of minimum wage, an inflation rate that indicates changes of the cost of living, and the industrial situation.

6. Skill Development , We strive through our policy to enhance employees' skill where minimum training hours for each level or position of employees are pre-determined.

The company will review training courses suitable for employees, namely, strategic training, training based on department work and self-development. The training can be internally and externally. Employees may be sent to train and work overseas with companies within the group.

The Human Resources Department currently implements the Employee Training program to collect training information of all staff. Supervisors will evaluate employee's performance after they attend a training in conjunction with the annual employee performance assessment.

### **Thai Stanley Power Up Project**

The company have launched the HR reform project called the Thai Stanley Power Up project to accommodate our business growth and meet customer's satisfaction. The project started as LE's Reform Model. The four-year project set between 2018-2022 aims to carry out activities in six areas. In 2019, it progressed by 55%, which was in line with the plan. The progress in each activity is as follows.:

1. J-Com (Job Competency Management) , This area involves attempts to manage competency of staffers at each level where standard criteria for each job is set on the basis of PDCA. In addition, evaluation methods are defined to systematically improve staff performance to meet the organization's demands.

In 2018, operation regulations governing the performance of staffers in six levels of command were made. They are executives, managers, supervisors, inspectors and operators with high and medium levels of experiences. The regulation was designed for each main job such as new model, production and so on.

In 2019, the first target group, namely, 274 managers and supervisors, had their competency evaluated. This was done through a theory-based examination before they were required to do a self-evaluation, which was then subsequently confirmed by their supervisors. The overall evaluation found that the average competency regularly used in their job was higher than their general knowledge. Employees supporting production were on average more competent than those working directly in the production function.

2. Smart Manager Course , This concerns an operation-based training curriculum designed for employees who will become executives in the future. The idea is to allow them to nurture their visions, able to set strategies and formulate plans in order to strengthen the overall management.

In 2018, the pre-Smart Manager Training course was introduced to align everyone's knowledge to a similar level. The course offered contents in four areas, namely, business fundamentals, daily management, trouble cause analysis and presentation techniques. After a successful evaluation, a student then can enroll in the Smart Manager coursework, which offered contents in four areas of TQM, sensibility, team leader and management learning. In addition, participants were required to propose their own projects in the following three areas of cross function, individual improvement and business case study.

In 2019, eight staffers enrolled in the course to learn the contents while working full-time. In the future, graduates will be requested to evaluate the activity using knowledge they receive from the training as well as provide recommendations to improve the production process relating to the 3 Loss Improvement. They are expected to train the next class of the Smart Manager course.

3. Expert Course , This concerns a training course aimed to produce an expert who is having necessary and comprehensive knowledge ranging from new model to mass production. The learning technique involves self-learning, mentorship and exchanging of ideas with executives. Graduates of the Expert course will become the J-Com instructor as well as help analyzing problems in the production process.

In 2018, the Mini Expert course was offered to help aligning everyone's knowledge level first. The course was conducted for 30 days, involved 10 main subjects with 20 staff attending the course.

In 2019, the Expert course was conducted for 46 days with 11 employees being enrolled in the coursework to learn 12 subjects such as design and development, production preparation, machine and equipment, measurement and test tool, spec and change control and quality control. At present, the class has been progressing 75% but is currently suspended due to the covid-19 outbreak.

4. Survey Research , This research is conducted through questionnaires to survey subjects such as personnel factor, influence of business departments and corporate influence that may affect behavior and efficiency. Results of the survey are used for further development.

In 2018, 395 samples were surveyed, most of whom were working in factories. Each factory represented 14-27% of the samples. They were classified based on their gender, age, education levels, status and years of service. The result of the research is as follows.

Satisfactory: Staff expressed satisfaction in the area of quality-related attitude, competency, discipline, accountability, internal communication, internal relationship, job security, welfare and income, corporate regulations and corporate policy and bonding.

Fair: Employees said the area of career growth and supervision remained fair.

In 2019, the survey result was discussed with relevant departments to set up directions in order to improve work-related behaviors and efficiency in everyday 's work. This included enhancing knowledge of supervisors and encouraging supervisors to be a role model in the area of quality and monitoring work standards for strict compliance. The evaluation will be carried out again through a questionnaire in 2020.

5. Quality In House Program , This involves the design of a computer program to help presenting quality information in the production process through graphs and tables for a better and faster understanding. Information was gathered to analyze the cause before being systematically stored for access by every factory. In addition, this helps standardizing problem-solving skills among various factories.

The implementation started in June 2019. A joint weekly meeting was held among representatives from every factory to control 3 Loss problems found in the process. A manual was produced to analyze information in various formats. In addition, a concept was communicated so that the analysis of the figures by each factory would be made on the same principle, leading to a more accurate decision-making process. This in turn helped reducing problems in the process. The target for 2020 is to enhance analytical skills of both information and causes so that critical challenges could be resolved and regulated.

