



CORPORATION PUBLIC COMPANY LIMITED

"INSURANCE BROKER LEADER"

Annual Registration Statement
and Annual Report 2021
(From 56-1 One Report)

TQM CORPORATION PUBLIC COMPANY LIMITED



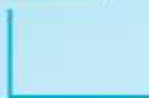


CORPORATION PUBLIC COMPANY LIMITED

TQM Corporation Public Company Limited



TQM Insurance Broker Company Limited



Surekrub.com Company Limited



TJN Insurance Broker Company Limited



TQM Life Insurance Broker Company Limited



True Life Broker Company Limited



True Extra Broker Company Limited



Easy Lending Company Limited



TO 2020 Company Limited



Casmatt Company Limited



TQC Company Limited



TQD Company Limited



CORPORATION PUBLIC COMPANY LIMITED

Honesty, Equitability, Exclusive Services, Social Responsibility

The company is well aware of operating business with responsibility to all groups of stakeholders e.g. customers, employees, business partners, society and community, as well as focusing on sustainable business development by combining operational goals for sustainability with the Company's operational strategy focusing on balancing the development and growth of the Company, corporate governance, risk management, increasing operational efficiency and creating value with stakeholders.



On 20 December 2018, TQM brought shares for trading on the first day in the Stock Exchange of Thailand



18 December 2019, announced by SET to be a price-weighted stock in SET100 from 1 January 2020,



Corporate Governance Report (CGR) Received "Excellent" rating from corporate governance evaluation Thai Investor Association for two consecutive years



Carbon Neutral Certification in 2021



Best Company Performance Awards in the category of listed companies with market capitalization over 30 billion baht but not more than 100 billion bahts Dr. Nagassanun Punniga, CEO received Outstanding CEO Awards on 2021



The Company was listed in 2021 Thailand Sustainability Investment (THSI)



CONTENT

2	• Financial Highlights
4	• Awards and Commendations
6	• Message from the Chairman and Chief Executive Officer
8	• Directors
Part 1 Business Operations and Performance	
12	1. Company Structure and Operations
43	2. Risk Management
55	3. Steering Business towards Sustainability
94	4. Management Discussion and Analysis
109	5. General Information and Other Important Information
Part 2 Corporate Governance	
114	6. Corporate Governance Policy
118	7. Corporate Governance Structure and Important Information Concerning the Board of Directors, Board Committees, Executives, Employees and Others
142	8. Report on Important Operational Results of Corporate Governance
156	9. Internal Control and Related Party Transactions
165	Part 3 Financial Statements
226	Part 4 Certifying of Information

Attachment

228	Attachment 1 Details of Directors, Executives, Controlling Persons, the Person Assigned to take the Highest Responsibility in Accounting and Finance, the Person Assigned to take Direct Responsibility for Accounting Supervision, the Company's Secretary, and the Representative for Contact and Coordination in Case of a Foreign Company
240	Attachment 2 Details of the Directors of Subsidiaries
243	Attachment 3 Details of the Heads of the Internal Audit and Compliance Units
243	Attachment 4 Business Assets and Details on Asset Valuation
245	Attachment 5 Unabridged Policy and Guidelines on Corporate Governance and Unabridged Code of Business Conduct Prepared by the Company
254	Attachment 6 Report of the Audit Committee and Other Subcommittees
259	Attachment 7 Report of the Board of Directors' Responsibilities for Financial Reporting

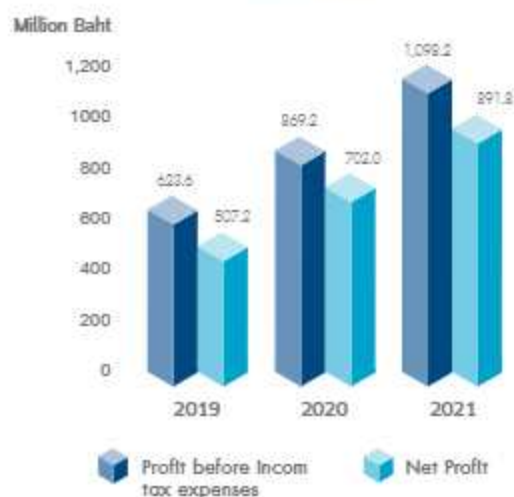
Annual Report (Form 56-1 One Report) references information disclosed on the Company's website, the disclosed information shall be deemed to be part of Form 56-1 One Report. The Board of Directors certifies the correctness and completeness of disclosed information.



Financial Highlights

TQM Group Performance

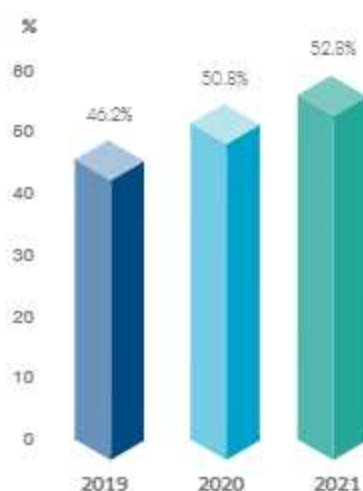
Net Profit



Total Income



Gross Margin

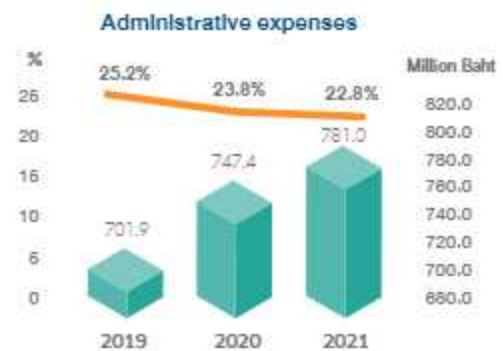
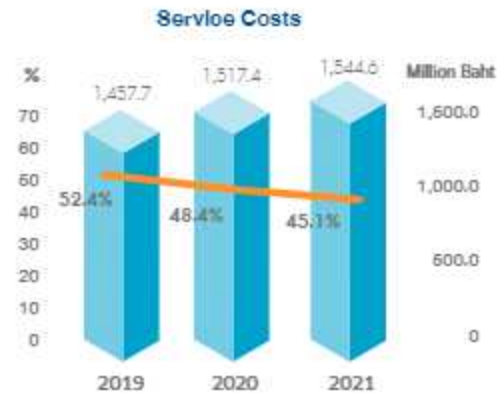
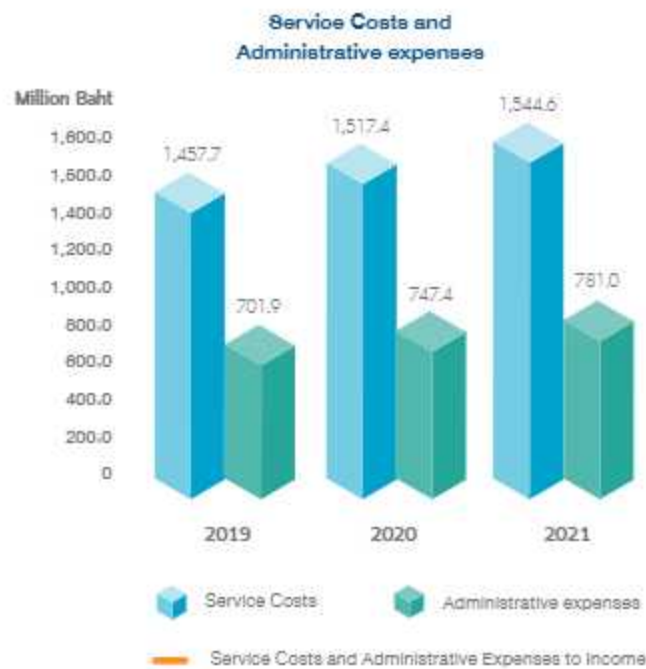


Earnings Per Share





EXPENSES



FINANCIAL RATIOS

Financial Ratio	2019	2020	2021
D/E	0.81	0.50	0.47
Current Ratio	1.93	3.49	2.73
ROA	12.6%	17.9%	22.2%
ROE	22.6%	29.6%	33.0%
Gross Margin	46.2%	50.8%	52.8%
EBITDA Margin	23.9%	32.4%	37.0%
Net Profit Margin	18.2%	22.4%	26.0%
EPS	0.85	1.17	1.48
Divident Payment per share	0.95	2.10	2.60

Awards and Commendations

1. The Company won SET Award 2021 from the Stock Exchange of Thailand

Best Company Performance Awards



Best Company Performance Awards in the category of listed companies with market capitalization over 30 billion baht but not more than 100 billion baht on 3 November 2021

Outstanding CEO Awards



Outstanding CEO Awards on 3 November 2021

2. The Company was listed in 2021 Thailand Sustainability Investment (THSI)



Thailand Sustainability Investment

3. The Company achieve the Corporate Governance rating of five stars or "Excellent" in 2021



5 star CG Rating



4. The Company received two awards from the Office of Insurance Commission (OIC)



"2020 Best Corporate Non-life Insurance Broker" on 4 November 2021



"2020 Best Corporate Non-Life Insurance Broker promoting insurance policy for public" on 4 November 2021

5. Dr. Napassanun Punnipa received "Numero Thailand Best Influencer Award 2021" in the category of Best Influencer in Life Protection Innovative held by Numero Magazine Thailand on 8 March 2021

Numero Thailand
Best Influencer Award



6. On 20 January 2022, TQM Corporation Public Company Limited won Thailand's Top Corporate Brand 2021 in the category of Non-life and Life Insurance. The award was presented in Asean and Thailand's Top Corporate Brands 2021 which is an award for top corporate brand value in Thailand and ASEAN for the year 2021. The award was organized by the graduate school of Brand and Marketing Management, Faculty of Commerce and Accountant, Chulalongkorn University, joining with the Stock Exchange of Thailand, which was held for 12 consecutive years.



Message from the Chairman and the Chief Executive Officer



Dear shareholders,

The year 2021 has been another year for Thailand and the rest of the world to deal with the COVID-19 crisis. In Thailand, the situation has doubled in intensity and infections have continued to spread. New variants have arisen and the number of infected people has increased to create a systematic public health crisis. There have also been broad impacts in many business sectors, and particularly insurance, which has become liable for payment on claims to holders of COVID-19 policies, being the cause of two insurance companies having to close down.

TQM, as an insurance broker, has not been directly affected. However, we have had to work extremely hard to look after our stakeholders in every direction, whether giving advice and coordinating, or mitigating issues for impacted customers and providing convenience to the business operations of insurance companies who are our business partners. We are dedicated to become a leader of insurance and finance consulting focused on service, committed to provide service with care for sustainable growth, at a deep-seated level and beyond customers' expectations.



In 2021, the company generated revenues of 3,427 million Baht and net profit of 892million Baht, which is one of our best ever years for growth since the company was founded almost 70 years ago. Our key to success has been our hands-on effort, while adapting continuously, because we know that the modern world is changing rapidly, and propositions for customer care are likewise evolving. We have deployed high tech and moved on from sales generated from face-to-face meetings with customers, as in the past. We have developed into telesales, and now we use digital to help us provide service to customers quickly. We have adequate amounts of information to design products, make sales and oversee services. However, we have not abandoned Hi-touch, which is giving attention and understanding to customers' needs, and being a trustworthy advisor.

In business terms, we have grown our core business with investment in companies operating as brokers for non-life and group life insurance, while also expanding into associated businesses such as personal loans, or providing services of managing claims. These have made our offerings more comprehensive with products and services. We have added new sales outlets, such as by entering e-commerce markets. We have developed products which match the needs of modern customers, such as insurance against adverse reactions to COVID-19 vaccines, insurance for white car, (lower risk), top-up car insurance and cyber insurance.

In development for sustainability, the company will continue to develop and maintain high standards. Executives and employees both are aware of the significance of sustainability, and incorporating the ideas and principles of sustainability to determine the

company's goals and directions, and even work processes, to create value for stakeholders in every aspect.

The dedication and cooperation of everybody in the company has earned recognition for our organization at the national level at the SET Awards 2021, where we won Best Company Performance Award in the group of listed companies with a market capitalization of 30-100 billion Baht, as well as the Outstanding CEO Awards. We were also selected as a stock for Thailand Sustainability Investment 2021, and given five stars in the Corporate Governance Evaluation. The Office of the Insurance Commission (OIC) has presented us with awards for outstanding non-life insurance broker juristic person, and outstanding non-life insurance broker juristic person who has promoted insurance policies to the general public in 2020. At latest, TQM was awarded for brand value as one of "Thailand's Top Corporate Brands 2021" in the insurance and life insurance sector, hosted by Chulalongkorn University jointly with the Stock Exchange of Thailand.

All of these successes, as well as the many obstacles we have faced over the last year, have inspired us to continue our commitment to developing secure and strong foundations for the company, while learning and adapting to change, to generate sustainable growth for the company alongside bringing progress to society. On this occasion, on behalf of the Chairman of the Board of Directors and the Chief Executive Officer, as well as directors, executives and every employee of TQM Corporation PCL, we would like to thank our shareholders, business partners, customers, financial institutions, executives and employees as well as every stakeholder who has given us their constant trust and support.

Mr. Unchalin Punnipa
Chairman of the Board of Directors
TQM Corporation Public Company Limited

Ms. Napassanun Punnipa
Chief Executive Officer
TQM Corporation Public Company Limited

Directors



1. Dr.Unohalin Punnipa

- Chairman of the Board of Directors
- Chairman of Risk Management

2. Mr.Marut Simasathien

- Independent Director
- Chairman of the Audit Committee
- Member of Nomination and Remuneration Committee
- Member of Risk Management Committee
- Member of Corporate Governance Committee

3. Dr.Rutohaneeporn Pookayaporn

- Independent Director
- Chairman of the Nomination and Remuneration Committee
- Member of The Audit Committee
- Member of Corporate Governance Committee

4. Mr.Chinapat Visuttiapat

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Risk Management Committee
- Member of The Audit Committee
- Member of Corporate Governance Committee

5. Ms.Suvabha Charoenying

- Independent Director
- Chairman of the Corporate Governance Committee



6. Mr.Thana Thienahariya

- Independent Director
- Member of The Audit Committee

7. Dr.Napassanun Punnipa

- Director
- Chairman of Executive Committee
- Member of Nomination and Remuneration Committee

8. Ms.Ratana Punnipa

- Director
- Executive Director
- Member of Nomination and Remuneration Committee

9. Mr.Ampon Oniam

- Director
- Executive Director

10. Ms.Somporn Ampaisutthipong

- Director
- Executive Director

Ms. Supiahaya Theppitak

- Company secretary



3+ million
Active customers



Total revenue
3,427 MB

Revenue growth
9%

Retail customers
90%

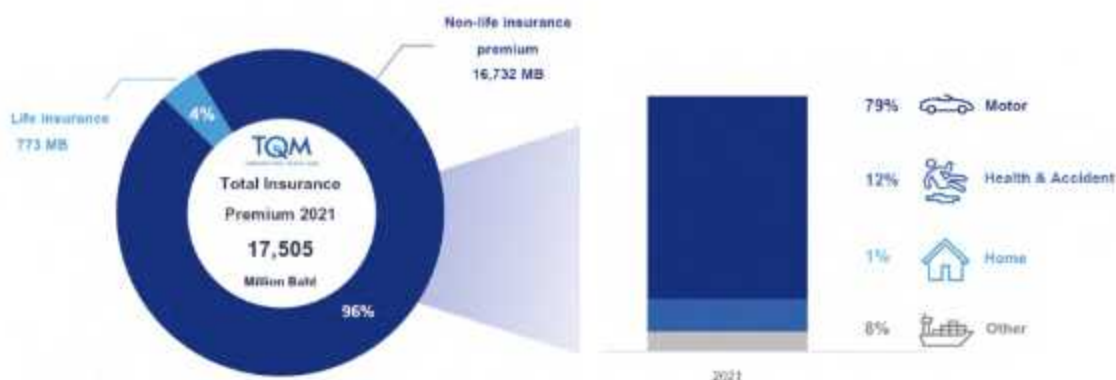
Corporate customers
10%

Net profit
892 MB

Net profit
27%

Insurance partners
50+

Employees
3,384



79
Branches

16
Service centers

73
Provinces

approx. 2,500 Sales representatives



Part 1

Business Operations and Performance



1. Company Structure and Operations

1.1 Business overview

TQM Corporation Public Company Limited ("the Company") was established on July 4, 2011 by Punnipa family to engage in business by holding shares in other companies (Holding Company) with the core business in providing insurance broker services. At present, the company business subsidiaries that operate TQM Insurance Broker Company Limited and five subsidiaries, namely TJN Insurance Broker Company Limited, True Extra Broker Company Limited and Surekrub.com Company Limited as non-life insurance brokers and TQM Life Insurance Broker Company Limited and True Life Broker Company Limited as a life insurance broker. In addition, the company also has 4 other supporting subsidiaries named TO 2020 Company Limited as a joint-venture for overseas investment, Casmatt Company Limited as an IT and software services, Easy Lending Company Limited which providing personal loan, TQC Company Limited which managing claim service for health and accident insurance, and one affiliate company named TQD Company Limited as insurance advisory. Which are collectively called the ("the Group of Companies")

The group of company runs insurance broker business by offering insurances to targeted customers, individuals and corporate i.e. cooperatives and government bodies. Sales team contacts customers through company sales channel e.g. Telemarketing, Online, Face to Face and Omni-Channel. Last year, the Company added new businesses to our portfolio leveraging existing customer base. The new businesses are personal loan provider and claim service management that are complementing our business as a comprehensive insurance broker and a trusted adviser for clients.

As of 31 December 2021, the Company and its subsidiaries in core business employ 3,384 employees including executives, salespersons and operations staff based at Head Office, 79 branches and 16 service centers nationwide.

1.1.1) Vision, Mission, Business Target

- **Vision**

To be a leader in Financial and Insurance Advisory with quality, sustainability, environmental and social responsibilities.

- **Missions**

- **Solution** : To be the advisor choosing suitable insurance products with the best customer's benefit.
- **Innovation**: to develop business processes, product, distribution channels, technology and unbeatable services
- **Cost Excellence** : To manage costs efficiently
- **Human capital** : To build, retain and develop employee to be a professional insurance and financial advisors with quality of life and happiness along with the organization.
- **Governance** : As corporate governance to be responsible for society and the environment.

- **Core Value**

Honesty, Equitability, Exclusive Services, Social Responsibility

The Board of Directors approved vision, mission and business target. The Board also review them annually and follow up with management to implement the vision, mission and business target. In 2021, vision, mission, business target and strategies were reviewed to ensure that management and staff had the same target and work in the same direction, to be in line with the changing economy and competition.



Strategic direction/ business target 2021-2022

Strategic direction	Business targets
1. Create reasonable return for stakeholders	1. Revenue increase 2. Cost control
2. Customer Centriolty & Engagement	3. Focus in excellent services for customers, creating brand loyalty in TQM brand 4. Develop quality database
3. Digital Transformation	5. Improve work processes, product, services and distribution channels with innovation and digital technology in order to be number 1 Digital Insurance Broker
4. Sustanablilty development	6. Build and maintain good quality of life for employees, becoming professional insurance and financial advisor in digital world 7. Integrate social, environmental and governance as a part of business operations

The Company has a long-term target to grow organically and inorganically to achieve 60 billion baht insurance premium within 2026.



1.1.2 Important changes and developments

On 20 December 2018, TQM was listed and traded on the Stock Exchange of Thailand for the first time with the ticker "TQM"

2019 Acquisition of TJN and being a price-weighted stock in indices

- 21 June 2019, price-weighted in FTSE Micro Cap.
- 1 August 2019, acquiring TJN Broker Co., Ltd. Transaction.
- 26 November 2019, price-weighted in MSI Small Cap MSCI THAILAND.
- 18 December 2019, announced by SET to be a price-weighted stock in SET100 from 1 January 2020.

2020 Appointing new directors, Expanding to Cambodia and Laos

- Appointing 1 additional director named Mr.Thana Thienachariya as an Independent Director. The Company's directors from 9 became 10, and 4 independent directors became 5 independent directors.
 - Investing in TO 2020 Company Limited ("Subsidiary"), as a joint-venture company to invest in the Kingdom of Cambodia and Lao People's Democratic Republic. The subsidiary was responsible for providing technical and other related support to the joint-venture by bringing modern technology into the insurance service, and would submit an application for approval to be an International Business Center: IBC to the Revenue Department in order to receive tax benefits and apply for investment promotion from The Board of Investment to receive benefits other than taxes.
 - Awarded 5-star rating in Corporate Governance Report (CGR) according to the 2020 IOD rating of the Thai Institute of Directors Association.
 - **Awarded 3 prizes from the Office of Insurance Commission (OIC)**
1. Awarded to TQM Insurance Broker Company Limited: The Best Quality Non-Life Insurance Broker Award 2019 on October 15, 2020.

2. Awarded to TQM Insurance Broker Company Limited: The Best Non-Life Insurance Broker Promotion 2019 on October 15, 2020.

3. Awarded to TQM Life Insurance Broker Company Limited: The Best Quality Life Insurance Broker Award 2019 on October 15, 2020.

- **Awarded Top Business Organization 2020, Top Insurance Broker Branch on 23 December 2020.**

- **TQM and BKI launching the first coronavirus insurance product.**

TQM Corporation Public Company Limited by TQM Insurance Broker or "TQM" in collaboration with Bangkok Insurance PCL or BKI joined hands to develop "Coronavirus Insurance" policy, especially the first in the country, hope to help Thai people fight the Wuhan virus by providing coverage "Virus found, get paid, receiving immediately 50,000 baht" without a health checkup. It was a light premium, easy to buy, only 299 baht for 1 year of coverage. Ready to step through the coronavirus outbreak together on February 4, 2020.

- **TQM opening a campaign 'more than love', giving insurance as a gift and the launch of a new presenter 'Bow-Mick'**

TQM Corporation Public Company Limited by TQM Insurance Broker or "TQM" created a new dimension to shake up the early-year insurance industry with insurance for your loved ones', launched a huge campaign named "More than love is a guarantee that cares" and invited insurance business partners to join the campaign welcoming the festival of love promoting a new sales system, 'Insurance Gifts', a gift of care', easy to buy insurance. Just click through all online channels, reinforcing InsurTech's leadership, ready to move forward in the aggressive marketing game, by new presenters of "Bow-Mick" as the first couple, ready to debut with a music series "More than a word of love" penetrating the hearts of customers of all groups, genders and ages.

- **New service launching TQM 24 Smart Services.**

TQM Corporation Public Company Limited by TQM Insurance Broker Company Limited or "TQM" launched a new service "TQM 24 Smart Services" to increase



confidence for customers to buy, pay, receive insurance policies, claim and other services from more than 40 insurance companies in one place via LINE official TQM Insurance Broker, responding to lifestyles in the Social Distancing era with Omni channel services both chat and call with real-time staff 24/7, along with Tele Health Consult services providing advice on health from a team of specialists through "TQM24 Smart Services", TQM revealed that after the release of a COVID insurance product, more than 1 million insurance customers purchased insurance policies, 80% of which were purchased online. Step into a new dimension, unlocking traditional sales and services, providing insurance, easy at your fingertips on April 20, 2020.

- **TQM joining hands with FSMART selling 100 Baht insurance through Boonterm kiosk, hope to expand new customers**

TQM Corporation Public Company Limited under the name "TQM Insurance Broker" push forward Micro Insurance collaborating with Forth Smart Service Public Company Limited offering insurance premiums ready to pay via Boonterm online kiosk at 130,000 kiosks nationwide reached 22 million users nationwide. Being confident as another channel to increase opportunities for Thai people to access insurance to manage risks in their lives easily and thoroughly, aiming at 1 million policies per year. Pointed as an important puzzle to support the overall picture in 2020, targeting 15,000 million baht on 16 September 20.

- **TQM releasing 3X insurance "the first time in Thailand penetrating the old car market, set the year '64 sales target to surpass 500 million baht"**

TQM Insurance Broker revolutionized car insurance service in Thailand, introduced "3X Class Insurance" with the concept of "Both Parties protection" with "Billion Survey" sending accident surveyor to take care at the point of all incidents under the campaign "Insurance for the little ones", penetrating the market of more than 9 million old cars nationwide, expecting to expand retail customers base. Premium only 1,800 baht eligible for installment, set a sales target of 2021 to reach 500 million baht. Executives was confident to increase opportunities for Thai people to access insurance easier on December 15, 2020.

2021

**2021 SET Award 2021,
investment in subsidiaries
and change of par value**

- **TQM joined with Shopee to enter e-commerce market with channel expansion**



25 January 2021, TQM launched 'TQM x Shopee 2.2 to shop COVID-19 insurance', giving Shopee Coin Cashback when buying COVID-19 insurance. TQM expected to launch more products that were easy to understand and customers can make decision on their own.

- **TQM sold COVID-19 vaccine side effect coverage to meet with the demand during vaccination campaign**
The policy was effective immediately, without waiting period. The coverage included hospital expenses for IPD, and compensation when admitted (over five days), case of coma and/or brain dead. It was launched on 2 February 2021 at price of 40 baht / year.
- **TQM promoted Valentine campaign with 'lung' package**

The campaign was 'Beyond Heart package' offering lungs insurance againsts PM2.5 and COVID-19, at affordable price (998 baht). It was sold through online channel for convenience. The key communication message was about 'lung' that was as important as heart, especially when the pollution and virus was unavoidable and raising concerns. It was launched on 10 February 2021.



- “DR. Napassanun Punnipa” received Numero Thailand Best Influencer Award 2021, in the category of Best Influencer in Life Protection Innovative by Numero Thailand Magazine on 8 March 2021.



- TQM Insurance Broker Company Limited (“TQM Broker”) co-invested with the team who had expertise in online marketing and platform to establish a new company called “Surekrub.com”. Its operations were on non-life insurance broker via online platform. TQM Broker invested in 59.9997% shares on 8 April 2021.
- TQM-BKI launched affordable health insurance for office workers

TQM joined with Bangkok Insurance Public Company Limited (“BKI”) to launch health insurance for office worker celebrating labour day. There were three health insurance plans launched on 1 May 2021, namely Health on top, Easy Health Insurance, and Income Compensation Insurance during hospitalization. Within May 2021, customers who bought the health insurance would receive cyber insurance to secure during “Work from Home”.



- TQM joined with BKI to launch “Now Normal insurance for salary man”

The health insurance was launched on 20 May 2021, covering COVID-19 treatment, side effect from COVID-19 vaccine, income compensation. The third wave of COVID-19 pandemic caused a lot of changes to be “New Normal”, especially managing financial plan and risks of their own health and family. The target group was both salarymen and freelancers.



• TQM launched TQM Home Insurance covering all risks

According to TQM's survey, most Thai people thought home insurance covered only fire. The misunderstanding led them to ignore importance of insurance. The Company launched a new product on 17 August 2021, utilizing an InsurTech as a tool on <https://home.tqm.co.th/> to calculate risk, appraise and estimate the size of land plot and floor area, prior to purchasing decision. This program has been in cooperate with Baania (Thailand) Company Limited who will help to provide the area of the house for customers' convenience. Furthermore, the customers will be providing statistics regarding natural disasters in Thailand in order for them to understand the risk. The platform offers more than 100 home insurance policies, targeting 3 separated customer segments, firstly, family leader who is more concerned about the house and family members, secondly, a group with out-going lifestyle and spend less time at home, and thirdly, young urban generation who is more concerned on valuable assets. The policies can cover all kinds of risk, including landslide, wind, fire, lightening, explosion, water-zipping, flood, burglary, break-in, glass-breaking accident, third-party accident etc. The target is to reach 5,000 million baht in 5 years' time.



• **TQM joined with True Extra Broker and True Extra Broker – 23 August 2021**

The collaboration is expected to generate growth for TQM by expanding non-life and life insurance market, driving the Company to achieve premium target of 25,000 million baht and to 50,000 million baht in 2026. TQM holds 51% of both companies. TQM invested 250 million baht in True Life Broker Company, which is a life insurance broker with customer base of more than 500,000 individuals. Their life insurance premium continues to grow, achieving more than 1,000 million baht in 2021, generating more than 120 million baht revenue and profit margin of more than 40%. TQM invested 16 million baht in True Extra Broker Company Limited, which is a non-life insurance broker, with more than 30,000 customers. Insurance premium in 2021 was expected to be 100 million baht with revenue of more than 10 million baht and profit margin of 30%.



• **TQM set up a subsidiary "Easy Lending" to enter personal loan provider market, launching in 4Q21 and targeting 300 million baht loan**

After being approved by the Bank of Thailand, in 4Q21, Easy Lending started business in personal loan market with plans to offer loans for installment when purchasing insurance. Started with TQM's 3 million customers nationwide, Easy Lending generated 20 million baht income. In 2022, it targeted to offer 1,500 million baht loan and generate 100 million baht income per year. It will be a new revenue stream for TQM, growing by cost control and revenue increase without large CapEx. Also, customers will benefit from keeping their credit line in their credit card and can manage other cash flows.

• **Cash on Delivery or COD by TQM**

Since 12 October 2021, customers who buy insurance from our online platform, namely TQM website, Line Official Account or TQM Official Facebook Fanpage with spending higher than 1,800 baht can choose Cash on Delivery (COD) service for more convenience.



• **TQM joined with AXA to launch microinsurance, at 12 baht per month through "Boon Term", mobile top-up kiosk nationwide – 2 November 2021**

This collaboration helped Thai people to get access to insurance for risk coverage easily with Boon Term mobile top-up kiosks all over Thailand. Products sold through this channel should meet the demand of Boon Term's customers, and in line with the policy of Office of Insurance Commission (OIC) to support micro insurance for Thai people to get access and benefit from the coverage at affordable price. Also, TQM, AXA and FSMART (operator of Boon term kiosk)





launched "Friend Gets Friends" campaign: customers who bought insurance at 123 baht per year at Boon Term kiosks will get Boon Term credit for free when they recommend friends to buy insurance.

- The Company won SET Award 2021 from the Stock Exchange of Thailand on 3 November 2021
- 1. Best Company Performance Awards in the category of listed companies with market capitalization over 30 billion baht but not more than 100 billion baht



- 2. Dr. Napassanun Punnipa, CEO received Outstanding CEO Awards



- 3. The Company was listed in 2021 Thailand Sustainability Investment (THSI)



- The Company achieve the Corporate Governance rating of five stars or "Excellent" Corporate Governance Report (CGR) according to Assessment of Thai Institute of Directors (IOD) for the second consecutive year.



- TQM received two awards from the Office of Insurance Commission (OIC) on 4 November 2021
- 1. "2020 Best Corporate Non-life Insurance Broker"
- 2. "2020 Best Corporate Non-Life Insurance Broker promoting insurance policy for public"



- The Company invested and held 99.999% shares in a new business providing claim services for health, accident, and consultation, called TQC Company Limited ("TQC") on 11 November 2021.
- TQM joined with AIS Business to develop 'TQM UBI Connect', a mileage motor tracker using 5G, and launched Usage Based Insurance (UBI) with the concept 'pay as you go'

This product were suitable for new behaviors when Thais commute to work less than before and stay home due to COVID-19. With the motor tracker,



customers could pay the premium based on mileage that they drove but the coverage is 24/7. This collaboration was with AIS, leader in innovation and technology in Thailand, to develop a platform on 5G technology to connect user behavior data. It was launched on 24 November 2021.

- Shareholders' Extraordinary General Meeting number 1/2564 on 28 December 2021, resolved to approve the change of par value from 1.0 baht to 0.5 baht, and number of shares increased from 300 million shares to 600 million shares, in order to increase the liquidity of shares traded in the Stock Exchange of Thailand. The new par was effective on 13 January 2022.



On 20 January 2022, TQM Corporation Public Company Limited won Thailand's Top Corporate Brand 2021 in the category of Non-life and Life Insurance. The award was presented in Asean and Thailand's Top Corporate Brands 2021 which is an award for top corporate brand value in Thailand and ASEAN for the year 2021. The award was organized by the graduate school of Brand and Marketing Management, Faculty of Commerce and Accountant, Chulalongkorn University, joining with the Stock Exchange of Thailand, which was held for 12 consecutive years.



1.1.3) Fund spending objectives

TQM Corporation Public Company Limited ("the company") offered 75 million capital increase common share to the public (IPO) during 12-14 December 2018 at the offering price of Baht 23.0 per share, totaling net amount of Baht 1,681.8 million after deduction of underwriting fee and expenses in connection with the offering. Details of the amount of fund spent as of 31 December 2021 are as follows:

Unit: Million Baht

Use of fund	Amount Received	Amount of spent as of 31 December 2021	Outstanding Balance
1. Improvement and Development of Information Technology System Project			
1.1 Development of sales channel in online system by Investing in Chat Bot of TQM Broker	15.0	4.8	10.2
1.2 Implement Disaster and Recovery Site (DR Site) of TQM Broker. ^{1/}	6.2	3.3	-
2. Development of business process by Investing in Enterprise Resource Planning (ERP) of TQM Broker	8.0	3.9	4.1
3. Investing in TQM's subsidiaries for working capital			
3.1 Investing in TQM Broker for working capital	200.0	200.0	-
3.2 Investing in TQM Life for working capital	40.0	40.0	-
4. Working capital within TQM Group	1,370.6	1,370.6	-
Total	1,639.8	1,622.6	14.3

Note: ^{1/} The change of purpose from Server Investment to "Cloud system" does not require any investment on hardware; therefore, the monthly fee shall be paid instead. The advantage of this change is to support further development and future usage demand.

1.1.4) Company information

English company name	TQM Corporation Public Company Limited
Ticker	TQM
Business type	Holding Company by Investing in Insurance brokerage companies
Head Office	123 Lat Pla Khao Road, Chorakhe Bua Subdistrict, LatPhrao District, Bangkok 10230
Company registration number	0107561000307
Phone	0 2119 8888
Fax	0 2119 9000
Website / Company Homepage	www.tqmcop.co.th
Registered capital as	
• at 31 December 2021	300.0 million baht
Paid-up capital as	
• at 31 December 2021	300.0 million baht
Type of share	
• Ordinary share as of 31 December 2021	300.0 million shares ^{1/}

Note: ^{1/} This number is prior to the change of par value. The Extraordinary General Meeting number 1/2564, held on 28 December 2021, the resolution was to approve the change of par value from 1.00 baht to 0.50 baht, effective on 15 January 2022.

1.2 Nature of Business

1.2.1) Nature of Business and Income Structure

Nature of Business

TQM Corporation Public Company Limited ("the Company") operates as a holding company, mainly insurance brokerage as core business, consisting of 2 types of insurance, which are non-life and life insurance, and 6 other related businesses: information technology, oversea investment, insurance and financial advisory services, financial services and health & accident claim services, altogether called "the Group of Companies".

Income Structure

Income structure of the Group of Companies according to the financial statements, as of 31 December 2019 2020 2021 are, as follows:

Business	Operated by	as of 31 December					
		2019		2020		2021	
		MB	%	MB	%	MB	%
1. Non-life insurance revenues	TQM Broker TJN	2,634.2	94.6	2,998.7	95.6	3,142.9	91.7
- Brokerage income	TRUE Extra	1,570.9	56.4	1,774.7	56.6	1,920.2	56.0
- Other service income ^{1/}		1,063.3	38.2	1,224.0	39.0	1,222.7	35.7
2. Life insurance revenues		77.3	2.8	83.8	2.7	130.6	3.8
- Brokerage income	TQM Life	71.4	2.6	74.2	2.4	116.3	3.4
- Other service income	TRUE Life	5.9	0.2	9.6	0.3	14.3	0.4
Total service incomes		2,711.5	97.4	3,082.5	98.3	3,273.5	95.5
Other income ^{2/}		72.3	2.6	53.6	1.7	153.4	4.5
Grand Total		2,783.8	100.0	3,136.1	100.0	3,427.0	100.0

Remark: ^{1/} Other service income, operated by TQM Broker, TJN and Casmart

^{2/} Other income: Interest income, dividend income, income from other services and consulting, compensation, gains from bargaining purchase etc.

The Company's main income comes from insurance brokerage services, accounting for approximately 95.5% of the total revenue of the Company, consisting of income from non-life and life insurance brokerage and other service income which receives from insurance companies that are the business partners of the Group. However, other service income is both in a fixed amount and fixed ratio of the insurance premium that the Group can sell to its customers, such as service fees for car inspection, policy publishing and delivery, claim services and/or service fees for data storage, etc. In addition, other service income is an additional service that has a nature of work other than those related to pointing out or soliciting to enter into insurance contracts that the Company has provided to its customers and business partners. The said service income is not under the control of government agencies. Type of business can be detailed, as follows:



1) Non-Life Insurance Brokerage Business

TQM Insurance Broker Company Limited (TQM Broker), a subsidiary of the Company, operates as a non-life insurance broker, receiving income from selling non-life insurance and other service income from non-life insurance companies, etc. Motor insurance is the biggest type of insurance sold. It accounts for approximately 91.7 percent of the company's total revenue. The income from the insurance brokerage business can be divided into 2 types, as follows:

- *Non-life insurance brokerage income*

Non-life insurance brokerage income is income from selling various types of non-life insurance from non-life insurance companies. Which is a partner of the group of companies. TQM Broker will receive a non-life insurance commission. From being a broker from a non-life insurance company at an agreed rate between TQM Broker and the non-life insurance company for the car insurance group (Motor), the rate is not more than 12% of the insurance premium. For the compulsory motor insurance group, the Act and the rate does not exceed 18% of the premium for the voluntary motor insurance group. Such rates are in accordance with the highest rates according to the Notification of the Office of Insurance Commission ("OIC") regarding wages or gratuities. For non-life insurance agents and non-life insurance brokers, 2008. As of December 31, 2021, the Group has a total of 1,500 non-life insurance sales representatives 1,442 salespeople affiliated with TQM Broker, 3 employees affiliated with TJN, and sales staff affiliated with TQM Life number of 66 people) who have been licensed as insurance brokers from the Office of Insurance Commission. All of them are selling non-life insurance through various channels, including telephone (Telemarketing), online (Online) and direct sales (Face to Face) and other affiliates (Business Partners)

- *Other service income*

Other service income. Income from non-life insurance companies that are trade partners of the Group pays to the Group as agreed upon as compensation to the Group for other actual services such as services for publishing and delivering the policy, which TQM Broker provides as a policy publisher and deliver the policy to customers Cost of liaising with customers who are affected by the accident with the insurance company and storage charges in the form of audio files and image files, etc., other service revenues are not under the control of government agencies.

2) Life Insurance Brokerage Business

TQM Life Insurance Broker Company Limited ("TQM Life"), a subsidiary of the Company, operates as life insurance broker. The income comes from the brokerage fee of selling for both personal and group life insurance and other service income, as detailed belows:

- *Life insurance brokerage income*

Income from a life insurance broker It is income from the sale of life insurance from an individual life insurance company, and group type at the rates agreed between TQM Life and the life insurance company. At the rate of not more than 40 percent of the first year life insurance premium, which is the highest rate. The life insurance commission rate will decrease as the number of years increases. The said life insurance commission rates are in accordance with the OIC's announcement regarding wages or gratuities. For non-life insurance agents and non-life insurance brokers 2008, as of December 31, 2021, the Group has a total of 112 life insurance salespeople 55 salespeople under TQM Broker and 57 salespeople affiliated with TQM Life) who received certificates. Licensed to be a life insurance broker from the Office of Insurance Commission by selling life insurance through the channels of the group of companies such as sales via telephone (Telemarketing) and distribution through direct sales (Face to Face), etc.

- *Other service income*

It is income from life insurance companies that are partners of the group of companies, paid to the Group as agreed upon to compensate the Group for other actual services such as claim service fees and storage charges in the form of audio files and image files, etc. This other service revenues are not under the control of government agencies.

1.2.2 Product Information

(1) Characteristics of Products or Services and Development of Business Innovation

1) Non-Life Insurance Brokerage Business

The Group operates a non-life insurance brokerage business. Under the operation of TQM Broker, it is registered as a non-life insurance broker and holds a license no. 19/2546 and TJN is registered as a non-life insurance broker and holds a license no. Wor00026/2559, which is a subsidiary of the company. Licensed to operate a non-life insurance brokerage business all types of non-life insurance products sold it will be a non-life insurance product of various insurance companies that have been approved by the Office of Insurance Commission. All products will be selected from insurance companies in Thailand, Which is a partner of the group for a long time, more than 32 companies that have a policy form suitable for customers and reliable make non-life insurance products Offered for sale are diverse, reliable, attractive designs. And not complicated to sell insurance that can meet the needs of the target customers as much as possible.

TQM Broker, TJN and SureKrub offer various types of insurance policy, as detailed belows:

1.1) Car insurance group (Motor)

1.1.1) Compulsory Motor Insurance Group (Act)

Compulsory car insurance or commonly referred to as Compulsory car insurance (Act) is insurance as prescribed in the Car Accident Victims Protection Act, B.E. 2536 to provide protection and compensation for damages incurred from motor vehicle accidents, whether drivers, passengers, pedestrians, to be covered against loss of life, body, health. Currently, TQM Broker is a local auto insurance broker, Compulsory cars that do not exceed 7 seats, including 4-seater cars (saloons), pickup trucks and vans, with compulsory car insurance premium rates. (Excluding tax) 600 to 1,200 baht per year, which will be different rates according to the type of vehicle.

1.1.2) Voluntary Motor Insurance Group

It provides protection against liability for life, internal medical care and people outside the car Protection of Third-Party Assets and insured cars in the event of a natural disaster. Or accident, the law does not force the owner of this type of insurance. But voluntary auto insurance is still widely popular.

1.2) Fire Insurance

Fire insurance It is non-life insurance that covers the insurance of buildings, buildings, residences, commercial buildings, industrial plants, property, buildings, goods, as well as machinery and raw materials in industrial plants. due to fire, lightning or explosion of gas for use in cooking. In addition, customers can also extend additional coverage such as floods, earthquakes, hail, and wind storms, etc. The insured assets can be divided into buildings, furniture, decorations, fixtures, goods, machinery, and others. Policy conditions include currency, banknotes, paintings, designs, patterns, molds, etc., with insurance coverage areas throughout Thailand.



1.3) Marine Insurance

Marine and transport insurance is insurance covering loss or damage to ships and property or cargo in transit by sea. It also extends the coverage to damages while transporting goods by air, land or rail, which is connected to sea transport. Insurance of goods during transportation by any means of transport, they are collectively referred to as ocean freight insurance. In which the insurance for the cargo will use the marine transportation insurance policy to underwrite all insurance, even if the cargo is carried by car or by air Marine and transportation insurance can be divided into two types:

1.3.1) Hull Insurance

1.3.2) Cargo Insurance

- Inland Transit
- Marine Cargo Insurance

1.4) Miscellaneous Insurance

1.4.1) Property Insurance

Property insurance It is a non-life insurance that provides protection against loss or damage to the insured property caused by the act of a third party villain, by theft, robbery or gang robbery which the criminal has entered or left the insured place Including the coverage also includes damage incurred to the building which is the place where the insured property is stored due to theft of criminals. Examples of property insurance include Burglary, All Risks, or Money Insurance, etc.

1.4.2) Liability Insurance

Public liability insurance It is a non-life insurance which provides protection against damage that will occur to third parties, whether damage to property or bodily injury as well as the death of a third party which the insured must legal liability but does not provide protection against direct damage to the insured's property or body as well as coverage for the risks that may arise from errors, violations or causing injury or loss to others, by accident Examples of liability insurance for the public (Liability Insurance) include liability insurance against third parties (Premises), liability insurance arising from products (Products Liability), etc.

1.4.3) Engineering Insurance

Engineering Insurance is non-life insurance that provides protection against damage to property or equipment, including injuries to employees from accidents during installation, assembly or construction. Examples of Engineering Insurance are: Machinery insurance, boiler and pressure vessel insurance, electronic equipment insurance, etc.

1.4.4) Financial Insurance

Financial Risk Insurance and a guarantee (Financial Insurance) is a non-life insurance. Possible damages related to money or financial loss by example of financial risk insurance and financial insurance, such as Fidelity Guarantee, Bail Bond Insurance, Trade Credit Insurance, etc.

1.4.6) Personal Accident PA

Personal accident insurance is a non-life insurance that provides protection to the insured in the event that the insured Accident, bodily injury and if the result of the injury results in the Insured having to seek medical treatment or severe to the point of disability dismemberment or died The insurance company will be responsible for the expenses incurred from Medical treatment of the insured or pay compensation to the Insured if the Insured suffers dismemberment, disability or death.

1.4.6) Personal Health Insurance

Personal health insurance It is non-life insurance in which the insurance company agrees to compensate the costs incurred, from the insured's medical treatment including in the event of an accident that causes the insured's death or loss of organs, etc.

1.4.7) Travel Insurance

Travel accident insurance It is a non-life insurance that provides protection to the insured in various cases such as the insured's illness, death, dismemberment, or permanent disability from an accident Compensation for medical expenses while traveling emergency moving costs lost luggage damaged luggage including the cancellation of the trip Cancel flight or flight delay When the insured travels abroad

1.4.8) Miscellaneous

Other miscellaneous insurance is another type of insurance that may not be grouped with the above types of insurance. This may be a new product group such as extended warrantee insurance, crop insurance and motor add on insurance

In addition, for home insurance, the Company launched "TQM Home Insurance" on 17 August 2021. The Company utilizes an InsurTech as a tool on <https://home.tqm.co.th/> to calculate risk, appraise and estimate the size of land plot and floor area, prior to purchasing decision. This program has been in cooperate with Baania (Thailand) Company Limited who will help to provide the area of the house for customers' convenience. Furthermore, the customers will be providing statistics regarding natural disasters in Thailand in order for them to understand the risk. The platform offers more than 100 home insurance policies, targeting 3 separated customer segments, firstly, family leader who is more concerned about the house and family members, secondly, a group with out-going lifestyle and spend less time at home, and thirdly, young urban generation who is more concerned on valuable assets. The policies can cover all kinds of risk, including landslide, wind, fire, lightening, explosion, water-zipping, flood, burglary, break-in, glass-breaking accident, third-party accident, etc. The target is to reach 5,000 million baht in 5 years' time.

In 2021, the Company signed a contract with True Extra Broker Company Limited (True Extra), acquiring 51 percent shareholding in order to expand insurance business for sustainable growth. True Extra has operating license no. Vor00009/2557 with 19 insurance partners, offering 13 types of insurance products, as follows:

- | | |
|------------------------------------|------------------------------|
| 1. Compulsory motor insurance | 8. Industrial all risk (IAR) |
| 2. Voluntary motor insurance | 9. Guarantor insurance |
| 3. Vaccine side-effect insurance | 10. Health insurance |
| 4. Cash insurance | 11. Fire insurance |
| 5. COVID-19 insurance | 12. Travel insurance |
| 6. Third-party liability insurance | 13. Accident insurance |
| 7. Golf insurance | |

2) Life insurance brokerage business

The Group operates a life insurance brokerage business. Under the operation of TQM Life, a subsidiary of the company licensed to operate life insurance brokerage business. Holds business license No. Cho00014/2551, which can sell various types of life insurance. TQM Life sells a total of 2 types of life insurance: and group life insurance All types of life insurance products that TQM Life sells are life insurance products that have been approved by insurance companies from the OIC. TQM Life will select products from leading life insurance companies in Thailand that are partners of the group of companies. For more than 20 companies, the life



insurance products offered by TQM Life come in many forms, are reliable, have interesting patterns. And it's not complicated, making TQM Life able to offer life insurance that can meet the needs and needs of every group of customers, which can be divided into 2 types of life insurance as follows:

2.1) Personal Life Insurance

2.1.1) Endowment Insurance

It is life insurance that life insurance companies. The sum insured will be paid to the insured upon the expiration of the contract term, or pay the insured money to the beneficiary when the insured dies within the term of the insurance Savings life insurance is a combination of life protection and savings, part of savings is the part that the insured receives when the contract expires.

2.1.2) Whole Life Insurance

It is a life insurance with a lifelong coverage period, which mainly focuses on providing life protection benefits if the insured dies at any time while the policy is in effect The life insurance company will pay the sum assured to the beneficiary, or if the insured has lived the life of the policy contract can get the insurance back.

2.1.3) Term Insurance

It is life insurance that life insurance companies. It pays the beneficiary when the insured dies during the term of the insurance. This type of life insurance has no savings. Insurance premiums are therefore lower than other types and there is no refund if the insured stays until the contract expires. The term life insurance (Term Insurance) includes personal accident insurance (Personal Accident: PA) that currently life insurance companies sell personal accident products, that provides protection in the event of the insured's death, total permanent disability Loss of organs or other things as specified in the policy

2.2) Group life insurance

It is life insurance in which one policy will have 5 or more people insured together, providing coverage for group members under the same policy. This is generally a benefit where the employer purchases coverage for the employee. Usually the employer will pay all the premiums, or help pay half Most of them are a group of company employees. In considering the insurance of the life insurance company, there may be a health check or no health check, at the discretion of the insurance company

In 2021, the Company signed a contract with True Life Broker Company Limited (True Life), acquiring 51 percent shareholding in order to expand insurance business for sustainable growth. True Life has operating license no. "Ch.00003/2553" with 13 insurance partners, offering 6 types of insurance products, as follows:

- | | |
|----------------------------|------------------------------|
| 1. Group life insurance | 4. Personal health insurance |
| 2. Personal life insurance | 5. Group accident insurance |
| 3. Group health insurance | 6. Personal health insurance |

3. Information technology and software services business

The Group provides information technology and software services operated by Casmatt in order to support business with comprehensive information system. The services provided by Casmatt can be summarized as follows:

- 1) Consulting on business process management (Business Solution), including sales and product recommendations via telephone (Telemarketing) and management of customer service systems via telephone (Call Center Management) as well as processes for managing sales and service operations through various systems (Operation). Casmatt will research cutting-edge technologies to develop a model of Services to meet users in terms of hardware, network, software production, system quality check and data research analysis

- 2) Consulting on digital market research by focusing on fast service, access and understanding of specific customers by providing services covering Public relations through popular Social Platforms such as Facebook, Line, Instagram, including the use of SEO Technique (Search Engine Optimization), which is the development and improvement of the website to be on the top. In search results pages through the Google website for analyzing and collecting statistical data (Google Analytic), statistical data management (Tag Manager), communication system (Chat Bot Engine) and applications (Mobile Application)
- 3) Consulting on data analysis (Data Analytics) and the development of software systems that use existing data to produce reports in various formats (Business Intelligence) suitable for the perspective of analysis, show relationship and predict the outcome of potential trends, meet the needs of the organization For the benefit of various strategic planning and to support executive decision-making quickly and can be used to plan or respond to business problems in a timely manner
- 4) Consulting on the development of operational system installation and the installation of data center systems such as Mail, DataBase, Proxy & Firewall Server, for both small and large organizations.

4. Insurance and financial advisory services

The Group provides insurance advice, through the form of filling by the customer and service. In 2020, launching a new advisory service, "TQM 24 Smart Services", increasing confidence for customers to choose, buy, pay, receive policies, report claims and receive other services from more than 40 insurance companies. The only way through LINE TQM Insurance Broker responds to lifestyles in the social distancing era, along with Omni channel service, both chat and call with real-time employees 24 hours a day, and complementary to Tele Health Consult services, providing health advice from a team of specialist doctors. Through "TQM 24 Smart Services" which is the first insurance broker in the country to provide this service. It is a consulting service from a team of more than 400 doctors who will provide an early diagnosis of symptoms, so some patients do not need to see a doctor at the hospital. Save time and money In the first phase, Tele Health Consult service will be launched through TQM 24 Smart Services.

In 2021 TQD provided the following services:

1. System development TQD developed insurance brokerage system for 2 main clients. This is to support the growth of digital insurance market. Our clients can increase the efficiency of their sales channel through the sales process. TQD also developed and provided maintenance services for mobile applications.
2. System development for own-use TQD developed mobile application for insurance agent, called "Friday", as a tool for the group of agents, both life and non-life. This is to get access to products, services and other knowledge bases in order for them to professionally and effectively sell insurance products. The launch was on 14 January 2022.
3. Insurance Community TQD's website, "noon.co.th", had more than 399,000 visits in 2021. This is a source of revenue from lead generation with the conversion ratio at 4.7 percent.

5. Oversea Investment

On 11 November 2020, the Company resolved to invest in TO 2020 Company Limited (TO2020) with 99.99 percent shareholding. The purpose of TO2020 is to invest in a joint-venture company, BIC Insurance Com pany Limited (BIC), together with Asia Investment and Financial Services Co., Ltd. (AIF). BIC will operate insurance business in Cambodia and Laos, which are high-growth countries. This will be a source of growth for the Company in the future. TO2020 holds 49 percent of the registered capital. This investment will be an important step for the Company to be the number 1 digital insurance broker in ASEAN region, toward the Company target of 50,000-million-baht premium in 2026.



Under the above cooperation, the Company will provide technology, expertise in sales and marketing to capture both corporate and retail customers, via digital platform. However, this is under the process of setting up business in Cambodia. BIC has obtain 2 licenses for motor and personal accident insurance from Insurance Regulator of Cambodia (IRC) and plan to commence the operation in 2022.

6. Financial Services

Easy Lending Company Limited ("Easy Lending") was registered on 20 January 2021 with the objective to operation personal financial services, under the regulation of the Bank of Thailand.

In the initial stage, Easy Lending focuses on providing personal loan to TQM Broker's customers. This will strengthen TQM Broker's services and expand customer base due to increasing customer's affordability.

Later, Easy Lending will extend to provide personal loan to other customer segment. Moreover, Easy Lending will develop a technology platform as a tool to connect with customers for the ease of services.

In the current economic situation, many customers are in financial difficulties and find it very difficult to obtain personal loans from financial institutions. People look for alternative sources for personal loan from non-bank. The market opportunity is very lucrative for the Company to capture this segment.

7. Health and Accident Claim Services

TQC Company Limited operates claim services for health, accident and life insurance

The Group of the Companies provides claim services to all customers. For health, accident and life insurance,

TQC carries out this operation as one-stop service, as summarized belows:

- 1) Provide services and advices about claim for retail customers, corporate clients both private and public sectors, life and non-life insurance companies
- 2) Provide the following support to life and non-life insurance companies, and both domestic and overseas organizations.
 - a. Manage claim and claim checking
 - b. Manage reimbursement of medical treatment cos and other benefits
 - c. Manage and provide advice on fringe benefits, privileges of medical treatment and claim
 - d. Manage and control claim
 - e. Collect and store data, analyse and distribute statistics on health, claim, medical treatment cost and other fringe benefits
 - f. Analyse and research on medical cost and claim
 - g. Provide advice on fringe benefits related to healthcare, medical treatment, cost and claim
 - h. Process claim and payment on behalf of insurance companies
- 3) Become healthcare consulting and one-stop service center
 - a. Provide healthcare advice and training to all parties
 - b. Provide training about health, hygiene, medical cost, claim, relating to health and accident
 - c. Be a medium for healthcare business for all channels including the payment services of products and services
 - d. Procure medicine, medical equipment vaccine etc. to both corporate and retail customers

8. Digital Insurance Broker

In 2021, the Company invested in SureKrub.com Company Limited (SureKrub), which operates application and online platform. The investment is done through TQM Broker, of which TQM Broker holds 60 percent in SureKrub, with the registered capital at 6 million baht.

The objective of SureKrub is to provide services as insurance broker for retail and corporate customers through online channel. SureKrub has developed website and mobile application as sales channel, and will use analytics tool, together with state-of-the-art user interface in order to get the best customer journey, serving new generation.

In 2021, the Company received the proportion of sales under insurance, as follows:

Table of proportion of sales by type of insurance

Sales Data		2021		2020	
Insurance type	Insurance Premium (million baht)	Ratio	Insurance Premium (million baht)	Ratio	
Car Insurance	12,889	73.63%	11,830	78.76%	
Fire Insurance	265	1.51%	152	1.01%	
Marine Insurance	17	0.10%	30	0.20%	
Accident and Health Insurance	2,994	17.10%	1,750	11.65%	
Miscellaneous Insurance	567	3.24%	405	2.70%	
Life Insurance	773	4.42%	853	5.68%	
Total	17,505		15,020		

Note : Comparison of sales according to the notification date. Data as of December 31, 2021.

(2) Marketing and Competition

1) Situational, Industry and Competition Analysis

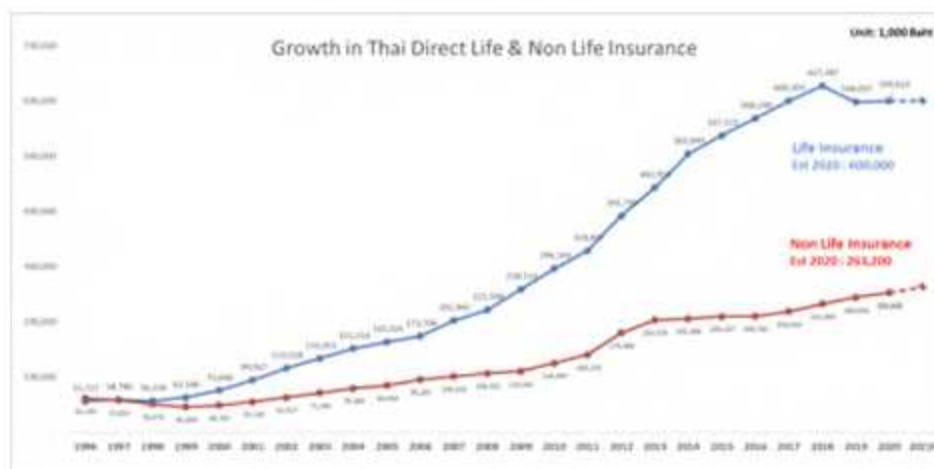
Thailand's economy is forecasted to reach the bottom at the third quarter of 2021. Gross Domestic Product (GDP) grew at 0.7 percent and expected to expand at 3.7 percent in 2022, supported by the expansion of the domestic demand as consumption will become higher. However, it is necessary to monitor 3 factors, which are:

1. The development of pandemic-control measures
2. The continuation of stimulus package from government
3. Foreign countries, in term of travel restriction and decreasing visitors that will affect both tourism and airline industries.

For insurance industry, since the sales of COVID-19 insurance from March 2020 to 15 October 2021, there are 44.55 million policies with the total premium at 10,760 million baht approximately and total claim at 21,075.60 million baht, about 70,000 baht per policy on average. The claim ratio is about 13 percent and there are 15 million policies more still in effect that will expire by June 2022. This has put tremendous pressure on the liquidity of the insurance industry. In 2022, if GDP grows around 3.7-3.9 percent, it is forecasted that the total premium of insurance industry will grow approximately 3.17-5.69 percent, reaching the total value of 0.9 trillion baht. Therefore, in order to survive in 2022, insurance industry has to adapt with the following strategies: 1. Adjust to the new normal of Thai people 2. Manage cost more efficiently and use more digital technology 3. Create new insurance product (Source: OIC, Krungtheptharakij website on 10 November 2021)



Insurance Premium by Type, 1996 – 2021F



Source: OIC

The estimated insurance premium in 2021 was at 853,200 – 873,200 million baht, increased 0.09 – 2.44 percent. The premium of non-life insurance was at 263,200 million baht, +4.2 percent year-on-year, while the premium of life insurance was at 590,000 – 610,000 billionn baht, +/-1 percent year-on-year.

For non-life insurance, motor insurance market grew 0.3 percent and other non-motor insurance went up 9.6 percent due mainly to industrial all-risk insurance which rose 4.3 percent from mega projects and increased export volume. COVID-19 insurance soared at 121.3 percent and personal accident insurance grew at 8.2 percent.

For life insurance, the situation of COVID-19 has not fully recovered and put pressure on the market. Hence, the market expanded at 1.5 - 2.5 percent, similar to the GDP growth of Thailand. In term of product, the most promising products are universal life insurance and unit-linked insurance as a result of relatively low interest rate. Insurance products which are perceived as an investment too have become more and more popular. Yet, it is important to educate customers as the products are quite complex with plenty of details. At the same time, several development for healthcare both online and offline, for instance, telemedicine, emergency medical assistance and transportation etc., linking directly with hospital system has provided remarkably speed and convenience. There are also higher demands on annuity insurance because it is fit with more aging population in Thailand and also suitable to be a financial instrument for saving for the retirement.

The projection of non-life insurance premium in 2022 is approximately 267,100 - 269,800 million baht, increasing at 1.6 - 2.6 percent year-on-year, again, closed to the GDP growth. The uncontrollable factor is the Omicron variant of COVID-19 pandemic, which will affect both Thai economy and non-life insurance sector in the first two quarters of 2022. Anyhow, health insurance may grow as a substitution of COVID-19 insurance which will soon expire.

There is no estimation on the total life insurance premium in 2022 from Thai Life Insurance Association so far due to a number of volatile factors. Nevertheless, it is expected to grow at the same level as the GDP growth. There will be considerable new life insurance products developed and launched. The development of digital/online channel, after-sales services, digital face-to-face selling and agent/broker training will be intensified. This is to continuously lift their service level to customers.

Although COVID-19 pandemic has adversely affected Thai economy and insurance industry in 2021, the Company remains growing, according to its business plan, thanks to the following factors:

1. The readiness of online platform/channel and ability to cope with work-from-home mode for employees. This allows all sales activities to be carried out as normal, contributing to higher sales and target achievement.

2. New products launch: Quick product development and introduction to the market have been done to respond to customer needs, for example, vaccine side-effect insurance, surf-skate accident insurance etc.

3. Consumer behavior has changed and more get accustomed to online transaction. After almost 2 years of COVID-19 pandemic, business has to adapt accordingly. Government's stimulus measures that required Thai people to register an online application and spend with it has migrate Thai people into digital native sooner than later.

4. The Company's policy to streamline its business processes to be more agile and adaptive allowed both sales and operations to execute smoothly

2) Marketing Policy in the Past Year

In 2021, the Company pursued its digital strategy consistently and continuously with clear objectives to develop digital platform by bringing in technology to develop products and services, under "TQM Digital" strategic program.

In 2021, the Company launched TQM Home Insurance, utilizing Insurtech as a tool to develop <https://home.tqm.co.th/>, as mentioned earlier. Furthermore, the Company emphasized on research and development and innovation in products and services in order to serve each customer segment by partnering with insurance companies and using Big Data to analyse consumer behaviors and needs for both existing and new targeted customers. The Company also adapted and developed new sales approaches for those insurance products that there are rooms for further penetration, for instance, home insurance, other add-on products etc. Upselling, cross selling and partnership with other businesses have been utilized with new business models in order to expand customer base. As a result of COVID-19 pandemic in 2021, the Company has cooperated with insurance partners to launch various COVID-19 insurance policies to cover medical treatment cost, vaccine side-effect and so on

The investment in True Life and True Extra in 2021 will expand the Company's customer base to new segment for further growth too.

Long-Term Operating Plan

For the trend of insurance industry at the end of the decade or the year 2030, McKinsey & Company, Financial Services analysed in an article, "Insurance 2030-The Impact of AI on the Future of Insurance", and mentioned 4 business trends, which are in line with the Company's long-term strategies.

(Source: <https://www.mckinsey.com/industries/financial-services/our-insights/insurance-2030-the-impact-of-ai-on-the-future-of-insurance>)

1. Distribution channel and real-time services: the Company has continuously developed new channels, from face-to-face and tele-sales to social platform including facebook and LINE (chat-platform) application. The Company also developed TQM24 mobile application which the customer can see all related information and do all transaction conveniently and quickly at their fingertip, including claim, renew a policy, payment etc.

2. Insurance products will become even more niche and pricing remains an utmost decision factor. Yet, it is important to avoid price war. The customer tends to buy only really necessary insurance products. The Company needs to offer various products according to their needs, utilizing more in-depth information, for example, the health or genetic information of the customers. In addition, insurance products will concent more with Internet of Thing (IoT) and collect more data through smart or wearable devices, for instance, watch, shoes etc. in order to analyse and timely offer the right products.

In 2021, the Company introduced an IoT, Motor Tracker, with Usage Based Insurance (UBI) for motor insurance, suitable for a customer with less driving distance, especially during COVID-19 lock-down period.

3. Claim on motor insurance will diminish as newly developed car will become safer. Insurance company therefore needs to streamline claim process to be easy and fast with IoT. Artificial Intelligence (AI) will be able to take care of the customer, especially emergency case, for 24 hours and 7 days a week.

Thus, the Company has constantly developed 24-hour customer services for both offline channel through telephone line by customer service agents and online channel through facebook chat and LINE official account.



4. AI technology will play a vital role in insurance business. It is mentioned that AI will be utilized more and more, especially the analysis of market needs and pricing. Human will have to work with AI and become a new hybrid team with a great deal of efficiency.

The Company has set a foundation about this by developing a data science team to analyse Big Data using AI for both sales and services. Digital roadmap remains in 3 stages:

Short-term: Digital Readiness – prepare the fundamentals for Digital Transformation throughout the organization by utilizing technology and develop 3 main areas, as follows:

- Empower Employees: prepare employees to be ready for the transformation, get to know tools and technologies better
- Optimize Operation: prepare the business to be ready with higher efficiency
- Better Customer Experience: prepare a better process for the customer journey and purchasing experience

Medium-term: New Digital Technology Adoption – focus on applying new technology in order to create a robust customer-centric business process and utilizing technology platform to market all insurance products in all channels.

- The platform will enhance both selling and service process to be fully automated and serve the customer faster and better
- Technology will help to integrate with business partners to support sales expansion strategy
- Build system and platform to support up-selling and cross-selling strategy

Long-term: System of Intelligence – aim to utilize data to analyze the products in order to cope with changing consumer behaviors, further build and improve the digital platform for both selling and service processes. The analysis will use Machine Learning, Deep Learning and AI as tools to offer the right products and services to the customers who will be able to access to product information and clearly understand the benefit of holding insurance policies.

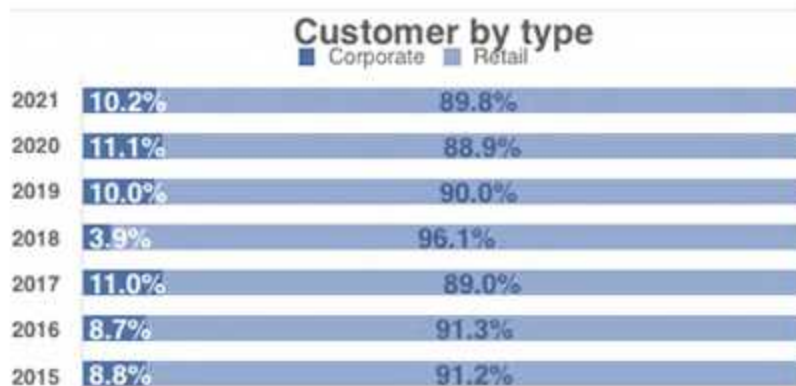
Target Customer

1. General retail customers

A retail customer means individuals who want to buy non-life or life insurance. Services for retail customer will depend on many factors including policy type that meets customers requirement, reliability and stability of insurance companies, sales promotions, quick and convenient service through the communication channels of the Group, advertising, public relations, information received and etc.

2. Corporate customers

Corporate customers are companies, department stores, industrial factories, various cooperatives and government agencies and entrepreneurs. Most corporate customers will buy property insurance, Employee Life Insurance and employee health insurance. The corporate customers will make buying decision from companies' reputation and credibility. In addition, the company has corporate sales representatives to keep contact of corporate customers for continuing good service.



From the above customer ratio, it could be found that the proportion of the Company's were mostly retail customers, so they were considered to be good diversification and would not have the effect of relying on few customers, and as a result of having a large retail customer base, the company had the opportunity to expand its work in the corporate customer groups more in the future. Sales Channel

Distribution and Channel

The Company currently had 6 main sales channels, as follows:

1) Telemarketing

It was a presentation of insurance products through the telephone channel offering both non-life insurance and life insurance to retail customers. Most of the products were car insurance and accidents that customers could understand and agree to buy insurance immediately. This channel was the company's main sales channel with more than 2,000 salespersons in service.

2) Corporate Representative

It was offering insurance products to customers in the form of a company or juristic person, separated into 2 groups:

- 2.1) Non-life insurance products: all products of non-life insurance according to customer business type. This required experienced staff to present and describe complex products compared to retail customers.
- 2.2) Life insurance products: life insurance products offering in the form of Employee Benefit.

3) Marketing Branch

It was a sales channel through salesperson located at the Company's branches nationwide offering a wide variety of insurance products and selling to both retail customers and corporate customers not being reached by Telemarketing and Corporate sales.

4) Online Platform

It was offering products through various Online Platforms such as Facebook, Line, Website and Affiliate Website, etc. In this channel, customers could purchase both insurance types. A customer could purchase insurance by oneself, called Complete Online, or a customer wished to purchase insurance and let the salesperson to contact back to present and explain the interesting insurance details.

5) Agent / Broker

It was a channel for offering products through brokerage agents under TJN Insurance Broker responsible for offering various types of insurance products to prospective retail customers, small and medium organizations. The company would support trainings, insurance products, and a working system with a platform for of agents / brokers.

(3) Product and Service

1) Business partner selection

The Group had guidelines for selecting and recruiting business partners, insurance companies. Selecting and Recruiting partners as follows:

- (1) The insurance company must have financial stability and comply with the laws, rules and procedures related and notices under the supervision of the OIC.
- (2) The insurance company must provide products to meet the needs of the Company's customers.



- (3) The insurance company must have expertise and experiences in underwriting, risk management and management.
- (4) The insurance company must arrange after-sales service and claims, be honest, fair, responsible for customers according to the conditions specified in the policy.

The group of companies treats insurance companies equally, except in the event of a joint project or special activity as an Exclusive Partner, which insurance companies are referred to as "insurance partners"

In 2021, the Group had 32 insurance partners and 20 life insurance companies and in 2022, the Company would open to more partners to increase the potential for a wider variety of products.

2) Insurance product selection

The Group had a product development department to screen and decide what kind of insurance products to sell. It would analyze customer databases such as age, income, behavior and other information to identify customer needs and to select suitable product for customers.

The department would have the criteria for considering insurance products from insurance companies such as providing pre- and post-sales services of insurance companies, marketing and promotion etc.

The product selection process started with the Product Development Department, organizing meetings with the management team to consider customer needs and jointly summarize the types of insurance products that would be offered for sale to customers. The product development department would then discuss with the insurance company in order to offer a productsuitable product. It would also offer a range of insurance products that only the group of companies could offer. The product development department would work with the insurance company to develop the products using data from marketing data analysis, customer database, analysis of consumer behavior, trends as well as information from the customer satisfaction assessment, also meeting with the sales department in direct inquiry of customer needs. Because the sales department would be the one to interact so that the product development department would know the real customer needs that could be used to develop products.

However, all products offered by the Group were products already been approved by the OIC. When the Group had entered into a contract or agreement with an insurance company, the Group would prepare the system and define operational processes for operations to support the sale of that type of insurance product in the future.

3) Target customer information acquisition

In the past, the Group of Companies acquired the list of target customers by purchasing a database of target customers from other agencies (Non-Partners), but currently the group had channels for acquiring a database of target customers as follows:

- (1) The Group of Companies has developed own database through social media, for example, LINE, facebook, Instagram. This allows to connect with customers at any time. A number of marketing leads have been obtained by marketing campaigns thorough this online channel. LINE users have exceeded 5 million users so far and facebook followers are nearly 200,000 users.
- (2) The Company received a database of insurance policy sales through corporate customers. That was when corporate customers had insurance with the Group of Companies, the Company would have customer information. It was easier to offer insurance to customers. In addition, the Company would get a customer database from insurance companies in case the Company helped to sell insurance. The Company would analyze customer databases such as age, income and behavior to identify customer needs in each customer base. To select suitable products from insurance companies and

able to respond to customer needs.

- (3) The Company purchased a customer database (Lead) from a customer database provider. It was a business partner that had cooperation in providing and managing a target customer database including purchasing a customer database (Lead) from TQLD, a company providing insurance advisory. When customers filled out information through the website and were interested in insurance, customer data was transmitted via an Application Programming Interface (API) system to the Group's systems. So that the salesperson could offer insurance product to customers in the future.
- (4) The Company expanded the insurance brokerage business. In 2019, it acquired 100% of shares in TJN Insurance Broker Company Limited, an insurance broker with expertise in car dealerships and car importers in order to expand TQM's customer base by using strategies to expand dealer base and car importer including independent brokerage agents and developed TJN's information technology (IT) system with TJN Anywhere program to enhance both sales and service systems. Focusing on building a support system for representatives to join TJN to work easily and quickly in every location. Keeping up with the needs of digital customers.

4) Sales and Services

The Company provided insurance services and sales as follows:

- (1) Sales through telephone channels (Telemarketing) in the case of a salesperson of the Company contacting customers directly and customers calling the Company.
- (2) Sales through online channels (Online) through various digital channels.
- (3) Direct sales (Face to face) with salesperson meeting customers all over the country.
- (4) Integrated sales (Omni Channel) was a marketing channel link for customers to have a good relationship with the TQM brand and to choose to buy insurance through various unlimited to one sales channel.

The salesperson would offer insurance products to customers. However, salesperson must be trained and must obtain a non-life insurance broker license and a life insurance broker license from the OIC before offering products to customers. When the salesperson could close the sale, salesperson would record sales work into Caller system by specifying payment method via various channels such as cash payment, credit card, pay by money transfer. In addition, the insurance-purchase would be confirmed with customers again according to the requirements of the OIC.

5) Quality control of salesperson

The Company had guidelines for the quality control of the Company's sales representatives through the annual training plan as specified in the personnel development policy. The Company encouraged all sales representatives obtain an insurance brokerage license prior to offering insurance products to customers. The Company has a process for training employees to acquire knowledge related to insurance as well as information about relevant laws, principles and methods or various regulations related to business operation to keep salesperson informed of important rules so that salesperson could put it into practice as well as promoting sales staff to take the license exam as specified by the OIC through the course of the insurance license exam. The Company would invite sales representatives to join the conversation in order to hear the proposal of sales professionals, in order to see the correct way of conversation as well.



In addition, due to expiration of the non-life insurance broker license and / or life insurance broker license, the Company had a duty to follow up and controls salesperson to continue to obtain licenses by providing training from the OIC and / or courses as specified by the OIC so that the salespeople can renew their licenses.

6) Sales Promotion

The Company promoted the sales of each product that the Company offered to customers. In the past the Company had promotional guidelines such as car prize or brand-name bags, diamond rings, overseas travel, gift vouchers and gas refills, etc. The Company had guidelines for defining promotional plans for general cases as follows:

- (1) Marketing department receiving marketing policies and sales promotion from the management.
- (2) Planning and setting goals in formulating marketing plans and promotion.
- (3) Presenting a marketing plan and promotion for management to consider.
- (4) Coordinating the Legal Department preparing documents for use in obtaining permission from relevant authorities.
- (5) Coordinating with the purchasing department to purchase rewards according to the marketing plan and promotion.
- (6) Coordinating with other relevant parties, to acknowledge and support marketing plans and promotion.
- (7) Publicizing the project for target customers according to various channels.
- (8) To execute marketing plans and sales promotions, to define and to summarize expenses to the accounting department.
- (9) Reporting the performance of the marketing plans and promotion to executives.
- (10) Following up payments of insurance premiums.

The Company had a policy of monitoring and shipping insurance premiums. The Company would provide information on the premium payment of customers who paid their insurance premiums before the submission period to be reviewed with the list of invoices received from the insurance company. The accounting staff would review details for accuracy and would deliver the insurance premium after deducting the insurance commission fee under the contract including other service fees collected from the insurance company every 15th and last business day of each month.

7) Pricing

The Company could not determine insurance premiums because the insurance company would determine the premium according to the type of policy by setting insurance premium rates. Insurance companies would consider the characteristics of policy type, history of insured property, history of the insured including the conditions of coverage of each policy type. The aforementioned insurance premiums, they must be in accordance with the policy prescribed by the OIC. In this regard, the Company would receive brokerage income in accordance with the OIC's announcement regarding wages or gratuity rates for non-life insurance agents and non-life insurance brokers B.E. 2551 (2008).

8) Customer satisfaction indicators

The Company realizes the importance of improving the efficiency of the customer services continuously, in order for the Company grow sustainably. The understanding of customers' satisfactions and needs, both in sales and services, will help the Company to respond to customer needs effectively. The results of the customer satisfaction surveys, towarded the Company's services, in 2021 are, as belows:

Satisfaction Survey	Month of Survey	No. of Survey, Sent Out	Response	Satisfactory Level
Insurance product offered by employee	Feb, Mar, Aug, Oct	79,907	1,209	4.39/5.00
Services by service center	Mar, Dec	23,708	416	3.42/5.00
On-line purchasing	Jun, Nov	34,792	727	4.20/5.00
Payment reminder	Jul	15,179	260	4.40/5.00
Decision factor for purchasing insurance with TQM	Aug	28,239	237	98 percent of respondents recommend peer to buy Insurance with TQM (4.90/5.00)
Decision factor to purchase home insurance		16,636	122	84 percent, interested to buy home insurance (3.20/5.00)
Services of messenger	Sep	22,967	431	4.60/5.00
Services of claim process	Oct	666	16	3.27/5.00
Total / Average		222,012	3,416	4.05/5.00

Remark: 1. Survey sent out to customers via SMS
2. Scoring of satisfactory survey

Satisfactory Level	Meaning
5	Highly satisfied
4	Satisfied
3	Neither satisfied nor dissatisfied
2	Dissatisfied
1	Highly dissatisfied



1.3 Shareholding structure

1.3.1 Shareholding structure

As of 31 December 2021, the Company had 10 subsidiaries and 1 affiliate as follows:



Details of subsidiaries and associates

No.	company name	Business type	As of 31 December 2021	
			Paid-up capital	Shareholding (%)
Subsidiary in core business				
1.	TQM Insurance Broker Company Limited ("TQM Broker")	Non-life Insurance broker 1) Motor Insurance 1.1) Compulsory motor Insurance 1.2) Voluntary motor Insurance 2) Non-Motor Insurance	400.0 million baht	100.0
Other subsidiaries				
2.	TJN Insurance Broker Company Limited ("TJN")	Non-life Insurance broker 1) Motor Insurance 1.1) Compulsory motor Insurance 1.2) Voluntary motor Insurance 2) Non-Motor Insurance	6.0 million baht	100.0
3.	TQM Life Insurance Broker Company Limited ("TQM Life")	Life Insurance broker 1) Individual 2) group	60.0 million baht	100.0
4.	True Life Broker Company Limited ("True Life Broker")	Group Insurance broker	2.0 million baht	61.0
5.	True Extra Broker Company Limited ("True Extra Broker")	Non-life Insurance broker	6.0 million baht	61.0
6.	Surekrub.com Company Limited ("Surekrub.com")	Non-life Insurance broker	10.0 million baht	60.0
7.	TO 2020 Company Limited ("TO 2020")	Joint-venture and domestic and overseas investment	6.0 million baht	100.0
8.	Casmatt Company Limited ("Casmatt")	IT and software services provider	6.0 million baht	100.0
9.	Easy Lending Company Limited ("Easy Lending")	Personal loan provider	60.0 million baht	76.0
10.	TQC Company Limited ("TQC")	Claim services for health and accident insurance, and give consult to non-life and life insurance companies regarding customer's claim filing	20.0 million baht	100.0
Associated company				
11.	TQD Company Limited ("TQD")	Provide advice on insurance on www.noon.in.th based on information provided by customers	7.0 million baht	40.0

1.3.2 Persons with potential conflict of interest holding more than 10% of shares eligible for voting in subsidiaries or associates

-none-

1.3.3 Relationship with major shareholders' business

-none-



1.3.4 Shareholders

(1) List of major shareholders of the company¹⁾

The company has a list of shareholders of the company and the highest 10 shareholding proportion as of 31 December 2021 as follows:

No.	Name-Surname	No. of Shares	%
1.	Eternal Growth Corporation Co., Ltd. ²⁾	153,448,400	51.15
2.	STATE STREET EUROPE LIMITED	14,899,455	4.97
3.	Dr.Unchalin Punnipa	11,195,000	3.73
4.	Southeast Life Insurance Public Co., Ltd.	9,750,000	3.25
5.	Dr.Napassanun Punnipa	9,248,200	3.05
6.	Vinlyah Insurance Public Co., Ltd.	9,023,600	3.01
7.	Bangkok Insurance Public Co., Ltd.	7,566,900	2.52
8.	THE BANK OF NEW YORK MELLON	6,393,606	1.80
9.	Thai NVDR Company Limited	5,143,148	1.71
10.	Muang Thai Life Assurance Public Company Limited	3,999,100	1.33

Remark: ¹⁾ Shareholders List as of 31 December 2021 by TSD.