6. 5S Patrol by Customer View , This involves the inspection for potential risk relating to quality, safety and 5S in the production process as well as exchanging of viewpoints through customer's perspective to resolve potential bottlenecks and improve production control process. In 2018, 40 weekly inspections of each process in each factory were conducted.

In 2019, a total of 35 inspections were made. Most risks found were related to 5S, safety and quality. All risks found were resolved. Each factory was informed of details of these risks to prevent future occurrence. In 2020, this concept and inspection perspective from customer's point of view will be communicated to operators in each factory.

## **2. 2 Safety , Occupational Health and Work Environment**

The Company has prioritized safety as the first issue in our management under a concept that "Every employee will leave home for work and be back home safely in all aspects."

The company has set policies and operations regarding safety, occupational health and working environment along with the regular duties of the employees as follows

1. The Company have setting workplace safety is the first priority when it comes to each employee working in their roles and responsibilities.
2. The Company strictly complies with all the rules, regulations and standards relating to safety occupational health and work environment as well as those implemented by our customers.
3. The Company promote and support the improvement of workplace environment, safe work practices, the use of personal protective equipment (PPE) and employees' wellbeing.
4. The Company supports and promotes safety activities that will nurture safety awareness of employees both at workplace and otherwise. This includes, for example, building safe work culture, training, public relations and organizing safety contests.
5. The Company require supervisors at all levels to become a role model by leading, training and inducing employees and by nurturing their awareness of safe work practices.
6. The Company require all employees to take into consideration his/her own safety, the safety of their co-workers and company properties while performing their work.
7. The Company supports the 5Sor activity (de-cluttering, being convenient, clean and healthy, and nurturing safe habit) at our workplace in a strict manner to prevent accidents, work injury and work-related diseases.
8. The Company advocate for collaboration among employees in the HSSE project. Employees are entitled to advise ideas to improve workplace environment and safe work practices.
9. The Company provide human resource and financial budgets to manage the HSSE projects to ensure safe workplace for employees and the third party.
10. The Company have supported the Safety Shop Floor Management activity implemented to achieve the zero accident within the workplace and outside.
11. The Company setting an annual evaluation of these policies will be made at least once a year.

#### Safety Activities

The Safety Committee has been set up to consist of representatives from top management, elected and appointed representatives from our employees. At present we have 31 members Safety Committee to reviews policies and work plans, surveys the way we work as well as considers projects before submitting various operation reports to the Executive Board. The Safety Committee's term of office is two years and it convenes at least once a month. Meanwhile, the Safety and Environment Department, which directly reports to the management, is a main body to help supporting various units to achieve activities based on corporate goals. It also collects safety statistics as a means to improve and propose a better and safer workplace environment and employees' wellbeing.



The company encourage employees to assess risk from workplace or from work processes where they can file the Hazard Identification and Countermeasure Registration Form ( the Hiyarihut Form) to their supervisors or a responsible body to resolve problems with appropriate measures.

In 2019, we announced the safety management policy, which was to promote work environment where everyone can work happily with the following goals and outcomes.

Work-related accident = zero Outcome: achieved

Work-related incident = zero Outcome: achieved

We were able to accumulate 10,000,000 zero-accident man-hour without any work suspension. The outcome was achieved in October 2019. The new target was set at 12,000,000 man-hour before being achieved again in January 2020. Currently, the new target of 15,000,000 work man-hour is set.

#### Safety knowledge Promoting

We also opened the Safety Dojo Center to strengthen understanding and create safety awareness among our employees and third-party contractors. Not only the center assists us to achieve our zero-accident goal, but it also works as a training premise and a center for comprehensive safety learning. A simulation station at the center shows various risk scenarios that could occur from different situations. In addition, The company offers training opportunity to employees at this center each month.

The third-party such as government agencies and education institutes may also visit this center as part of their study.

During the past year, we issued the six topics to nurture safety culture when working with machinery to raise awareness among staff of potential dangers during their work with machinery.

The company also organized the following safety activities on a continued basis:

- Safety training such as how to use a fork lift, executive training;
- Fire drill during day and night time;
- Top Gun's drill for emergency situation  
(Top Gun is the name of the highly-emergency response team);
- Safety, environment and energy conservation exhibitions

#### Occupational Health

Operation: We take into consideration the wellbeing of our staff by focusing on sanitation and hygiene at work, eradicating disease carriers on a monthly basis, providing sanitary facilities and disseminating health information with regard to seasonal diseases and healthcare tips through information boards.

- Setting target and outcome We aim to halve work-related illness of our employees by 50% from the 2018 level. The outcome was achieved.

- Health Check up Every employee is offered an annual health check-up, which can be general health inspection and health inspection based on risk factors for those working in noisy or dusty areas or those exposed to hazardous chemical vapor.

Each employee receives a health report. In case of doubt, or if one wishes to seek health consultation, he/she can do so by directly asking the doctor. The information is kept confidential. In addition, medical doctors and nurses are available at the work premise every day while basic medication based on private hospital's standards are prescribed.