²⁾ Eternal Growth Corporation Co., Ltd. is a service company for property rental, as at of 31 December 2021, the company has a registered capital in amount of 135,000,000 baht being 1,350,000 common stocks, per 100 baht with the shareholders' detail below:

No.	Shareholders	No. of Shares	%
1.	Mr. Unchalin Punnipa	899,850	66.6556
2.	Mrs. Napassanun Punnipa	449,850	33.3222
3.	Mr. Sorasak Thanburee	100	0.0074
4.	Miss Sulatta Thanburee	100	0.0074
5.	Ms. Ratana Punnipa	100	0.0074
	Total	1,350,000	100.0000

(2) Major shareholders of subsidiaries in core business

Shareholder structure of TQM Insurance Broker Company Limited ("TQM Broker") in core business

No.	Shareholders	No. of Shares	%
1.	TQM Corporation Public Company Limited	3,333,998	100.0
2.	Mr. Unchalin Punnipa	1	0.0
3.	Mrs. Napassanun Punnipa	1	0.0
	Total	4,000,000	100.0

source: shareholder list of TQM Broker as of 31 December 2021

(3) Agreement among major shareholders infecting share issuance and offering, or management of the company and its subsidiaries with significant impact to operations.

-none-

1.4 Number of registered shares and paid-up capital

The Company is listed in the Stock Exchange of Thailand.

As of 31 December 2021, registered capital is 300,000,000 baht, comprising of 300,000,000 shares at par of 1.0 baht.

The Board of Directors meeting number 1/2564 on 28 December 2021 approved the change of par value from 1 baht per share to 0.5 baht. The number of shares increased from 300,000,000 shares to 600,000,000 shares, effective on 13 January 2022.

1.5 Other shares issuance

-none-

1.6 Dividend Policy

Dividend Policy of the company

The policy of TQM is to pay dividends not less than approximately 50% of its operating net profit from separate financial statement after income taxes and retained earnings by laws of every year. The dividend payout rate may be changed concerning operating results, liquidity, needs of investment, working capital, additional investment, business expansion, conditions and restrictions of loan agreement and other management factors by the resolution of directors and/or shareholders which the said dividend shall not over the retained earnings stated in Company's separate financial statement, and comply with related laws.

Dividend Policy of Subsidiaries

The policy of subsidiaries is to pay dividends not less than approximately 50% of its operating net profit from separate financial statement after income taxes and retained earnings by laws of every year. The dividend payout rate may be changed concerning operating results, liquidity, needs of investment, working capital, additional investment, business expansion, conditions and restrictions of loan agreement and other management factors by the resolution of directors and/or shareholders.



2. Risk Management

2.1 Risk Policy and Management Plan

The Company is aware of the importance of risk management under various uncertainties by considering risk management as an essential component of all business processes. Therefore, the Company announced a risk management policy for the entire organization and the risk management plan as follows:

Risk Control

The Company announced a risk management policy to promote employees throughout the organization to recognize and prevent all possible risks, to monitor and assess the risks that may arise according to the changing environment from both internal and external factors, to achieve clarity in risk management. The Executive Committee of the Company determined risk management policy, framework, method of operations, and the risk management action plan as follows:

1. To emphasize on risk management affecting objectives and policies including the reputation and image of the company.
2. To Manage risk management to be most efficient and at an acceptable level involving all employees in the risk management process.
3. To encourage employees throughout the organization to be aware of and prevent all possible risks, to monitor and assess risks arising in the changing environment from internal and external factors.
4. To promote risk management as part of a culture leading to value creation for the Company.

The company sets up departments and individuals responsible for setting up a risk management framework with an independent departmental structure, not under business lines and has the obligation to define the risk management process, including analyzing and monitoring various risks as follows:

- For policy, the Company appointed a risk management committee consisting of 3 Risk Management Committee members, Dr. Unchalin Punnipa as the Chairman of the Risk Management Committee. It is responsible for reviewing and presenting risk management policies in various areas and acceptable risk levels to the Board of Directors and review their implementation including reviewing the risk management report and taking actions to ensure that Risk management is adequate and appropriate and focus on risk management that affects policy objectives including the reputation of the company.
- For operations, the Company appointed the Chief Risk Officer (CRO), Ms. Ratana Punnipa, to be responsible for the operational level, Internal audit and risk management, as well as monitoring and verifying risk management processes, which in 2021 the Company outsourced Dhamniti Company Limited to perform Internal audit. The Risk Management Chairman is responsible for coordinating such matters.

Risk Management

The Company's risk management system consists of an important process which is the identification of risk factors, risk assessment, risk response, risk monitoring and reporting on the results of various types of risks, such as risk from changes in rules and regulations from relevant regulators (Compliance Risk), the Company's business risks are a large business partner, recruiting competent and licensed personnel both non-life and life insurance brokers, changes in consumer behavior, competition in the insurance broker industry and new competitors, changes in the policy of a non-life or life insurance company, reputation risk, Information technology system risks, environmental, social and corporate governance risks.

Risk Assessment

A Company's risk used to identify risks and manage risks is defined as the potential for both financial losses and non-financial losses to occur and have an impact to the business operations of the Company which has a systematic risk management as

- To determine risk appetite and criteria of risk acceptance to assure that the Company has manages the risk within acceptable risk tolerance.
- To assess the possibility of risks to be occurred and impacts.

Possibility of risk to be occurred

Possibility of risk to be occurred	Average	Point
Very high	Once a month or more	5
High	Once in 1-6 months, not over 5	4
Medium	Once a year	3
Low	Once in 2-3 years	2
Very low	Once in 5 years	1

Impact on business operations

Impact	Loss area	Point
Very high	System failure Front+Back	5
High	System failure Front-office	4
Medium	System failure Back-office	3
Low	System failure 1-20 users	2
Very low	System failure in a particular user	1

Mitigation plan

The Company stipulates all departments to analyze the causes and effects of the risks and assess risk management measures regarding risk tolerance and the costs incurred by comparing them to the potential benefits for effective risk management by considering the options for responding to the risks as follows:

- A risk avoidance is to stop or choose not to engage in risky activities. It is used in cases where the risk is very serious and impossible to find a way to reduce / manage to an acceptable level.
- A risk reduction is the control of activities to reduce the likelihood of risk occurrence and / or the effects that may occur to an acceptable level, such as preparing an emergency plan.
- A risk transfer is to transfer risk by allowing others to be liable for damages through various mechanisms.
- A risk tolerance si the current residual risk at an acceptable level without taking any action to reduce the likelihood or effect that may occur again. To be used for cases of risks where the cost of management measures is high and is not worth the benefit.

From the results of the risk analysis, the Company has a risk management plan and promotes all departments to realize and understand the importance of risk management and internal control as a tool for managing changes that may occur in the future systematically.



Risk Management assessment and follow up

The Company has a system for monitoring and evaluating risk management results at both the departmental and corporate level, in accordance with the international standard framework, systematically covering all major activities and risks by identifying the factors and causes of the risks. There are assessments, analyzes, risk priorities, management, monitoring and evaluation of risk management in order to achieve the Company's operations to achieve the objectives and goals, and a risk at an acceptable risk level. The assessment result will be to the Board of Directors every quarter to acknowledge and comment on the Company's risk management.

Emerging Risk

Due to the rapid changes in various factors in the current business, the Company has to continuously monitor emerging risk factors. The risk issue is reviewed and analyzed for emerging risks. That may affect the business operations of the Company annually. To develop measures to support and respond to risks in a timely manner. In the year 2021, there were two types of emerging risks affecting business operations: digital transformation risk and cyber security risks.

The Company has an emerging risk management plan to reduce the impact of such risks including the disclosure of information on emerging risks and ways to manage such risks in public reports as follows:

Corporate Risk Factor	Measures
1. Cyber Security To rely on digital technology by far can lead to cyber threats, both service systems and operating networks that need to be connected to the internet network, the potential information may be stolen or the system can be compromised. Service interruption occurs. This will affect the business continuity, credibility, image and reputation of the Company.	The Company continuously monitors cyber threats through the following key measures: <ol style="list-style-type: none"> 1. To monitor and be aware of new threats both in the information system and the service system including regular system testing and auditing, to be able to plan proactive defenses before attack. 2. To regularly practice a cyber attack threat response plan and disaster recovery plan in the event of a disaster. To be able to cope with the incident, to be timely minimized the damage to the information system. 3. To establish an information security management system according to international standards and guidelines for asset security in accordance with international standards related to cyber, especially 4. to raise cybersecurity awareness related to threats, such as providing knowledge on preventive action methods and technology law on an ongoing basis related information to employees.
2. Digital Technology Transformation: Business Impact of Technological Advances Presently, both technology and digital technology are likely to develop rapidly and continuously, having a significant impact on market changes, product development and innovation in various industries, therefore, the Company requires to have a rapid adaptation to keep pace with these changes in order to survive and create business opportunities. 2 major impacts are that IT personnel lacking of the advancement of technology knowledge and the changing behavior of the customer.	The company has managed the impacts of technological advancement on the Company's business as follows: <ol style="list-style-type: none"> 1. To seek opportunities and innovative approaches, such as developing a system for providing convenient online customer service that responds to the needs of consumers in the digital age by providing services that are ready to find information, buy insurance, pay premiums, requesting documents and to have a project to develop an analytical database system that helps analyze and research customer data including the introduction of modern technology in both hardware and software. 2. To follow up and study the possibility including developing and improving the process of applying technology to increase the competitiveness of the existing business nowadays and businesses that build on or create added value from existing products to be able to maintain their competitiveness. 3. To appoint an agency to oversee the business transformation towards excellence to support the transition to digital technology, (Digital Technology Transformation), a division of Digital Transformation. So that the Company can maintain a sustainable competitiveness in the future.

Crisis management

Currently, the Company's business operations are faced with significant risks, although the Company has systematic risk management. There are certain risk factors that cannot be prevented, such as risk factors from changing nature and environment including terrorist risk factors, sabotage, cyber attacks and the occurrence of epidemics, etc., which are such risk factors affecting the business operations of the Company, reputation and confidence.

The company realizes the management of various crises and, therefore, has formulated a Business Continuity Plan at the corporate level to address significant risks under the concept of business continuity management according to the Continuity Management Cycle (BCM Life Cycle) as follows:

1. BCM Program Management
2. Understanding the Organization
3. Determining BCM Strategy
4. Developing and Implementing BCM Response
5. Exercising Maintaining and Reviewing
6. Embedding BCM In the Organization's Culture

From the analysis of the said process, the Company has defined critical threats and approaches to control the risks as follows:

Threat	Continuity Management Cycle
1. In the event that staff cannot come to work at the company due to <ul style="list-style-type: none"> • Flood • Fire • Protest, incidents, riots • Plague such as the COVID-19 	<ol style="list-style-type: none"> 1. A BCP plan to support such incidents is in place. <ul style="list-style-type: none"> • A team responsible • Identify the impact on operations / services • Demand for resources • Establish continuity management guidelines <ul style="list-style-type: none"> Building side / backup facility Equipment materials Information technology / Important information Personnel Partner side 2. To Establish an emergency notification process. 3. To Establish continuity management procedures and restore normal processes.
2. Power failure / Power failure caused by external factors that cannot be controlled such as natural disasters, a fallen tree draped over a power cable, electric pole accident, explosion.	<ul style="list-style-type: none"> • Currently, there is a UPS uninterruptible power failure for up to half an hour. • To implement the backup generator installation plan, to solve the event of a power failure by installing the system and testing to be ready to use in 2020.

Risk culture

Creating a risk culture is to put transparency and a sense of risk into the culture of the Company. The Company aims to promote a risk management culture throughout the organization to ensure that the Company has stable and sustainable growth. The Company has built a risk management culture through risk management policies and guidelines, Risk Management Structure, Risk Management Supervision, including continuous monitoring of the progress of risk management at all levels. The Company has established a risk management culture guideline. It applies throughout the organization as follows:

- 1) Risk supervision is to appoint a risk management committee to supervise the risk policy chaired by Chief Risk Management Officer (CRO) responsible at the operational level.
- 2) Leadership as an example is that all senior management of departments are responsible for the risk management of their own line of work.
- 3) There is a clear risk management structure.



- 4) There is a risk management technique. There is a system for risk operations throughout the organization under the same organized structure and forms.
- 5) Risk communication is to keep employees informed of operating guidelines and ongoing performance.
- 6) Risk management knowledge is to disseminate knowledge by training to employees in the Company at each level.

2.2 Risks to business operations

2.2.1 Risks to operations of the Company or the Group of Companies

- Changes in consumer behaviors due to COVID-19 has driven consumers to buy insurance that is easy to understand and is trustworthy. Online channel became popular because it is easy, convenient and fast. The Company has to analyze consumer behavior and segmentation to create clear communication message, as well as to analyze media that will be used as a communication tool.
- Customers takes time to make a decision because they receive information from too many sources. The Company has to select insurance companies and product that can meet customer demands.
- The Company added Cash on Delivery for online customers to suit their behavior.
- Develop staff by adding more training with appropriate courses and tools that suit Digital Training for Transformation, and focusing on effective and efficient selling techniques.

2.2.2 Risks to investment of shareholders

- External factors
 - Overall domestic economy might affect the company's operation in positive or negative ways.
 - Change of regulations regarding new insurance
 - Global economy that might affect overall insurance sector globally
- Internal factors
 - The Company has policies and plans for sustainable growth, with close control, monitoring and follow up. Therefore, we can adjust to be in line with the situation, led to performances that achieve the target and return as expected.

2.2.3 Risks of overseas share investment

At present, the Company does not have a policy to invest in foreign stock.

TQM realizes and places great emphasis on risk management. It is part of corporate governance, and is the basis for the Company to achieve its sustainable objectives. The Company analyzes and assesses the major risks affecting the Company, divided into 4 areas as follows:

1. Compliance Risk
2. Business risks of the Company
3. Risks related to information technology systems
4. Environmental, social and governance risks (Environmental, Social, and Governance: ESG)

The Company has set preventive and managed risks to reduce the chance of affecting business operations, and increased confidence for investors and stakeholders. It helps executives to make better decisions including having the opportunity to create added value for the Company the main risk factors for the Company are the following factors:

1. Compliance Risk

- (1) In the event that the subsidiary companies cannot comply with the laws and regulations and various announcements relating to the operations of the business correctly and completely both in use now and amending in the future, which may adversely affect their reputation, image of the Company as well as to be sanctioned, be fined, or lose business opportunity.

The current laws governing the supervision of non-life insurance brokerage and life insurance brokerage businesses of subsidiaries are the Non-Life Insurance Act B.E. 2535 (as amended) and the Life Insurance Act B.E. 2535 (as amended). Subsidiaries must operate their businesses in accordance with the aforementioned act as well as the secondary laws, where the governing body, namely the Office of Insurance Commission (OIC) has set up rules and conditions for the operations related to the insurance brokerage and life insurance brokerage business in the following matters:

- Licensing and license renewal for juristic persons to be a non-life insurance broker and life insurance broker
- Applying for a license, granting and renewal of a non-life and life insurance brokerage license
- Collection of non-life insurance premiums and life insurance premiums
- Submitting a report on the performance of the non-life insurance broker and the life insurance broker
- Setting wages or gratuities for non-life and life insurance brokers
- Insurance policy offering and performance of non-life and life insurance brokers
- Form and list of registration books relating to the business of non-life insurance brokers and life insurance brokers

Subsidiaries have a duty to comply with the above rules and conditions as required by law. The rules and regulations of Thailand's law enforcement are strictly defined and the laws are constantly being revised in order to be consistent with the economic and social conditions. The Group has arranged to have a legal agency to follow up on news and information so that the Group can adjust its operations in accordance with the regulations of the new law at all times.

From such risk, therefore, the Company and its subsidiaries have given great importance to operating in accordance with the regulations of the OIC related to the non-life and life insurance brokerage business along with strict supervision measures. In the past, the subsidiaries were randomly audited by the Office of the OIC to comply with the law, all relevant regulations and notices. In the past, the subsidiary received a record of the juristic insurance broker audit results from the OIC, indicating that it complied with all relevant laws all along as a result, the subsidiaries received a direct and renewal non-life insurance broker license and a direct life insurance broker license and had been renewed for a period of 16 years for the direct and non-life insurance brokerage license, a total of 10 years for a direct life insurance brokerage license. In addition, the Company and its subsidiaries have not any dispute and been prosecuted with the OIC.

(2) PDPA B.E.2562 risk

For Non-life and life insurance brokerage business of subsidiaries, it is necessary to rely on the personal information of the data subject, for example, address, phone number, email address, marital status, income, which is information about the individual that makes it possible to identify that person directly or indirectly and is regarded as personal information within the meaning of the Personal Data Protection Act B.E. 2562 (2019).

The Company has a measure to manage the risk in this matter, although the Act has not yet come into effect by providing knowledge and understanding of the Act to the executives and related employees by a subsidiary that receives personal information of customers by any means. This includes obtaining personal information of customers from business partners of subsidiaries. Subsidiaries must be aware of the principles of the Act, especially in the area of collection, acquisition. The subsidiary company has requested consent for the collection and use of such information in conducting business, offering non-life and life insurance products and participating in activities, others also take precautions in obtaining information from business partners by requiring the business partner to ensure the accuracy of the acquisition of personal information provided by the business partner, subsidiary company and to make a contract to indemnify compensation if there is a prosecution or damage from the use of information provided by the business partner.



2. Risk Management

3. Business Management

3.1) Having large business partners

In 2021, the Group had its main income from insurance companies, major trading partners. (Value equal to or more than 10% of the business) of 3 cases (as of 30 September 2020) from the non-life insurance broker. The Company and its subsidiaries placed great importance on the selection and recruiting of trade partners with stable financial status, reliable, being proficient and experienced in the insurance business providing products that could meet the needs of customers cost-effectively, taking responsibility, being honest, fair and trustworthy. In addition, the company also places great emphasis on building relationships with insurance partners which was another key strategy of the Company by managing and developing relationships as partners who helped each other in areas such as sales and goal, management, development of different types of insurance products, to be able to meet the needs of customers and to be added to the insurance business and fostering long-term relationships with insurance companies as important trading partners

3.2) Human resources recruitment risk

Insurance brokerage business is a business that requires knowledgeable, competent personnel and business expertise and must use personnel with a non-life insurance broker license or a life insurance broker license. Personnel must have knowledge and expertise about the products to offer for sale and details of the insurance conditions. Personnel must also have sales communication skills. The Company has to recruit qualified personnel in sufficient quantity for the business operations, especially the recruitment of telesales, which is the main channel of insurance sales of the Company. Currently, the turnover rate of telesales is quite high affecting the loss of business opportunity, and the loss of skilled personnel with experience. As a result, there is an increase in recruiting and development costs including in the case of personnel being pulled away by a competitor causing negative effects to the Company.

The Group realizes the importance of human resource management and approaches to mitigate such risks by recruiting personnel with knowledge and ability to participate in the development of the company. As well as creating a good atmosphere at work, creating incentives such as compensation, overtime pay, diligent allowance, professional pay, placement and good benefits. They are appropriate when compared to businesses in the same industry. At the same time, the Group aims to develop the potential of employees sustainably by encouraging the Company's employees to receive regular and continuous training at a learning center, as a responsible agency. The Company prepares an annual development plan, including a promotion to educate salespeople for insurance brokerage licenses. There will be training on a monthly basis for employees in other provinces. The Company will send speakers to train, including organizing the insurance broker license exam in that region, as well as other specialized courses (Ad-hoc) that the Group deems appropriate for employees, such as inviting speakers, outside training to strengthen work inspiration for employees at all levels, insurance sales skills development to develop real knowledge and understanding of insurance products, to encourage employees of the Company to develop their skills and knowledge in their operations to be more efficient.

The group of companies continues to received an award for excellent establishment, the labor skill promotion and development from the Department of Skill Development since 2009, which demonstrates the determination to develop personnel to support the operations of the Group of Companies in being a leader in insurance advisor and financial.

3.3) Consumer's behavior change risk

The insurance industry has changed steadily as a result of social change, technology leaps and the threat of COVID-19. It is the catalyst for consumer behavior into the New Normal era, changing consumer behavior, both purchasing behavior of products and services, including the behavior of choosing to receive news through various media channels by turning to social media channels and the Internet as a way to receive more information.

The Company has prepared to accommodate such changes by giving importance to the study and monitoring of information about consumer behavior along with the application of modern technology to increase competitiveness. It has a clear corporate goal to be the leader of Digital Insurance Broker in Region, marketing online in each area and developing sales channels to be more capable and diverse to support changing consumer behavior by offering insurance policies online.

In addition, the Company has prepared personnels with knowledge and ability to support the Company to develop continuously and sustainably and to formulate product and service strategies by developing and improving products together with partner insurance companies. Marketing segmentation of customers is mainly to respond to the plaintiff's needs and customer behavior including direct inquiries of customer needs in order for the product development department to know the real customer needs. That can be used to develop products

3.4) New competitor and Insurance industry competitive risk

For non-life and life insurance brokerage business, there are 742 of large and small companies in 2021 and individual insurance agents for more than 200,000.

Therefore, to enhance the competitiveness, the Company has a clear market position by offering insurance products that can reach a wide range of customers. Customers can compare insurance types, consider the policy price of each insurance company as well as having a licensed insurance broker salesperson who is trained to understand the type of insurance they selling, enabling clients to inquire and find insurance that meets their needs including the development of professional personnel. There is a standard of customer service. The Company has established competitive strategies such as co-developing new products based on customer needs in conjunction with insurance partners in order to meet the needs of more customers, after-sales service, adding a variety of distribution channels for customers' convenience, along with branches serving nationwide. This makes it possible to make transactions with customers thoroughly and quickly, which is a major strength of the Company. The group groups of companies have sales channels through telephone, direct sales, online sales including the development of a new sales channel, OMNI Chanel to be able to meet the needs of customers thoroughly and cover all target customers including the organization of sales promotion activities on an ongoing basis. In particular, online marketing (Digital Marketing) and building relationships with customers through various activities, etc. In addition, the Group has given importance to after-sales service to focus on customer satisfaction, such as facilitating the coordination with the car repair center, insurance claim consultation in the event that the Group's customers are right, providing services for receiving incident reports from customers, and providing advice on claims protection according to policy terms, such strategies will increase the competitiveness of the Company.

In terms of new competitors that will enter the non-life and life insurance brokerage business, they must register and apply for a license as a non-life and life insurance broker. Currently, the insurance brokerage business registration is quite difficult and has strict regulations. They must go through various processes involved such as applying for a license Knowledge test This makes it impossible for new competitors to enter easily. In addition, customers will decide to buy insurance with a reliable insurance brokerage company, which the newbie cannot, it takes time to build credibility and confidence from customers. Moreover, the Company has consistently prepared and operated in communicating good image, thus has a reputation for good corporate image and credibility. It greatly reduces the risk of competition in the insurance brokerage industry and new competitors.

3.5) Changing policy of non-life and life insurance company risk

The company operates a non-life and life insurance brokerage business in offering insurance products from non-life and life insurance companies to customers. Therefore, if the insurance company, which is the main partner, changes the policy, such as the insurance premium coverage limit, commission rate, sales channel or not to renew the contract, or going to offer insurance sales directly to customers. It inevitably will directly affect the income of the Company. This is because the Company does not have its own insurance products.



The Company has foreseen such risks that may occur. Therefore, the emphasis is placed on building relationships with various business partner insurance companies. There will be meetings to discuss the policies of the group of companies with the insurance companies, trade partners, to find out how to work between them before starting the business. There will be an annual meeting to set plans and goals together in order to know the direction of operation, adjustment of the plan in accordance with the strategy of the company, as well as joint performance monitoring, product development, co-operation and help in solving various problems together, which will bring mutual benefit for both parties. This results in good relationships with insurance partners who can work effectively together including fair business bargaining power.

3.6) Reputation risk

The Group operates an insurance brokerage business and communicates with customers, insurance companies under the brand TQM, so if information is published that adversely affects the reputation and brand of the group of companies. Either true or false may affect confidence. The customer's insurance purchase decision, such matters may arise from customer complaints about products or services, which, when they happen, will have a negative impact on image and reputation, business operation, business opportunities and financial status of the Company.

Reputation risk, it relates to the perception of customers, partners and the public, which is difficult to clearly identify or assess. It may be influenced or related to internal factors, competitor communication including the expectation of the group of companies in particular and external factors such as political, economic, social. Reputation risk management, the Group adheres to the participation of the Board of Directors, Top management and all employees are essential to obtain information from various aspects and experiences that will be useful for assessing the potential reputation risk.

The Company has set the customer relations department. It is an agency that has the duty and responsibility to be the center of monitoring and coordination with various groups in the field of complaint handling such as transactions that may affect the Company's reputation to reduce events caused by employees, negative news about the Group in various media, the position of the Group's financial strength and credibility. The company has set procedures for handling complaints as follows:

1. There are various channels for receiving complaints, including online and offline channels, such as calling through Hotline numbers 1737 and 02-1198888, by mail, via www.tqmcop.co.th, email, Facebook and following other public channels such as Pantip.com or other websites.
2. There is a Customer Relations Department who is directly responsible for receiving and recording complaints.
3. To evaluate problem types, assess the severity of the impact on the complaint.
4. To analyze and verify the cause coordinate with the relevant departments to resolve complaints. To close the complaint and establish measures to prevent it from happening again.

In the event of reporting of non-compliance transaction or the complaint of the customer or relevant person regarding the Group's quality and services, even when notified directly to the Group or through OIC, the Legal Department will follow up and coordinate with the customer relations department to investigate and close the complaint.

4. Information Technology Risk

4.1) Technology Development risk

Presently, the development of technology is continuously and fast which these technologies have taken a role in various businesses, including the Company's insurance brokerage business, if the Company cannot adjust the organization and cannot apply new technology, it may have a negative impact on the company resulting in a loss of business opportunities or cannot keep up with competitors including the loss of customers due to the inability to respond to the changing behavior of the customer and the risk of changes in technology today is of paramount importance and is classified as an emerging risk (Emerging Risk).

The Company has a measure to manage the risk in this matter by focusing on technology change and bringing new technology to its operations all the time by developing projects on the development of systems such as convenient and fast online customer service assistance systems, to meet the needs of consumers in the digital age by providing services that are available from finding information, purchasing insurance, paying premiums, receiving documents. There is also a project to develop an analytical database system that helps analyze and research customer data. In addition, there is also researching and introducing new technology in the network hardware and software used to control company expenses.

4.2) Security standard risk

The security of information systems / Backup systems, presently, the data can be stolen or lost / damaged, so data security and confidentiality must be maintained including backup.

The risk management plan that the company has implemented such as setting access rights / backup with Veeam Backup system and having a backup tape on Backup sent to storage outside the Company to reduce the risk to an acceptable level, that is, the system can be restored to its normal state within a specified period of time so that the business does not have any damage.

Establishing control measures and regular audits of computer systems, implementing improvements, remediation, and prevention of new threats by detecting system vulnerabilities. The prevention is done by hacking testing, with a process and vulnerability assessment tools, and follow up on improvement and testing.

The contingency plan has guidelines for the uncommon occurrence of the system damage while the business can continue to operate. There is a DRP (IT Disaster Recovery Planning) emergency plan test to recover the system in case of system down of IT work.

4.3) IT personnel risk

Currently, information technology systems are essential to the business operations of the group of companies and information technology systems has changed rapidly. Personnel with knowledge and expertise in information technology is therefore important and sought after by various organizations, thus the Company may be at risk of losing personnel in the information technology department or a risk that the Company will not be able to find sufficient personnel or it will not be able to recruit qualified and suitable personnel to replace such personnel, and it may incur additional costs for hiring and training new personnel, which could have a significant impact on the business and expansion of the Company.

Presently, personnel in the field of information technology is a permanent employee of Casmatt Company Limited, a subsidiary in TQM Group as an information technology service provider of the group of companies. Casmatt places importance in recruiting, maintaining and developing personnel by paying remuneration at a reasonable rate compared to the industry. There are various incentives and good welfare and there is continual support for the training of personnel to develop knowledge and skills to be effective in their operations. In addition, the Company has a joint venture with a technology group in TQLD Company Limited, which has expertise and expertise in modern technology as well.

5. Environmental, Social, and Governance risk

5.1) Environment Risk

Environmental risks arising from the Company's operations include the management of building waste and the cost-effective use of resources, water use, electricity and building waste, including indoor water and office waste.

The Company realizes the importance of environmental impacts and attaches importance to such matters. Management has clearly established a policy in the corporate vision, leading insurance and finance consultant with quality, sustainability, take care of environment, and social responsibility, such policies have been passed on to all employees in the organization to strictly adhere to guidelines.

The Company has set up a committee to be responsible for the implementation of ESG and realizes the cost-effective use of resources as well as participation in reducing environmental impact campaigning for



all employees to save energy, control water usage and electricity consumption including changing indoor light bulbs to energy-saving lamps. The Company has organized the E-Document project to campaign for employees to reduce the use of paper in their work by delivering documents, reports or other presentations via electronic channels and campaigning for all departments to reuse paper, reduce the use of plastic bags. There is waste separation, control the water used from the building. There is a wastewater treatment system and monitoring of water discharged from the building in order to control it to meet the standard and periodically monitor it as well as implement the 5S system in the management, creating a basic discipline for employees to participate in the management of the working area in a clean, tidy, not accumulating unnecessary items. In addition, the Company has also formulated a greenhouse gas management plan to systematically reduce the impact on the environment.

5.2) Social Risk

The Company's social risk is the impact on the needs and expectations of the Company's stakeholders, groups of communities in the area of the headquarters. There will be an impact on traffic congestion in the morning and evening from traffic in and out of employees and customers.

The Company has considered operating the business according to human rights principles, emphasizes fair and equitable treatment of all stakeholders. In terms of employees, we aim to develop employees' potential in line with business changes and the direction of the Company to become Number 1 Digital Insurance Broker in the Region. The Company also emphasizes gender equality, equality in religion, place of origin, race, language and people with disabilities, where the Company provides toilets and escalators for people with disabilities.

In terms of customer responsibility, the Company aims to make insurance accessible to the general public, by become a consultant in choosing suitable insurance products for the best efficiency for customers. The Company has set up a department to take care of customer satisfaction by receiving complaints and analyzing, verifying and solving customer complaints.

Regarding the community in the office area, the parking area has been organized in a tidy manner and has a security guard responsible for taking care of access and parking in order to facilitate traffic in the area without affecting Local community. In addition, the Company has made a project to improve the landscape outside the building and adjust the area to be useful and efficient. There is a beautiful shady.

In making good relationships with society and communities, the Company has a systematic action plan by participating in public activities that are involved regularly throughout the year, such as giving scholarships to schools around the office, providing life insurance policies to police officers, Chokchal Police Station, participating in traditional merit-making with various temples in the festival.

On the disaster risk of coronavirus, a new risk in 2020, Thailand found the first case of coronavirus 2019 on January 8, 2020, who traveled from China and the epidemic was broad spectrum from the internal population country. The government has put urgent measures to control and prevent COVID-19 and as the epidemic becomes more serious, the government has adopted the Emergency Decree on Public Administration in Emergencies, B.E. 2568 (2005) and issued provisions in section 9 of the Emergency Decree in B.E. 2568 and Section 11 of the Emergency Decree B.E. 2634 to control the situation and limit the epidemic area. Bangkok is an important center of economy, transport and tourism and has a high population density, vulnerable to the spread of the COVID-19 virus. By setting up a committee to be responsible for fixing measures to prevent risks that the company will be impacted, the Company has accessed control inside the building, has a fever detector, wearing a mask when entering the building. The Company has provided reliable information to employees so that they will know how to protect themselves from infection. Especially those who may come into contact with people at risk, whether from home or in the office. The Company has planned, analyzed

manpower and operations of the Company to be able to continue as normal in the event that employees cannot come to the office. The Company established work-at-home measures to reduce the congestion of employees according to the Social Distancing policy, changing the format to a meeting, organizing training and seminars through the Zoom Video Conference system, as well as having the head of the unit to control the route of travel and travel to the place of the employees under strict supervision in order to monitor and control the transmission of infection.

5.3) Governance Risk

Governance risks affects the Company such as the disclosure of materiality that is an issue that is expected of stakeholders and deficiencies in corporate governance measures.

The Company realizes the importance of disclosure of important information in accordance with the regulations set by the Stock Exchange of Thailand Therefore, policy level, strategic level, operational plan information and performance information will be disclosed in the annual disclosure report form as approved by the Board of Directors. The SEC defines the information report form 56-1 and the annual report of the Company.

The Company aims to conduct business with transparency by adhering to the principles of corporate governance with ethical business practices, not support all forms of corruption, and maintaining the security of customer information and confidentiality in accordance with the regulations of the law and international standards. There is information security management system throughout the data lifecycle to protect the information from being lost. The Company has applied modern technology in accordance with international standards to manage and develop employees' knowledge and competence in dealing with cyber threats, as well as raising awareness of employees of the Company at all levels to monitor any unusual situation or event that may damage the information and information systems of the organization.

In the management of customer confidentiality, the Company has established operating guidelines and management of customer information in accordance with the requirements of the regulatory authorities and related laws. The Company establishes guidelines for the retention of customer information and has updated the Privacy Policy. The use of customer data is subject to the consent of the customer and is solely for the purposes of the Company's business operations, such customer data controls will be in line with the privacy laws that will take effect in May 2021. In the area of anti-corruption, the Company pays attention to all forms of anti-corruption, defines corporate values and promotes employees to apply the specified corporate values to practice, namely honesty, fairness, excellent service and social responsibility attaching great importance to the prevention of corruption by establishing a policy and announcing it to all employees to acknowledge and abide. The Company believes that conducting business with transparency and fairness in accordance with corporate governance principles will be the key that will help prevent corruption-related risks, such as reputation, image risk, litigation risk, risk of paying fines or compensation for damages, etc.



3. Steering Business towards Sustainability

2021 Sustainable Development Report Organization Sustainability Work Force 1 January 2021 – 31 December 2021

This Sustainable Development Report is written from the sustainable development operating information of TQM Corporation Public Company Limited and Group Companies (collectively referred to as the "Company") in accordance with the Environment, Social and Governance Sustainability Policy for the year 2021 as follows:

Environmental, Social and Governance Sustainability Policy

The company is well aware of operating business with responsibility to all groups of stakeholders e.g. customers, employees, business partners, society and community, as well as focusing on sustainable business development by combining operational goals for sustainability with the Company's operational strategy focusing on balancing the development and growth of the Company, corporate governance, risk management, increasing operational efficiency and creating value with stakeholders. Therefore, the Company sets management frameworks in accordance with international standards as follows:

- 1) To maintain good corporate governance and conduct business ethically, respect rights and be responsible to stakeholders and shareholders. To create and maintain good performance, build stability and financial sustainability for the Company.
- 2) To commit to developing good systems and services. To meet and create satisfaction for customers, focus on customer relationship management.
- 3) To develop a quality growth strategy with a focus on optimizing supply chain management and good internal management. To be able to adapt under various changes.
- 4) To manage resources and sustainable environment, to give priority to the consumption and protection of the environment throughout the business processes by adopting appropriate technology to prevent negative effects on the environment, may happen.
- 5) To promote the cultivation of awareness on environmental protection for employees. To give employees opportunities including stakeholders involving in environmental management.
- 6) To operate businesses with social responsibility through effective activities leading to a happy co-existence in society along with adding values (Value Creation) to the business along with stakeholders in all sectors for a better quality of life.
- 7) To take good care of employees, to develop employees' potential, to empower human capital supporting the company's strategies.
- 8) To promote and develop the management by using the principles of philosophy "Sustainable Business (RINEN)"
- 9) To organize activities creating participation and cooperation with stakeholders in all sectors, formulating guidelines for environmental, social and good governance sustainable development.

Sustainable Development and Corporate Social Responsibility

Sustainable Development and Corporate Social Responsibility Overview

The company focuses on business operations for sustainable growth and conducting business to be a role model for society with ethics and corporate governance principles, the company recognizes the importance of responsibility

to stakeholders, economy, society and the environment. Therefore, appointed Organization Sustainability Work Force to determine a principle for sustainable development, operate and take responsibility supervised by Corporate Governance Committee following 8 principles of the Stock Exchange of Thailand. (Stock Exchange) as follows

- 1) Conducting business with fairness
- 2) Anti-corruption
- 3) Respect for human rights
- 4) Fair treatment to labor
- 5) Responsibility to consumers
- 6) Caring for the environment
- 7) Community or social development
- 8) The innovation and dissemination of innovations from operating business with responsibility to society, environment and stakeholders.

Sustainable operating and reporting

The Company operates under the philosophy of "Honesty, Equitability, Exclusive Services, Social Responsibility", and emphasizes insurance brokerage services development. The Company offers customer more than just an insurance broker under the concept of "TQM Beside, Fight For fair, your friend at your side, 24 hours a day" focusing on providing 24/7 service to customers. The key that the Company adheres and continues is the sustainable environmental, social and governance policy and social responsibility policy. The company has set the responsibility towards society, environment and stakeholders. In addition, materiality of business was identified in line with the United Nations Sustainable Development Goals.

Engaging in the business of life and non-life insurer, TQM has the main responsibility in provision and offering of life and non-life products or policies which best match the demand, affordability, and optimal benefits for customers. Moreover, the Company focuses on efficient aftersales services. TQM also extends its care for insurance companies which are its partners or alliances by strengthening relationship with them and serving as their effective distributor that delivers the mutually agreed sales goals and to ensure that affiliate services are in compliance with the relevant partnership agreements in order to nurture strong ties and mutual long-term growth. In this regard, affiliate transactions and operations are stringently governed by the Office of Insurance Commission. Therefore, the Company is determined to drive progress of its products and services development in response to the demands of customers as well as partners, and to enhance efficiency of its people and process through adoption of advanced tools and technology in alignment with our policy to be the 'Number One Digital Insurance Broker'.

Stakeholder analysis

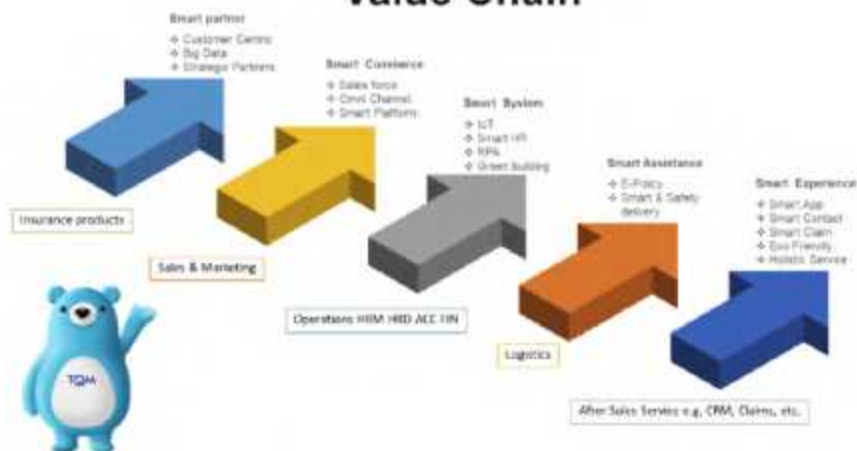
Stakeholder	Expectation	Response
1. Customer	To offer and advice to the best insurance package and services	The Company offers various products answering to all customers' needs and the best aftersales service.
2. Insurancee partner	To make good sales volume and have a quality management.	The Company keeps developing employees' work-effectiveness and operating system by using advanced technology, including enhancing sales channels and customer segmentation.
3. Supplier	-To fairly treat all suppliers.	- Do not discriminate against business partners. - To promote fair competition. - To comply with the contract terms. - Do not ask for payment of any illegal benefits to business partners. - Supplier Code of Conduct



Stakeholder	Expectation	Response
4. Shareholder and investor	<ul style="list-style-type: none"> - Financial returns (Profit, dividend, share value). - Management with corporate governance. - The business is growing steadily. - Risk Management. - Internal Audit System 	<ul style="list-style-type: none"> - To comply with corporate governance. - To treat all stakeholders equally. - To manage the Company transparently. - To disclose accurate information.
5. Employee	<ul style="list-style-type: none"> - To provide salary and benefits. - To arrange safe, clean working environment. - Employee Development - Work security 	<ul style="list-style-type: none"> - To pay reasonable and fair compensation. - To provide a provident fund - To provide annual health check - To provide an annual training session. - To follow human rights, treat employees equally and equitably. - To provide a safe and hygienic work environment. - To provide good welfare for employees.
6. Community and Society	<ul style="list-style-type: none"> - To get support for social activities beneficial to the community and society - Anti-Corruption 	<ul style="list-style-type: none"> - To support educational activities in the community, religion, charity and society - To respond to and manage complaints of the community
7. Government bodies, OIC, SEC, Revenue Department, BMA, DBD, SSO, Police station	<ul style="list-style-type: none"> - To be able to comply with regulations and laws. - Do not make any impact on the environment and community. 	<ul style="list-style-type: none"> - To follow the rules, regulations of the relevant laws. - To disclose information accurately and transparently.
8. Competitor	<ul style="list-style-type: none"> - Fair and transparent business competition. 	<ul style="list-style-type: none"> - To follow the code of conduct, operating fair and transparent business - Not destroying the reputation of competitors by making malicious accusations. - To compete by offering services to customers without cutting prices. - To collaborate in creative business.



Value Chain

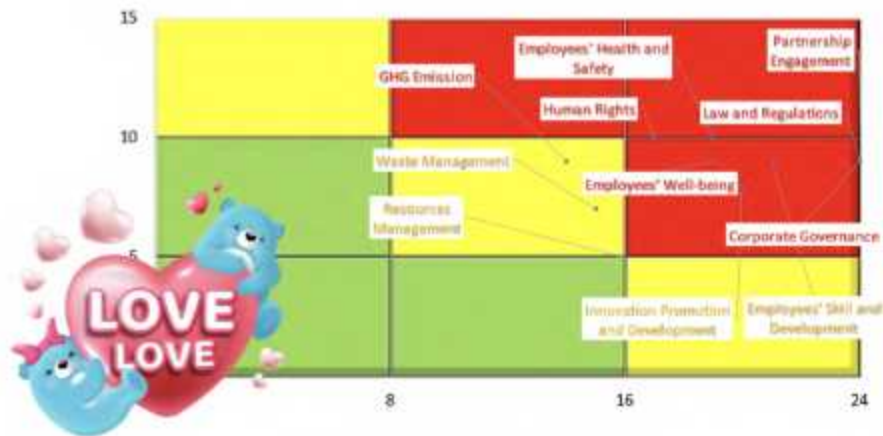


Sustainability Framework





Happy Life by Smart services @ TQM



Materiality Matrix

TQM conducted a survey and prepared questionnaire for all stakeholders to participate in the completion of materiality matrix, which identified top priorities in business and expectations which required immediate actions of the Company in order to achieve sustainable development. Details were as tabulated below.

Operating Framework	Business priority	Current Situation	Future Expectation	Key Success Factors	International Goals
Smart partner	Support development and innovation	Exchange of knowledge in insurance products	Technology adoption for development of operating procedure	Innovation and technology development	9.b Support for development of technology and research relevant to developing country, taking into consideration the laws, environment, industrial diversification, and value addition to commodity products
		Lack of technology adoption in operating procedures			
		Lack of digitization			
	Collaboration with business partners	Lack of strong ties	Strengthening of relationship between the Company and business partners	Managing relationship with business partners in a systematic manner; support and exchange innovation for sustainability	17.7 Support development, transfer, and disclosure of eco-friendly technology
	Mutual growth, which is environmental friendly				
Smart people	Human right	Products and services were not accessible to certain consumer groups	Social equality in which anyone can be TQM customers	1.Human capital development 2.Enhancement of hygiene and benefit of employees 3.Collaboration to exchange essential information with business suppliers for sustainable development	8.b Support appropriate hiring, fair remuneration, working hours and productivity for male, female, young and disabled labors 8.6 Anti-child labor 8.7 Anti-human trafficking and modern slavery 8.8 Promoting workplace and environment safety 10.3 Equality and eradication of inequality in all forms
	Wellbeing of employees	Imbalance between career and personal life	Employee happiness index increases as their wellbeing improves		
		Low happiness			
	Hygiene and safety of employees	Occupational risk			
	Development of capability, skills, and growth in career journey	Working overtime	Organization of knowledge where new knowledge is constantly acquired and exchanged		
Smart place	Reduction of greenhouse gas emission	Reduction of greenhouse gas emission in operating procedures	Zero carbon emission	Development of innovations relating to eco-friendliness and reduction of greenhouse gas emission	12.5 Minimize waste through recycling and reuse 12.3 Provision of knowledge and understanding about the climate change, prevention and related strategy 13.b Building of tools and strategies to support processes to delay the climate change

Such significant issues were analyzed to identify the key success factors, which leads to the pilot initiatives and reporting in accordance with the GRI Standards, namely marketing, technology development, recruitment, training and provision of knowledge, energy, water, and waste management as per details below.

Framework	Material Topic (Strategic Priority)	Current situation	Expected Future	Key Success Factor
Smart Partner	<ul style="list-style-type: none"> ➔ Innovation Promotion and Development ➔ Partnership Engagement 	<ul style="list-style-type: none"> • Knowledge exchange in insurance product • Lack of technology intervention-Avatar 	<ul style="list-style-type: none"> • Insert technologies into all operating processes • Upgrade bond between the Company and its partners 	<ul style="list-style-type: none"> • Innovation development • Partnership engagement • Human capital development • Partnership engagement • Human capital department
Smart People	<ul style="list-style-type: none"> ➔ Human rights ➔ Employees' Well-being ➔ Employees' Health and Safety ➔ Employees' Skill Development and career Path 	<ul style="list-style-type: none"> • Some customer cannot access to products and services • Lack of work life balance • Low happiness • Risk of accident in some jobs • Late working environment • So so productivity 	<ul style="list-style-type: none"> • Make society equal, anyone can access to TQM's products and services for secured life and well-being • Employees' happy lives • Work Life Balance • Safety Working environment • Innovation people • Excellent employees • Company of thinking 	<ul style="list-style-type: none"> • Human Capital Management • Human Capital Management • Employee Care & welfare • Human capital Management • Innovation Development
Smart Place	➔ GHG Emission	<ul style="list-style-type: none"> • Emission from several processes 	<ul style="list-style-type: none"> • Net Zero Carbon 	<ul style="list-style-type: none"> • Process improvement



Stakeholders, Customers, Business Partners, Non-Life and Life Insurance Company, Supplier Group Participation

1. Customer

The Company realizes the importance of the participation of its customers, believing that a good relationship is based on trust. The opinions and suggestions of customers to the organization are valuable that will affect the achievement of the organization's goal of sustainable development and growth. In addition, customer feedback management will help the organization to respond to customer needs effectively including reducing the risk that will cause damage to the image of the organization. The company operates as follows:

Throughout 2021, TQM determined the average satisfaction index at 85 basis point out of the sample group of 100,000 participants. The Company sent out a total of 222,012 SMS or 222.01 percent and the result were as follows:



1. A total of 79,907 SMS were sent out in February, March, August, and October, of which the return rate was 1,209 replies, with the satisfaction rate being 4.39 basis point.

2. A total of 23,708 SMS were sent out in March and December, of which the return rate was 415 replies, with the satisfaction rate being 3.42 basis point.

3. A total of 34,792 SMS were sent out in June and November, of which the return rate was 727 replies, with the satisfaction rate being 4.20 basis point.

4. A total of 15,179 SMS were sent out in July, of which the return rate was 260 replies, with the satisfaction rate being 4.40 basis point.

5. A total of 28,239 SMS were sent out in August, of which the return rate was 237 replies, with 98 percent of the replies confirming to recommend TQM products to people in their circles.

6. Two SMS batches were sent out in September. The first batch was sent out totaling 16,535 SMS, of which the return rate was 122 replies, confirming the interest in home insurance policies at 64 percent. The second batch was sent out totaling 22,967 SMS, of which the return rate was 431 replies, with the satisfaction rate being 4.60 basis point.

7. A total of 685 SMS were sent out in October, of which the return rate was 15 replies, with the satisfaction rate being 3.27 basis point.

Service improvement and development based on survey result

The Customer Relationship Management Department prepared an analysis report for service improvement, and 6 initiatives were launched during the year 2021 to enhance efficiency in customer communications and convenience. Details are as follows.

Analysis report for service improvement

The satisfaction survey result averaged in the satisfaction level. However, it is essential that improvement of services is achieved to keep up with the demands and expectations of customers. Understanding the customer insight is the key to success. All employees from operating to management levels should embrace the customer-centric mindset to deliver service excellence and to excel in responding to the customer's demand at the right time and in the right place. Thus, internal process improvement is required for the organization to learn, research, and respond to real needs of customers effectively and progress forward to achieve sublime satisfaction and impression of customers as well as being the customer of choice. Since the year 2020, the Company has run the "Listen with heart" to elevate TQM service standards in all aspects to ensure utmost customer satisfaction delivered by different services of TQM.

Project name	Objectives	Description	Timeline
1. Follow-up on termination works under the code CPM06	1. To optimize work follow-up to accelerate return call to customers in order to minimize policy cancellation 2. To minimize complaints of non-return calls of Customer Care agents	Determination of deadline for works under Action Code CPM 06.10 for the purpose of service level agreements follow-up	March (The system, however, went live in October.)
2. Customer Care's data recording	1. To develop the data correction system for agents to access information for customer contact purposes 2. To build sound relationship and respond to the needs of different customer segments	Development of categories for customer data recording and enabling access by categories	February-March / May
3. Claim Design	1. To design the claim filing and follow-up service 2. To deliver satisfactory user experience for service recipients	Design of claim filing format along with visit call script as well as post-call IVR script	June
4. SMS & Link Service	To increase service speed during the peak period of COVID-19 claim inquiring	Care Centre agents are enabled to send SMS link to customers based on the total incurred by the customers and service recipients. Customers are enabled to engage in self-service by clicking the link in SMS sent by the Care Centre agents, which consists of a policy and the how-to for COVID-19 claim filing.	September
5. Action code tracking for documentation editing	1. To streamline workflow by eliminating unnecessary process, which saves cost time and expenses 2. To improve internal workflow to deliver great user experience to customers 3. To nurture customer-centric culture for service excellence	Sending notifications via LINE APP TQM24 to acknowledge their cases, to notify documents amendment, and to acknowledge receipt of such amendment documents.	October
6. Action code tracking for indemnity works	1. To streamline work processes to save cost time and expenses 2. To improve the internal workflow of communication in order to deliver service excellence and satisfactory user experience	Communications via LINE APP TQM24 to notify the result of EXCESS fee waiver and result of indemnity claim approval (notification at the beginning and completion of claim processing)	November

To further improve the efficiency of communications channels as well as follow-up of works, service recipients were enabled to self-file grievances on services or requests for services via the I-SERVICE (www.tqm.co.th) in the following 6 topics: Notification of payment or request for payment documents, request for a copy of insurance policy or vehicle mandatory insurance policy, filing of non-receipt of insurance policy document, request for changes of policy details, online policy renewal and related tax payment, and other matters. More than 600 matters were filed on a monthly basis. Regarding customers who were not served upon their first call to the Care Centre, the Company launched the CDR Call Back system for callers to leave their contact details for return calls. Over 80 percent of messages were retrieved for call back purposes by the Care Centre agents on a monthly basis.

2. Business partners, insurance companies and life insurance companies

From the role of the company in advising and suggesting insurance packages for customers to buy non-life insurance or life insurance, the Company therefore selects insurance plans from insurance companies that have efficient management, corporate governance and honesty, taking care of the protection according to conditions of insurance the contract. The COVID-19 situation impacted the overall business of the insurance industry in 2021. However, TQM ensured that its relationships as well as its portfolio were carefully managed among partnering insurers. The assessment was planned, and performance was tracked to ensure that any loss can be well handled in a timely manner. The face-to-face meeting was not allowed due to the COVID-19 pandemic and therefore, replaced with the online meeting. The Company has a plan to evaluate and monitor the performance by having organized a meeting to review the performance and discuss to develop work processes, problem solving and planning work to deliver as planned. The meeting will be held at least once a year, Yearly Performance Evaluation to monitor performance according to the criteria set by the Company, consisting of

- Products and services
- Business operations and risk management
- Supporting activities or projects of the company

Criteria of the assessment is as follows, out of 48 points

0 – 24 points	25 – 34 points	35 – 42 points	> 43 points
Need improvement	moderate	good	Very good

By assessment results of the top 10 selling partner insurance companies of the year 2021, the evaluation results of eight companies were very good and two were good.

3. Supplier

The Company emphasizes the importance of stakeholder participation by believing that a good relationship is based on trust. The opinions and suggestions of stakeholders towards the Company are valuable affecting the achievement of the Company's goal for sustainable development and growth. In addition, stakeholder management helps the organization to respond to the needs of the stakeholders more efficiently. It also reduces the risk that causes damage to the image and the opportunity for business interruption along with being able to create the most benefits for all stakeholders. The company operates as follows.

1) The company listens to opinions from suppliers in the procurement group to improve the efficiency of the procurement system by conducting a survey on the suppliers of the procurement group named in the Approved Vendor List once a year, in the year 2021, the survey results could be concluded that such suppliers were satisfied with the work of the Company in a very good level and there are points and comments that would like

- Efficient, transparent and verifiable procurement system
- Fair procurement competition / selection



In this regard, the Company always adheres to the strict policy of procurement operations.

2) The Company provides a channel for receiving complaints from business partners and distributors. The complaint can be sent via E-mail to Ms. Ratana Punnipa, Chief Risk Officer; ratana@tqm.co.th, or by calling 02-119-8888 at any time, in the year 2021, there was no complaints from business partners and distributors.

3) The Company supports and encourages suppliers for complying with the environmental, social and corporate governance (ESG) policy by prioritizing suppliers with the ESG logo on the product.

4. Shareholder and Investor

1) Shareholders' meetings is an important part of communicating with shareholders. The company is aware of importance of the shareholders of the Company, therefore, the company holds an annual shareholders' meeting to encourage participation and communication with shareholders and to ensure that shareholders are treated equally, and that shareholders can exercise their rights as shareholders.

The Company promotes and encourages shareholders to exercise their rights in various matters in the annual general meeting of shareholders, i.e. the right to propose an agenda of the shareholders' meeting in advance of the meeting, the right to nominate persons to be elected as directors in advance, the right to send advance question list prior to the meeting, the right to express opinions and ask questions to the meeting, etc., under the rules, regulations, and procedures set by the Company.

The Company sends invitation letters and related documents for each agenda to the shareholders for consideration in advance, and discloses the meeting invitation letter with related documents on the Company's website including a proxy form for shareholders who are inconvenient to attend the meeting to authorize others to attend the meeting on their behalf. The Company appoints 1 independent director to be a proxy for shareholders who are inconvenient to attend the meeting. In the event that shareholders or proxies would like to attend the meeting, the Company facilitates transportation by organizing shuttle bus service for shareholders on specific time, date and the location stated in the meeting invitation letter.

On the shareholders' meeting date, prior to the opening of the meeting, the Company clarifies the rights of shareholders according to the Company's Articles of Association, methods for conducting meetings, including how to exercise the right to vote. After the meeting, the Company announces the resolution to the meeting by 9.00 am of the next business day, and sends a copy of the minutes of the shareholders' meeting within 14 days, also disseminate via SETLink system and the Company's website at <https://www.tqmcorp.co.th>.

There were 2 Shareholders' meetings in 2021 as follows:

1. The 2021 Annual General Meeting of Shareholders was held on April 28, 2021, via electronic media or E-AGM. There were shareholders attending the meeting in person and shareholders attending the meeting by proxy totaling 493 shareholders or equivalent to 84.2001% of the total issued shares of the Company. For the 2021 shareholders' meeting, the Company announced the criteria for proposing the agenda of the shareholders' meeting in advance of the meeting, the right to nominate persons to be elected as the Company's directors, the right to send questions to the meeting in advance of the meeting via the Company's website from December 1, 2020 to December 31, 2020, there was not any shareholder proposing a meeting agenda or submitting questions to the meeting in advance, and none of shareholders nominating any person to take a position as the Company's director.

2. The Extraordinary General Meeting of Shareholders No. 1/2564 was held on December 28, 2021. There were shareholders attending the meeting in person and shareholders attending the meeting by proxy totaling 252 shareholders or equivalent to 85.1648% of the total issued shares of the company. Both meetings were held at Integrity Meeting Room, Floor 6, Punnipa Building 1, TQM Corporation Public Company Limited, No. 123 Ladplakao Road, Chorakhe Bua, Lat Phrao, Bangkok. In the said meetings, all directors of the Company attended the meeting 100% along with executives, auditors and legal advisors. The meetings proceeded according to the agenda without switching or adding. The chairman of the meeting provided opportunities for shareholders to ask questions and express opinions on each agenda freely.

The e-AGM was among activities of TQM to reduce the greenhouse gas emission, which was a part of the Care the Bear project of the Stock Exchange of Thailand. The Company was ready to support anti-global warming movement and to instill such culture to the Thai society.

Meetings of the Board of Directors and Subcommittees

The meetings of Board of Directors and Committees were pre-scheduled on an annual basis in order to facilitate schedule management of Directors. TQM's policy determines that the meeting was to be held on a quarterly basis at a minimum (the Board of Directors' Meeting shall be organized not less than 6 meetings each year). Additional meetings may be called in case there is any urgent matter that requires immediate consideration. The two-thirds of members being present upon resolution delivery makes a quorum. In this regard, the meeting invitation, detailed agenda, and meeting documents were submitted to the Board of Directors not less than 7 days in advance for preparation purposes. Arrangement of the Sub-Committees was made in compliance of the charter of each Committee.

Details of meetings	Numbers of meetings during 1 January and 31 December 2021
	Number of meetings
Shareholders' Meeting (ordinary + extraordinary)	2
Board of Directors	6
Audit Committee	5
Nomination and Remuneration Committee	4
Risk Management Committee	4
Corporate Governance Committee	4
Executive Committee	12

During the period from 1 January 2021 and 31 December 2021, all members of the Board of Directors and all Committees attended the meetings. The average attendance of Directors attending the Board of Directors' Meeting was 100 percent.

2) Investor

The Company is committed to corporate governance and adheres to corporate governance principle, sustainable development and fair information disclosure to ensure that all stakeholders receive same and enough information. In 2021, the Company organized investor relations activities to provide information to investors, shareholders and all stakeholders apart from announcing financial statements. The Company understands the needs of investors, shareholders and stakeholders that to know the vision of the executives, corporate goals and other information useful to all parties. Therefore, activities were organized to meet investors, answer questions, receive suggestions, as follows.

Four Opportunity Days

No. 1	29 Mar 21	2020 Operating results
No. 2	7 Jun 21	Q1/2021 Operating results
No. 3	6 Sep 21	Q2/2021 Operating results
No. 4	29 Nov 21	Q3/2021 Operating results

Four Analyst Meetings

No. 1	5 Mar 21	2020 Operating results
No. 2	21 May 21	Q1/2021 Operating results
No. 3	20 Aug 21	Q2/2021 Operating results
No. 4	19 Nov 21	Q3/2021 Operating results

Other activities relating to Investor Relations



- o 42 Company visits and executives' interviews
- o 11 Roadshows
- o Total 61 Investor Relations activities in the year 2021

To contact the Company, submit suggestions and complaints, please contact IR department www.tqmcop.co.th, Ms. Ariya Silakorn Tel. 02 119 8888 ext. 5059 or e-mail: ir@tqm.co.th

Fair business operation and compliance with laws and regulations

The Company is committed to conducting business properly with honesty, fairness, transparency and disclosure of important information. The Company considers the benefits and impact on shareholders, customers, business partners, employees and all stakeholders as an important matter including fair and appropriate sharing of benefits. In addition, the Company places importance to legal compliance including compliance with international business ethics by requiring the directors, executives and employees to act within the framework of the laws, and regulations and must not be involved in helping or taking any action violating other laws and regulations related in dealing with business partners and competitors. The Company will treat its business partners fairly, not claiming or receiving any benefits unrighteous from partners and if unable to comply with any conditions, the Company will notify the business partners in advance in order to jointly find solutions and will treat competitors within the framework of good competition and does not seek the confidential information of its competitors in dishonest means. However, in the legal practice of other rules related, the Company has to operate its business under the supervision of the Office of Insurance Commission (OIC), in which the subsidiaries have been randomly audited by the OIC to comply with the Act in connection with the juristic insurance broker and the relevant laws. The subsidiaries received a record of the audit of the said juristic insurance broker from the Office of the OIC, indicating that they had completely complied with the relevant laws.

Non-infringement of intellectual property

The Company has a policy and practice on non-infringement of intellectual property to establish clear guidelines for the prevention and non-infringement of intellectual property. Employees are required to comply with intellectual property and copyright laws, such as trademark laws, patent law, copyright law or other relevant laws. Anyone who violates such policies must be considered for disciplinary offenses in accordance with the Company's work regulations or according to the requirements of the governing body and in the event that the offense is an offense under the provisions of the law, it will be subject to punishment as stipulated by the law.

Anti-corruption

The Company operates on the principle of transparency by not offering compensation, pay bribes, solicit requests or accepting bribes from other persons or entities in any form either directly or indirectly in order to have a mutually beneficial compensation or hope for benefits about the work of the Company, and not conducting illegal transactions involving government officials, other person or organization either directly or indirectly including not donating or paying for convenience or providing any support to other persons or entities as a means of paying bribes and because the Company attaches great importance to anti-corruption, the Company provides an internal control system to prevent any fraud and corruption with the Company's regulations establishing operational procedures. The authorized person for authorizing the payment and the amount responsible must comply with the Company's regulations which must have clear documentary evidences and also provide training for employees to know about the anti-corruption policy and practice and encourage employees to have honesty in performing their duties and responsibilities.

The Board of Directors has a clear anti-corruption policy stipulated in the charter and code of conduct and anti-corruption policy by communicating at all levels of the Company and third parties to achieve implementation. The Board of Directors has overseen the grievance receiving mechanism and the action in case there are clues and clear guidelines for grievance, fraud and offense. There is a provision about reporting an investigation of ethical violations, receiving complaints of fraud and misconduct in the event that stakeholders have observations about the operations of the Company and its subsidiaries. They can ask for details, report a complaint or the whereabouts of illegal acts, inaccuracy of financial reports, defective internal control system or violation of business ethics through independent directors or the audit committee of the Company. The information of complaints and clues given to the Company will be kept confidential. An independent director or audit committee will instruct the Compliance Officer to examine information and find solutions (if any) and report to the Chairman and the Board of Directors.

The Company has a whistleblowing channel and channels for receiving complaints as follows:

- 1) By post, deliver to
Chairman of the Board of Directors or Chairman of the Audit Committee
TQM Corporation Public Company Limited
123 Ladplakhao Road, Chorakhe Bua Subdistrict, Ladprao District, Bangkok 10230
- 2) By email
Chairman of the Audit Committee: Maruts211@gmail.com
Independent Director / Audit Committee: Rutchaneepom.po@spu.ac.th or chinapat@onelaw.co.th
Company Secretary : cs@tqm.co.th
Investor Relations : ir@tqm.co.th
- 3) The Company's website <https://www.tqmcorp.co.th>
- 4) Suggestion / comments / complaints box at the Company

Corruption Risk Assessment

Corruption Risk Assessment is to work proactively in all departments in the Company to identify evaluations and review the risk of corruption including raising awareness of the risk of corruption that could happen and impact on the objectives and operations of the Company. However, the executives of all departments must cooperate in providing information on the corruption risks that occur in their departments.

- 1) To prepare criteria for measuring impact risk and the opportunity to occur including setting the level of risk that the Company can accept.
- 2) To identify risks and the impact of the risk as well as analyzing the severity and possibility of risks before considering the existing internal control measures.
- 3) To evaluate the current internal control system, analyze the severity and possibility of risks following current internal control measures.
- 4) To provide measures to reduce risks to an acceptable level if the current internal control measures are not enough.

Therefore, the management has set the internal audit function providing advisory services to management for assessing fraud risks as well as being a collector of assessment results, to document the risk of corruption of the organization which covers fraud risk diagrams and register fraud risks as well as monitoring the implementation of the risk management plan, to present to the Risk Management Committee, Audit Committee, Board of Directors as well as management and other related departments.

However, such departments or working groups are only responsible for advising and collecting risk information. Risk identification and assessment including the provision of measures to reduce or manage risks is a direct duty of management in each department of the Company. In addition, the internal audit function is responsible for assessing the sufficiency and the effectiveness of the internal control system identified during the risk assessment that sufficient or not to reduce the risk to the level that the Company is acceptable.

The company assesses and reviews fraud risks annually to identify increasing risks or changes in existing risk levels each year which can be changed due to various factors such as changing operating processes, use of new technology and information systems, changes in the duties and responsibilities or new fraud methods, etc. If the Company starts organizational risk assessments, executives can consider conducting a fraud risk assessment along with the risk assessment of the Company.



Supervision Guidelines for Prevention and Monitoring of Corruption Risks

- 1) To establish internal control procedures and processes and risk management covering the Company's vital activities including giving gifts, entertainment, charity donation, contribution to the aid and support political activities, providing or receiving bribes in order to prevent the occurrence and monitor corruption risks as well as providing suggestions on appropriate solutions.
- 2) To provide a channel for receiving information, clues or complaints about violation of the law or business ethics of the Company or practice guidelines to prevent involvement with corruption or the internal control system. The policy is to protect information or whistleblowers and will keep the information confidential including measures for examining and determining the disciplinary penalties following related laws.
- 3) The head of the relevant department is responsible for monitoring the performance, errors correction (if any) and reported to the authority accordingly.

Guidelines for monitoring the Implementation of the Anti-Corruption Policy

The company has set up a guideline for following up and evaluating the implementation of guidelines for preventing involvement with corruption as follows:

- 1) To determine the executives and employees to self-assess their performance regarding the compliance with the Corporate Governance and Business Ethics Manual set by the Company. This includes corporate governance policy, ethics and business ethics on supporting anti-corruption practices to prevent involvement with corruption and employee conduct on a regular basis.
- 2) To provide a supervisory and control department to audit the internal control system, risk management, corporate governance and provide constant feedback by conducting audits according to the annual audit plan which has been approved by the Audit Committee and to report the audit results and recommendations to the Audit Committee.
- 3) To designate the Risk Management Committee to be responsible for ongoing fraud risk testing and assessment to ensure effective implementation of anti-corruption measures, as well as to regularly monitor and improve anti-corruption measures. The assessment results shall be presented to the Audit Committee and report to the Board of Directors.
- 4) If investigating the facts and found that information from investigations or complaints is reasonable evidence to believe that the transactions or actions having significant impacts on the financial position, and performance of the Company including violation of laws or the Company's business ethics or guidelines to prevent involvement in fraud, corruption or suspicion in financial reports or the internal control system, the Audit Committee will report to the Board of Directors for rectification within the period that the Audit Committee deems appropriate.



Summary of key activities of the Anti-Corruption and Corruption Policy in 2021

In 2019, TQM Corporation Public Company Limited applied for membership of the "Collective Action against Corruption" (CAC) with an aim to pledge its ratification to comply with requirements and ethics of the CAC in all aspects. The Company was certified as a juristic member of the organization on 10 April 2019, of which its certificate would expire in 2022. The Company was in the process of applying for the renewal.



In 2020, the Company has joined as a member of the Collective Action Coalition for Thailand in combating corruption (CAC) and announcing its intention to fight against corruption and all forms of corruption on September 13, 2020, including participating in anti-corruption activities with the authorities. For example, Road to join CAC and participating in various training courses. The Company is committed to obtaining certification according to CAC standards which is currently in the self-assessment process according to the category and topic of the CAC. The Company received fully cooperation from all departments of the Company.

TQM was in the process of applying for membership of the Thailand's Private Sector Collective Action Coalition Against Corruption or CAC, which was extended for another 6 months for further risk assessment, documentation, and data review. In this regard, the membership application missed the deadline of 18 months. Currently, the Company has been carrying the following activities.

1. To complete the 71-assessment review form following the criteria in order to analyze strength and weaknesses for improvement in relation to anti-corruption. Currently, the Company completed 41 requirements, which requires a "yes" answer, or 58% completion

2. To review and launch additional plans or policies to determine strategy and execution as well as to propose the written records for approval from the Chairman of the Board of Directors, which will be further communicated for implementation internally and externally in a concrete manner to ensure alignment with the context and level of corruption risk of the Company

3. To prepare documentation subsequent to completing the 71-assessment form for review of the Audit Committee/ Company's auditor prior to sign-off by the Chairman of the Board of Directors

To ensure the continuity and completion of the matter as well as compliance with other relevant laws, TQM plans to file the required documents for membership application upon the end of the 6-month extension or within 9 August 2022.



Communication of Anti-Corruption Measures

Internal	<ul style="list-style-type: none"> To disseminate "Anti-Corruption Measures and "No Gifts Policy" through the Intranet system for all employees to acknowledge. Training on Anti-Corruption and Corruption Policy through orientation to new employees of 165 groups, totaling 2,150 employees (including staff pre-employment training) To organize a training course "Guideline to sustainable anti-corruption" to existing employees of 8 groups, totaling 400 employees to acknowledge, understand and implement correctly. Two courses of external trainings 1. "Corruption Risk and Control Workshop (CRC)" class of 11/2021 and 2. Live – Road to Certify 4/2021 with two participants
Partners	<ul style="list-style-type: none"> To communicate measures for business partners or those who want to be a business partner in various forms, for example, specifying a statement indicating the intent of SET in combating corruption. To disseminate anti-corruption measures and the policy of not receiving gifts by E-mail to the stakeholders directly.

Risk from business partners

The company places great importance on supply chain management concerning environmental, social and governance sustainable development in order to prevent risks that may arise from direct and indirect impacts on the Company's image and business operations, it is therefore important to effectively manage the relationship with suppliers. The Company conducts procurement with transparency, fairness and verifiable. The Company has clear policies and criteria for selecting suppliers. There is a code of conduct for business partners to be used as a practice guideline including focusing on all forms of anti-corruption as follows:

The Company has identified which business partners are important business partners of the Company by clear criteria to group up partners. In 2021, the Company has more than 1,300 merchant partners, the Company has grouped merchants based on key product categories affecting the core business of the Company and has a trade value of 100,000 baht or more as follows:

Group No.	Type	Total
1	Information technology products	7
2	Office equipment and supplies	7
3	Publications	3
4	Services and others	2

The Company has processes, procedures, and practices to identify economic risks arising from Company partners by assessing and prioritizing the risks of the 2021 Procurement and Purchasing Department, identifying the risk factors assessment of risks, opportunities, impacts, risk management measures and details of actions. There are two economic risk factors arising from trade partners, namely, dependence on few trading partners and the risk of receiving ineffective products / services as well. In the past year, the department has implemented measures to control risks. The purchasing department has selected at least 3 - 5 registered companies / stores / types of products to follow up and evaluate twice a year if failure to meet the required standards, such store will be canceled and removed from the Approved Vendor list, therefore, the risk is in a controllable level.

The Company has processes and practices to identify risks arising from the Company's business partners covering social and environmental issues, as well as prioritize risks of departments in 2021. Those issues are used as criteria in selecting companies and merchants for 2021. The Company also informed companies and merchants of procurement policy and ethics. As a result of the said action, the risk of such issue is at a controllable level.

The Company disclosed information on risk management regarding business partners in public channels, namely 66-1 form, Annual Report and Company's website.

Sustainable Supply Chain Management

The Company manages its supply chain responsibly to reduce the risk of business interruption to promote business operations that are legally compliant and reduce environmental and social impacts that may arise from supply chain activities. In 2021, the Company implement following actions:

The Company sets social and environmental issues in the Company's procurement policy, procurement of supplies and services, clause 6. To concern the environmental and social friendliness, and all executives and employees in the company having duties to cooperate, support, push and strictly operate under the policy and set social and environmental issues as criteria for selecting new partners in the new company / merchant registration assessment form and used as a guideline for the selection of companies / registered stores of the year 2021 for the evaluation of the selection new business partner from the 4 groups.

The Company has established a Supplier Code of Conduct covering social and environmental issues as follows:

Supplier Code of Conduct

Business operation

1) Delivery of products and services

Merchants / Partners must deliver quality products and services and the price is reasonable and fair. The delivery must be on time to keep up with customer needs and develop products and services continuously.

2) Compliance with laws and regulations

Merchants / Partners must obey the law both national and local. This includes the rules governing business operations and the necessary licenses.

3) Anti-Bribery and Corruption

The Company has an anti-corruption policy "Collective Anti-Corruption (CAC)" and expressed its intention to strictly comply with the policy on corruption, extortion, fraud or bribery. If any merchant / partner is involved in paying or receiving bribes, the contract will be terminated and the Company will not be responsible for any damages incurred to the business partners due to the cancellation of the said contract.

4) Reward Gifts

Merchants / Partners must acknowledge that employees of the Company will not give or receive gifts, awards, favors that will influence operational decisions or cause unfair benefits, except for giving or receiving according to business practice.

5) Conflicts of Interest

Merchants / Partners must notify the Company immediately if any action is found that may create a conflict of interest between the management, employees and personnel in the group of companies and business partners.

6) Trade secrets

Merchants / Partners must have a process to prevent the leakage of confidential information, whether it is business information or personal information of the Group and must not use such information arbitrarily.

Safety and working environment

1) Occupational health and safety

Merchants / Partners must have a health policy occupational health and safety to support a safe and hygienic work environment including providing personal protective equipment to employees adequate and appropriate employees.

2) Prevention, preparation and response in emergencies

Merchants / Partners must have a forecast, identification and assessment of the situation and emergency including planning and having emergency procedures to help reduce the impact from emergency situations that will affect the business continuity.



Human Rights and Labor Practice

1) Human rights

Merchants / Partners must strive for and maintain fair working conditions and be a role model in business and other areas based on human rights principles, such as the non-working of child labor, pregnant women, or other matters that show disrespect for human rights or international standards regarding human rights, rights, liberties and equality principles.

2) Labor and Child Labor

Merchants / Partners must not engage in or encourage the employment of workers under the legal age and must pay compensation to employees with fairness, not taking advantage regarding employees' knowledge and skills.

Environmental impact

1) Environmental management

Merchants / Partners must have an environmental management system in accordance with the law & regulations. This will lead to the development of sustainable performance.

2) Waste, chemicals and hazardous materials

Merchants / Partners must have management, treatment, discharge or disposal of the waste, chemical, and hazardous substance arising from business operations measures in accordance with the law, applicable rules with an examination and good control measures that do not affect the environment

3) Impact on the community

Merchants / Partners must have a systematic assessment, document and control environmental impacts that may arise from operations and the impacts on the surrounding communities.

The Company monitors compliance the Supplier Code of Conduct and requires the Business Partner to submit a letter of acceptance to the said Code of Conduct and keeps the acceptance letter as evidence. During the year, the Company sends a self-assessment to business partners to self-assess and then analyze and file data as additional evidence.

The Company graded a group of merchants / partners into grade ABC on December 20, 2021, a total of 19 partners and informed the merchants / partners to develop, upgrade, revise the grade B and C to be in Grade A group using the assessment during the year as a development tool.

2021 Annual Assessment Results, as of December 20, 2021

Grade A: 25 – 24 points	4 merchants / partners
Grade B: 23 – 21 points	6 merchants / partners
Grade C: 20 - 18 points	9 merchants / partners

Sustainability, IT and cybersecurity

TQM sees significance of continuous business development and strengthening. The Company launched the IT policy to serve as guideline for IT works, operations, development and maintenance in an appropriate manner in compliance with the laws as well as related security regulations

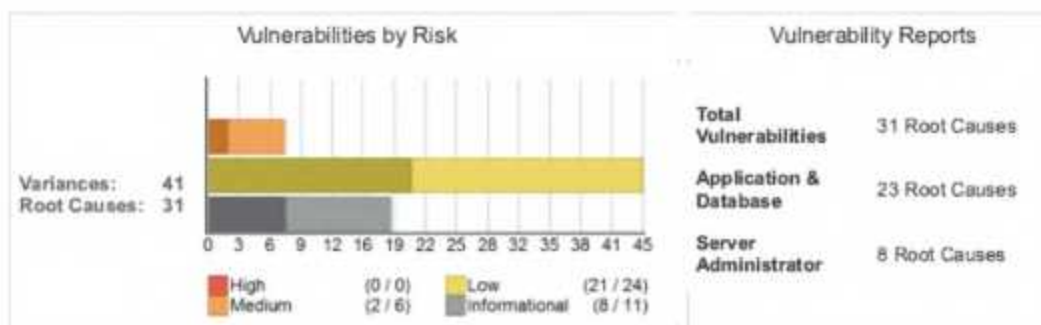
Regarding the IT risk management, TQM explored the cyber threats and studied cases incurred to peers in the same and different industries in order to learn about and assess the risks of the Company. Moreover, various detecting systems as well as other security tools were put in place to enhance effectiveness and efficiency of IT and cybersecurity.

Top 25 Remediations by Risk

Top Remediations-Final



Vulnerabilities



Personal data protection policy

The Personal Data Protection Act B.E. 2562 stipulates that the Company has the responsibility to impose personal data protection measures to prevent any intentional or unintentional violation. The Company is determined to protect personal data to prevent loss, misuse, disclosure, editing, unpreparedness, non-permitted or non-licensed use, including elimination with prudence to protect personal data, and to launch of appropriate technical measures to ensure that any personal data collected, used, or disclosed, directly or indirectly, on paper, computer, or any types of media in order to ensure compliance with the laws.

TQM arranges for collection, use, or disclosure of personal data related to persons, including permanent and temporary employees as well as business partners, for business purposes in compliance with legal requirements. Any collection or arrangement was conducted with obligation to protect the right and liberty of persons as stated by the laws. Details are as follows.

Personal data protection actions

- Consent shall be made clearly in writing or by electronics form unless the person is in condition with which such methods could not be complied.
- In acquiring the consent from data owner, the personal data controller shall notify the objectives of collection, use, or disclosure of such personal data; and such consent request shall be clearly separated from other parts of the entire message. The consent shall be in a simple and easy-to-digest format, using layman terms to prevent any deception or misleading messages which may result in data owner misunderstanding about such objectives.



- In acquiring the consent from data owner, the personal data controller shall prioritize the freedom of data owner in decision making. In this regard, entering into agreement or receiving any services shall exclude conditions to give consent for collection, use, or disclosure of personal data unrelated or unnecessary for such agreement entering or service provision.
- Data owner is at liberty of revoking the consent at any time; and the action to do so shall be as simple as the method of giving such consent, unless there is any restriction on the right to revoke consent as stipulated by the law or the agreement which is beneficial to the data owner. In this regard, revocation of consent shall not impact any data collection, use, or disclosure, which was previously consented by the data owner.
- In case the data owner will be impacted in any aspects from consent revocation, the personal data controller is required to notify the data owner of such impact. The request for consent of data owner which falls out of the provision under this topic is not binding to owner of personal data and does not enable the personal data controller to collect, use or disclose such personal data.

Collection of personal data

- Collection of personal data requires consent of the personal data owner, except otherwise allowed by the Personal Data Protection Act B.E. 2562 or other related laws.
- Collection of personal data shall be made in an explicit manner in writing in a form of letter or forms, or by electronics format stating the request for consent from data owner; and such request shall be clearly separated from other parts of the entire message in a simple and easy-to-digest format or messages.
- Collection of personal data from a minor becoming *suis juris* by marriage or a person deemed *non-suis juris* in compliance with Section 27 of the Civil and Commercial Code requires consent from his legal guardian.
- Collection of personal data from an incompetent person requires consent from his legal custodian.
- Collection of personal data from a quasi-incompetent person requires consent from his legal custodian.
- Collection of personal data shall be made on a necessary basis and objectives of collection, use, or disclosure shall be notified.
- Period of personal data collection shall be determined.
- Protection and safeguarding measures shall be imposed for collected personal data in order to prevent any unauthorized access.

Use and disclosure of personal data

- Use or disclosure of personal data requires consent from personal data owner prior to such use or disclosure.
- Regarding transfer of personal data to other business units, the Company shall ensure sufficient protection measures to prevent loss, damage, or errors against such personal data.
- Use or disclosure of personal data is allowed solely in accordance with the consent of data owner.

Monitoring, review, and adjustment of policy

This policy requires monitoring and determination of KPIs to ensure the efficiency of related operations. The plan requires regular performance evaluation and a minimum of one review is required each year; or whenever there are changes in business operations, operating processes, technological changes, or reporting of personal data security breach, which may relate to this policy.

Contact address and method

If you are seeking assistance from the Company in information provision, or reporting any errors or suspicion of any actions that violate your consent, please contact us at the following addresses.