#### Prevention measures during the Covid-19 outbreak

In early 2020, the world experienced the covid-19 pandemic. In Thailand, a large number of people were infected by the virus. We have given priority to this situation and issued preventive measures including .Setting up areas where hand sanitizer gel and alcohols are available throughout the premise. Distributing face masks for employees to wear at all time from when they leave their homes to their arrival at the company and on the way back. Measuring body temperature of employees and visitors for screening purpose. Erecting information boards to encourage staff to practice social distancing in common areas such as canteen and meeting rooms. And disseminating health information , so far, we have not found any employee infected by the coronavirus.

At present, the company continues to implement preventive and surveillance measures against the covid-19 outbreak

From various activities seriously and consistently resulting in the company receiving an award for occupational health and safety. In the year 2019, the company received the following awards

1. The Outstanding Occupational Health and Safety Award for the 16th consecutive year (August 2019).
2. 2019 TCC Safety Activity Target and Achieving Audit (Level A) from Toyota Co-operation Club (TCC)

### **3. Environment Performance and Energy Conservation**

#### **3.1 Environmental Management**

Environmental and Energy Conservation Operations ,The company has appointed the Environment Committee and ER (Environment Responsibility) consisting of executives and employees from all departments. Currently, there are 73 person responsible for pushing for recommendations on environmental management systems. Which is considered in accordance with the relevant environmental laws and other requirements . And to comply Environmental management policy of the company of the Stanley Group (Japan Stanley Environment Policy), with the Safety & Environment Department responsible for driving operational activities covering all areas

The Company 's environmental vision is as follows

“We commit to conduct our corporate activities through effective use of resources and continuous development of environmental management systems to safeguard natural abundance and nurture environment in the sustainable society.”

#### The environmental policy

To reflect our environmental vision, The Company has formulated the environmental policy to ensure that our staff are fully aware of their roles and responsibilities in environmental protection when it comes to their work. Details are as follows.

1. The Company committed to pursue and supervise the use of resources as well as prevent any environmental impact resulted from our activities in compliance with the environmental laws and other relevant requirements.

2. The Company intend to continue developing and improving our environmental management systems relating to our production process to reduce and prevent environmental impacts. We also strive to expand our practices to other parties involving in our activities.

3. The Company supports and promotes environmental activities including training and publicity to enhance staff's environmental awareness and conservation and to directly and indirectly prevent and reduce environmental impacts.

4. The Company disclose our environmental policy as a way to communicate and express our commitment to control, protect, develop and improve our environmental management system to stakeholders and the public.

5. The Company support and participate in community environmental conservation activities through collaboration with state agencies, local governments and others.

6. The Company promote the environmental shop floor management to achieve our goal to have a good environmental system in place.

7. The Company conduct regular evaluations based on the environmental policy described above.

The environmental policy in 2019 was to achieve zero environmental disaster through the enhancement of our environmental protection capacity and strict compliance to the laws.

Environmentally Target for 2019 , we aimed to reduce our CO<sub>2</sub> emission from the 2014 base-year level as well as achieve zero environmental law violation and environmental-related accident.

The following were the environmental activities we achieved in 2019:

1. Reducing the use of major natural resources

- 1.1 Reducing the use of water by 1% from the 2017 base-year level where the indicators were the ratio of water use per product and staff number.

This was actively translated into the recycling of water used in the water curtain system within our laminating process in the lamp factory, lawn watering system and toilet flushing system. We also replaced existing toilet bowls with water-saving models and replaced all manual faucets with the sensor-operated ones.

The target was achieved. All projects mentioned above had been using recycled water for some time. We were able to reduce the use of recycled water by 10,396.34 m<sup>3</sup>.

1.2 Reducing the amount of waste sent to landfill by 5% from the 2017 base year by separating waste and by changing waste treatment methods where more waste was directed for reuse and recycling instead. In addition, an inspection and monitoring activity by the Environmental Committee of how each department treated its waste was conducted on a quarterly basis. A campaign was carried out to raise awareness through a training on how employees could manage our waste. Every department was instructed to implement at least one waste-reduction project within its unit.

The target was achieved. We underlined our waste separation. Waste was eradicated and sold to the private sector for recycling purpose. The 5S activity was implemented where cleanliness and hygiene was very much emphasized.

1.3 Reducing the amount of paper used by 1% from the 2018 base year. The Excel spreadsheet program was implemented to analyze the complementarity while the information system was introduced to manage paper that was no longer in use. Each department was encouraged to conduct at least one campaign to reduce the paper use. We were able to achieve the target.

## 2. Management and External Agencies Monitoring

The senior management continued to monitor every work area on a monthly basis to maintain and improve the environment. In 2019 the company hired the third-party agency to measure levels of noise, wastewater, heat and air pollution, the results of which were within the required standards.

## 3. Environmental Training

The company provides regular training in Environmental-related such as the ISO14001: 2015 training and the internal waste management training

## 4. Regular environmental campaign activities

To encourage employee to participate in the environmental protection were implemented through activities such as an exhibition on the occasion of the World Environment Day, the Say No to Plastic Bags project and the Green Factory campaign where executives and employees planted trees together to increase green areas within our compound on the last working day of the year.