- Our website: <https://www.tqm.co.th>
- Our Data Protection Officer at e-mail: dpo@tqm.co.th

No.	Operating procedures	Responsibilities	Responsible person	Related regulations
1	Establish, review/edit Consent	Establish, Review/edit personal data protection consent form	Working Group	
2	Fill in DAR to launch procedure	Fill in the DAR form, attached with the personal data protection consent form to launch the review and audit procedure	Working Group	
3	Consideration	Consider, review, audit, and sign off the DAR form in case of approval to launch the next step. In case of non-approval, the matter shall undergo the review/editing again.	Data Protection Officer/ Legal Department	
4	Determine effective date	Determine the effective date by considering appropriate timeline for communication to related parties before enforcement	Personal Data Protection Consent Custody Officer	
5	Form version updates	Update the personal data protection consent form	Personal Data Protection Consent Custody Officer	
6	Register DAR, update and distribute the Master List	The approved DAR form is registered while the master list is updated, announced, and distributed in the system.	Personal Data Protection Consent Custody Officer	
7	Acknowledged and communicated by related parties and subordinates	Related parties acknowledge and communicate changes to subordinates for implementation	Related teams	
8	Store documents in the system	Documents are stored in the IT system as the latest version while related documents and DAR are attached and stored with the original documents. In case of cancellation, which affects other procedures or the policy, adjustment shall be made according to such changes/ amendment. The soft copy is stored in case changes are to be made. In case of cancellation, the file shall be stored in the "cancelled documents" folder. The hard copy shall be stamped or crossed as cancelled and filed in sequence with all the previous versions of documents, and the master list shall be updated accordingly.	Personal Data Protection Consent Custody Officer	



Taxation

The Company establishes strict accounting policies and tax operations in accordance with applicable laws and plans for the legal utilization of tax incentives in accordance with key accounting policies of the Company and the policy will be always up to date.

Income tax, including

1) Current income tax

The Company records current income tax on the amount expected to be paid to the Revenues Department on the basis of taxable profits in accordance with the rules of taxation.

2) Deferred income tax

The Company records deferred tax on temporary differences between the book values of assets and liabilities at the end of the reporting period and the tax base of the related assets and liabilities by using the current tax rates at the end of the reporting period.

The Company recognizes deferred tax liabilities of all taxable temporary differences. However, deferred tax assets are recognized for deductible temporary differences. This includes the amount of the unused tax loss which is possible that the company will have sufficient future taxable profits to capitalize on the deductible temporary differences and the unused tax losses. The Group reviews the carrying amount of deferred tax assets at the end of the reporting period and will make any adjustments to the carrying amount if the Company will not probably have sufficient taxable profits to utilize some or all of the deferred tax assets. The Group records deferred tax directly to shareholders' equity if it is related to. Corporate income tax rate is at 20%.

Human Rights

The Company realizes that businesses must respect the life and human dignity of everyone, which is the foundation of human resource management and development as well as building relations in society. The Company has a guideline to promote and encourage the implementation of fundamental human rights and equality principles to not discriminate regardless of race, nationality, religion, language, skin color, sex, age, education, physical condition or social status including ensuring that employees can work together in a safe and happy working environment. The Company also provides an orientation training for new employees to know the information of the Company before starting work, including the content on respect for human rights for a happy coexistence of employees. As of December 31, 2021, the Company employed a total of 3,573 employees. Number of new employees and resigned ones are as in below table.

Number	Month	Existing (as at end of month)	Data as of 31 December 2021			
			New		Resigned	
			employees	%	employees	%
1	January	3,881	58	1.49%	185	4.25%
2	February	3,887	77	1.99%	138	3.57%
3	March	3,922	89	1.76%	179	4.56%
4	April	3,881	153	3.94%	204	5.26%
5	May	3,774	116	3.07%	185	4.90%
6	June	3,739	95	2.54%	187	4.47%
7	July	3,711	97	2.61%	139	3.75%
8	August	3,607	119	3.30%	149	4.13%
9	September	3,517	88	2.50%	175	4.98%
10	October	3,543	85	2.40%	188	5.31%
11	November	3,538	160	4.52%	147	4.15%
12	December	3,573	111	3.11%	123	3.44%
Total			3,573	1,228	2.78%	1,959

In addition, the Company has continuously coordinated with the Disabled Career Development Center by hiring disable persons to be regular employees of the Company since 2010, as of December 31, 2021, the Company employed a total of 20 disabled persons who are still working in several departments according to the potential and suitability for the job position at the Head Office and branches / service centers in the provinces.

Fair labor treatment and employees care

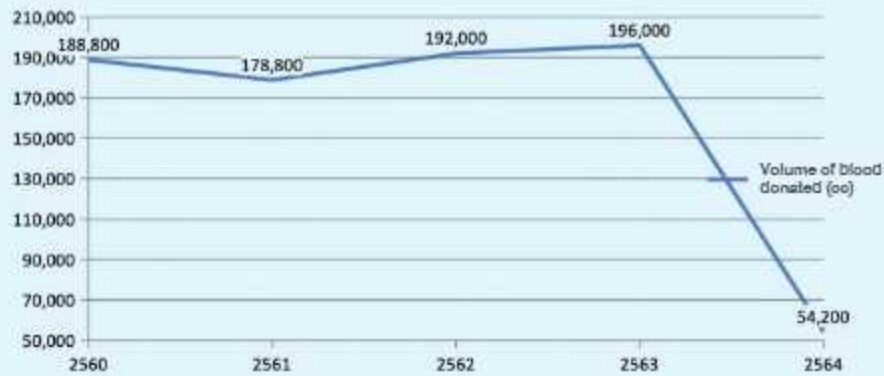
The Company believes that human resources are the most important factor in business operations to create value and return for the business as the operations in the Company requires knowledge, abilities, as well as dedication, both physical and emotional energy, to achieve goals. Therefore, the Company has established guidelines for treating employees, the management is expected to treat employees fairly without prejudice, support in building capacity for advancement and increasing the efficiency of employees' work, also encourages employees to understand of the code of conduct that employees must follow and not violate. The Company provides appropriate welfare for employees, and treat employees with honesty by listening to reasonable opinions and suggestions, and providing reasonable and fair compensation according to their knowledge, abilities, as well as roles and responsibilities and the performance. In addition, the Company provides employees with good and competitive welfare at the same level as leading international organizations, such as provident funds, savings cooperatives, loan welfare, scholarships for employees and children. There are also employee relations activities at various times to build morale and happiness in continuing to work with the Company. In addition, the emphasis on labor relations has been continued in the form of a welfare committee in the workplace. In 2021, the company set down its policies and practices in terms of human rights, to give equal treatment to all irrespective of gender, race, religion and culture, and including the disabled. The company gives top priority to performance, knowledge and capability, through international-standard evaluation tools and formats. The company also has policies/guidelines for the non-discriminatory payment of remuneration on the basis of fairness, for employees to enjoy their work. The company has thus reviewed and updated work regulations to be current, consistent with labor laws which are in force, together with the company's Code of Conduct. There is communication with employees for them to know, understand, accept and participate in "Blood Donation", an activity to promote quality of life organized in cooperation between TQM Insurance Broker Co., Ltd, its subsidiaries and the National Blood Donation Center of the Thai Red Cross. The blood donation drive has the objective of supporting the Thai Red Cross with publicity, and donations of blood for patients who need it for their hospital treatment.

Data on blood donation 2017 - 2021

Year	Number of participants (employees)	Volume of blood donated (CC)
2017	472	188,800
2018	447	178,800
2019	480	192,000
2020	490	196,000
2021	154	54,200
Total	2,043	809,800



Data on blood donation 2017 – 2021



Note: In 2021 command during COVID pandemic, that was one blood donation activity in March, resulting in lower volume.

Blood donation activity on 11 March 2021



"Influenza vaccination (4 variants)" is another activity showing that the company care for employees' health and protect from the spread of influenza

Number of employees received influenza vaccine (4 variants)	
Date	Number of employees
11 November 2021	116
12 November 2021	163
13 November 2021	300
9 December 2021	201
Total	779

Pictures of activities



The Company continued to focus on employee relations with Office Welfare Committee in 2020. It aimed to develop quality of life of the employees by conducting Employee Satisfaction Survey: ESS with following topics.

The highest results were about pride in the company with details as follows:

Pride in the company	Average	%
You are proud to tell others that you work with the Company.	4.54	91%
You are proud when hearing others give positive comments about the Company.	4.81	96%
You do not want to work with other companies even though welfare or compensation are better.	4.42	88%

The lowest results were about opportunity and career advancement with detail as follows:

Opportunity and career advancement	Average	%
You can see your career path clearly.	3.71	74%
You feel that you have job security in your current work.	3.89	78%
You can pass on your knowledge to your subordinates.	3.61	72%



The results have shown that employees have pride in their company and are happy that other parties talk about their company in a positive way. As a result, employees have awareness of maintaining the company's reputation. The part of the survey showing the least satisfaction is the heading, "Career Opportunities". Human Resources analyzed possible reasons for employee satisfaction numbers, which produced the program "Pathways to Career Advancement" in 2022. This was a continuation from the original program in 2020, supporting employees at every level with opportunities to develop their skills and capabilities to showcase their full potential, and to progress in their careers.

In 2021, the company set down its policies and practices in terms of human rights, to give equal treatment to all irrespective of gender, race, religion and culture, and including the disabled. The company gives top priority to performance, knowledge and capability through international-standard evaluation tools and formats. The company also has policies/guidelines for the non-discriminatory payment of remuneration on the basis of fairness. As a result, the company has organized relevant training courses, such as orientation, charters and ethics, and development of line manager skills. Overall in 2021, 1,801 employees did some form of training, 50.53% of the company's total employees in 2021.

This is broken down into internal training for 1,771 employees, or 50% of the 2021 workforce, with external training for 30 employees or 0.84% of the company's staff in 2021. Comparing this to training in 2020, total employees receiving training numbered 1,843, or 47%, with the average hours of training per employee per year increased by 6 hours per employee to 34 hours.

The company has given emphasis and priority to employee development, which is crucial to drive the organization. It has determined training courses must be consistent and related to work levels and duties/type of work, and as their department or the company has set expectations to improve their knowledge, skills and potential. Increased productivity at work gives a competitive edge. In 2021, this also included giving opportunities and promoting career progress for employees to grow with the company. The formats of assessment and criteria summarizing the development of potential for employees is consistent with work evaluations from training, so they are an incentive and will retain happy and motivated employees to stay with the company.

Employee's illness and injury

Operational safety is essential in business operations. The Learning Development and Management Department has organized a training course on "Workplace Safety" in order to learn about occupational safety, cause of the accident that is not safe (Unsafe Act), unsafe working area (Unsafe Condition) and guidelines for preventing accidents including the trend of danger that will occur in each step, finding solutions and a course "Safety officer in executive work" as a guideline for the implementation of safety by providing knowledge and understanding to be applied in conjunction with the security policy in the Company.

Reimbursement of fund due to injury during work in 2021

Number	Employee ID	Name – last name	Department	Job title	Date of injury	Reasons of injury	Hospital
-	-	-	-	-	-	-	-

Note: In 2021, there was no staff got injured during work.

Developing potential and opportunities

In 2021, the Company has established human rights policies and practices by equitable treatment, in terms of gender, race, religion, traditions, and people with disabilities; the Company places great emphasis on performance from knowledge and ability as the core through universal assessment tools and models. There is also a compensation policy / guideline that does not discriminate based on fairness principles, therefore organizing relevant training courses such as orientation, charter and ethics supervisor skill development, etc.

The Company focuses and gives great importance to employee development which is the heart of the organization by establishing training courses in accordance with and in relation to the position level role / nature of work as expected by departments and the Company to have higher knowledge, skills and potential to perform the job efficiently. This resulted in a competitive advantage in the year 2020, as well as providing opportunities and promoting career advancement for employees to grow with the Company. Evaluation model and criteria summarize the results of the development of employee potential that are consistent with the evaluation results of work with training to motivate and keep employees happy with the Company.

The trainings in 2021 were attended by 1,801 employees training from the total workforce in 2021 of 3,564 persons, representing 50.53%. Internal trainings were attended by 1,771 employees and external ones were attended by 30 employees. Details of trainings are as follows:

Internal training for the year 2021

Number	Date	Courses	Participants
1	24 April 2021	Skill development for managers in digital era	38
2	27 April 2021	Personal data privacy Acts and practice	60
3	28 April 2021	Omotenashi : spirit of services in Japanese style	40
4	29 April 2021	Leadership and management in crisis	46
5	21 May 2021	Leadership and management in crisis	50
6	22 May 2021	Skill development for managers in digital era	50
7	24 May 2021	Performance management in crisis	47
8	25 May 2021	Efficient and happy work	65
9	25 June 2021	Self-development technique for efficient work development	65
10	26 June 2021	Change and risk management in crisis	63
11	27 July 2021	Self-development technique for efficient work development	34
12	11 August 2021	Services technique in digital era	40
13	17 August 2021	Result-oriented management with agile concept	40
14	19 August 2021	Self-development technique for efficient work development	33
15	24 August 2021	New normal presentation technique and method	36
16	25 August 2021	Change and risk management in crisis	55
17	17 September 2021	Service technique in digital era	36
18	21 September 2021	Personal data privacy Acts and practice	36
19	22 September 2021	Technique for work efficiency development with Ho-Ren-So communication	38
20	23 September 2021	Skill development for managers in digital era	66
21	24 September 2021	Insurance knowledge like a pro	36
22	12 October 2021	Service technique in digital era	36
23	14 October 2021	Insurance knowledge like a pro	29
24	15 - 16 October 2021	The Safety Occupational Health and Working Environment Committee	19
25	15 October 2021	Personal data privacy Acts and practice	30
26	19 October 2021	Work development with Agile concept	38
27	20 October 2021	Personal data privacy Acts and practice	33
28	21 October 2021	Technique for work efficiency development with Ho-Ren-So communication	82



Number	Date	Courses	Participants
29	22 October 2021	Work development with Agile concept Class 2	39
30	23 October 2021	Work development with Agile concept Class 3	51
31	9 November 2021	Synthesis thinking and decision making	40
32	11-12 November 2021	Safety officer - Supervisor level	26
33	13 November 2021	Synthesis thinking and decision making	41
34	16 November 2021	Skill development for managers in digital era	43
35	18-19 November 2021	Safety officer - Management level	41
36	20 November 2021	Selling technique in digital era	43
37	27-28 October, 3-4, 10-11, 18, 24-25 November 2021	Corporate Sustainability Strategy	26
38	22 December 2021	"BIG ROOM PLANNING"	50
39	27 December 2021	"2022 TQM Business Plan Kick Off"	132
Total			1,771

Public training in 2021

Number	Date	Courses	Participants
1	30 June 2021	Online computer program	1
2	2021	GRI Professional Certification (online)	1
3	2021	Foundation In Responsible Investment (online)	1
4	18 October 2021	Corruption Risk and Control Workshop (CRC) class off 11/2021	2
5	21 October 2021	Live - Road to Certify 4/2021	2
6	30.10, 4, 6, 8, 11-13, 18-20, 26-27 November 2021	Advanced People Management in the Post Covid-19 (APM 45)	1
7	15 December 2021	Financial Statement Analysis for business planning and decision making	1
8	17 December 2021	How to write correct note of financial statement according to financial report standard	2
9	17 December 2021	Merger & Acquisition (M&A) and tax planning and related laws	1
10	18 December 2021	Technique for accounting review to prepare financial statement efficiently	1
11	22 December 2021	Investigation and prevention of fraud in financial statements, and case study	2
12	22 December 2021	Cautions for submitting 2021 financial statements and preparation for submitting 2022 financial statements (Nakorn Pathom)	1
13	22 December 2021	Investigation and prevention of fraud in financial statements, and case study	2
14	23 December 2021	Responsibility in financial statement preparation in accordance with key accounting standards	3
15	24 December 2021	Cautions for submitting 2021 financial statements and preparation for submitting 2022 financial statements	3
16	25 December 2021	Cases from accounting review by auditors and mistakes from financial statements preparation	1
17	25 December 2021	Cautions in preparation of financial statements, book closing and presenting financial statements in accordance with financial standards	1
18	27 December 2021	Cautions in preparation of financial statements, book closing and presenting financial statements in accordance with financial standards	2
19	28 December 2021	Key considerations of accounting item in assets and liabilities in financial budget in accordance with financial reporting standards	2
Total			30

Responsibility to Consumers

The company requires employees of the Company to treat customers in accordance with the established business ethics to take care and be responsible for the customers, both in terms of quality and providing good and standardized services for customer's confidentiality. Employees will not disclose customer information that they have known from business operations. The information shall normally be stored and not disclosed, unless disclosure by law. The company is committed to the satisfaction and confidence of customers from quality service by establishing a customer service department to provide 24-hour customer support services through the 1737 hotline, the Customer Service Department provides assistance services to customers who call for inquiries, follow up on work and complaints as well as to coordinate with the relevant departments in the event of an accident to get help to customer as soon as possible including inquiries about insurance so that customers and the public who need more information have complete information to support their insurance decisions. In addition, the Company also provide Professional Insurance to employees as a compensation to customers in case of any damage from the Company's employees. The Company as well provides various activities to strengthen the relationship between the Company and customers through the TQM Family club project by providing special benefits to project members and customers, including a special health check discount and birthday gifts, etc.

Service coordination with customers on claims

In 2021, the objective of operations was to provide convenience to customers, for customers to receive the rights to which they were entitled according to the conditions of their insurance policies, and to promote the reputation of the insurance business by another channel. Claims Department compiled the number of cases of service coordination for customers, which totaled 37,226.

Claims Department provided service and coordinated with every customer, for customers to manage their claims more conveniently. There were also constant service improvements focused on situations continually arising, to support the provision of good service with good quality, and most efficiently for customers and consumers.

Claims department improved services in the pursuit of excellence as follows:

1. Developing customer-facing People to have the suitable attributes for providing service, such as the correct attitude, friendliness, rapid service and knowing about the service, while being polite with a service mind, fully willing to help and provide service.
2. Developing Places and environment suitable for providing service and helping service users to receive convenience and rapid resolution, to increase their satisfaction and good impressions.
3. Developing processes to facilitate accuracy and speed for service users to access services easily with clear information about the service communicated to users, and following up in different aspects to improve as appropriate.

Claims Department works in adherence to the following key principles:

1. Service from the heart
2. Respecting customers
3. Getting to know and understand customers
4. Expert in our products and services
5. Enthusiastic to remedy customers' issues
6. Create a good impression for the next visit
7. Providing service with modern technology



Community or Social development

The company launched guidelines to ensure compliance with relevant laws and regulations, and social responsibility including cooperation, help, support and volunteer in activities that benefit the community and society to promote economic strength as well as the restoration of society and culture through the activities that the Company arranges with customers, executives and employees in order to create a quality of society and environment as follows:

1. Road Safety Campaign over the Songkran holiday 2021 : The company set up booths to provide free New Normal Super Plus insurance to journalists and other attendees of the press event. Members of the public are invited to register the insurance for free through TQM's online channel at www.tqm.co.th. The company collaborated with a partner, Fort Smart Service PCL, to provide New Normal Super Plus insurance for free to Thais all over the country through Boonterm kiosks in April 2021



2. Giving insurance for adverse vaccine reactions, with over 1 million entitlements, and with maximum coverage over 100,000 baht, to give reassurance to the Thai public to get their COVID-19 vaccinations with confidence, with easy registration at the website www.tqm.co.th in May 2021.



3. Donating 1,000 survival bags containing essential supplies to members of the public resident in communities in the vicinity of the company's Head Office, to give relief and assistance to people impacted by the COVID-19 pandemic. The company teamed up to use Wat Lad Pla Khao as a distribution hub for some of the survival bags, which went to communities in the temple's neighborhood, in June 2021.



4. Held an online seminar under the heading, 'Know before you jab with exclusive medical advice', giving knowledge about COVID-19 vaccination to the company's customers and the general public for free on Zoom, giving rights to interested parties and registering 1,000 people on 28 June 2021.



5. TQM Insurance Broker Co., Ltd presented defibrillators to the Ruam Katanyu Foundation at Chokchai Metropolitan Police Station, for the use of volunteers in helping accident victims, in July 2021.





6. Partnered the program, 'Help! Help from COVID-19 to home' organized by Doctor A to Z and 15 partners including private companies, hospital medical teams and volunteers, to help COVID-19 patients during a crisis of full hospital beds, to receive treatment in home isolation under medical supervision from caregivers, monitoring symptoms 24 hours. TQM gave assistance in the form of cash donations, publicity for the program with media in the TQM network, and the company's customer base. There was also support for TQM employees to be call center volunteers to coordinate with patients. TQM sincerely hopes to be part of overcoming the crisis alongside every other Thai person in July 2021.



7. Organizing survival bags for members of the public affected by the COVID-19 pandemic in partnership with E-Jan News, with the survival bags being distributed to affected Thai people in August 2021.



8. Giving 407 accident insurance policies to policemen from Khok Kham and Chokchai Metropolitan Police Stations for the 13th consecutive year, to provide police with motivation in carrying out their duties, at TQM Head Office in September 2021.



9. Going into the field to provide urgent assistance and survival bags to people trapped in their homes, in September 2021.



10. Volunteers went into the field to provide assistance to members of the public affected by floods in Ayutthaya, as well as giving survival bags of essential supplies, in September 2021.





11. Road safety campaign over the New Year holiday in 2022 gave insurance policies in the New Year for no charge, to provide reassurance to Thai people nationwide, provided through TQM's website online channel in December 2021



12. Giving cash support to the program, 'Insurance for COVID-19 vaccines' worth 1,537,800 baht, which was used to distribute COVID-19 vaccines to the underprivileged, in September 2021.



Environmental aspect and effective resources management

The Company realizes the responsibility to the society and the community in the importance of taking care of the environment including natural resources. The Company, therefore, promulgated the environmental policy and a policy to reduce greenhouse gas. Therefore, the Company will not take any action to harm environment, but will prevent and create activities to support environmental protection for the people in the community. This includes cultivating the subconscious of all employees and the company also complies with the standards, laws and regulations related to the environment of the regulators including the assignment of the Sustainable Development Task Force as a key mechanism for environmental management according to the goal of effective resource management in line with the goal No. 12 of United Nations for sustainable and responsible use of resources to ensure sustainable consumption and production patterns and goal No.13 Climate Action, this is an urgent action, it must be taken to combat climate change and its impacts. Which is a special goal that the organization attaches to as an urgent action as well as report to Corporate Governance Committee and the Board of Directors.

Environmental Policy

The Company is committed to conducting business with sustainability on the basis of environmental responsibility. The Company recognizes and places importance to reducing the environmental impact arising from business operations as well as preparing plans and measures to take part in solving the problem of climate change, the policy has been set to comply with international standards of environmental regulation. This is to achieve continuous development with the following guidelines:

1) To set objectives and goals for environmental work and monitor the performance that affects the environment and promote continuous improvement.

2) To control, prevent, treat and reduce pollution to have the least impact on the environment, including water pollution, air pollution, toxic waste, chemicals, noise, etc., in accordance with laws, regulations, as well as various requirements, including the commitment environmental practice.

3) To commit to environmental protection through efficient use of resources and energy from consumption, treatment, and waste control and recycling and emergency planning in appropriate ways.

4) To provide education and training to employees. To stimulate and cultivate awareness of the environment, which is the duty of every employee's responsibility.

5) To conduct public relations with the community and relevant government agencies to improve the environmental management.

The Company's management will promote and support the implementation of various actions in order to achieve the goal and the environmental policy will be passed on to all employees and ready to be disseminated to the public.

Green House Gas Management Policy

- 1) To modify the process and various devices for higher energy efficiency.
- 2) To promote the use of renewable energy. To reduce the use of natural resources.
- 3) To organize activities to create awareness of energy conservation and dealing with climate change for the board of directors, executives, employees and business partners.
- 4) To cooperate for reforestation and restore the forest area to be a source of carbon dioxide adsorption.
- 5) To promote and campaign for gathering and manage waste for reuse.
- 6) To follow the movement of climate change, in particular the risks that may affect TQM group.
- 7) To raise awareness and enhance knowledge on climate change for employees of TQM Corporation Public Company

Limited and the Group of Companies, business partner and all stakeholders with such determination and determination. TQM Group looks forward to being part helps of global warming and climate change problems.

Environmental management

The Company has established a policy to cultivate the awareness of employees at all levels of the Company in reducing the use of paper consisting of re-used paper, reviewing the printing of documents as needed on a regular basis and storing documents in electronic format (Text and PDF File) as well as adding electronic channels to send and receive documents among partners, the Company and customers such as the data network between each other or FTP (File Transfer Protocol) and Electronics Mail, etc., resulting in the reducing paper usage as well as saving costs within the company. For activities to control the reduction of electricity consumption, The Company has created a on-off power system and automatic air conditioning with timer on-off to reduce the use of electricity during unnecessary periods.

Focusing on resource and environmental management, in 2021, the Company has defined various environmental projects as follows:

1) Separating solid waste and infectious waste project: The Company installed waste sorting bins at various locations such as Punnpa Building 1, Punnpa 2 Building, Sang Suk Building, Nam Phet Building and Morakot Building, and installed the waste separation point at the waste sorting room.

2) Waste water measurement project, wastewater treatment before releasing to the public: In accordance with the standard for controlling the drainage of certain types and sizes of buildings according to the announcement of the Ministry of Natural





Resources and Environment. The wastewater quality measurement every year must pass the wastewater quality inspection criteria before releasing to the public according to the announcement of the Ministry of Natural Resources and Environment.

3) Environmental management: The Company implements the 5S activity project by raising awareness by publicizing about 5S activities including cleaning, convenience, cleanliness, hygiene, creating habits for employees to have knowledge and understanding about taking care of the surrounding environment, reducing waste accumulation, reduce unnecessary paper usage, reduce waste including energy. Employees are involved in activities of 5S.

The score is checked and summarized every month for a better working environment. In 2021, the Company has arranged a total of 12 5S assessments as follows:

1) On January 16, 2021,	the assessment result	was 86%.
2) On February 20, 2021,	the assessment result	was 84%.
3) On March 20, 2021,	the assessment result	was 83%.
4) On April 17, 2021,	the assessment result	was 85%.
5) On May 16, 2021,	the assessment result	was 83%.
6) On June 19, 2021,	the assessment result	was 85%.
7) On July 17, 2021,	the assessment result	was 84%.
8) On August 21, 2021,	the assessment result	was 84%.
9) On September 18, 2021,	the assessment result	was 87%.
10) On October 16, 2021,	the assessment result	was 84%.
11) On November 20, 2021,	the assessment result	was 86%.
12) On December 18, 2021,	the assessment result	was 86%.
A total of 12 assessments, the average assessment result		was 85%

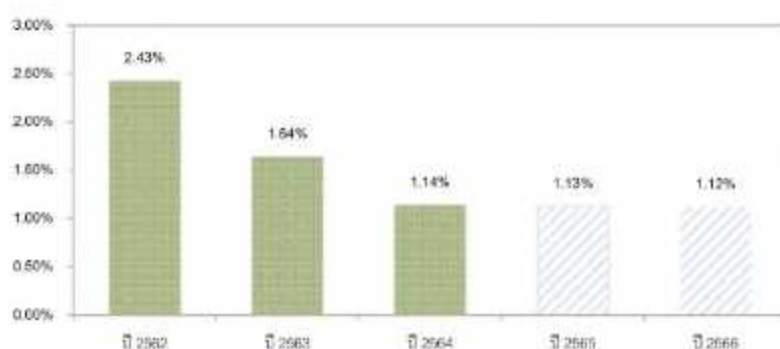
The average assessment results of 2020 was 81%, compared to 85% in 2021. The assessment results improved by 4%, indicating that employees had a better understanding of how to take care of the environment and reduce unnecessary waste including energy savings, expected average score in 2022 to be 89%.



Electric power consumption

Comparisons of using electricity in the period 2019-2021 in the Punnipa 1 and Punnipa 2 buildings found that in 2020, energy use was increased, as at the start of May 2019, Punnipa 2 Building was opened for use, increasing electricity consumption as in the figure. Subsequently in 2021, power usage reduced 2.28% compared to 2020, because of the unusual situation of the COVID-19 pandemic. Throughout 2021, the company conducted a work from home policy to reduce the risk of virus transmission, and thus power consumption was greatly reduced. If conditions return to normal in 2022-2023, electricity consumption is expected to increase as employees return to work. Using energy and natural resources efficiently: Electricity Use/EBITDA = 1.14% and Electricity Use/Employee = 999.7 kWh per employee per year. The company will retain its target of reducing power usage to a rate of Electricity Use/EBITDA at 0.01% every year.

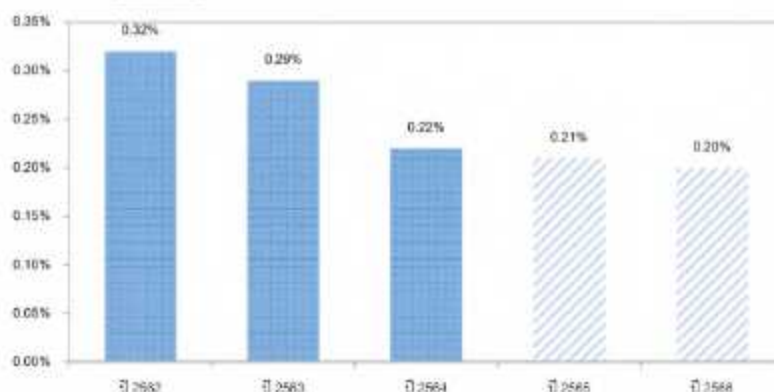
Electricity Use/EBITDA in 2019 - 2021



Water consumption

Comparisons of using water in the period 2019-2021 in the Punnipa 1 and Punnipa 2 buildings clearly show that in 2020 volumes of water use increased compared to 2019, as facilities management department discovered a leak in a fish pond, while there was a policy for housekeepers to clean chairs in the office to maintain the company's assets. Subsequently in 2021, the company repaired the fish pond, and the situation was abnormal due to the COVID-19 pandemic throughout 2021 as the company conducted a work from home policy to reduce the risk of virus transmission. As a result, water use decreased 51.9% compared to 2020. If conditions return to normal in 2022-2023, water usage is expected to increase on 2021, as employees return to work. Water Use/EBITDA = 0.22% and Water Use/Employee = 47.2 units per employee per year. The company will retain its target of reducing power usage to a rate of Electricity Use/EBITDA at 0.01% every year.

Water Use/EBITDA in 2019 - 2021





The disposal of waste arising from business processes

The Company installed waste sorting bins at various locations such as Punnipa 1 Building, Punnipa 2 Building, Srang Suk Building, Nam Phet Building and Morakot Building, and set up an infectious waste sorting points at the waste sorting room. The Company has a short-term goal of maintaining annual costs from waste disposal amounted to 16,800 baht per year for at least three years, reflecting the control and reduction of the amount of waste generated from business processes significantly on the contrary to the continuous growth of the Company.

Reducing Greenhouse Gas Emissions

The Company focuses on mitigating global warming and managing climate change risks, which are critical and need to be addressed urgently and adhere to the responsibility to all stakeholders for sustainable mutual benefits. Therefore, the Greenhouse Gas Management Policy has been set in reference to the international action guidelines to prepare for the global climate change. In 2020, the Company launched a project to reduce greenhouse gas emissions. Data on carbon emission in 2020 is as follows:

Direct carbon emission	169	tons of carbon dioxide
Indirect carbon emission from power consumption	2,000	tons of carbon dioxide
Carbon emission from use of coal	none	

The goal is to reduce gas emissions by 3% within 2030, and prepare a flood management plan to prepare for the changing climate. Data of 2021 is under evaluation process.



Community Engagement and Environmental impact assessment

A survey examining the condition of community and society on the negative impacts of business operations

The Company surveyed the surrounding environment and community whether it was affected by the company's business operation or not. The Company found the need to manage the drainage pipes. Therefore, there was a policy responding to the need to reduce the clogging of sewage.

Analysis of community problems and needs

It was found that the surrounding communities wanted the Company to take steps to prevent and control infectious diseases by animal carriers because at this time, many employees and communities must live together. Therefore, the waste from consumption piled up which may be the origin of disease-carrier.

The company has implemented the following disease prevention and control programs.

Project name: Project for the prevention and control of communicable diseases by animal-borne diseases

- Objectives**
- 1) To identify the causes, control and prevent communicable diseases.
 - 2) To reduce the incidence of communicable diseases caused by disease-carrier animals in the community in the area.
 - 3) To emphasize the community's awareness of the dangers of disease-carrier animals.

The goal is to reduce disease-carriers.

Result the project were satisfied.

In the year 2021, the Company has implemented 12 times as follows:

- 1) 17-19 January 2021
- 2) 21-23 February 2021
- 3) 28-30 March 2021
- 4) 18-20 April 2021
- 5) 13-15 June 2021
- 6) 27-29 June 2021
- 7) 18-20 July 2021
- 8) 17-22 August 2021
- 9) 19-23 September 2021
- 10) 17-19 October 2021
- 11) 21-23 November 2021
- 12) 19-21 December 2021



Business, Social and Environmental Innovations

The Company encourages to apply knowledge and experience in sustainability to develop and innovate in various fields to enhance economic, social and environmental benefits, especially innovation in work processes at both the internal organization level and the inter-organization level by focusing on creative innovations that bring change for the better productivity and added value in order to make the most of economic, social and environmental benefits at the same time. The Company has a policy to disseminate innovation as for social responsibility. The innovations will be communicated and disseminated to the stakeholders both directly and indirectly. They can acknowledge through a variety of channels to ensure that innovative information is reaching all stakeholders.

Project name: Development of e-Document system to reduce paper use and greenhouse gas emissions

- Objective**
- 1) To develop a system for creating / converting documents from hard copy to soft copy.
 - 2) To develop an electronic document delivery system
 - 3) To respond to the strategy of using digital as a supporting factor and drive the organization (Digital Transformation)
 - 4) To reduce the consumption of paper and Carbon Footprint, which is part of the greenhouse gas.

- Benefits**
- 1) To reduce paper and ink usage for hard copies
 - 2) To clear out redundant process (Redundant Process Reduction) required to deliver hard copies.



In the year 2021, the Company could reduce the amount of paper consumption and reduce other related expenses as follows:

1. Reducing the use of A4 paper by 25,022,749 sheets or equivalent to 50,045 reams, weighing 2.18 kg/ream.
2. Reducing cutting 1,846 tree trees (calculated from the formula for 1 ton of paper weight equals cutting 17 trees)
3. Reducing the amount of carbon dioxide and other greenhouse gases (Carbon Footprint) by 123,801 kgCO₂e (calculated from the EF value of 70 gsm A4 paper production, equal to 1.1400 kg CO₂e / kg).
4. Reducing the cost of purchasing A4 70 gram paper by 3,324,990 baht (refer to the market price of the purchasing management system of A4 size 70 gsm, 1 ream, cost 66.44 baht).
5. Reducing the amount of ink for printing documents by 4,504,095 baht (calculated from the cost of ink for printing documents 18 satang per sheet)
6. Reducing the amount of postage delivery up to 26,740,440 baht (calculated from the postage fee of 18 baht per 1 policy)

Summary of e-Document development program to reduce paper usage and greenhouse gas emission in 2020 vs 2021

2020			2021			% A4 paper costs / premium Increase (+/-)
Premium (baht)	A4 paper costs (baht)	%	Premium (baht)	A4 paper costs (baht)	%	
14,786,768,423	3,645,696	2.4665%	16,067,320,766	3,991,662	2.4843%	0.0188%

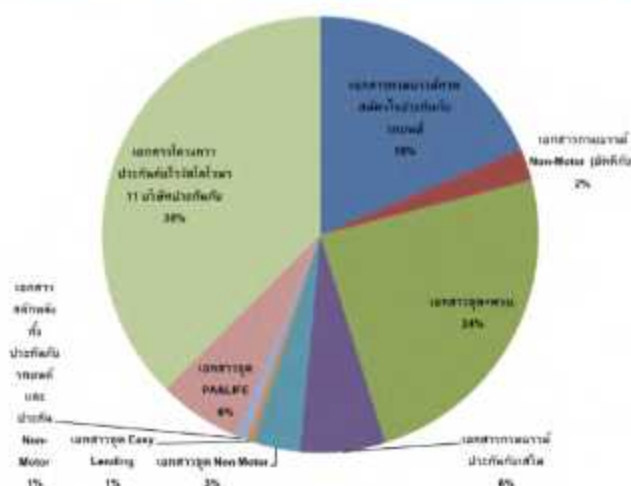
Results of e-Document development program to reduce paper usage and greenhouse gas emission in 2020 vs 2021 are summarized as follows:

1. Costs of A4 paper compared to insurance premiums in 2020 were 2.4665%
2. Costs of A4 paper compared to insurance premiums in 2021 were 2.4843%

Thus the percentages of the cost of using A4 paper compared to insurance premiums over both years (2020 and 2021) was an increased proportion of 0.0188%, reflecting that A4 paper costs had grown because of 1. The cost of A4 paper varied according to insurance premiums in 2021, which increased significantly on 2020. Increased premiums are premiums from sales which are still necessary to print and send with policy documents to customers, for customers' convenience in making transactions with the company. Or from another point of view, premiums for sales that are usually printed, and policy documents for customers that can be sent electronically are reduced on 2020. These factors are the reasons for the cost of A4 paper increasing, but it is not a significant increase. This can be seen from the percentage growth being not very high. Regarding this, for policies which can be sent electronically in 2021, the company can reduce its expenditure on A4 paper by as much as 3,324,990 baht.

(reference price from procurement system for one ream of 70g A4 paper is 66.44 baht)

Documents printed and posted to customers nationwide In 2021



4. Management Discussion and Analysis (MD&A)

4.1 Analysis of operating results and financial position

4.1.1) Analysis of operating results

Income

The table shows the revenue structure of the Company as shown in the consolidated financial statement separated by business types for the year ended 31 December 2019, 2020, 2021 as follows:

Business Type	Company	For the year ended 31 December					
		2019		2020		2021	
		THB:MB	%	THB:MB	%	THB:MB	%
1. Non-life Insurance Brokerage	TQM Broker, TJN,	2,634.2	94.6	2,998.7	95.6	3,142.9	91.7
• Brokerage income	True Extra	1,570.9	56.4	1,774.7	56.6	1,920.2	56.0
• Other service income ¹⁾		1,063.3	38.2	1,224.0	39.0	1,222.7	35.7
2. Life Insurance Brokerage	TQM Life,	77.3	2.8	83.8	2.7	130.6	3.8
• Brokerage income	True Life	71.4	2.6	74.2	2.4	116.3	3.4
• Other service income		5.9	0.2	9.6	0.3	14.3	0.4
Total service incomes		2,711.5	97.4	3,082.5	98.3	3,273.5	95.5
Other income ²⁾		72.3	2.6	53.6	1.7	153.4	4.5
Total		2,783.8	100.0	3,136.1	100.0	3,427.0	100.0

Notes : ¹⁾ Other service income was from TQM Broker, TJN and Casmet.

²⁾ Other income was from interest income, dividend income, income from services and advisory business, damage compensation and etc.

The Company and subsidiaries' revenues consist of incomes from non-life insurance brokerage, life insurance brokerage, information technology and software and other income i.e. interest income, dividend income, income from service and consulting, compensation, etc. The incomes from non-life insurance brokerage and life insurance brokerage consist of commission income and other service income of which the company gets paid from insurance partners. The other service income is paid by certain amount and by the proportion defined by the number of premiums sold by the company e.g. service fee, policy issuance and delivery, accident coordination service and data storage, etc. In addition, other service income is an additional service apart from brokerages servicing to customers and insurance partners depending on the scope of services, relationship and negotiation. The said service income is not under the control of government agencies. The amount of other service income varies depending on the negotiation with the insurance partners.

For the years ended 31 December 2019, 2020 and 2021, the Company and subsidiaries have total revenues of 2,783.8 million baht, 3,136.1 million baht and 3,427.0 million baht respectively, representing an increase of 352.3 million baht, or 12.7 % growth in 2020 and representing an increase of 291.0 million baht or 9.3% growth in 2021, and 91.7 % of the Company and subsidiaries' revenue is the incomes from non-life insurance brokerage.



Non-life insurance brokerage business

The Company and subsidiaries sell non-life insurances; the main income from the non-life insurance brokerage business is commissions which accounted for approximately 56.6% of total revenues while other service income accounted for 56.0% of total revenues while other service income accounted for 36.7 % of the total revenues. TQM Broker, TJN and True Extra earn non-life insurance commissions from being a broker of a non-life insurance company at a mutually agreed rate between TQM Broker, TJN, True Extra and a non-life insurance company. The commission rates are not more than 12.0 of the insurance premium for the compulsory car insurance, and not over 18.0 of the premium for the voluntary car insurance. The above mentioned rates are in accordance with the OIC's announcement. For the year ended 31 December 2019 2020 and 2021 the Company earned from non-life insurance brokerage business amounted to 2,634.2 million baht, 2,998.7 million baht and 3,142.8 million baht, the proportion is 94.6 %, 95.6% and 91.7% Of the company's total revenue, respectively, both commission income and other service income continued to increase in line with premium sales growth. The company was able to grow its insurance premiums from the increased number of policies sold, especially voluntary auto insurance following the expansion of sales to local branches and advertising, as well as convenient and easy payment methods During the first quarter of 2020 and during the second quarter of 2021, the COVID-19 epidemic occurred, enabling the Company to use a developed online channel for " Virus found get paid campaign " and "Insurance Gift" products to provide insurers' coverage for illnesses from the disease and receiving good response, that make the Company received an increase in non-life insurance commission both both voluntary car insurance policy sales and from " Virus found get paid campaign " products. The Company expanded sales channels to branches in other provinces to cover more customers. The Company added online channels to allow customers to purchase insurance by themselves including cooperating with business partners to expand more sales channels and added more payment. We also added new products to meet the demand of more customers, such as home insurance that was popular among customers and generated sales growth.