The Company have not found any violation of the environmental laws. There weren't any accident induced by the environment factor, either. We did not have any conflict or receive any environmental complaint from communities or third-party agencies. The Company has been certified for the ISO14001 since year 2015 – present .

### 3.2 Energy Conservation Management

The Company has set up the Energy Committee whose members come from staff from all departments. The current 24 member Energy Committee oversees energy practices by ensuring that they align with the energy conservation policy and management procedures. The Committee is responsible for coordination, supervision and production of energy conservation reports. It also encourages the management to comply with the laws, having the Safety & Environment Department to make all relevant activities happen.

The Energy conservation policy

1. The Company be committed to effective energy management and conservation, while strictly pursuing energy conservation laws and regulations.

2. The Company consider energy conservation to be the responsibility of top management and employees at all levels to cooperate in implementing the prescribed energy conservation measures, including the monitoring of outcomes to be reported to the Energy Conservation Committee on a regular basis. This reflects the company's passionate desire to continuously improve energy efficiency.

3. The Company allocate sufficient resources for energy conservation and management to ensure that the idea is in line with the company's objectives and goals.

4. The Company develop effective production process including activities related to energy consumption aiming for the achievement of energy conservation and management, considered part of the company's operations.

5. The Company improve energy efficiency to be in line with the nature and amount of energy used, where modern technology and good practices are applied in an appropriate and continuous manner.

6. The Company look for clean energy that allows energy conservation and sustainable environment. We are ready to disclose, inform and publicize our energy conservation activities to relevant parties and the public.

7. To Reducing the emission of CO<sub>2</sub> 1% from the 2018 base year

(target 9.02 Ton Co<sub>2</sub> /MTHB, 20018 result 9.11 Ton Co<sub>2</sub>/MTHB)

In 2019, The company 's target and activities in energy conservation were as follows.

- Reducing the emission of CO<sub>2</sub> from the 2018 base year by 1%, with activities to monitor energy use by using the Yellow Card, training to raise awareness on energy use and promote the use of alternative energy (Solar Rooftop)

At present, the company has installed solar cell panels on the rooftop of our Lamp 7 Factory and the PQC Building, which encompasses a canteen, a library, a gym, an area for supporting production engineering and the training area of production staff before they are dispatched to work in the production line. The PQC Building was built with energy conservation in mind where the LED lighting is implemented together with the dimming switch while some of its areas are lit by natural light. The 14,282-square meter area required 1.2 MW electrical capacity.

Which can reduce the electricity consumption in 2019 (Produced Energy): 246,659.64 kWh / Year, can reduce the emission of CO2 Emission: 146.76 TonCO2 / Year and reduce the Electricity Cost (Reduce Electric Consumption: 1,038,437 THB / Year and the company has Future solar cell capacity expansion plans.

In the year 2019, a project to install LED bulbs to replace fluorescent tubes and all other old lamps of 11,458 units can reduce electricity consumption: 122,592 kWh / Year, can reduce the emission of CO2 Emission: 72.94 TonCO2 / Year, reduce the value Electric power: 516,112.32 THB / Year

The company also has activities to reduce electricity usage. With a target of 1% decrease from the year 2018 which has the electricity usage value equal to 9.02 TonCO2 / MTHB with the activity of reducing energy usage to achieve the target set as follows

- Install the Power Meter and use the electricity data to analyze the defective points,
- Holiday Energy Reduction Project Which will campaign to stop production on Sunday 1 day per month, with the results Makes it possible to reduce electricity use almost as targeted Which has the electricity consumption equal to 9.03 TonCO2 / MTHB

Besides, The Company continued to urge staff to effectively use the resources where environmental and energy consumption was promoted as corporate culture. Activities were translated into photos and slogans being posted at various sites for staff's visibility. In addition, the message was transmitted through our internal broadcasting system on a daily basis at 11.30 hours. The executive board underlines the importance of continuous monitoring and advising environmental conservation activities on a quarterly basis. In addition, our potential to conduct energy conservation and our energy management status was regularly evaluated.

#### Environment and Energy Conservation Activity Awards

In the year 2019, the company participated in activities including environmental and energy conservation contest, customer company And the Stanley Company which received the following awards ,

1. 95 Ki Environment Award From Thai Honda Manufacturing Co.,Ltd.
2. KUBOTA Green Procurement Awards 2019 From Siam Kubota Corporation Co.,Ltd.
3. Environment TCC Rank A From Toyota Daihatsu Engineering & Manufacturing Co.,Ltd.
4. Outstanding Performance Award and Excellence Award From Stanley Electric Co.,Ltd. (Japan)

The company has used the money from these awards to create Green bag distributed to all employees in order to thank and give the employees morale that is an important part of receiving the award

#### Supporting Local Communities and Society

The Company is located at Banklang , Pathumthani , and has been established outside the industrial estate location. The company is highly cautious of impacts that may possibly cause to the surrounding communities. Never

having any dispute with the community, the Company is in collaboration with Banklang Municipality, representing communal people in organizing tradition-based activities, remarkable examples are the Buddha image bathing, Buddhist lent candle parade, dry-food almsgiving and to use of local food products is a set of snacks at the shareholders' meeting.

Participated in the electricity system improvement activities at WatSadet Temple, Pathumthani Province, under the "Volunteer Spirit of Religious Sites" project from the Ministry of Industry.

As for other social support and assistance activities, for example, using rice from a group of farmers in the northeast to transform it into a Daifuku dessert as a new year gift for customers. Providing company space to sell agricultural products in an oversupply situation. Allowing employees to donate items to help the disaster victims. To sponsor for the "Walk-Run to Change the Future" activity is to raise money for Pathumthani Hospital And Khlongluang Hospital in Pathumthani Province

For community development, the company has always relied on its unique employment model, where 80% of residents in Pathumthani province and the nearby vicinity are employed. The company offers opportunities for students of local universities to visit factory for more knowledge and broader understanding on product manufacturing and management.

In 2016, the Company invested 22.25% in Pracharath Rak Samakkee Pathum Thani (Social Enterprise) Company Limited, that established from government's policy that the objective is to support for more strong local economy , people have more income. At present, products are distributed on a monthly basis from the manufacturers in the group during the convenience market shopping arrangements.

In the beginning of 2020, the outbreak of the Covid-19 virus epidemic in Thailand and abroad In Pathumthani, people are infected and the government has various measures. The public, including the employees, were greatly affected. The company has issued various preventive measures. In order to look after employees vigorously as well as providing support to government agencies with the release of a brochure promoting information about the virus Covid-19 provided a way to distribute it to the general public and to encouraging medical personnel.

### **10.3 Business operations that affect social responsibility**

None

#### 10.4 Activities for social and environmental benefits (CSR after process)

##### Stanley Thailand Foundation activities

The Stanley Group has established the Stanley Thailand Foundation since 1993, aiming to promote various CSR activities mainly in Pathum Thani province. Remarkable examples of CSR activities launched in 2019 can be described below:

##### 1. Education Activity

1.1 The foundation had presented 2019 annual scholarships to 650 students from 103 schools in Pathumthani province and 8 schools in Nakhon Ratchasima province.

For individualized scholarships (Outshining Fund ), the foundation was consistently responsible for all education-related costs starting from the high school to Bachelor's Degree levels. In 2019, an outstanding students from Suntaromettaprachasan School was selected to take part in the individualized scholarship program, where 5 students was already graduated with a Bachelor's Degree. Currently, there are 12 students selected to join the program.

1.2 The foundation offered its concrete support to the science competition named the Stanley Science Project Contest held to encourage primary and secondary students to create excellent robotic devices. The competition was hosted by the Technology Promotion Association (Thailand-Japan)

1.3 The foundation donated educational equipment as books for library and 260 bicycles to 26 schools in Samkok , Muang and Nong Sua communities , Pathumthani Province.

2. Environment Activity The foundation had donated garbage to communities at Chinwararam Temple and cooperate with Safety & Environment Department , Thai Stanley Electric PCL. And Asian Stanley International Co.,Ltd. to arranged Safety To School for 6 schools in Pathumthani by providing safety knowledge ,Fire demonstration and the foundation gave 10 sets of fire extinguishers to schools.

##### 3. Charity Activity

The foundation had donated other necessities for HIV-patient of Wat Phrabatnamphu in Lopburi province and lame children of the Ruamphanya Person Lame Association in Nonthaburi province. Donation AED (Automated External Defibrillator) to the rescue team in the area of Muang and Ladlumkeaw district , Pathumthani Province

In February - March 2020, the Foundation and The Sittipol 1919 Co., Ltd. donated medical equipment and renovated emergency room for Ladlumkaew Hospital, Pathumthani province amount 2,000,000 baht

And due to the epidemic of the virus, the Covid-19 , the Foundation to donate 100,000 baht support for the production of cloth masks in the project of Banklang Sub-district Municipality to distribute to people in Pathumthani Province.



## **11. Internal Control and Risk Management**

The company is aware of the importance to good management and internal control. The company established the CG department to conduct internal audit and risk management and report directly to the Audit Committee every quarter and The Chairman of the Audit Committee will report to the Board of Directors meeting to acknowledge the audit results on a quarterly basis as well.

### **Internal Control**

#### **11.1 The board of director comment on internal control**

At the Board of Directors Meeting No. 2/2020 on May 15, 2020, all 3 members of the audit committee attended. The Chairman of the Audit Committee reported the operation and audit results from the Corporate Governance Department to the Board of Directors for acknowledgment and approval as follows:

From reviewing the internal control system and from the consideration of the assessment of internal control as stipulated by the Securities and Exchange Commission , The audit committee found no significant defectively . And with proper property maintenance therefore, commented that the operations of the company during the accounting period from April 1, 2019 to March 31, 2020 were under sufficient and appropriate internal control in accordance with the framework for internal control practices of COSO . Financial reports are accurate, complete, and reliable. There is sufficient and effective compliance with relevant laws and regulations. Entering into connected transactions in the normal course of business with appropriate trade conditions and prices that are beneficial to the company's business operations. There are operations in line with anti-corruption measures. Information has been disclosed to various regulatory agencies correctly, operating in accordance with good, transparent, and reliable corporate governance systems.