In 2021, the Company had income from non-life brokerage business of 3,142.9 million baht or 4.8% growth, from 2,998.7 million baht in 2020. The growth was from income in brokerage business and other services. In terms of non-life insurance business, the increase in revenue was mainly from brokerage fees and other service fees from voluntary motor insurance.

Life insurance brokerage business

The Company operates a life insurance brokerage business through TQM Life, licensed to operate a life insurance brokerage business. TQM Life sells 2 types of life insurance, which are (1) individual life insurance and (2) Company life insurance. TQM Life earns a commission at the agreed rate between TQM Life and life insurance partners, not more than 40% of the first year life insurance premium; which is the highest rate. The life insurance commission rate decreases as the number of years increases. The said life insurance commission rates are in accordance with the announcement of the Office of Insurance Commission. For the years ended 31 December 2019, 2020 and 2021, the Company has income from life insurance brokerage business equal to 77.3 million baht, 83.3 million baht and 130.6 million baht, accounting for 2.8 %, 2.7 % and 3.8 % of total revenue of the Company respectively.

In 2021, the income from non-life brokerage business was 130.6 million, increasing by 56.9% from 83.8 million baht in 2020. The increase was from both brokerage fee and other service fees from 74.2 million baht in 2020 to 116.3 million baht in 2021, increasing by 56.7%. Other services income increased from 9.6 million baht in 2020 two 14.3 million baht in 2021, increasing by 49.0% mainly from individual and group life insurance. In 2021, the Company acquired True Life and True Extra which was one of the biggest group life insurance brokers in Thailand. Most of their customers are government, state enterprises and private companies, with more than 500,000 retail customers. This was in Maine reason of the income increase in life insurance broker.

Other income

For the year ended 31 December 2019, 2020 and 2021, other incomes were mainly from interest income, dividend and service and consulting, compensation, etc. They were 72.3 million baht, 53.6 million baht, and 153.4 million baht respectively. In 2021, it increased mainly from the acquisition of True Life and True Extra due to gain from a bargain purchase.

Service Cost and Expenses

Service cost and expenses of the Company consist of human resources expenses, commission and incentives, sales promotion, expenses related to the delivery of the insurance policy, advertising and public relations expenses and other expenses. For the year ended 31 December 2019, 2020 and 2021, service cost and expenses amounted to 1,457.7 million baht, 1,517.4 million baht and 1,544.6 million baht, representing 53.8 %, 49.2 %, and 47.2% of service revenue.

The majority of service cost and expenses were related to salespersons, salary, bonus and other employee benefits such as social security and provident fund including other employee benefits, representing 43.1%, 41.6 %, 43.6% of the service cost and expenses for the year ended December 31, 2019, 2020 and 2021. The second most paid of such service cost and expenses were commission and incentives, representing 25.7%, 24.2% and 25.0% of the cost and service expenses respectively. The sales promotion and advertising expenses for the year 2021 were 16.2 % of the service cost and expenses. There had been activities for the awareness of the company i.e. online advertising through Facebook, Line, and other various marketing activities to strengthen relations with customers and sales promotions to encourage customers for deciding to buy services.

Gross Profit

For the year ended 31 December 2019, 2020 and 2021, the gross profit of the Company increased from 1,253.8 million baht in 2019 to 1,565.1 million baht in 2020 and increased to 1,729.0 million baht in 2021 respectively or calculated as the profit margin, which were 46.2%, 50.8% and 52.8% of service revenues respectively. The gross profit of the Company increased in 2020 as a result of enhancing sales channels online, as well as new products to meet the demand of customers, and business acquisition to increase business opportunities and channels.

Administrative expenses

The majority of administrative expenses is human resources expenses in the back offices, which consists of salary, overtime, bonus, and other employee benefits such as social security and provident fund including other employee benefits. Administrative expenses decreased from 701.9 million baht in 2019 to 747.4 million baht in 2020 and increased to 781.0 million baht in 2021, representing 25.2%, 23.8% and 22.8 % of total revenue for the year ended December 31, 2019, 2020 and 2021 respectively. Administrative expenses increased in 2020 as a result of TFRS No.9 and 16, effective in 2020 until present.

Income Tax

For the year ended 31 December 2019, 2020 and 2021, Income tax expenses increased in accordance with the increased profits of the Company as 116.4 million baht, 167.2 million baht and 206.4 million baht respectively or equivalent to the income tax rate to profit before income tax expenses equaled to 18.7 %, 19.2 and 18.8 respectively.

Net profit and net profit margin

From the continuous growth of commission income and other service income where the Company provides services that meet customers' needs well and excellent service combined with distribution channels, service centers and branches nationwide including cost management, effective marketing, and proactive management in business expansion, resulting in the Company's net profit increased steadily from 507.2 million baht in 2019 to 702.0 million baht in 2020 and to 891.8 million baht in 2021 and stronger profitability from the net profit margin of 18.2% in 2019 to 22.4% in 2020 and 26.0% in the year 2020 respectively.



4.1.2) Analysis of Financial position

Assets

As at 31 December 2021, the main assets of the Company consist of cash and cash equivalents, deposits at bank with restrictions, accrued service income and other receivables, other current financial assets other non-current financial assets, buildings and equipment and right of use assets. As at December 31, 2019, 2020 and 2021, the Company had total assets of 4,267.0 million baht, 3,607.1 million baht and 4,436.4 million baht, respectively. In 2020, total assets decreased by 660.0 million baht or 15.3% and in 2021, total assets increased by 829.3 million baht or 23.0%. It was mainly from the reclassification of items according to the financial report standard number 32 regarding the report of financial instruments and framework for financial reporting (new) amended in 2021, and from the adjustment of consolidated financial statement in 2020 that was used for comparison. The adjustment was for the offsetting financial assets and financial liabilities to show the net amount in the statement of financial position, only when it was effective. In the next settlement, the Company intended to pay at the net amount or intended to receive the assets and pay for liabilities at the same time, resulted in cash and cash equivalent, deposit at bank with restrictions, and accrued income and other current receivables to decrease from the net settlement. At the current financial assets decreased while other non-current financial assets increased because of a better and more certain return. Assets in 2021 increased because of an intangible asset from the acquisition of True Life and True Extra which was a good will from the acquisition.

Cash and cash equivalents

As at 31 December 2019, 2020 and 2021, cash and cash equivalents were 959.4 million baht, 1,110.4 million baht and 804.0 million baht respectively, or 22.5%, 30.8% and 18.1% of total assets respectively, as at 31 December 2021, increased from as at 31 December 2020, mainly from the reclassification according to the above mention new standard of financial reporting.

Personal loans

As at 31 December 2021, the Company offered personal loans of 118.3 million baht because the company operated a personal loan business since the fourth quarter of 2021 to increase competitive Nets and expand to the new business for more revenue potential.

Accrued service income and other receivables

As at 31 December 2019, 2020 and 2021, accrued service income and other receivables amounted to 672.5 million baht, 425.0 million baht and 514.0 million baht, representing 15.8 %, 11.8 % and 11.6 % of total assets respectively.

- Accrued service income

The Company operates businesses as non-life insurance broker and life insurance broker, telemarketing, online and direct sales (Face to Face) by earning from commissions and other service income. The Company shall be paid commission income and other service income by insurance companies at the rate agreed, but not more than the highest rate as stipulated by the OIC. The commission income from being a non-life insurance broker and life insurance broker, the Company shall recognize and record as brokerage income and other service income when the policy comes into effect. As at December 31, 2019, 2020 and 2021, accrued service income amounted to 345.0 million baht, 412.6 million baht and 498.1 million baht or 51.3%, 57.7% and 40.9% of accrued service income and other receivables respectively. In the year 2021, accrued service income increased in accordance with the increase in premiums sold, the Company shall clear the accrued service income after the such premiums paid to the insurance companies and getting paid for commission income and other service income from the insurance companies, which the premium paid to insurance companies both with and without company's commission as agreed; in the event that the Company shall pay the entire insurance premiums, the insurance company shall pay commission and other service fees later depending on the conditions as agreed.

In addition, the Company has set a write-off policy to reduce insurance premium receivables, insurance premiums payables and other payables, which shall be recorded as expenses or income as the case shall be.

- Insurance premiums receivables

The Company shall record premiums receivables when the new policy becomes effective thereof unpaid or fully paid from the installment plan of the retail customers without interest charged as a sales promotion. A customer shall not be allowed to go on an installment plan over the agreed period of the company and each non-life insurance company and life insurance company, which is called the 'free look period' and from corporate customers who may receive credit terms to maintain long-term relationships with the Company of companies. In such cases, the Company shall follow the system of consideration and assessment of the risk of customer with installment plan by the particular qualifications i.e. a customer buying insurance within 1 year from the company, being able to pay off debts and having a good payment history, etc.

As at December 31, 2019, 2020 and 2021, insurance premiums receivables amounted to 317.3 million baht, 289.7 million baht and 678.4 million baht, representing 47.2%, 40.5 % and 56.9 % of accrued service income and other receivables respectively.

The insurance premiums receivables increased from 289.7 million baht as of 31 December 2020 to 678.4 million baht in 2021 mainly because of the repayment extension to help customers during COVID-19 situation.

From the overview, most of the insurance premiums receivables are still not due and not over 90 days overdue, representing 98.4 % of all net insurance premiums receivables showing that most of the insurance premiums receivables are in the period that the company agreed with each non-life insurance company and life insurance company, which is so called 'Free look period', a period which an insurance holder is eligible to cancel a policy. The company maintains an efficient management and monitoring of the collection of receivables.

According to the Executive Board of Economic Situation from the Impact of the Coronavirus 2019 (COVID-19) Outbreak has approved the measure to establish the credit term standard in Thailand for 30-45 days as appropriate for each type of business.

The Company supports the government policy on credit term, which will help the business sector's liquidity and cash management of private enterprises and retail customers, and to maintain a good relationship with customers and partners in the business value chain to be able to drive the business for overall business sustainability. The term of trade credit is 30 – 60 days as most of the premium receivables are still within the period that the Company has agreed with each insurance company and life insurance company. This can be viewed from the average collection period of the Company in 2019, 2020 and 2021, the average collection period is 43.1 days, 40.0 days and 40.4 days, respectively.

- Other receivables

As at 31 December 2019, 2020 and 2021, other receivables amounted to 8.1 million baht, 10.2 million baht, and 25.3 million baht or 1.2 %, 1.6 % and 2.1% of accrued service income and other receivables respectively. Other receivables of the Company consist of accrued interest income, withholding tax receivables, etc.

- Employee loans

The Company provides loan benefits for employees in order to help and ease the burden of employees and the Company has clearly provided a written criteria and conditions for such loan. As at December 31, 2019, 2020 and 2021, the loan amounted to 2.1 million baht, 2.4 million baht and 1.6 million baht, representing 0.3 %, 0.3% and 0.1% of accrued service income and other receivables respectively.

Other non-current financial assets / Long-term investments

As of 31 December 2021, the Company had other non-current financial assets / Long-term investments of 1,095.8 million baht, comprising of government bond, debentures, subordinated debentures and stocks with interest rate of 1.74 to 5.0% per annum and will be matured within January 2029. Investment in stocks as of 31 December 2020 and 2021 were 259.1 million baht and 541.0 million baht respectively. The Company used government bond of 50.0 million baht to maintain capital in non-life insurance broker business as determined in the Non-life Insurance Act B.E. 2535.



Deposit at banks pledged as collateral

As of 31 December 2021, TQM Broker held deposit at banks pledged as collateral of 0.1 million baht for credit card sales agent contract.

TQM Life and True Life holds deposit at banks pledged as collateral which is a capital fund in accordance with the OIC's announcement Re: Rules and Conditions for Licensing and the renewal of a license for a juristic person to be a life insurance broker B.E.2564 (2011) requiring the subsidiary being a life insurance broker to maintain the fund at all times holding a life insurance broker license, not less than 0.25% of the net remuneration from the previous fiscal year and not less than one million baht. As at 31 December 2021, True Life held deposit at banks pledged as collateral of 1.1 million baht to maintain capital in insurance broker business.

As of 31 December 2021, TJN held deposit at banks pledged as collateral 1 million baht, and True Extra held 1.1 million baht, totaling 2.1 million baht to maintain capital in non-life insurance broker business as determined in the Non-life Insurance Act B.E. 2535.

Building and equipment

As at December 31, 2019, 2020 and 2021, buildings and equipment amounted to 79.6 million baht, 93.7 million baht and 79.1 million baht or 1.9%, 2.6% and 1.8 % of total assets respectively.

The Company has a policy to calculate depreciation based on cost of assets by the straight-line method based on the estimated useful life. The age of a building is 5 and 20 years, building and rental building improvements is 3, 6 and 10 years, furniture and office equipment is 5 years, equipment and computer systems is 3 and 10 years, and vehicles 3 and 5 years.

Rights of use assets

The Company as the lessee has entered into an asset lease agreement for use in the operations of the Company between 1 - 5 years with the right to renew the lease agreement at the end of the agreement. As for the rent paid to the lessor, the rental rate will be adjusted based on the market price. As of December 31, 2020 and 2021, the Company has rights of use amounted to 582.0 million baht and 493.7 million baht or 16.1%, 10.9% of total assets respectively.

Intangible assets

As at 31 December 2021, the Group of Companies had intangible assets of 755.7 million baht because as it acquired controlling stakes in True life and True Extra during 2021 and recognized goodwill from difference of the consideration paid and expected to receive as of date of transaction.

The Group had policy to review goodwill from the acquisition continuously during the time of evaluation. If there is any additional information within one year from the transaction date and it is the fact that reflect the situation as of the transaction date, that group will adjust the provision. Or if there is any research required for reflecting the situation as off the transaction date, that will be an adjustment for accounting recognition.

Liabilities

As at 31 December 2019, 2020 and 2021, the majority of the Company's liabilities consists of insurance premiums payables, other payables and insurance premiums received in advance and lease liabilities. The liabilities amounted to 1,679.6 million baht, 306.0 million baht and 422.6 million baht respectively. The increase in total liabilities was mainly due to an increase in insurance premium and other payables, as well as an advance on insurance premiums due to increased sales, and in 2021, it increased from the increase of income tax payable due to goodwill from the acquisition of True Life and True Extra. As of 31 December 2021, it was 181.0 million baht.

Insurance premium payables and other payables

As at 31 December 2019, 2020 and 2021, the Company had insurance premium payables and other payables of 1,170.8 million baht, 494.3 million baht and 400.7 million baht respectively, equal to 68.3%, 8.6% and 9.6% of total liabilities respectively. It was mainly due to of the reclassification of items according to the financial report standard number 32 regarding the report of financial instruments and framework for financial reporting (new) amended in 2021. The adjustment was for offsetting financial assets and financial liabilities to show the net amount in the statement of financial position, only when it was effective. In the next settlement, the Company intended to pay at the net amount or intended to receive the assets and pay for liabilities at the same time, resulted in insurance premium payables to decrease from the net settlement.

Insurance premium payables were insurance premiums that were received from customers who purchased insurance and the policy was effective. The company did not transfer the premium to insurance company because it was not the time for transferring the premium yet. Normally, the Company will transfer the premium on 15th and end of every month, in line with credit terms from the insurance company of about 15 to 30 days.

According to the Executive Board of Economic Situation from the Impact of the Coronavirus 2019 (COVID-19) Outbreak has approved the measure to establish the credit term standard in Thailand for 30-45 days as appropriate for each type of business.

The Company was not affected by the measure of credit term standard 30-45 days. Indeed, the Company was under particular term agreements with life and non-life insurance companies for insurance premiums payment, shown in the average repayment periods of the Company. In 2019, 2020 and 2021, the average payment was 45.7 days, 40.3 days and 35.8 days respectively.

Insurance premiums received in advance

Insurance premiums received in advance are the insurance premiums that the Company receives in advance from customers who buy insurance in the event that premiums are paid to the Company before the policy comes into effect. As at December 31, 2019, 2020 and 2021, insurance premiums received in advance amounted to 443.1 million baht, 86.5 million baht and 81.2 million baht, or 23.2%, 2.4% and 1.8% of total liabilities, respectively. The Company shall deposit the said insurance premiums received in advance into a bank account supervised by the OIC, which is a deposit at bank with restrictions, it shall be recognized as income when the policy comes into effect. In 2020 and 2021, it decreased mainly because of the reclassification of items according to the financial report standard number 32 regarding the report of financial instruments and framework for financial reporting (new) amended in 2021.

Lease liability

As at 31 December 2020 and 2021, the Company had lease liability of 494.3 million baht and 400.7 million baht, according to financial reporting standard number 16, effective in 2020.

Shareholders' equity

As at 31 December 2019, 2020 and 2021, Shareholders' equity amounted to 2,350.3 million baht, 2,399.6 million baht and 3,010.6 million baht respectively, compared to shareholders' equity from 2019-2021, increased from retained earnings – unappropriated according to the Company's performance.

On 24 February 2022, the Meeting of Board of Directors passed the following resolutions to approve a dividend payment from operating results from 1 January 2021 to 31 December 2021. The interim dividend was paid on 9 September 2021 at 1.45 baht/share, or a total of 435 million baht at the old par of 1 baht per share. The addition of annual dividend is approved to be paid at the new par of 0.50 baht per share, which has just been changed in January 2022. The dividend will be 0.50 baht per share for 600 Midland chair, totaling 300 million baht. A list of shareholders eligible for dividend payment will be determined on 25 March 2022 and the dividend will be paid on 12 May 2022.



4.1.3) Cash flow analysis

Cash flows from operating activities, investing activities and financing activities resulted in the year 2019, 2020 and 2021 the company had cash and cash equivalents equal to 848.3 million baht, 959.4 million baht and 1,107.1 million baht respectively, with details of changes in flows Important cash as follows:

Cash flows from operating activities

Cash flows from operating activities for the year 2020 and 2021 amounted to 697.1 million baht and 877.9 million baht respectively, increased due to the increase in profit before corporate income tax which is in accordance with the sales growth.

cash flows from investment activities

Cash flows generated from (used in) investment activity in 2020 and 2021 were 182.6 million baht and (301.7) million baht respectively. In 2021, the company paid cash flow for acquisition of True Life and True Extra to expand business opportunity and channels.

Cash flows from financing activities

Cash flows used in financing activities for the year 2020 and 2021 amounted to (728.9) million baht and (882.6) million baht respectively. In 2020 and 2021, the Company had cash flows from financing activities, mainly from dividend payment in the amount of 630.0 million baht and 780.0 million baht respectively.

4.1.4) Liquidity and Solvency

Liquidity

For the year 2019, 2020 and 2021, the Company had liquidity ratio of 2.0 times, 3.5 times and 2.7 times, quick ratio of 0.9 times, 2.8 times and 2.4 times respectively. The liquidity ratio in 2020 and 2021 decreased slightly because of the increase of current assets, which is cash and cash equivalent, and accrued income and other current receivables increased slower than insurance premium payable and other payables, resulted in slightly lower liquidity ratio.

solvency

As at 31 December 2019, 2020 and 2021, debt to equity ratio was 0.8 times, 0.6 times and 0.5 times respectively. In 2021, debt to equity ratio decreased mainly because of the increase in equity when the Financial Reporting Standard number 32 was adopted.



4.2) Factors and incidents that may materially perfect the financial position or the operating result (Forward Looking)

COVID-19 situation affected overall time economy in 2021 because uncertainties caused negative impacts to economy activities locally and internationally. That company helped customers according to guideline of the Center of Economic Situation Administration due to COVID-19 pandemic. The center approved measures to determine the standard of credit term in Thailand to be 30-45 days, subject to nature of business.

The company did not affect from the abovementioned measures to determine the standard credit term to be 30-45 days because the premium payment is still in the agreed timing with each non-life and life insurance companies. The Company also help and relief that negative impact, as well as facilitate customers and business partners. Moreover, the Company recognized risks and impacts from COVID-19 to safety of customers and employees, as well as business continuation and services to customers, partners or other stakeholders. The company was proactive as we mitigated risk, followed up and handled the situation in a timely manner. There was no significant impact to the business operations, quality of life and health safety of employees.

4.3) Key financial information

Investor should refer to the consolidated financial statements and notes for the year ended 31 December 2019, 2020 and 2021 in this document for further information regarding this management discussion and analysis of the performance and financial position of the company. Notes to the financial statements comprised basis of preparation after financial statements, new financial reporting standard, adjustments of previous financial statements and key accounting policies, unless it is specified otherwise.

4.3.1) Summary of auditor's report

Year	Auditors	Summary of report
2019	Rosaporn Decharkom Certified Public Accountant Registration No. 5659 EY Office Limited, approved by SEC	The auditor unconditionally stated their opinion that statement of financial position as at 31 December 2019, the consolidated and separate statement of comprehensive income, change in equity and cash flows for the year then ended present fairly, in all material respects in accordance with financial reporting standard.
2020	Rosaporn Decharkom Certified Public Accountant Registration No. 5659 EY Office Limited, approved by SEC	The auditor unconditionally stated their opinion that statement of financial position as at 31 December 2020, the consolidated and separate statement of comprehensive income, change in equity and cash flows for the year then ended present fairly, in all material respects in accordance with financial reporting standard.
2021	Chokechai Ngamwutikul Certified Public Accountant Registration No. 9728 KPMG Phoomchai Audit Ltd., approved by SEC	The auditor unconditionally stated their opinion that statement of financial position as at 31 December 2021, the consolidated and separate statement of comprehensive income, change in equity and cash flows for the year then ended present fairly, in all material respects in accordance with financial reporting standard.



4.3.2) Key financial information of 2019-2021

Statement of financial position	Consolidated financial statements					
	As of 31 December					
	2019		2020		2021	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Assets						
Current assets						
Cash and cash equivalents	959.4	22.5	1,110.4	30.8	804.0	18.1
Personal loans	-	-	-	-	118.3	2.7
Deposits at bank with restrictions	924.5	21.7	-	-	-	-
Accrued income and other current receivables	672.5	15.8	425.0	11.8	514.0	11.6
Current portion of long-term loan to related party	6.4	0.2	6.4	0.2	3.2	0.1
Other current financial assets	874.2	20.5	538.8	14.9	449.5	11.3
Other current assets	51.9	1.2	49.8	1.4	49.5	1.1
Total current assets	3,488.9	81.9	2,130.0	59.1	1,988.6	44.8
Non-current asset						
Deposits at bank with restrictions	-	-	-	-	-	-
Deposits at banks - pledge as collateral	2.9	0.1	2.1	0.1	4.3	0.1
Other non-current financial assets	607.5	14.3	738.2	20.4	1,095.8	24.7
Long-term loans to related party						
- net current portion	9.6	0.2	3.1	0.1	-	-
Buildings and equipment	79.8	1.9	93.7	2.6	79.1	1.8
Right-of-use assets	-	-	582.0	16.1	483.7	10.9
Intangible assets	14.8	0.4	22.4	0.6	755.7	17.0
Deferred tax assets	22.2	0.5	32.6	0.9	27.2	0.6
Other non-current assets	31.5	0.7	5	0.1	1.9	0.0
Total non-current assets	768.1	18.1	1,477.1	49.9	2,447.8	55.2
Total assets	4,257.0	100.0	3,607.1	100.0	4,436.4	100.0
Liabilities and equity						
Current liabilities						
Insurance premium payables and other current payables	1,303.0	30.6	306.0	8.5	422.6	9.5
Insurance premium received in advance	443.1	10.4	86.5	2.4	81.2	1.8
current portion of lease liabilities	-	-	98.4	2.7	99.1	2.2
Current income tax payable	30.5	0.7	78.1	2.2	83.2	1.9
Other current provisions	10.6	0.3	10.8	0.3	14.6	0.3
Other current liabilities	28.1	0.7	30.8	0.9	28.2	0.6
Total current liabilities	1,815.6	42.7	610.6	16.9	729.0	16.4
Non-current liabilities						
Lease liabilities	-	-	494.3	13.7	400.7	9.0
Deferred tax liabilities	-	-	-	-	181.0	4.1
Non-current provisions for employee benefits	91.0	2.1	102.5	2.8	115.1	2.6
Other non-current liabilities	0.1	0.0	-	-	-	-
Total non-current liabilities	91.1	2.1	596.8	16.5	696.8	15.7
Total liabilities	1,906.7	44.8	1,207.4	33.5	1,425.8	32.1

Statement of financial position	Consolidated financial statements					
	As of 31 December					
	2019		2020		2021	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Equity						
Share capital						
Authorized share capital	300.0	7.1	300.0	8.3	300.0	6.8
Issued and paid-up share capital	300.0	7.1	300.0	8.3	300.0	6.8
Share premium	1,606.8	37.7	1,606.8	44.5	1,606.8	36.2
Surplus on business combination under common control retained earning	67.9	1.6	67.9	1.9	67.9	1.5
Appropriative – Legal reserve	30.0	0.7	30.0	0.8	30.0	0.7
Unappropriated	351.8	8.3	423.2	11.7	529.2	11.9
Other components of equity	(6.2)	(0.2)	(28.3)	(0.8)	142.5	3.2
Equity	2,350.3	55.2	2,399.6	66.5	2,676.4	60.3
Non-controlling interests	0.0	0.0	0.0	0.0	334.2	7.5
Total equity	2,350.3	55.2	2,399.6	66.5	3,010.6	67.9
Total liabilities and equity	4,257.0	100.0	3,607.1	100.0	4,436.4	100.0



Statement of comprehensive income	Consolidated financial statements					
	As of 31 December					
	2019		2020		2021	
	Million baht	Million baht	Million baht	Million baht	Million baht	Million baht
Revenue						
Service revenues	2,711.5	98.9	3,062.5	99.4	3,273.8	98.3
Brokerage revenues	1,842.2	59.9	1,848.8	59.8	2,038.5	59.9
Other revenues	1,088.3	39.0	1,233.8	39.8	1,237.1	38.4
Other income						
Dividend income	4.5	0.2	7.0	0.2	10.2	0.3
Gain from bargain purchase	-	-	-	-	63.0	1.9
Others	23.8	0.9	11.0	0.4	52.5	1.5
Total revenues	2,739.8	100.0	3,100.5	100.0	3,399.3	100.0
Expenses						
Cost of service	(1,457.7)	(53.2)	(1,517.4)	(48.8)	(1,544.8)	(45.4)
Administrative expenses	(701.9)	(25.6)	(747.4)	(24.1)	(780.1)	(22.9)
Total expenses	(2,159.6)	(78.8)	(2,264.8)	(73.0)	(2,324.7)	(68.4)
Profit (loss) from operating activities	580.3	21.2	835.7	27.0	1,074.6	31.6
Finance income	43.9	1.8	35.6	1.1	28.9	0.8
Fine cost	-	-	(2.1)	(0.1)	(1.7)	(0.1)
Share loss of associate accounted for using equity method	(0.8)	(0)	-	-	(1.8)	(0)
Profit (loss) before income tax expense	623.8	22.4	869.2	28.0	1,098.2	32.3
Income tax expense	(118.4)	(4.2)	(167.2)	(5.4)	(206.4)	(6.1)
Profit (loss) for the year	507.2	18.5	702.0	22.6	891.8	26.3
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Gain on investments in equity instruments designated at fair value through other comprehensive income - net of tax	(8.2)		(22.1)		170.8	
Losses on remeasurements of defined benefit plans - net of tax	(11.0)		(0.5)		(4.5)	
Total items that will not be reclassified to profit or loss	(17.2)		(22.6)		166.3	
Other comprehensive income (expense) for the year, net of tax	(17.2)		(22.6)		166.3	
Total comprehensive income (expense) for the year	490.0		679.4		1,058.1	
Profit attributable to:						
Owners of parent	507.2		702.0		890.4	
Non-controlling interests	0		0		1.3	
Profit for the year	507.2		702.0		891.8	
Total comprehensive income (expense) attributable to:						
Owners of parent	490.0		679.4		1,058.7	
Non-controlling interests	0		0		1.3	
Total profit for the year	490.0		679.4		1,058.0	
Earnings per share						
Earning pressure at new par*						
Equity (new par)* (baht per share)	1.89		1.17		1.48	
Weighted average number of ordinary shares of the company (new par)* (shares)	300,000,000		600,000,000		600,000,000	

note: * the par change from 1.0 baht to 0.5 baht according to the resolution of shareholders' Extraordinary General Meeting number 1/2564 on 28 December 2021

Statement of cash flows	Consolidated financial statements	
	As of 31 December	
	2020	2021
	Million baht	Million baht
<u>Cash flows from operating activities</u>		
Profit (loss) for the year before tax	889.2	1,098.2
Adjustments to reconcile profit (loss) to cash receipts (payments)		
Depreciation and amortisation	147.3	170.5
Reversal of provisions	0.2	3.8
(Reversal of) impairment loss recognised in profit or loss	2.1	(1.5)
Non - current provisions for employee benefits	10.8	12.5
(Gain) loss on disposal of property, plant and equipment	(0.8)	0.1
Impairment loss - equipment	0	0
Gain on changes in fair value of debt investments measured at fair value through profit or loss	(1.3)	(0.6)
Share of loss of associate accounted for using equity method, net of tax	-	1.6
(Gain) loss on lease modification	0	0.2
Loss on written off withholding tax	0	0
Gain from bargain purchase	-	(63.8)
Dividends received	(7.0)	(10.2)
Interest income	(35.5)	(27.0)
Financial cost	2.1	1.7
Profit (loss) from operations before changes in operating assets and liabilities	987.1	1,185.5
Operating assets (increase) decrease		
Accrued income and other current receivables	(69.5)	(73.8)
Personal loans	-	(118.3)
Other current asset	3.1	0.3
Other non current financial assets	8.1	(0.2)
Other non current asset	(5.0)	3.0
Operating liabilities increase (decrease)		
Insurance premium payables and other current payables	(110.6)	106.8
Insurance premium received in advance	6.8	(5.3)
Other current liabilities	2.4	(5.2)
Other non - current liabilities	(0.1)	-
Payment for long-term employee benefits	-	(5.5)
Net cash generated (used) from operating	822.3	1,087.3
Taxes received	1.4	4.2
Taxes paid	(128.6)	(213.6)
Net cash from (used in) operating activities	697.1	877.9



Statement of cash flows	Consolidated financial statements	
	As of 31 December	
	2020	2021
	Million baht	Million baht
<u>Cash flows from investing activities</u>		
Deposit at bank - pledged as collateral increase (decrease)	0.8	(0)
Acquisition of subsidiaries, net of cash acquired	-	(230.7)
Proceeds from repayment of loans to related parties	6.4	6.4
Long term loan to related party	-	-
Short-term investment (increase) decrease	-	-
Acquisition of other current financial assets	(319.3)	(98.7)
Proceeds from sale of current financial assets	690.3	100.4
Acquisition of other non-current financial assets	(174.7)	(143.5)
Proceeds from sale of non - current financial assets	4.0	-
Proceeds from redemption of investments in debt instruments measured at amortised cost	-	38.0
Proceed from sale of subsidiary	-	12.0
Acquisition of associate	-	(1.6)
Proceed from acquisition of non-controlling interests	-	4.0
Acquisition of equipment	(55.4)	(15.4)
Acquisition of intangible assets	(13.7)	(12.7)
Proceeds from sale of buildings and equipment	1.3	0
Proceeds from sale of intangible assets	-	-
Dividends received	7.0	10.2
Interest received	35.9	30.0
Net cash from (used in) investing activities	182.6	(301.7)
<u>Cash flows from financing activities</u>		
Payment of lease liabilities	(96.8)	(99.9)
Director loan	-	(1.0)
Cash paid for direct expense in share offering	-	-
Cash paid for interest	(2.1)	(1.7)
Cash paid for dividend	(630.0)	(780.0)
Net cash from (used) in financing activities	(728.9)	(882.6)
Net increase (decrease) in cash and cash equivalents	150.7	(306.4)
Cash and cash equivalents at 1 January	959.7	1,110.4
Cash and cash equivalents at 31 December	1,110.4	804.0
<u>Additional information on the statement of cash flow</u>		
Non-cash transactions		
Outstanding payables for purchases of plant and equipment	(7.2)	1.2
Outstanding payables for purchases of intangible assets	-	-
Outstanding payables for finance leases	(59.6)	6.7

4.3.3) Key Financial Ratio

Financial ratio	Unit	Consolidated financial statements		
		As of 31 December		
		2019	2020	2021
<u>Liquidity</u>				
Current ratio	times	1.9	3.5	2.7
Quick ratio	times	0.9	2.8	2.4
Operating Cash Flow to Current Liabilities	times	0.3	0.6	1.3
Receivable Turnover	times	8.3	9.0	8.9
Collection Period	Days	43.1	40.0	40.4
Inventory Turnover	times	8.9	9.7	9.3
Payment period	Days	40.3	37.1	38.8
Cash cycle	Days	2.9	2.9	1.8
<u>Profitability</u>				
Gross profit margin	Percent	46.2	50.8	52.8
Operating margin	Percent	22.1	27.8	30.0
Other profit margin	Percent	2.6	1.7	4.5
Cash flow manager	Percent	89.5	85.1	93.0
Net profit margin	Percent	18.2	22.4	26.0
Return on equity	Percent	22.6	29.6	33.0
<u>Operating efficiency ratio</u>				
Return on asset	Percent	12.6	17.9	22.2
Return on fixed assets	Percent	631.6	848.9	1,070.8
Total assets turnover	times	0.7	0.8	0.9
<u>Leverage ratio</u>				
Debt to equity	times	0.8	0.5	0.5
Interest coverage*	times	N/A	N/A	N/A
Cash basis	times	1.6	1.0	1.1
Dividend payout	Percent	56.2	89.7	87.5

Note: * The Company does not have any borrowing.



5. General Information and Other Important Information

5.1 General Information



Company

English company name	TQM Corporation Public Company Limited
Ticker	TQM
Business type	Holding Company by investing in insurance brokerage companies
Head Office	123 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0107561000307
Phone	0 2119 8888
Fax	0 2119 9000
Website / Company Homepage	www.tqmcorp.co.th
Registered capital as	
• at 31 December 2021	300.0 million baht
Paid-up capital as	
• at 31 December 2021	300.0 million baht
Type of share	
• Ordinary share as	
of 31 December 2021	300.0 million shares

Subsidiaries

1. TQM Insurance Broker Company Limited

English company name	TQM Insurance Broker Company Limited
Business type	Non-life insurance broker
Head Office	123 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0105510084143
Phone	0 2119 8888
Fax	0 2119 8800
Website / Company Homepage	www.tqm.co.th
Registered capital	
as at 31 December 2021	400.0 million baht
Paid-up capital	
as at 31 December 2021	400.0 million baht

2. TJN Insurance Broker Company Limited

English company name	TJN Insurance Broker Company Limited
Business type	Non-Life insurance broker
Head Office	123/3 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0105559045381
Phone	0 2119 9599
Website / Company Homepage	www.tjn.co.th
Registered capital	
as at 31 December 2021	5.0 million baht
Paid-up capital	
as at 31 December 2021	5.0 million baht

3. TQM Life Insurance Broker Company Limited

English company name	TQM Life Insurance Broker Company Limited
Business type	Life insurance broker
Head Office	123/3 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0106661106143
Phone	0 2119 8888
Fax	0 2119 9000
Website / Company Homepage	www.tqmlife.co.th
Registered capital	
as at 31 December 2021	60.0 million baht
Paid-up capital	
as at 31 December 2021	60.0 million baht

4. True Life Broker Company Limited

English company name	True Life Broker Company Limited
Business type	Life insurance broker
Head Office	262/21 F Muang Thai - Phatra Complex - Tower 1, 17th Floor, Ratchadapisek Road, Huaykwang Sub-district, Huaykwang District, Bangkok 10310
Company registration number	0106648101292
Phone	0 2694 3383
Fax	0 2694 3387
Registered capital	
as at 31 December 2021	2.0 million baht
Paid-up capital	
as at 31 December 2021	2.0 million baht

5. True Extra Broker Company Limited

English company name	True Extra Broker Company Limited
Business type	Non-life insurance broker
Head Office	262/93 (N) Muang Thai - Phatra Complex - Tower B, 17th Floor, Ratchadapisek Road, Huaykwang Sub-district, Huaykwang District, Bangkok 10310
Company registration number	0106646164178
Phone	0 2064 6717
Fax	0 2064 6717
Registered capital	
as at 31 December 2021	6.0 million baht
Paid-up capital	
as at 31 December 2021	6.0 million baht

6. Easy Lending Company Limited

English company name	Easy Lending Company Limited
Business type	Personal loan provider
Head Office	9 Lat Pla Khao 14, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0106664011375
Phone	0 2119 8866
Website / Company Homepage	https://www.easylending.co.th/
Registered capital	
as at 31 December 2021	60.0 million baht
Paid-up capital	
as at 31 December 2021	60.0 million baht



7. TO 2020 Company Limited

English company name	TO 2020 Company Limited
Business type	Joint-venture and domestic and overseas investment
Head Office	9 Lat Pla Khao 14, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0106666192391
Phone	0 2119 8888
Registered capital	
as at 31 December 2021	6.0 million baht
Paid-up capital	
as at 31 December 2021	6.0 million baht

8. Casmatt Company Limited

English company name	Casmatt Company Limited
Business type	IT and software services provider
Head Office	123 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0106660076166
Phone	0 2119 8888
Fax	0 2119 9000
Website / Company Homepage	www.casmatt.co.th
Registered capital	
as at 31 December 2021	6.0 million baht
Paid-up capital	
as at 31 December 2021	6.0 million baht

9. TQC Company Limited

English company name	TQC Company Limited
Business type	Claim services for health and accident insurance, and give consult to non-life and life insurance companies regarding customer's claim filing
Head Office	123 Lat Pla Khao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0106660163623
Phone	0 2119 8888
Registered capital	
as at 31 December 2021	20.0 million baht
Paid-up capital	
as at 31 December 2021	20.0 million baht

10. Surekrub.com Company Limited

English company name	Surekrub.com Company Limited
Business type	Non-life insurance broker
Head Office	9 Lat Pla Khao 14, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0106664062913
Phone	0 2116 8888
Website / Company Homepage	https://surekrub.com/
Registered capital	
as at 31 December 2021	10.0 million baht
Paid-up capital	
as at 31 December 2021	10.0 million baht

Affiliate

TQD Company Limited

English company name	TQD Company Limited
Business type	Insurance-related advisory
Head Office	9 Lat Pla Khao 14, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Company registration number	0105559148619
Phone	063 065 6919
Website/Company Homepage	https://www.tqd.co.th/
Registered capital as at 31 December 2021	7.0 million baht
Paid-up capital as at 31 December 2021	7.0 million baht

Reference Persons

1. Security Registrar

Security Registrar	Thailand Securities Depository Company Limited
Head Office	93, The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindeang, Bangkok 10400
Phone	0 2009 9000
Fax	0 2009 9991

2. Auditor

Auditor	KPMG Phoomchai Audit Ltd.
Head Office	Empire Tower 1, 48 - 50th Floor, South Sathorn Road, Yannawa Sathorn, Bangkok 10120 Thailand
Phone	0 2677 2000
Fax	0 2677 2222

5.2 Other

There was not any significant information affecting investor's decision-making.

5.3 Legal disputes

As of December 31, 2021, the Company and its affiliates have no legal disputes that may affect the Company and affiliated companies more than 5 percent of the shareholders' equity. There are no disputes that may significantly affect the business operations of the Company and its affiliates.

Part 2

Corporate Governance



6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Guidelines

The Board of Directors manage by complying to Corporate Governance guided by the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"). The Company recognizes the importance of operating the business with developing corporate governance for a sustainable business growth in a long term, as well as encouraging transparency. The corporate governance does not only create confidence to shareholders, investors or all stakeholders, but also create value and good performance to the Company, benefiting overall competitive advantage and sustainable growth.

6.1.1 Policy and guidelines related to the Board of Directors

- 1) The Board of Directors understands and recognizes the roles and responsibilities as a leader, for supervising the organization being good management covering objectives and goals, strategy formulation, operational policies as well as allocating important resources to achieve objectives and goals and monitoring, evaluating and reporting operation performances.
- 2) The Board of Directors establishes policies, including the corporate governance policy and corporate social responsibility policy to create sustainable business in order to promote ethical business practices, respect the rights and responsibilities to shareholders and stakeholders, achieving success in the business operations of the company, benefit to society and develop or reduce environmental impact as well as being able to adapt under changing factors.
- 3) The Board of Directors is responsible for overseeing that directors and executives perform their duties with accountability and responsibility, duty of care, honesty to the organization, duty of loyalty for the most benefit of the company, and shall comply with the law, objectives, regulations, resolutions of the Board of Directors' meeting and the resolution of the shareholders' meeting including the policy or guidelines that have been specified by the company by having to provide sufficient mechanisms to ensure that the company's operations complying with relevant laws, objectives, regulations, resolutions of the Board of Directors Shareholders meeting's resolution And various policies of the company such as related party transaction policy, anti-corruption policy (Anti-Corruption Policy), the Delegation of Authority, etc., including the approval process of important operations such as investment, transactions that affect the company, significant transaction with related party, acquisition or disposal of assets and dividend payment, etc.
- 4) The Board of Directors understands the role scope of duty and responsibilities of the board of directors as well as clearly specifying the scope of delegation of duties and responsibilities to the committees and management as well as monitoring and overseeing the performance of duties as assigned by the various charters of the Board of Directors and sub-committees in writing, and shall review the said charters regularly at least once a year to be in line with the company's directions.
- 5) Director positions
 - 5.1) The Board of Directors has determined that each director can hold the position of director in other listed companies when combining the company, there shall not be more than 5 listed companies.
 - 5.2) In the case that a director is a Chairman, an Executive Director or a director binding company, one or many other companies, there shall not be more than 3 business groups.



- 5.3) Managing Director of the company to be a director in other companies (except family business's companies) shall obtain approval from the board before taking office and the committee shall consider the type of director position and the number of companies holding positions in order to be effective in performing duty and in order for the director to be able to devote time to perform the duties of the directors of the company.

In addition, the company has stipulated that directors and senior executives have the duty to inform the company of the directorship positions in other companies to the company at the first opportunity to be appointed as the company's directors or senior management by disclosing information about company name, business type, amount of shares holding, including shares held by spouse and under-age children in the company and shall notify the company of the change of position in other companies according to the report on interests of directors and senior executives.

However, being a director in other business types shall not conflict with regulations or rules of other relevant regulatory agencies and shall notify the company within 7 days from the date of appointment or the date of holding the position.

6.1.2 Policy and Guidelines related to Shareholders and Stakeholders

The Company recognizes the importance of rights and responsibility to shareholders and stakeholders, including equitability of shareholders, roles of stakeholders, information disclosure and transparency. The Board of Directors recognizes importance of duty responsibility and compliance to good corporate governance that will create confidence among shareholders, investors and all relevant parties. The Board of Directors approved and implemented corporate governance policy, covering principles on structure, roles, duties and responsibility of the Board of Directors, as well as transparent, clear and verifiable management practices, based on guidelines and practice of corporate governance for listed company in 2017 by the SEC. It is used for manage the company ensuring that the Company's operation will be fair and considered for the best interests of shareholders and all stakeholders.

6.2 Code of Conduot

Employee Code of Conduot

Employee code of conduct is an outline of ethics, correct behavior and a set of standard social norms that relevant individuals should be responsible and follow the Code for a peaceful work environment.

(1) Objectives

- 1) To be a framework of behaviors that owners, executives and employees should always adhere to and comply with.
- 2) To be reminded of the Company's values and culture that employees must know, understand and express in their behaviors.
- 3) To be a tool for building relationships between the Company and its customers, suppliers, business partners, visitors, the general public, communities and all other stakeholders to coexist peacefully.

(2) Code of conduct for the Board of Directors and Senior Executives

The Board of Directors is responsible for overseeing company operations to make the business successful and profitable by adhering to the framework of business operations, corporate values and vision for stability and sustainable growth, comply with the OIC standards, good governance, and other relevant laws including the Securities and Exchange Act 1992 (and its amendments), the Public Company Act 1992 (and its amendments), and other related rules and regulations of the Office of the Securities and Exchange Commission.

- 1) The Board of Directors, Chief Executive Officer and Senior Executives shall be responsible for the insurance brokerage business, shareholders, business partners, contract partners, and all employees, ensuring that the business is run with integrity, transparency and fairness, to promote a good corporate image that is acceptable to business, society and the nation.

- 2) The Board of Directors, Chief Executive Officer and senior management shall accept business competition in a professional and fair manner, without unethical opportunistic behaviors, exploitation, violations of privacy or seeking confidential information in an unlawful manner.
- 3) The Board of Directors, Chief Executive Officer, and Senior Executives shall support government policies by showing respect to the relevant laws. They shall create, coordinate and maintain relationships with government agencies, and government personnel concerned with business, as well as giving cooperation in providing information as requested, and behaving as a good citizen.
- 4) The Board of Directors, Chief Executive Officer and Senior Executives shall demonstrate social responsibility, conserve the environment, consume energy responsibly and reduce pollution.
- 5) The Board of Directors, Chief Executive Officer and Senior Executives shall be responsible for all staff to work with happiness, fair compensation, adequate welfare for their circumstances, and fair treatment without prejudice. Staff shall receive training to develop their knowledge and skills providing beneficial opportunities to progress in their careers.

(3) Employees

- 1) Employees must strictly comply with the ethical framework.
- 2) Employees shall respect and obey their superiors, executives and senior coworkers, both during operations or outside of work hours.
- 3) Employees shall strictly observe the rules and regulations of the company, respect the law, and act as a good citizen of the community, society and the nation.
- 4) Employees shall maintain good relations with customers, business partners, competitors, and colleagues. They shall protect the confidential business information of the Company, customers or suppliers obtained in the course of their work. They shall neither disclose wrongly-obtained information to the Company for the benefit of their job duties, nor disclose the Company's information to third parties, regardless of any possible compensation.
- 5) Employees shall not take any action to gain either a personal or career advantage in a wrongful way, even if that action gives an advantage to the Company.
- 6) Employees shall not operate any kind of business that is in the same nature to, or in competition with the company, which is considered a conflict of interest.
- 7) This Code of Conduct is deemed to be part of employee discipline. Punishment may be imposed according to the relevant rules and regulations.

(4) Reporting and investigating Code of Conduct violations

If any supervisor or employee discovers a behavior of subordinates or colleagues that may be in violation of the Code of Conduct, they must report to the Compliance Officer immediately. Supplementary documents (if any) should be provided as evidence. The Compliance Officer shall conduct an investigation without delay, and if necessary, request cooperation from the Internal Audit Department and the Human Resources Department.

When sufficient information has been received to come to a decision, a report shall be made directly to the Chief Executive Officer supported by testimony about the behavior, violations of the Code of Conduct which may have occurred and recommendations for further action. The report shall be made in writing with a copy kept in the employee's profile.

The Company has announced the complete version of the Code of Conduct for the Board of Directors, executives, and all employees to acknowledge and comply. The policy is disseminated on the Company's website, in the Investor Relations menu, under the section Corporate Governance Policy, or at <https://www.tqmcorp.co.th/corporate-governance.php>.



6.3 Significant Changes and Developments in Corporate Governance Policies and system in 2021

6.3.1 Significant Changes and Developments regarding the review of policy, guideline and corporate governance system or director charter

The Company schedule an annual review of the Board of Director Charter at least once a year to increase efficiency of governance and duties of the Board of Directors and sub-committee to align with 2021 CG Code. In 2021, the Board of Director meeting reviewed some important agenda with details as follow:

- The Board of Director meeting no. 1/2664 on February 22, 2021 had a resolution to appoint Mr.Thana Thienachariya to be a member of audit committee. Therefore, the Company had a total of four members of audit committee, from three previously, and was paid as defined in the AGM.

6.3.2 Compliance and adaptation of good corporate governance of 2017

The Company complies to Corporate Governance and other relevant guideline, with awareness in importance of shareholder's rights, responsibility to stakeholders, equal treatment to shareholders, roles of stakeholders and transparency, in order to ensure business operations with social responsibility.

As for the aspect that is not yet applied, the Company has prepared for substituted measures as follows.

As for the aspect that is not yet applied, the Company has prepared for substituted measures as follows.

Unapplied	Reasons
1. Chairman of the Board must be an independent director	The Board of Directors appointed a well-qualified person to be the Chairman of the Board who can ensure that structure and functions of the Board of Directors can use their judgment and discretion in a decision making. Although the Chairman of the Board is not an independent director, the Board of Directors appointed another independent director to work jointly in considering and setting agendas of Board meetings, encouraging balance between the Board of Directors and management according to good corporate governance for listed companies.
2. Directors or high-level management must inform the Board of Director or assigned persons regarding share buying/selling at least one day in advance	The Company developed an additional policy prohibiting the use of insider information. The policy is to prohibit directors, executives and management, which is manager or an equivalent, in accounting or finance department who know of significant information that might affect share price, from buying or selling the Company's shares before disseminating financial statements or any other information regarding financial and other status until the information is disclosed publicly. The Company will inform in written to directors, executives, management, which is manager or an equivalent, in accounting or finance department, and the Company's auditor not to buy/sell the Company's shares at least 30 days prior to the disclosure date. They should also wait for at least 24 hours after the public disclosure, and should not reveal the significant information to others.

6.3.3 Other practices in the Corporate Government

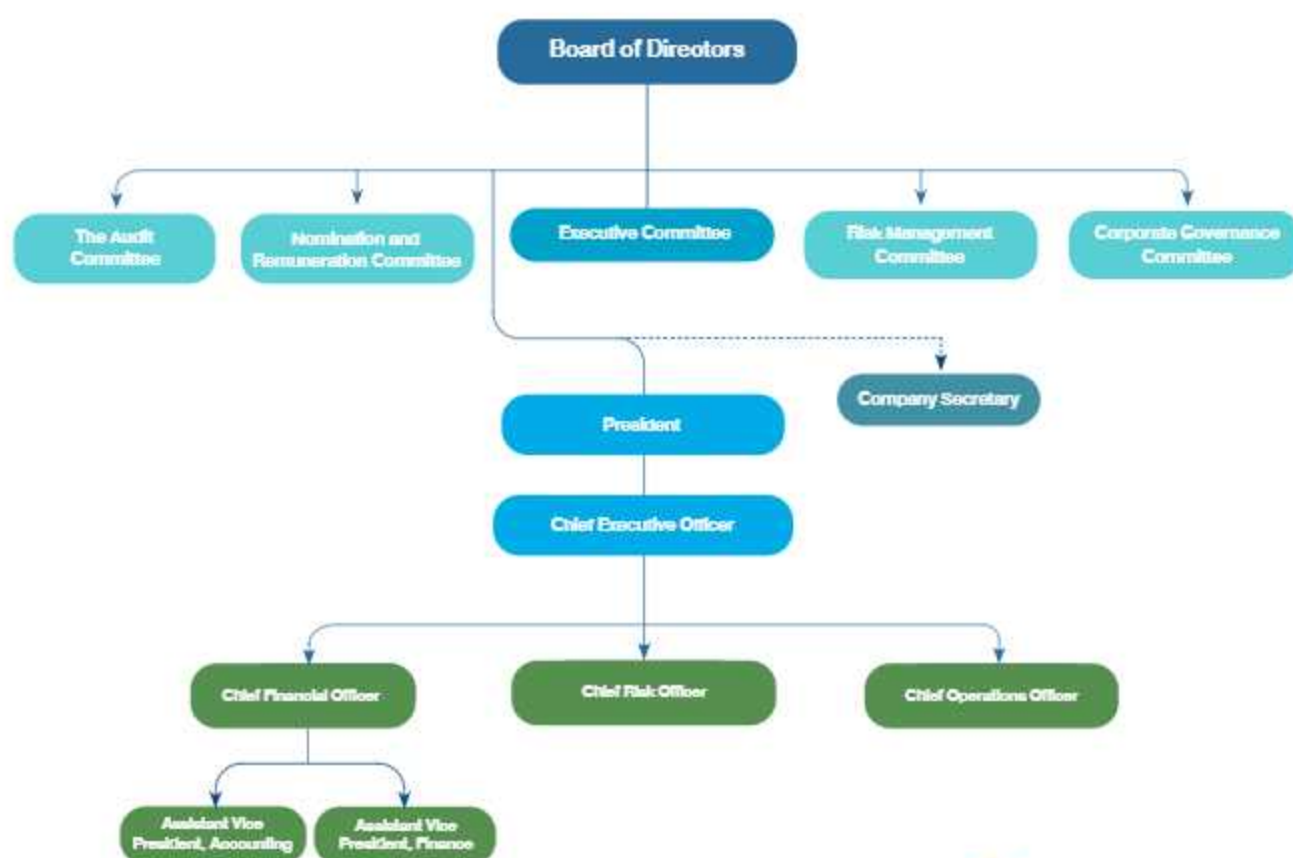
In 2021, the Company receives three awards in corporate governance as follows:

- Selected to be in 2021 Thailand Sustainability Investment (THSI)
- Received "Excellent" rating from 2021 corporate governance evaluation Thai Investor Association
▲▲▲▲▲
- Scored 100% in quality evaluation of 2021 Annual General Meeting from Thai Investor Association

7. Corporate Governance Structure and Important Information Concerning the Board of Directors, Board Committees, Executives, Employees and Others

7.1 Management Structure TQM Corporation public Company Limited ("Company")

Management Structure consisted of Board of Directors and 5 Committees which are The Audit Committee, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee, Corporate Governance Committee and Executives as follows



● Executives as defined by Capital Market Supervisory Board

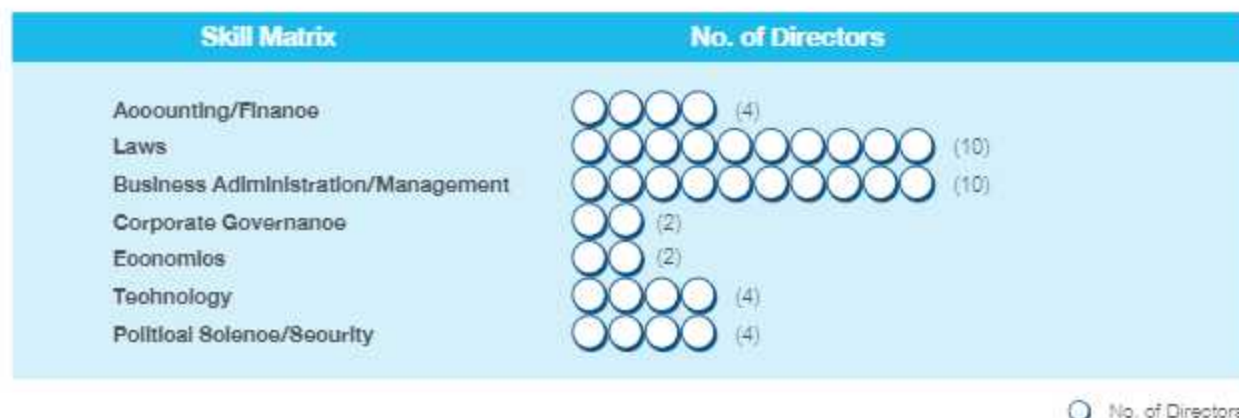




7.2 The Board of Directors

7.2.1 The Board Composition

Directors' Skills Matrix



Directors' Proportion



7.2.2 Directors

The company's Board of Directors consisted of 10 directors as of 31 December 2021 were as follows:

Name	Position	Director Type
1. Dr. Unohalin Punnipa ^{1/}	Chairman of the Board of Directors, Chairman of Risk Management	Chairman of the board
2. Mr. Marut Simasathien ^{2/}	Independent Director / Chairman of the Audit Committee / Member of Nomination and Remuneration Committee / Member of Risk Management Committee / Member of Corporate Governance Committee	Independent Director
3. Dr. Rutohanee Pookayaporn	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of The Audit Committee / Member of Corporate Governance Committee	Independent Director
4. Mr. Chinapat Visutipat	Independent Director / Member of Nomination and Remuneration Committee / Member of Risk Management Committee / Member of The Audit Committee / Member of Corporate Governance Committee	Independent Director
5. Ms. Suvabha Charoenying	Independent Director / Chairman of the Corporate Governance Committee	Independent Director
6. Mr. Thana Thienachariya	Independent Director / Member of The Audit Committee	Independent Director
7. Dr. Napasarn Punnipa	Director / Chairman of Executive Committee / Member of Nomination and Remuneration Committee / Chief Executive Officer	Executive Director
8. Ms. Somporn Ampaisutthipong	Director / Executive Director / Chief Financial Officer	Executive Director
9. Ms. Ratana Punnipa	Director / Executive Director / Member of Nomination and Remuneration Committee / Chief Risk Officer	Executive Director
10. Mr. Ampon Oniam	Director / Executive Director / Chief Operations Officer	Executive Director

Remark: ^{1/} Dr. Unohalin Punnipa is the Chairman of the board but is not an independent director; therefore, in accordance with corporate governance policy for listed company B.E. 2560, the board of directors' meeting No.3/2561 on 2 April 2018 appointed Mr. Marut Simasathien as an independent director and the Chairman of the Audit Committee to co-consider and determine the meeting agenda as regulated.

^{2/} Mr. Marut Simasathien is a director who is knowledgeable and experienced in reviewing credibility of the Company's financial statements.

By Ms. Supichaya Theppitak as Board of Directors' Secretary, in charge of company's compliance according to corporate governance policy for a listed company. (Details of directors and company secretary's biography are in attachment 1)

Directors binding the company

Names and number of directors who are authorized to sign on behalf of the Company are Dr. Unchalin Punnipa, Dr. Napassanun Punnipa and Ms. Ratana Punnipa. Two out of these three can be co-sign together with Company's stamp.

7.2.3 TQM's shareholding information report of directors, executives, spouses and underaged children and entities holding over 30%

Seq	Name-lastname	Position	No. of shares ^{2/}		
			31/12/2021	31/12/2020	+ / -
1	Mr. Unchalin Punnipa^{1/}	Chairman	11,195,000	11,027,000	168,000
	Spouse and underaged children		9,248,300	8,807,100	441,200
	Entities holding over 30%		153,448,400	152,700,100	748,300
2	Mr. Marut Simasathien	Independent Director	-	200,000	(200,000)
	Spouse and underaged children		-	-	-
3	Dr. Rutohaneepon Pookayaporn	Independent Director	170,000	130,000	40,000
	Spouse and underaged children		-	-	-
4	Mr. Chinapat Visutipat	Independent Director	-	-	-
	Spouse and underaged children		-	-	-
5	Ms. Suvabha Charoenying	Independent Director	888,000	1,145,000	(277,000)
	Spouse and underaged children		-	-	-
6	Mr. Thana Thienachariya	Independent Director	309,600	309,600	-
	Spouse and underaged children		15,000	15,000	-
7	Mrs. Napassanun Punnipa^{2/}	Director	9,248,200	8,807,000	441,200
	Spouse and underaged children		11,195,100	11,027,100	168,000
	Entities holding over 30%		153,448,400	152,700,100	748,300
8	Ms. Bomporn Ampaisutthipong	Director	350,000	310,000	40,000
	Spouse and underaged children		-	-	-
9	Mr. Ampon Oniam	Director	130,000	130,000	-
	Spouse and underaged children		-	-	-
10	Ms. Ratana Punnipa	Director	-	-	-
	Spouse and underaged children		-	-	-
11	Mrs. Aumaraporn Vajayvatjarnai^{3/}	Senior Vice President, Accounting	N/A	5,000	N/A
	Spouse and underaged children		-	-	-
12	Ms. Kanjanee Kulsurakit	Assistant Vice President, Finance	20,000	20,000	-
	Spouse and underaged children		-	-	-
13	Mr. Patinyasak Tuntiohuti^{4/}	Assistant Vice President, Accounting	-	N/A	N/A
	Spouse and underaged children		-	N/A	N/A

Note : ^{1/2} Mr. Unchalin Punnipa and Mrs. Napassanun Punnipa are spouse/cohabitation partners.
^{3/} Mrs. Aumaraporn Vajayvatjarnai, Senior Vice President, Accounting, resigned from an executive of the Company who was responsible of accounting on 1 November 2021.
^{4/} Mr. Patinyasak Tuntiohuti, Assistant Vice President, Accounting, was appointed by the Board of Director at the meeting number 5/2564 to be an executive who was responsible of accounting on 11 November 2021.
^{5/} This number is prior to the change of par value. The Extraordinary General Meeting number 1/2564, held on 28 December 2021, the resolution was to approve the change of par value from 1.00 baht to 0.60 baht, effective on 13 January 2022.
N/A: The comparison will not be shown for directors and/or executives who resigned or newly joined during the year.



7.2.4 Roles and duties of the Board of Directors

The structure of Company's Directors comprises the Board of Directors and 5 committees, namely the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance Committee. The Board of Directors resolved to approve the Charters of the Board of Directors and subcommittees with the objective of allowing the Company's directors to understand their roles and responsibility towards the shareholders, the Company and subsidiaries and show the ability to perform such duties effectively, efficiently and transparently. The scope of authority and duties is as follows.

1. Scope of the authority and duties of the Board of Directors

- (1) The Board of Directors has the authority and duties to manage and operate the business of the Company and subsidiaries according to the laws, objectives, regulations and resolutions of the Board of Directors meeting as well as the resolutions of the shareholders' meeting with integrity and caution in order to safeguard the interests of the Company, subsidiaries and shareholders. Additional duty includes ensuring that the Company and its subsidiaries comply with various policies of the Company and subsidiaries, the laws relating to business operations of the Company and subsidiaries, including the laws on prohibiting payment of bribes or support for corruption.
- (2) Performance of the duties with responsibility and caution like a reasonable business person should act under the same circumstances for maximum benefit of the Company, subsidiaries and shareholders mainly.
- (3) Arranging the Board of Directors meeting at least 3 months per time, which should also be the plenary meeting unless there is unavoidable necessity when considering, resolving on significant matters or transactions. Significant transactions should include transactions required by law to be approved by the Board of Directors' meeting, i. e. acquisition or disposal of assets of the Company or subsidiaries with major impact on the Company or subsidiaries; expansion of investment projects; consideration and approval of entering into connected transactions according to relevant rules of the Securities and Exchange Commission and the SET; determination of the operational authority level and determination of financial management policy and risk management of the business of the Company and subsidiaries, etc.
- (4) Taking action for the Company and subsidiaries to use the appropriate and effective systems of accounting, financial reporting and auditing, including providing an internal control system and an internal audit system that are adequate and efficient as well as a process for evaluating the suitability of internal control system of the Company and subsidiaries regularly.
- (5) Arranging to make the balance sheet as well as the profit and loss account at the end of the calendar year, which is the Company's fiscal year so as to show the financial status and operating results in the past fiscal year to be true, complete, correct and consistent with generally accepted accounting standards for presentation to the shareholders' meeting at the annual general meeting of shareholders for consideration and approval. The Board must arrange for the auditor approved by the Securities and Exchange Commission to check such balance sheets as well as profit and loss accounts to be completed before presentation to the shareholders' meeting. Also, arrangements must be made for creating and reviewing the quarterly financial statements.
- (6) Considering and approving the selection and appointment of the auditor and examining the appropriate remuneration as proposed by the Audit Committee before presentation to the shareholders' meeting at the annual general meeting for approval.
- (7) Examining, reviewing and approving the vision, policies, direction, strategies, plans for business operations of the Company and subsidiaries as prepared by the Executive Committee and the management department.

- (8) Determining of the main objectives and goals, guidelines, policies and important strategies by taking into account the ethics, impact on society and the environment mainly, financial objectives, various business plans and budgets of the Company and subsidiaries as well as arranging important resources so as to achieve the objectives and goals, including supervising the administration and management of the Executive Committee and the management department according to the stipulated policies, plans and budgets with efficiency and effectiveness for maximum benefit of the Company, subsidiaries and shareholders.
- (9) Considering and approving the operations of the Company and subsidiaries, which conform to the articles of association of each company.
- (10) Monitoring the operating results of the Company, subsidiaries and associate company continuously to accord with the goals, guidelines, policies, business plans and the budgets of the Company and subsidiaries and regularly evaluating the performance of the Executive Committee and the management department, including determination of remuneration and review of succession planning.
- (11) Considering, determining the risk management policy to cover the entire organization and ensuring the available system or process for risk management with support measures and control methods to reduce the impact on the business of the Company and subsidiaries appropriately.
- (12) Formulation of a supervisory mechanism to enable the Company to control the management and the operations of subsidiaries like being a unit of the Company, including the available measures to monitor work management of subsidiaries in order to safeguard the interests of the Company's investments according to the announcement TorJor. 39/2559.
- (13) Arranging for and complying with the corporate governance policies of the Company and subsidiaries according to written good governance principles such as anti-corruption policy, whistleblowing policy and internal information use policy, etc. and the effective implementation of such policies to ensure the Company and subsidiaries' responsibility to all groups of stakeholders with fairness.
- (14) Approving the expenses for business operations of the Company and subsidiaries, including the Delegation of Authority.
- (15) Providing written code of conduct and business ethics to be working standards of the directors, executives and employees of the Company. The Board of Directors should monitor strict compliance with the code of conduct and business ethics.
- (16) Establishing the Charters of the Board of Directors and sub-committees as well as amending the Board of Directors Charter and approving the proposals of subcommittees to modify the content of the Charter so as to be updated and appropriate for the rules, regulations and changing circumstances.
- (17) Determining the structure of work management, having the power to appoint the Executive Committee, the President, the Chief Executive Officer and other subcommittees as appropriate, including determining the scope of the authority, duties and remuneration of the Executive Committee, the President, the Chief Executive Officer and various subcommittees appointed. This empowerment based on that scope of authority, duties must not be characteristic of the authorization or delegation of authority enabling such Executive Committee, President, Chief Executive Officer and subcommittees to consider and approve transactions that may have conflicts, interests or any other conflict of interests with the Company or subsidiaries except approval for transactions according to the policies and criteria already approved by the shareholders' meeting or the Board of Directors' meeting.
- (18) Determining and modifying the names of the directors authorized to sign and bind the Company. Besides, if the position of director is vacant for reasons other than expiration of the term, the Board of Directors must select the person with qualifications and not having prohibited characteristics according to the Public Limited Companies Act as well as the Securities and Exchange Act, including relevant announcements, rules and / or regulations to be a replacement director in the next Board meeting unless the remaining term of the outgoing director is less than 2 months.



- (19) Appointment of the persons as directors or executives of subsidiaries and associate company at least in proportion to shareholding in subsidiaries and associate company. Determining remuneration and specifying the scope of authority and responsibilities of appointed directors and executives, including the framework of voting power in the Board of Directors' meetings of subsidiaries and associate company on important matters that must be approved by the Board of Directors before and supervising the administration and the management department of subsidiaries and associate company to accord with the Company's operational plans and policies and supervising various transactions to be correct according to relevant laws and rules, including monitoring the subsidiaries and associate company to disclose information about the financial status and operating results, connected transactions and acquisition or disposal of significant assets completely, accurately as well as monitoring, supervising the directors and executives of subsidiaries to comply with the duties and responsibilities as required by law.
- (20) Considering and proposing remuneration of the Board of Directors as presented by the Nomination and Remuneration Committee for the shareholders' meeting to approve. Examination of the Board of Directors' remuneration must take into account various factors, e.g. consistency with long-term strategies and goals of the Company, experience, obligations, scope and responsibilities, including the benefits expected to receive from each director, etc. The Company is prohibited from paying money or other assets to the directors unless paid as remuneration according to the Company's articles of association. If not stipulated by the Company's articles of association, payment of remuneration shall be in accordance with the resolution of the shareholders' meeting, which comprises the vote of not less than two-thirds of the total votes of the shareholders attending the meeting.
- (21) Appointment of the Company secretary to be responsible for various operations in the name of the Company or the Board of Directors, e.g. creation and storage of director registration, written notice of the scheduled Board meeting and the minutes of the Board of Directors meeting, written notice of the scheduled shareholders' meeting and the minutes of the shareholders' meeting and keeping the reports of interests, etc.
- (22) Considering and approving transactions on acquisition or disposal of assets of the Company or subsidiaries, investment in new businesses and necessary actions according to relevant laws, announcements and / or regulations of the SET and the Capital Market Supervisory Board, including other related rules.
- (23) Considering and / or commenting on connected transactions between the Company, subsidiaries, associate company and related parties as specified in the Securities and Exchange Act, including relevant regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board. Also approving the principles of trade agreements with the general trade conditions for entering into transactions between the Company, subsidiaries, associate company and the directors, executives or related parties to set the operational framework of empowering the Executive Committee and the management department to execute such transactions under the framework and scope of relevant laws and rules. Also considering and / or commenting on entering into various transactions of the Company (for the value of transactions unconnected with the conditions that must be approved by the shareholders' meeting) in accordance with relevant laws, announcements, rules and regulations.
- (24) Supervising, controlling and preventing a conflict of interests between the stakeholders of the Company and of subsidiaries. Also managing to resolve a conflict of interests and the wrongful use of assets of the Company and subsidiaries as well as wrong actions in transactions between related parties with the Company and / or subsidiaries.
- (25) Ensuring that the existing structure and practices of the Board of Directors and various subcommittees, support, are intended for supervision appropriately and can be changed when necessary.
- (26) Arranging for the shareholders' meeting to be the annual general meeting of shareholders within 4 months from the end of the Company's fiscal year.
- (27) Arranging for appropriate disclosure of information to stakeholders, persons with a conflict of interests and relevant persons. Also arranging for disclosure of important information to shareholders in the

financial statements and various reports prepared for shareholders appropriately. Such information should be published through a system of the Stock Exchange of Thailand before and may be disseminated additionally via the Company's website, including arranging for the responsible persons to provide information to investors. The Board of Directors should disseminate information correctly, completely, appropriately and punctually.

- (28) Preparing the annual report of the Board of Directors and responsibility for preparation and disclosure of financial statements to show the financial status and operating results in the past year and presentation to the shareholders' meeting for consideration and approval.
- (29) The Board of Directors may authorize one or several directors or any other person to perform any task on behalf of the Board under the control of the Board of Directors or may authorize such person (s) to have the power as the Board deems appropriate and within the time considered by the Board of Directors as suitable. The Board of Directors may cancel, revoke, change or modify such authorization when deemed appropriate. This empowerment must not be characteristic of authorization or delegation of authority of enabling such person (s) to consider and approve transactions to be done by such person (s) or the person with possible conflict, interests or conflict of interests in any other manner with the Company or subsidiaries (if any) (as defined by the announcements of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or any other announcements of the relevant authorities) unless such transactions are the Company's normal transactions and have the same rules as doing transactions with third parties (Arm's Length).
- (30) Requesting independent opinions from any other professional advisors when deemed necessary at the Company's or the subsidiaries' expense. Hiring must conform to the regulations of the Company or subsidiaries.
- (31) Joint responsibility to the persons trading securities of the Company for any damage arising from disclosure of information to shareholders or the general public by showing false statements in essence or concealing the true text that should be notified in essence as required by the Securities and Exchange Act unless such directors can prove, by their position, impossible awareness of the truth of information or the lack of information that should be reported.
- (32) The directors and executives of the Company are obliged to inform the Company about relationship, holding shares or debentures in the Company, subsidiaries or associate company and transactions of directors and executives of the Company, including related parties of such directors and executives with the Company or subsidiaries in a manner that may cause a conflict of interests and avoid transactions of possibly causing a conflict of interests with the Company or subsidiaries correctly, completely, appropriately and punctually.
- (33) Joint liability for any damage happening to the Company according to the rules stipulated in the Public Limited Companies Act.
- (34) Approving the interim dividend payment according to the Company's articles of association when considering that the Company has adequate profits and reporting to the shareholders' meeting in case of interim dividend payment.
- (35) Performing any other duties relating to the Company's business as assigned by the shareholders.
- (36) Reviewing the Board of Directors Charter at least once a year.

2. Scope of the authority, duties of the Chairperson of the Board of Directors

- (1) To support the operations of the management and not to involve in the regular work of the Company.
- (2) To supervise and monitor the performance of the Board of Directors to be efficient and independent from the management.
- (3) To determine the meeting agenda of the Board of Directors with the management along with one independent director at the time of determining the agenda of the meeting.
- (4) To act as chairperson of the Board of Directors' meeting and the shareholders' meeting.



- (5) To encourage all directors to participate in the meeting completely and freely.
 - (6) To promote and supervise Company's directors to adhere and practice with the scope of authorities, duties and responsibilities of the Board of Directors in accordance with the laws and regulations of the Company and in accordance with corporate governance principles as well as being responsible for shareholders and stakeholders of all related parties.
3. Scope of the authority, duties of the Company's President
- (1) Formulating the policies, vision, objectives, strategies as well as business and budget plans together with the Board of Directors.
 - (2) Supervising the performance of duties of the management department for the benefit of the Company according to the policies, vision, objectives, strategies, business and budget plans as approved by the Board of Directors and / or the shareholders' meeting.
 - (3) Communicating with the management department and senior management of the Company about business management of the Company according to the vision and mission as determined by the Board in accordance with business, budget plans and business strategies approved by the Board of Directors and / or the shareholders' meeting for use by the management department and senior management of the Company as a framework for planning and management.
 - (4) Overseeing the overall management of finance, marketing, human resources, internal control system and other operations of the Company and subsidiaries to conform to the Company's policies and business plans as approved by the Board of Directors and / or the shareholders' meeting and to comply with the laws, rules, regulations and requirements of relevant agencies as well as the Company's rules and regulations.
 - (5) Ordering, issuing the regulations, rules, announcements and memos for the operations of the Company so as to comply with the Company's policies and for the benefit of the Company and maintain good regulations within the organization.
 - (6) Supervision to ensure that the management department and all executives participate in promoting a corporate culture with ethics and good corporate governance.
 - (7) Organizational development to have good operating results and business profits with continuous improvement in order to make the organization grow sustainably in conformity with the Company's strategic plans.
 - (8) Representing the Company to communicate with the shareholders and encouraging the Board of Directors to provide the channels for communicating with the shareholders appropriately, regularly and arranging for standard and transparent disclosure of information.
 - (9) Representing the Company for publicizing the organization to the public, especially in terms of creating a network of relationships and a good image of the organization at national and international levels.
 - (10) Performing any other tasks as assigned and authorized by the Board of Directors.
 - (11) The Company's President can neither attend a meeting nor approve transactions that he or the person with potential conflict (as defined in the announcement of the Securities and Exchange Commission or the announcement of the Capital Market Supervisory Board) may have an interest or may receive the benefits in any manner or may have any other conflict of interests with the Company or subsidiaries. Except approval for transactions according to the policies or criteria approved by the shareholders' meeting and / or the Board of Directors.
 - (12) Approving the normal business operations as well as the operations of normal business support transactions of the Company with the general trade conditions in the amount not exceeding the budget approved by the Board of Directors, subject to the rules of the Securities and Exchange Commission, including the Stock Exchange of Thailand regarding connected transactions and acquisition; disposal of assets as well as the Delegation of Authority determined by the Board of Directors.

7.3 Information on subcommittees

7.3.1 Committees

The structure of Company's Directors comprises the Board of Directors and five subcommittees, namely the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance Committee as follows.

(1) The Audit Committee

The company's Audit Committee consisted of 4 members as of 31 December 2021 were as follows:

Name	Position
1. Mr. Marut Simasathien ¹	Chairman of the Audit Committee
2. Mr. Chinapat Visutipat	Member of the Audit Committee
3. Dr. Rutchaneeporn Pookayaporn	Member of the Audit Committee
4. Mr.Thana Thienachariya ²	Member of the Audit Committee

Remark: ¹ Mr. Marut Simasathien is a director who is knowledgeable and experienced for the duty to review the company's financial statement.

² Mr.Thana Thienachariya was appointed to be a member of the audit committee according to the Board of Directors meeting number 1/2564 held on 22 February

(2) Nomination and Remuneration Committee

The company's Nomination and Remuneration Committee consisted of 5 directors as of 31 December 2021 were as follows:

Name	Position
1. Dr. Rutchaneeporn Pookayaporn	Chairman of Nomination and Remuneration Committee
2. Mr. Chinapat Visutipat	Nomination and Remuneration Director
3. Mr. Marut Simasathien	Nomination and Remuneration Director
4. Dr. Napassanun Punnipa	Nomination and Remuneration Director
5. Ms. Ratana Punnipa	Nomination and Remuneration Director

(3) Executive Committee

The company's Executive Committee consisted of 4 directors as of 31 December 2021 were as follows:

Name	Position
1. Dr. Napassanun Punnipa	Chairman of Executive Committee
2. Ms. Somporn Ampaisutthipong	Executive Director
3. Ms. Ratana Punnipa	Executive Director
4. Mr. Ampon Oniam	Executive Director



(4) Risk Management Committee

The company's Risk Management Committee consisted of 3 directors as of 31 December 2021 were as follows:

Name	Position
1. Dr. Unchalai Punnipa	Chairman of Risk Management Committee
2. Mr. Marut Simasathien	Risk Management Director
3. Mr. Chinapat Visutipat	Risk Management Director

(5) Corporate Governance Committee

The company's Corporate Governance Committee consisted of 4 directors as of 31 December 2021 were as follows:

Name	Position
1. Ms. Suvabha Charoenying	Chairperson of Corporate Governance Committee
2. Mr. Marut Simasathien	Corporate Governance Director
3. Dr. Rutchaneeporn Pookayaporn	Corporate Governance Director
4. Mr. Chinapat Visutipat	Corporate Governance Director

7.3.2 Scope of duties and responsibilities of the subcommittee

The Board of Directors approved charter of five subcommittees with objectives to make the directors understand roles, duties and responsibility to the shareholder, the Company and its subsidiaries. This will ensure efficiency, effectively and transparency with scope of duties as follows:

- Scope of the authority and duties of the Audit Committee

- (1) Reviewing to ensure the Company's accurate and adequate financial reporting according to financial reporting standards by liaising with the external auditor and executives responsible for quarterly and annual financial reporting. The Audit Committee may suggest that the auditor review or check any transaction considered as important and necessary during the audit of the Company.
- (2) Reviewing to ensure the Company's suitable and efficient systems for internal control and internal audit and considering independence of the internal audit department as well as approving the appointment, transfer and dismissal of the head of internal audit department or any other department responsible for the internal audit.
- (3) Reviewing to ensure the Company's compliance with the Securities and Exchange Act, regulations of the SET and the Capital Market Supervisory Board and / or the laws related to the business of the Company and subsidiaries.
- (4) The Audit Committee should arrange a meeting to consider the following matters as assigned.
 - 1) Consideration of financial statements and related financial reports, accounting principles, accounting practices, the accounting practice following accounting standard, the existence of enterprise, the change of accounting policy, including the reason of management related to the determining of accounting standard before proposing to the Board of Directors and disseminate to shareholders and inves

- 2) To consider the systems for internal control and internal audit.
 - 3) Reviewing the Company's annual internal audit plan (Audit Plan), the coordination process of related audit plans and evaluation of the audit results together with the internal auditor and the auditor. The Audit Committee should inquire about the planned audit scope to ensure that such an audit plan will help to detect corruption or defects of the internal control system.
 - 4) Consideration together with the internal auditor about the problems or limitations during the audit. Also reviewing the performance of the Internal auditor.
 - 5) Consideration together with the auditor about the problems or limitations arising from the audit of financial statements.
 - 6) To Consider together with the internal auditor and the auditor about planning to review the methods and control of electronic data processing and inquiring about a specific security project to prevent corruption or misuse of computers by employees of the Company or third parties.
 - 7) To review transaction may cause conflict of interest such as related party transaction.
 - 8) Securities and Exchange Act or the SET's regulations and / or other relevant laws.
 - 9) Other duties as assigned by the Board of Directors.
- (5) Considering, selecting, nominating or terminating an independent person to act as the Company's auditor and proposing remuneration of such person, including attending the meeting with the auditor without attendance of the management department at least once a year to acknowledge the results of reviewing the quarterly financial statements, the results of the annual financial statements audit and discuss the possible problems, obstacles from the operation of the auditor.
- (6) Considering connected transactions or transactions that may have a conflict of interests and examining the regulations and cancellation of transactions different from the regulations on cancellation of transactions considered before entering into transactions in essence. Also considering transactions on acquisition or disposal of the Company and subsidiaries according to the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and most beneficial to the Company. If the Audit Committee has no expertise in considering connected transactions that may occur or such transactions, the Company will arrange for the independent expert or the auditor of the Company to comment on connected transactions or such transactions to be used for consideration and / or decision of the Audit Committee.
- (7) Reviewing and tracking the results of risk management, including evaluating risk management from the working group on risk management.
- (8) The Audit Committee Charter at least once a year for presentation to the Board of Directors to approve.
- Scope of the authority duties of the Nomination and Remuneration Committee
- (1) Considering the structure and composition of the Board of Directors regarding the number of directors appropriate to the size, type, complexity of the business, including modifications to be consistent with the changing environment. Determining the qualifications of each individual committee, director in terms of knowledge, skills, experience as well as expertise in specific areas, which can be used to benefit the Company's businesses.
 - (2) Establishing the policy, rules and procedure for nomination and remuneration and other benefits of the directors, senior management and the management authorities of the Company.
 - (3) Considering the qualifications, establishing guidelines for nominating and selecting qualified persons as specified by relevant regulations and laws to be presented to the Board of Directors and / or the shareholders' meeting for considering occupying the following positions:
 - Directors



- Directors in various subcommittees that are assigned the authority, duties and responsibilities directly from the Board
 - Senior management and management authorities
 - Consideration and nomination must be open, transparent, impartial, unbiased.
- (4) Considering independence and qualifications of each independent director to ensure that the Company's independent directors are fully qualified according to criteria and / or requirements of relevant laws.
 - (5) Nominating the right persons to hold the positions of director and senior management from the level of [executive vice president] up when completing the term or the position is vacant or other executive positions as assigned by the Board of Directors for the Board of Directors to consider and present to the Board of Directors meeting and / or the shareholders' meeting (as the case may be).
 - (6) Determination of guidelines for paying monetary and non-monetary remuneration of the directors, senior management and other benefits in consistency with the mission, duties, responsibilities and qualifications of appointed and hired persons and presenting to the Board of Directors' meeting for consideration and approval and / or presenting to the shareholders' meeting for further approval, and, in addition, may consider problems and conflicts proposed by management and corporate resources development.
 - (7) Establishing guidelines and evaluating the works of directors, senior management and the management authorities of the Company to adjust the annual rewards by taking into account the duties, responsibilities and risks related, including emphasis on increasing the value of shareholders' equity in the long run for evaluation as well.
 - (8) Considering creation of the director development plan to strengthen and develop knowledge and skills for various committees of the Company so as to understand the roles of directors, business, economic conditions, technology, laws or regulations related to the Company's businesses.
 - (9) Considering creation or taking action to require the creation of a succession plan for the posts of director, senior management so as to ensure operational continuity, substitution without interruption, disclosure of the policy and details of the nomination process, the remuneration policy and disclosure of remuneration in various forms, including creation of remuneration report, which at least requires the details about the goals, operations and opinions of the Nomination and Remuneration Committee in the Company's annual report too.
 - (10) Considering the conditions of offering to sell new securities (or certificate of the right to purchase shares) to the directors and employees (if any).
 - (11) Considering hiring the consultant as necessary at the Company's expense to be able to perform the duties according to the Charter efficiently.
 - (12) Performing any other tasks as assigned by the Board of Directors and the Nomination and Remuneration Committee also agrees to.
 - (13) Reviewing the Charter of the Nomination and Compensation Committee at least once a year for proposing to the board for approval.
- Scope of the authority duties of the Executive Committee
- (1) Operating and managing the business of the Company and subsidiaries according to the objectives, regulations, policies, rules, orders and resolutions of the Board of Directors' meeting.
 - (2) Screening and presenting the goals, policies, business plans as well as business strategies, financial goals and annual budget, business expansion, management structure, annual operational plan, human resource management policy, financial, public relations and budgetary plans of the Company and subsidiaries by considering business factors appropriately for the Board of Directors to approve. Also considering and screening the proposals of the management department for presentation to the Board of Directors for further approval.