Ms.Varaporn Vorathitikul , PricewaterhouseCoopers ABAS Limited ,the Auditor of company was no serious concerns about the internal control.

#### **11.2 The opinion of the Audit Committee in the event of a different opinion of the board of the activities of the company.**

The audit committee not any different opinion with the Board of Directors. There was also a report of the Audit Committee as Attachment 3-1

#### **11.3 Chief of Office of Internal Audit**

(1) In 2002, the Executive Committee appointed the Chief of the Internal Audit, Mrs. Nongyao Apirum, who currently position as the Corporate Governance Department Manager responsible for internal audit and risk

management , that has experience working in Accounting and Finance department for 21 years and used to attend the training course related to the audit such as

- Fundamentals for New Internal Audit course 1 (2002) and 2 (2004)
- Audit Report Writing (2000)
- Risk Based Audit (2010)
- Certified Professional Internal Auditor of Thailand (CPIAT- 18) (2011)
- The Corporate risk management - COSO-ERM (2011)
- Internal controls on financial reporting (2011)
- Ethical Audit (2015)
- Working Paper for Anti-Corruption (2017)
- Compliance & Compliance Audit (2018)
- Fraud Audit (2019)
- Corporate Governance Audit (2019)

Chief of Internal Audit have an understanding of the operations of the company as well. It is appropriate and sufficient to perform such duties. (detail as attach No. 3-2)

(2) The Audit Committee's opinion that taking care of the Chief Audit qualification experience with adequate training and proper operation.

(3) The appointment, removal and transfer of the incumbent Chief of Office of internal audit according to the personnel management system of the company. Through the approval of the Executive Board and acknowledged and approved by the Audit Committee.

### **Risk Management**

The risk management policy is as follows.

"We are to control and minimize impacts from unforeseeable circumstances while safeguarding our objective for a sustainable operation, which shall include compliance with the laws and international standards."

The following are duties and responsibilities of related bodies involving in our risk management practice:

The Risk Management Committee is duty-bound to review and screen factors and possible exposure to certain risks and effects to strategic policies, legal compliance and relevant criteria and standards that may tremendously affect our operation. The Risk Management Committee meets at least twice a year.

The Risk Management and Control Section has the following duties and responsibilities:

- Coordinate with the Risk Management Company to materialize risk management practices throughout the organization to accommodate all kinds of risk.
- Review identified risks with departments that directly experience such risks; implement risk management measures; monitor, assess and report the progress of its action to the Risk Management Committee
- Responsible for the overall operation in monitoring, advising and controlling risk management practices

Management in Operation Unit are responsible for assessing and analysing risks relating to policies and their entrusted duty and responsibility.

In 2019, we carried out the following:

1. Updating our risk management practice to reflect the operation within the current environment; complying with the risk management policy in a constructive manner by incorporating administration and risk control practices in the strategic management policy and general administration.
2. Reviewing and approving risk control and management requirements as well as the risk management manual, which functioned as a framework to assess and manage the risks.

## 12. The related transactions

Since last 3 years, there was no event of spending the income from stock sales for any of the shared interest person.

The Company has significant transactions with related companies. Which is a company with common directors and the company in which the major shareholder holds shares.

The related transactions are in accordance with the operating policy regarding the purchase and sale of goods and assets that approved by the Board of Directors and is controlled by the Executive Board, which will be considered and approved according to the value of the transaction size regularly

The significant trade with the related company by purchasing and sales items. The company's auditor gave the explanation in the Note 29 the financial statement on 31<sup>st</sup> March 2020 ., are as follows:

- The purchasing items form the related company are those particular raw materials or merchandise from the same production source at the great quantity to reduce the production cost.
- The sales items are mostly exporting by set up the sales price from cost fee plus the profit.
- Royalty fee to a related company at the rate of 3% of sales minus the cost of importing raw materials from that related company, and specified as the regular trading business.
- Design and development expenses and other expenses Service fees are charged according to normal business transaction criteria.
- Outstanding balance of Royalty fees, Product design and development expenses and other expenses are shown as other payables - Related companies

Details as follows:

1. Related party transaction by way of the shareholder or common directors.

Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2020	The reasonable of transactions
1. Stanley Electric Co.,Ltd.	1. Major shareholder of Stanley Electric Holding Asia-Pacific PTE, holding 33.88% 2.Common Director 2 person - Mr.Katsutoshi Iino - Mr.Toru Tanabe	1. Pussrchasing in raw materials , goods and equipment	Purchased 896.68 million baht Balance 179.69 million baht	Specifically products or materials and material which are manufactured on a large scale at one source for cost saving benefit.

Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2020	The reasonable of transactions
		2. Selling goods	Sold amount 171.25 million baht Balance 20.40 million baht	Pricing are charged in the normal course of business and same practice with the outsider.
		3. Royalty Fee is charged at 3% of sales less materials cost imported from the related party in accordance with the agreement	Amount 337.92 million baht	Specifically products or materials and material which are manufactured on a large scale at one source for cost saving benefit.
		4. Designed and Development Fee is charged in case design and development product for Thai Stanley's products	Amount 147.46 Million baht	In the normal course of business and same practices in Stanley Group
		5. Technical Fee is charged for the specialist come for assistance in production technics.	Amount 10.18 million baht	In the normal course of business and same practices in Stanley Group, pricing are charged same as outsider.
		6. Training fee is charged for send Thai Stanley ' employee to training and practice.	Amount 0.91 million baht	In the normal course of business and same practice in Stanley Group
		7. Commission is charged for an agent to connected with customers	Amount 20.00 million baht	In the normal course of business and same practice in Stanley Group

Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2020	The reasonable of transactions
2. Lao Stanley Co.,Ltd.	1. Thai Stanley holding 50% 2. Common Director 2 persons - Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano	1. Selling goods  2.Other Income  3.Royalty Income	Sold amount 433.37 million baht Balance 52.63 million baht  Amount 0.08 million baht  Amount 0.66 million baht	Specifically products Pricing are charged in the normal course of business and same practice with the outsider.  In the normal course of business and same practice in Stanley group  In the normal course of business and same practice in Stanley Group
3. Vietnam Stanley Electric Co.,Ltd.	1.Common major shareholders as Stanley Electric Co.,Ltd. Holding 50% 3. Common director 3 persons as - Mr.Apichart Lee-issaranuku -Mr.Toru Tanabe -Mr.Tadao Suzumura 3. Thai Stanley holding share 20%	1. Purchasing goods  2.Selling goods  3. Designed and Development Fee	Purchased amount 512.91 million baht Balance 131.88 million baht  Sold amount 106.70 million baht Balance 13.40 million baht  Amount 0.01 million baht	Specifically products Pricing are charged in the normal course of business and same practice with outsider.  Specifically products Pricing are charged in the normal course of business and same practice with the outsider.  Specifically products Pricing are charged in the normal course of business and same practice with outsider.

Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2019	The reasonable of transactions
4.Asian Stanley International Co.,Ltd	<p>1.Common major shareholder as Stanley Electric Holding Asia-Pacific PTE Holding 67.5%</p> <p>2.Common Director 2 persons</p> <p>- Mr.Apichart Lee-issaranukul</p> <p>- Mr.Toru Tanabe</p> <p>3.Thai Stanley holding 15%</p> <p>4. Holding Thai Stanley 0.44%</p>	<p>1. Purchasing raw material</p> <p>2.Selling goods</p> <p>3. Other Income</p>	<p>Purchased amount 1,903.27 million baht</p> <p>Balance 171.60 million baht</p> <p>Sold amount 9.07 million baht</p> <p>Balance 0.56 million baht</p> <p>Amount 0.20 million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same practice with the outsider.</p> <p>Pricing are charged in the normal course of business and same practice with the outsider.</p> <p>Pricing are charged in the normal course of business and same practice with the outsider.</p>
5. PT.Indonesia Stanley Electric	<p>1. Common major shareholder as Stanley Electric Co.,Ltd. Hoding 60 %</p> <p>2. Common director 3 person as</p> <p>- Mr.Apichart Lee-issaranukul</p> <p>- Mr.Koichi Nagano</p> <p>- Mr.Toru Tanabe</p> <p>3.Thai Stanley holding 10%</p>	<p>1. Purchasing raw material</p> <p>2.Selling goods</p> <p>3. Designed and Development Fee</p>	<p>Purchased amount 1.33 million baht</p> <p>Balance 0.52 million baht</p> <p>Sold amount 192.41 million baht</p> <p>Balance 19.31 million baht</p> <p>Amount 2.88 million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same outsider.</p> <p>Pricing are charged in the normal course of business and same practice with the outsider.</p> <p>Specifically products Pricing are charged in the normal course of business and same outsider.</p>

Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2020	The reasonable of transactions
6. Sirivit Stanley Co.Ltd.	1.Thai Stanley holding 15% 2.Common director 2 persons as -Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano	1. Purchasing raw material  2. Selling raw material  3. Designed and Development Fee	Purchased amount 470.38 million baht Balance 41.84 million baht  Sold amount 7.48 million baht Balance - million baht Amount 0.06 million baht	Specifically products Pricing are charged in the normal course of business and same outsider. Pricing are charged in the normal course of business and same outsider Specifically products Pricing are charged in the normal course of business and same outsider.
7. Inoue Rubber (Thailand) Public Company Limited	1.Thai Stanley holding 0.02% 2.Common director 4 person as - Mr.Apichart Lee-issaranukul - Mr.Thanong Lee-issaranukul - Mrs.Pimjai Lee-issaranukul - Mrs.Pornthip Sethiwan	1. Purchasing raw material	Purchased amount 9.66 million baht Balance 1.42 million baht	Pricing are charged in the normal course of business and same practice with the outsider.
8. The Sittipol 1919 Co.,Ltd.	1.The shareholders holding 3.34% 2.Common director 2 persons as - Mr.Thanong Lee-issaranukul - Mrs.Pornthip Sethiwan	1. Selling goods,	Sold amount 132.30 million baht Balance 38.71 million baht	Pricing are charged in the normal course of business and same practice with the outsider.



Name of Company	Related ties	Related transaction details	2019 Transaction Amount and Balance at 31 March 2020	The reasonable of transactions
9. Lumax Industries Co.,Ltd.	1.Thai Stanley holding 1.73% 2. Common major shareholder as Stanley Electric Co.,Ltd. Holding 26.31 % 3.Common Director 1 person - Mr.Toru Tanabe	1. Purchasing goods  2. Selling goods	Purchased amount 1.84 million baht Balance 1.91 million baht  Sold amount 1.84 million baht Balance 0.25 million baht	Pricing are charged in the normal course of business and same practice with the outsider.  Pricing are charged in the normal course of business and same practice with the outsider
10. Bangkok Global Law Offices Limited	1. Common director 1 person as - Mr.Picharn Sukparangsee	1. Law service	amount 0.81 million baht Balance - million baht	Pricing are charged in the normal course of business and same practice with the outsider.
11. Electro Polymers (PVT)	1.Thai Stanley holding 10.06% 2. Common major shareholder as Stanley Electric Co.,Ltd. Holding 25 % 3.Common Director 1 person - Mr.Koichi Nagano	1. Selling goods  2. Royalty Income	Purchased amount 7.13 million baht Balance 0.08 million baht  Amount 1.26 million baht	Pricing are charged in the normal course of business and same practice with the outsider.  In the normal course of business and same practice in Stanley Group

2.Transaction with the company whose Stanley Electric Co.,Ltd. Is the major shareholders of Stanley Electric Holding Asia-Pacific PTE , LTD (holding 100%) major shareholder of the company, the transaction are purchasing and selling in raw material or goods that are specific materials which are manufactured on a large scale at one source for cost saving benefit. Pricing are charged in the normal course of business and same practice with the outsiders, details as follows :

Company Name	Transaction Amount in 2019			Balance as at 31 March 2020	
1. Guangzhou Stanley Electric (China)	Purchased amount	99.78	million baht	20.96	million baht
	Sold amount	0.09	million baht	-	million baht
2. Stanley Electric (Asia Pacific) (Taiwan)	Purchased amount	0.17	million baht	-	million baht
	Sold amount	-	million baht	-	million baht
3. Shenzhen Stanley Electric Co.,Ltd.	Purchased amount	104.67	million baht	16.77	million baht
	Sold amount	-	million baht	-	million baht
4. Stanley Electric US Inc. (U.S.A)	Purchased amount	0.66	million baht	0.11	million baht
	Sold amount	0.01	million baht	-	million baht
5. Tianjin Stanley Electric Co.,Ltd. (China)	Purchased amount	0.39	million baht	0.01	million baht
	Sold amount	15.71	million baht	12.04	million baht
6. Shanghai Stanley Electric	Purchased amount	3.85	million baht	0.64	million baht
	Sold amount	-	million baht	-	million baht
7. Stanley Electric Do Brazil LTDA	Purchased amount	0.08	million baht	0.01	million baht
	Sold amount	35.53	million baht	35.91	million baht
8. Stanley Iwaki Works Ltd.	Purchased amount	16.66	million baht	-	million baht
	Sold amount	3.19	million baht	0.24	million baht
9. Stanley Electric (Asia Pacific) HongKong	Purchased amount	3.98	million baht	-	million baht
	Sold amount	-	million baht	-	million baht
10. Wuhan Stanley Electric Co.,Ltd.	Purchased amount	-	million baht	-	million baht
	Sold amount	18.18	million baht	6.17	million baht
11. Tianjin Stanley Electric Technology Co.,Ltd.	Sold amount	5.55	million baht	-	million baht
	Sold amount	-	million baht	-	million baht
12. Stanley Electric Manufacturing Co.,Ltd.	Purchased amount	-	million baht	-	million baht
	Sold amount	47.93	million baht	25.62	million baht

The approval for the related transactions

In Year 2019 , the related transactions was the normal course of business and same practice with the outsider , such as price comparison , selling price is determined based on manufacturing cost plus a certain margin. The related transaction controlling by the management director.

Policy or Trend towards Potential the related transaction

The related transaction to be continued, because of the raw material or goods are specifically and used only in Stanley Group. The selling price is determined based on manufacturing cost plus a certain margin that the normal course of business. Whatever these transaction are belong to The Purchasing and Selling products and assets policy , that announcement since year 2004 and for others transaction will consideration belong to The rule of The Stock Exchange of Thailand.

The related transaction Report from Audit Committee

The Audit Committee considered the related transaction in year 2019, that have transaction may cause conflict of interest, that transaction with related parties company and normal course of business.