- (3) Supervising, monitoring and controlling business operations of the Company and subsidiaries as well as monitoring the operating results of the Company and subsidiaries to accord with the goals, policies and business plans specified, including controlling the spending based on the budget approved by the Board of Directors and reporting the operating results to the Board of Directors.
- (4) Appointing, supervising, coordinating and determining the authority, duties of special working group or the management team as well as considering and approving various proposals presented by the management team or special working group, including having the power to appoint the advisory chairman, advisor or advisory team of the Executive Committee as appropriate and having the authority to determine remuneration, allowances, welfare benefits, facilities and other expenses of such advisory chairman, advisor or advisory team as appropriate.
- (5) Determining the procedures and methods of doing transactions between the Company or subsidiaries and major shareholders, directors, executives of the Company and those related to such persons suitably to prevent the transfer of benefits and presenting to the Board of Directors for approval in principle, including controlling compliance with the principles and rules approved by the Board of Directors.
- (6) Approval for the operations that are normal business transactions of the Company, making the contracts, investment or selling assets of the Company and subsidiaries, human resource management, finance, general administration as well as the operations that are normal business support transactions of the Company with the general trade conditions in the amount not exceeding the budget approved by the Board of Directors or as approved by the Board of Directors' resolution in principle, subject to the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand regarding connected transactions as well as acquisition and disposal of assets, including the Delegation of Authority stated by the Board of Directors. Also having the power to approve the opening and closing of bank accounts and financial institutions as well as the use of various financial services.
- (7) Considering the profit and loss of the Company and subsidiaries and proposing the interim dividend payment for presentation to the Board of Directors to approve as well as checking, providing advice on the dividend payment policy and considering the proposed annual dividend payment of the Company and subsidiaries for presentation to the Board of Directors to approve before further presentation to the shareholders' meeting.
- (8) Studying the feasibility of investment in new projects by conducting technical and financial studies appropriately and completely for decision- making or considering cancellation of investment for presentation to the Board of Directors.
- (9) Monitoring the operating results and progress of each business investment project and reporting the results, including the problems or obstacles and guidelines for improvement, modification to the Board of Directors.
- (10) Providing important information of the Company for adequate presentation to the Board of Directors and shareholders for decision- making, including making reliable financial reports according to transparent and good standards.
- (11) Requiring the executives, employees and relevant persons to attend the Executive Committee meeting or provide information related to the matters discussed at the Executive Committee meeting, including having the power to request information from various departments of the Company and subsidiaries for further consideration on various matters.



- (12) Having the power to consider and approve financial transactions with financial institutions for account opening, borrowing, lending, withdrawing money from all accounts of the Company and using credit as well as using the Company's securities as collateral for such debts to be registered and unregistered for the benefit of business operations of the Company. Also entering into the contracts, submitting the requests, offered, contacting, doing legal transactions with the government authorities in order to obtain the rights of the Company and / or any actions related to such matters until completion according to the specified amounts and / or according to the Delegation of Authority specified by the Board of Directors and / or relevant laws and rules and / or articles of association of the Company.
- (13) Having the power to request independent opinions from professional advisors when deemed necessary at the Company's expense. Hiring must conform to the Company's regulations.
- (14) Supervision to ensure the available procedure requiring the workers to report incidents or unusual actions or violation of the laws to the Executive Committee immediately. Besides, if such incidents have significant impact, the Executive Committee must report to the Board of Directors for considering correction within a reasonable period of time.
- (15) Regularly reporting the results of performing the duties to the Board of Directors and reporting any other matters necessary and appropriate for presentation to the Board of Directors for acknowledgment, any important resolutions or actions under the scope of the Executive Committee's responsibilities to the Board of Directors for acknowledgement in the next Board of Directors meeting.
- (16) The Executive Committee has the power to authorize one or several persons to perform any task under the control of the Executive Committee or may authorize such person (s) to have the power that the Executive Committee deems appropriate and within the time considered suitable by the Executive Committee. The Executive Committee may cancel, revoke, change or modify such authorized person (s) or authorization as deemed appropriate.

This delegation of authority, duties and responsibilities of the Executive Committee must not be characteristic of empowerment or the delegation of authority enabling the person (s) authorized by the Executive Committee to approve transactions that the person or person with possible conflict (as defined by the announcements of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or relevant agencies) have interests or may have any other conflict of interests with the company. The Executive Committee does not have the authority to approve actions on such matters. Those matters must be presented to the Board of Directors meeting and / or the shareholders' meeting (depending on the case) for further approval unless such transactions are normal transactions of the Company and have the same rules as doing transactions with third parties (Arm's Length).

- (17) Taking any action according to opinions of the Board of Directors or as authorized by the Board of Directors.
- (18) Assessing the performance of the President, the Chief Executive Officer, the entire Executive Committee, including evaluating the performance of individual executive directors to review the works, problems and obstacles each year to be able to use the evaluation results for developing and improving the operations in various aspects.
- (19) Checking and evaluating the adequacy of this Charter by comparing the performance of the Executive Committee to meet the requirements of the Charter so as to use the results from such evaluation for further improving their operations.

- Scope of the authority, duties of the Risk Management Committee
 - (1) Considering and identifying major risks of the Company's business operations, which may arise from the internal and external environment, including analyzing and evaluating the likelihood of risk events and impacts compared to acceptable risk level (Risk Appetite) and prioritizing the risks by considering both internal and external factors that may result in the Company's inability to achieve the specified objectives, e.g. the risks related to investment, business operations, management, marketing, finance, operations, information security, laws and regulations as well as the risks with potential impact on the Company's reputation, etc., including suggesting the preventive methods and the ways to manage such risks to be in acceptable level by formulating a policy and suggesting the ways to manage the risks related to the Company's business operations appropriately and effectively and presenting to the Board of Directors for consideration.
 - (2) Establishing the policy, guidelines on risk management in consistency with business strategies and goals for presentation to the Board of Directors.
 - (3) Supervision of compliance with the risk management policy and the risk management framework for allowing the Company and subsidiaries to have an effective risk management system throughout the organization, which has been implemented continuously. The Risk Management Committee can consider the establishment of a unit responsible for risk management in every line of work or department of the subsidiaries operating core businesses as appropriate so that such unit monitors and reports compliance with the risk management policy of the Company to the Risk Management Committee. Also having the power to invite relevant employees of the Company and subsidiaries to explain, give opinions, attend the meeting or send the documents as deemed pertinent, necessary.
 - (4) Establishing the strategies consistent with the risk management policy by being able to evaluate, monitor and supervise the organization's risk level to be in appropriate level.
 - (5) Assessing the adequacy of risk management strategies and effectiveness of risk management to supervise the organization's risk level to be in appropriate level.
 - (6) Monitoring the risk status and progress in risk management, the issues that must be resolved, improved to be consistent with the framework of risk management policy and strategies. The report must be submitted to the Board of Directors every quarter.
 - (7) Supervising and encouraging the risk management to be successful by emphasis on considering the risks of each factor for making appropriate decisions. The Risk Management Committee is responsible for monitoring and evaluating compliance with the risk management framework throughout the organization and improving the operational plan to reduce the risks continuously to be suitable for the Company's business operations.
 - (8) Considering the risk report from the department responsible for risk management to monitor major risks at organizational level, including commenting on the potential risks, guidelines for determining control measures of risk management plan to ensure the Group's adequate and appropriate risk management.
 - (9) Liaising with the Audit Committee about the important risk and internal control information for the Audit Committee to approve the internal audit plan so as to ensure reasonable confidence that the Company has a suitable internal control system for risk management, including the proper deployment of risk management system, which is also implemented throughout the organization.
 - (10) Reporting the results of risk assessment and operating results to reduce the risks to the Board of Directors on a regular basis. In case of major issues with significant impact on the financial status and operating results of the Company, the Risk Management Committee must report to the Board of Directors for consideration as soon as possible.



- (11) Providing knowledge, understanding, cultivating a culture of risk management for the executives as well as employees in the Company and subsidiaries regularly.
 - (12) Reviewing the adequacy, effectiveness of measures for risk management to manage or handle promptly so as to supervise the organization's risk level to be in appropriate level. Supervising the operations of the unit responsible for risk management of various departments.
 - (13) Reviewing the Risk Management Committee Charter at least once a year for presentation to the Board of Directors to request approval.
 - (14) Performing any other tasks as assigned by the Board of Directors and the Risk Management Committee agrees to as well.
 - (15) The Risk Management Committee must notify the Company without delay in case of having interests in the contracts made by the Company, whether directly or indirectly, or holding shares, debentures increased or decreased in the Company, subsidiaries and affiliated companies.
- Scope of the authority, duties of Corporate Governance Committee
 - (1) To propose and review the corporate governance policy of the Company, including anti-corruption proposing to the Board of Directors.
 - (2) To Develop and review processes or guidelines in good corporate governance, presenting or suggesting to the Board of Directors.
 - (3) To monitor the operation of the management in accordance with the policy and practice of corporate governance.
 - (4) To perform any other act as assigned by the Board of Directors in connection with corporate governance.
 - (5) To Report on the performance of the Company's corporate governance. To the Board of Directors
 - (6) To perform any other acts as assigned by the Board of Directors.
 - (7) To Review the corporate governance committee's charter at least once a year.

7.4 Information on executives

7.4.1 Names and position of executives as of 31 December 2021

- Names and positions of the executives

Details are as in attachment 1

Names	Positions
1. Dr. Unchalin Punnipa	President
2. Dr. Napassanun Punnipa	Chief Executive Officer
3. Ms. Somporn Ampaisutthipong	Chief Financial Officer
4. Ms. Ratana Punnipa	Chief Risk Officer
5. Mr. Ampon Oniam	Chief Operations Officer
6. Mr. Patintassak Tuntichuti	Assistant Vice President
7. Ms. Kanjanee Kulsurakit	Assistant Finance Director

- Names and positions of executives assigned to other companies

The Board of Directors appoint or nominate representatives to be directors and executives in subsidiaries or associates. Directors and executives who are appointed or nominated are the ones in White List, and are qualified in terms of qualification, roles, duties and responsibilities as specified in relevant regulations. Also, they do not have untrustworthy characteristics according to a notification of the SEC regarding the determination of untrustworthy characteristic of company directors and executives as per details in the attachment 2.

7.4.2 Remuneration policy

(1) Executive directors and executives

The Board of Directors assigned the Remuneration Committee, excluding the executive directors, to determine, considered and follow up on the remuneration structure of the directors, CEO and high-ranking executive, as well as follow up for a performance evaluation as specified in order to use the information to consider appropriate remuneration in a long term and short term.

Guidelines

Executive directors

The Remuneration Committee considers and determines compensation under a thorough, clear and transparent consideration. It will be appropriate and in line with the scope, duties and responsibilities of the executive directors, as well as benchmarked with peers in the same industry. The growth of the company and performance will also be taken into account when considering. The remuneration should be high enough to attract and retain the directors who are qualified. It will be proposed to the Board of Directors to approve and proposed to the annual general meeting for further approval.

The remuneration will be paid according to the position and duties of the executive directors. Those who have more duties and responsibilities will receive more remuneration as appropriate to their duties.

High ranking executive/executive

The remuneration of the high-ranking executive/executive will be considered on a yearly basis by the President or CEO, based on the guideline and policy that Remuneration Committee determined.

(2) Management and employees

The Company specifies the framework and states in the Code of Conduct of the Company, which has the guidelines for both short and long-term operations. In the short-term, the company offers management and employees' compensations higher than the minimum wage standard, and considers employees' raises and bonuses regularly by considering the company's profits inflation compared to the industry for being able to retain employees and competing in the market. For the long-term, the company focuses on the consideration of the salary structure that is currently being improved to be more effective and the coordination with the Stock Exchange of Thailand and related agencies providing knowledge about savings to employees of basic financial management, investment, especially after retirement.

In this regard, the company pays fair compensations to executives and employees by considering by positions, levels, educational backgrounds, experiences and performances based on the specific structure maintaining the percentage range of the market as shown in the survey of wage rates of industry / business / associations / related professional institutions. In addition, other compensations that shall be paid from the operations, the company is promptly to provide in accordance with the rules, regulations or relevant laws.



Therefore, the Company sets indicators, apart from regular performance indicators, determined by Balance Score Card: BSC for setting up Key Performance Indicator of all levels, which these indicators correspond Company's strategies and practices.

Of which, high-level executives in all departments are together responsible for Corporate KPI. The compensation of 2020 is separated into 2 types.

(1) Fixed compensation

- Salary is set by rank, responsibilities, experiences, and paid through the accounts specified in the Payroll system every month. The salary shall be reviewed according to the company regulations based on the company's performance and operating results every year.
- Compensation from other benefits is the compensation that the company offers according to the welfare regulations.

(2) Compensation according to performance

This compensation is that the company set specific terms which vary according to the employee's performance and the company's performance and the management assessment added to management level's performance apart from the normal assessment. The result of the assessment reflects the compensation such as the raise percentage, commission, incentive and bonus, etc.

7.4.3 Total amount of the remunerations of executive directors and executives

1) The remunerations for executive directors

The company does not determine the remuneration for executive directors in any form because the executive directors are already paid as they are executives of the Company.

2) Executives' Remunerations

1) Monetary Remuneration

Description	2021	
	Transaction	Remuneration (THB:MB)
1. Total Salaries	7	43.45
2. Total Bonuses	7	7.35
Total	7	50.80

2) Other Remunerations

TQM Insurance Broker Company Limited paid for executives as a remuneration in amount of 2.2 million baht which were provident fund managed by Bangkok Bank Public Company Limited, gasoline, telephone bills and medical bills.

7.5 Information on employees

7.5.1 Personnel of the Company and subsidiaries in core business

- (1) The Company does not have full time employees because all of them are under subsidiaries operating a core business.
- (2) There are a total of 3,384 employees under subsidiaries operating a core business, with details as follows:

Department	Number of employees As of 31 December 2021
Management	13
Digital transformation	32
Marketing	125
Sales	2,278
Corporate client	4
Claim and legal	26
Operations	291
Finance and accounting	67
Supplies management and procurement	3
Buildings and property	31
Coordination center	481
Human resource	30
Secretary	3
Total	3,384

7.5.2 Significant changes in the number of employees in the past four years

In the past four year, the Company and its subsidiaries does not have any significant change in the number of employees.

7.5.3 Labor disputes

The Company and its subsidiaries do not have any dispute regarding labor that could affect the operation.

7.5.4 Total remuneration in a subsidiary operating core business

Remuneration	Remuneration (THB:MB) 1 Jan - 31 Dec 2021
1. Salary	735.47
2. Bonus	65.27
3. Others ^{*)}	425.20
Total	1,215.94

Note: *) Others include allowance, overtime, diligent incentive, professional fee and others.

7.5.5 Provident fund

The Company and its subsidiaries operating core business have a provident fund under the management of Bangkok Bank Public Company Limited.

7.5.6 Human Resource Management and Development

TQM Corporation Public Company Limited understands the importance of human resource management and continuously manage and develop the human resources following the company Core Value * Honesty, Equitability, Exclusive Services, Social Responsibility * and the Code of Conduct.



In this regard, the company has improved various operational components to be up to date in response to the rapidly changing situations such as welfare, rules and regulations in order to promote and support the employees' skills and well-being.

In the year 2021, the company established the main strategy which was HRM 4.0 under the framework of "Recruitment, Retention and Development" by the strategic plans of human resource management and development as follows:

(1) Proactive Recruitment and Selection

s with no limit in gender, race, religion, and educational institution, including disabilities to work together as in the same family, and also allows employees to request for internal transfers following the specified conditions.

In the year 2021, the company has added new methods of recruiting, and developed the original recruitment process to be faster in reaching the goals achieving the Key Performance Indicator (KPI) defined in the dimension of the number of recruitment and new staff as detailed below:

- 1.1) The company continued to cooperate with many universities and colleges internship project.
- 1.2) The applied recruitment uses more social media such as Line@, Facebook, and sending the link on several websites, apart from on-hand recruiting alliances. It provides a good result that the company can recruit more through social media as an answer to the era of Digital Transformation.

(2) Developing human resources to be a professional insurance and financial advisor

Human Resources are the heart of business operations which the development is one of the major strategies that includes both direct and indirect development In order to achieve the goal of creating truly professional human resources for the business operations of both Front and Back Office. Every year the company budgets for training and development for the creation of knowledge, skills, and attitudes to be able to perform efficiently, and to be qualified and disciplined human resources having value to oneself, family, community and the nation as detailed below:

- 2.1) Capacity development and knowledge enhancement of the new employees for all levels by provides an Orientation as basic knowledge of insurance in order to understand the company business both front and back Office including trainings related to Company's policies for both new and current employees such as Anti-corruption course and no-gift policy.
- 2.2) Establishing plans and training and developing courses for both operational and administrative employees to comply with Department of Skill Development policy in developing Skill and Knowledge of employees in order to improve knowledge, attitude and skills required in business operations in each department. The company regularly provides trainings beyond the department of skill development's stand of which the company provides domestically and internationally as well as On-the-job-training and e-learning with full support from the management.

Human Resources is a key of success of the Company to reach a goal. In the year 2021, the Company developed human resources following Company's vision and strategies as follows:

Human Resources Development

- (1) The Company continued the implementation of Competency Development from 2020. Trainings were provided, focusing on first-line managers of each department to be competent and able to manage their staff and performance to achieve the set target with the tools, such as On-the-job Training, Job Assignment, and training participation e.g. business sustainability strategy course.
- (2) In-house Training Program was provided for staff at all levels, with content relevant to the Company's policy. In House Training and Public Training are provided for different departments as follows:
 - Sales and marketing
 - Support functions such as legal finance and accounting
 - Management
 - Marketing and strategy
 - Information technology
- (3) the company continued to grant scholarship to employees in graduate school and course is relevant to operations, such as Executive of Master Business Administration and Insurance courses from Thailand Insurance Institute.

Employees' Knowledge and Competency

In order to be promoted to a higher position, the company provides internal and external trainings for relevant departments to increase the potential of employees and executives. The Human Resources Development and practices are determined by employees' levels.

Employees' Development Levels

Levels	Goals
Staff	Focus on the correct operational techniques, Excellent service with both internal and external customers. This is one of the core competencies of the Company, including the culture of work and respect for supervisors.
Leaders	Focus on ways to develop self leadership abilities, such as communication and conversation etiquette and work ethic.
Executives	Focus on the executive's knowledge and understanding of the principles and concepts and techniques for leadership and management applying technology to work process effectively

Remark: Only the company's standard training. Professional training excluded.

In 2021, 3,212 employees participated in training courses or 82% of employees in 2021. 3,194 employees or 81.50% % of employees in 2021 participated in in-house training, and 18 employees or 0.50% of employees in 2021 participated in public training. When compared to 2020, there were 1,843 employees or 47%, with average of 34 hours/ person/ year.



- 2.3) The Company continued to grant scholarship in graduate school level to employees who were qualified, and encourage employees to participate in training courses or seminar, e.g. "Strategy for Sustainable Business" arranged by the Stock Exchange of Thailand.
- 2.4) The Company arranged seminars for executive directors and top management to learn more about relevant topics benefiting their jobs. Distinguished speakers were invited, such as a seminar on "BOD & Executive Training" for management and managers to drive strategic directions to achieve the agreed target.
- 2.5) The Company encouraged and supported development in morality and ethics of employees. Events were arranged occasionally, such as merit making and blood donation to Thai Red Cross Society with mobile unit to TQM's headquarter. There were 154 participants, 126 persons were capable of donating blood, while 28 persons were not. Total blood donated was 64,200 cc.

(3) Welfare and Employee Relations

Promoting employees' well-being and happy workplace

The company has a staff management system managing valued employees, especially talented, good and honest employees as the company core value to retain these employees following development plans which bring the company and employees to grow to together.

Turnover Rate is one of the important indices to the company; in fact, it is the main policy of the management as to keep employees working with the company as long as possible as follows:

- 3.1) Welfare, the company provides welfares to promote and maintain employees' well-being for working effectiveness and better productivity of which is better than regulated as well as industry standard. The company always considers employees' well-being as a priority matter, and keeps it update to date.
- 3.2) Recreational activities were arranged for employees because the company cared about work-life balance. Employees spent most of their time in workplace so the Company provided occasional activities such as Company's anniversary, the president's and CEO's birthday.
- 3.3) Environment Protection and Workplace Health with environmental training courses
 - (1) Landscape and workplace improvement, good working atmosphere contributing working creativity and productivity. The company, therefore, organized activities and improved workplace to be suitable for the operations such as providing purple toilet for LGBT, smoking area and staff parking lots, etc.
 - (2) etiquette to staff about COVID-19 situation, as well as coordinated and prepared for vaccination among executives and staff. When a case of confirmed COVID-19 patient occurred, the Company would coordinate with local public health officers for further treatment. The company gave a consolation gift to the staff infected with COVID-19, and made a visit call to take care of them physically and mentally. The company emphasized on safety of customers and employees so we adopted the standard by the Ministry of Public Health to ensure safety in workplace. We implemented restrictive measure to prevent and control the spread of COVID-19 according to the standard announced by the government.

- (3) The company established an Organization Sustainability team with consideration on stakeholders. The focus is not only on business profit but also in creating sustainability for the company in three dimensions, namely environment, society and corporate governance. In 2021, the training course regarding "Occupational health safety and environment in workplace" was provided for the newly appointed safety committee according to law and regulation. Moreover, the company arrange a training on safety at work, as well as roles and duties and instruction to work safely. Training on safety check, prevention & control of danger, and safety management at work is also provided. The objectives are for employees to be aware of danger or not to risk in dangerous events. There were three classed, totaling 74 employees participated in the training. We did not only in for profit in business but to encourage participation from all employees.

Training class on "Occupational health safety and environment in workplace" in 2021

Number	Date	Courses	Class	Persons
1	15 - 16 October 2021	Occupational Safety health and environment committee (OSH&E Committee)	1	19
2	11 - 12 November 2021	Occupational Safety officer – supervisor	1	26
3	18 - 19 November 2021	Occupational Safety officer – management	1	29
Total			3	74

2021 Occupational Health and Safety Summary

According to a statistic on injury, occupational diseases and occupational fatality, there was no case occurred in 2021.

7.6 Other signifoant information

7.6.1 Responsible Executives

1) Company Secretary

The Board of Directors Meeting No. 2/2018, held on 28 February 2018, resolved to appoint Miss Supichaya Theppitak to be the company secretary with duties as specified in the Securities and Exchange Act, responsible for arranging the board meeting, shareholders meeting as well as preparing and documenting director registration, Notice of the Board of Directors Meeting, Board Meeting Minutes, Notice of the shareholders' meeting, Minutes of the shareholders' meeting and the company's annual report, Report on conflicts of interest of directors or executives, and other businesses regulated by the SEC, Capital Market Supervisory Board, and the Stock Exchange of Thailand. Detailed information of the company secretary is as in attachment 1.



2) Accounting and Finance Supervisor

The Board of Directors meeting number 5/2564 on 11 November 2021, assigned Mr. Patinyasak Tuntichuti, Assistant Vice President, to be an executive who was responsible of accounting instead of Mrs. Aumaraporn Vaiyavatjamai, Senior Vice President, Accounting, who resigned. Ms. Kanjanee Kulsurakit was assigned to be responsible for Finance as appointed on 26 January 2015. Detailed information of the persons assigned be responsible for finance and accounting is in attachment 1.

3) Internal Audit Chief

The Company outsources internal audit function to Dharmniti Internal Audit Company Limited. The resolution of the Audit Committee's meeting No. 1/2564 held on 22 February 2021 resolved to appoint Miss Kitlada Somngam to be the Internal Audit Chief. Detailed information of the persons assigned be responsible for internal audit is in attachment 3.

7.6.2 Head of Investor Relations

The Company assigned Ms. Ariya Silakorn, Assistant Vice President – Investor Relations, to oversee investor relations function. Analysts and investors can contact Investor Relations Department at ir@tqm.co.th or Tel. 02-119-8888 ext. 5095.

7.6.3 Remuneration of the auditor

1) Remuneration from auditing

The Company paid EY Office Limited for the audits of the Company and subsidiaries and the consolidated financial statements as of 31 December 2021 in the amount of 4,866,000 baht for the audit fee of the Company's consolidated and separate financial statements and the audit charge of the subsidiaries' financial statements.

The parties related to the auditor and the audit office of the above auditor's affiliation are not the parties connected with the Company and subsidiaries according to accounting standards regarding disclosure of information about related parties.

2) Non-Audit Fee

The Company paid remuneration to EY Office Limited and KPMG Phoomchai Audit Ltd. for preparing financial information and other documents related as of 31 December 2021 in the amount of 137,626 baht as service fee for checking general control of information system, preparing information, documents and other charges of the auditor.

8. Report on Important Operational Results of Corporate Governance

8.1 Summary of duty performance of the Board of Directors in the past year

The Board of Directors approved vision, mission and business target. The Board also review them annually and follow up with management to implement the vision, mission and business target. In 2021, vision, mission, business target and strategies were reviewed to ensure that management and staff had the same target and work in the same direction, to be in line with the changing economy and competition. The Board also approved key topics on directions and policies for Company's operations, as well as monitored operations of management to effectively comply with policies, strategies and business plan.

8.1.1 Selection, development and evaluation of performance of the Board of Directors

- Nomination and appointment of the directors and the top management

1) Nomination of independent directors

The Company has established the qualifications of independent directors as specified in the announcement of the Capital Market Supervisory Board No. TorJor. 39/2559 on permission application and permission for offering to sell newly issued shares, which must have the following qualifications.

- (1) Holding shares not more than 1% of the total number of shares with voting rights of the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company, including shareholding of related parties.
- (2) Neither being nor having formerly been a director involved in work management, employee, consultant receiving regular salary or control authority of the Company, parent company, subsidiary, associate company, subsidiary in the same level, major shareholder or of control authority of the Company except having been excluded from the aforementioned characteristics for not less than 2 years before the date of submitting an application to the Office. Such prohibited characteristics do not include the case that an independent director used to be a government official or a consultant of government agencies which are major shareholders or the control authorities of the Company.
- (3) Not being a person with blood relationship or by legal registration in the forms of being father, mother, spouse, sibling and child as well as spouse of the child of another director, executive, major shareholder, control authority or the person to be nominated as director, executive or control authority of the Company or subsidiaries.
- (4) Neither having nor having formerly had a business relationship with the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company in a manner that may hinder the use of independent judgment, including neither being nor having formerly been a significant shareholder or control authority of the person having a business relationship with the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company except having been excluded from such characteristics for not less than 2 years before the date of submitting a permission application to the office.

The business relationship under paragraph one, including normal commercial transactions for business operations, renting or renting real estate out, transactions related to assets or services or giving or receiving financial assistance by accepting or giving loans, guaranteeing, providing assets as collateral for debts, including other similar circumstances, resulting in the applicant or the contract party's debt obligation to pay to the other party from 3% of the net tangible assets of the Company or from 20 million baht or more, whichever amount will be lower. Calculation of such



debt burden shall be based on the method of calculating the value of connected transactions according to the announcement of the Capital Market Supervisory Board on the rules for connected transactions *mutatis mutandis*. However, consideration of such debt burden must include the debt burden incurred during 1 year before the date of business relationship with the same person.

- (5) Neither being nor having formerly been an auditor of the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company and not being a significant shareholder, control authority or a partner of the audit office with affiliated auditor of the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company except having been excluded from such characteristics for not less than 2 years before the date of submitting a permission application to the Office.
- (6) Neither being nor having formerly been any professional service provider, including serving as a legal advisor or financial advisor receiving service fee of more than 2 million baht per year from the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company. Also not being a significant shareholder, control authority or a partner of that professional service provider except having been excluded from such characteristics for not less than 2 years before the date of submitting a permission application to the Office.
- (7) Not being a director appointed as representative of the director of the Company, major shareholder or shareholder related to major shareholder.
- (8) Neither operating a business having the same conditions and significantly competing with the business of the Company or subsidiary nor being a significant partner in the partnership nor being a director involved in work management, employee, consultant receiving regular salary or holding more than 1% of the total number of shares with voting rights of another company running business with the same conditions and significantly competing with the business of the permission applicant or subsidiary.
- (9) Not having any other characteristics that cause the inability to give independent opinions about the operations of the Company.

The rules and methods of appointing independent directors conform to the rules and procedures for appointing the directors. Each independent director can hold the position of independent director for a maximum of 9 consecutive years.

2) Nomination of the Company's directors

The Board of Directors appointed the Nomination and Remuneration Committee to act to nominate the directors. The appointment and removal of directors shall conform to the rules and procedures specified in the Company's articles of association as follows:

- (1) The Board of Directors consists of not less than 5 directors and should not exceed 12 persons. Not less than half of the total number of directors must have residence in the Kingdom and must have qualifications as required by law.
- (2) The Board of Directors must comprise at least 1 in 3 independent directors of the total number of directors, but must not be less than 3 persons.
- (3) The directors must have qualifications according to the Public Limited Companies Act, the Securities and Exchange Act, other relevant laws and rules.
- (4) The shareholders' meeting shall be entitled to appoint the directors in accordance with the following rules and methods.

4.1 One shareholder has one vote per share.

4.2 Each shareholder may use all available votes to elect one or several persons as director (s). For electing several persons as directors, the votes can be distributed to any person in any number.

- 4.3 The persons receiving the highest votes in descending order are selected as directors equaling the required number of directors. If the persons elected in the next descending order have equal votes more than the number of directors required, the selection must be done by the method of drawing lots in order to obtain the required number of directors.
- (5) At every annual general meeting of shareholders, 1 in 3 directors of all directors must leave the position. If the number of directors to leave cannot be divided into 3 parts, the number closest to 1 in 3 parts must leave. For the directors who must vacate office in the first year and the second year after registration of becoming a public limited company, the method of drawing lots must be used to determine the outgoing person. In the subsequent years, the longest-serving director must vacate office.
- (6) Apart from vacating office at the end of the term, the directors may vacate office in case of
 - 6.1 Death
 - 6.2 Resignation
 - 6.3 Lack of qualifications or having prohibited characteristics according to the Public Limited Companies Act and / or the Securities and Exchange Act
 - 6.4 The shareholders' meeting passes a resolution on leaving by the vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and having a total of not less than half of shares held by the shareholders attending the meeting and having the voting right.
 - 6.5 The court issues an order to vacate office.
- (7) In case that the position of director is vacant due to reasons other than expiration of the term, the Board of Directors shall select any qualified person with no prohibited characteristics under the Public Limited Companies Act as well as the Securities and Exchange Act, including relevant announcements, rules and / or regulations as replacement director in the next board meeting. However, if the remaining term of the director is less than 2 months, that replacement director will be in the position of director only for the remaining term of the director replaced.
- (8) The directors have each 3-year term of office. The performance of each individual director must be evaluated 1 time per year.

3) General rules for appointing the directors in various committees of the Company

The components and qualifications of various subcommittees must conform to the rules prescribed by the SEC and the Stock Exchange of Thailand. The Audit Committee must have the following elements.

The Audit Committee has the components as follows.

1. The Audit Committee must be independent directors of the Company.
2. The Audit Committee must be appointed by the Board of Directors.
3. The Audit Committee must comprise the number of not less than 3 persons. At least 1 person must have knowledge, understanding and sufficient experience in accounting or finance to review the reliability of financial statements. The Board of Directors must assign the person to act as Chairman of the Audit Committee. The head of the internal audit department or the person approved by the Audit Committee must act as secretary of the Audit Committee.

Other committees

1. It is necessary to consist of at least 1 independent director or it is advisable to consist mainly of independent directors to comply with good corporate governance principles for listed companies. However, the Executive Committee shall be as deemed appropriate by the Board of Directors of the Company.
2. Having knowledge, capabilities, experience and expertise appropriate to the mission assigned.
3. The Nomination and Remuneration Committee that are not independent directors must be non-executive directors. If the remuneration executive directors are required, this will be minority directors of the whole committee and does not take part in considering remuneration of the President and the Chief Executive Officer.



4) General criteria for appointment of President, Chief Executive Officer and senior managements

In recruiting company president, the Nomination and Remuneration Committee and the Board of Directors shall select individuals with knowledge, capabilities and complete specifications including experiences beneficial to the company's operations and subsidiaries, suitable for the position to propose to the Board of Directors for further consideration and approval.

In recruiting the lower level of executives, the president, chief executive officer and the Nomination and Remuneration Committee are responsible for considering the qualifications and appropriateness of personnel with experience and knowledge in management of related fields in order to hold senior management positions in each line of work as specified in the Delegation of Authority.

- New director orientation

Board of Directors orientation for all new directors to prepare to perform duties and acknowledge the role Responsibilities of directors, create knowledge and understanding in the overall business and various operations of the company, investment structure, organizational structure, guidelines for the practice of corporate governance, social and environmental responsibility, rules, regulations, business ethics policy of the company as well as compensation, benefits and various welfare by Company Secretary as a coordinator. In 2021, there was no new so there was no Director orientation.

- Development of directors and executives

The Board of Directors continues to support relevant persons in Corporate Governance part of the Company, e.g. directors, members of subcommittee, executives, company secretary, investor relations, and accounting department to participate in seminars or courses provided by Thai Institute of Directors (IOD), SEC, SET, Thai Listed Companies Association, Thai Investor Association, or other third-party organizations to educate and improve performance that will benefit in more efficiency.

2021 Directors and Executive's Training

NO	Name	Position	Course
1	Mr. Marut Simasathien	Independent Director	<ul style="list-style-type: none"> • One report, sustainability disclosure requirement: The challenges ahead" (IKPMG) August 19, 2021 • Seminar on "The Importance of Audit Committee in the Capital Market and Roles of Audit Committee in Good Corporate Governance" (SEC)
2	Dr. Rutchaneeporn Pookayaporn	Independent Director	<ul style="list-style-type: none"> • ELP (Ethical Leadership Program) 24/2684 (IOD) November 9, 2021
3	Mr. Chinapat Vieuipat	Independent Director	<ul style="list-style-type: none"> • SFE (Successful Formulation & Execution of Strategy) 38/2684 (IOD) 27-28 September 2021
4	Ms. Somporn Ampaisuthipong	Director	<ul style="list-style-type: none"> • Trend, direction of M&A, key point for consideration and strategy for M&A 2021 (SET) on September 29-30, 2021 • TLCA CFO Professional Development Program(TLCA CFO CPD) 7/2021 "Economic update for CFO" (TLCA) October 19, 2021 • TLCA CFO Professional Development Program (TLCA CFO CPD) 9/2021 through the Zoom Meeting system "ESG related Financial Innovation" December 14, 2021
6	Ms. Ratana Punnipa	Director	<ul style="list-style-type: none"> • ELP (Ethical Leadership Program) 24/2684 (IOD) November 9, 2021
8	Mr. Ampon Oniam	Director	<ul style="list-style-type: none"> • ELP (Ethical Leadership Program) 24/2684 (IOD) November 9, 2021
7	Ms. Supichaya Thapitak	Company Secretary	<ul style="list-style-type: none"> • AGM Assessment Project 2021 • Seminar on IOD Open House for Company Secretary, Thai Institute of Directors Association 2021 • Preparation training for sustainability evaluation 2021 on April 20, 2021 • Training and Workshop on sustainability report by sector 2021, group 7 in the category financial sector 2021, September 13-14, 2021 • Seminar "Roles of secretary in upgrading CG on Anti-Corruption" (CAC) 2021, October 8, 2021

- Board's self-evaluation

The company has a policy to arrange annual evaluation of the entire board of directors' performance, sub-committee in the whole group and individual directors (self-assessment) including arranging the annual performance evaluation of the Chief Executive Officer (CEO) in order to improve the operations to be most effective for shareholders and organizations in accordance with good corporate governance guidelines with a process and the evaluation results are as follows:

^{*)} (https://www.seo.or.th/logthailand/TH/Publishing/Images/Pages/RulesRegulation/Manual/board_self_assessment_v2.pdf)

(1) Self-assessment process for the entire board, sub-committee in the whole group, individual committee, (self-assessment) and the annual performance evaluation of the Chief Executive Officer (CEO).

1.1 Nomination and Remuneration Committee reviews the assessment form to be completely correct.

1.2 Secretary to the Nomination and Remuneration Committee sends the assessment form to the Board of Directors, sub-committee and Chief Executive Officer (CEO).

1.3 Secretary of each committee prepares the evaluation summary and reports the evaluation results to each committee.

(2) The assessment of the Board of Directors for the year 2021 from 4 points, which can be summarized as follows:

Seq.	Directors	Group Average Result	Individual Average Result
1	Board of Directors	3.92	3.88
2	Audit Committee	3.97	3.95
3	Nomination and Remuneration Committee	3.81	3.98
4	Risk Management Committee	3.91	3.82
5	Executive Committee	3.79	3.86
6	Corporate Governance Committee*	3.93	4.00
7	Chief Executive Officer	-	3.96

8.1.2 Meeting attendance and remuneration payment to each Board member

(1) Board of Directors' meetings

The Board of Directors schedules meetings in advance every year, which a policy is to hold at least once a quarter, not less than 6 meetings in a year, to help directors to allocate time to attend meetings and there may be additional special meetings to consider matters of urgent importance. In each meeting, a minimum quorum at the time of voting shall not be less than two-thirds of the total number of directors. A meeting notification shall be sent, detailing meeting's agendas and related documents, to directors for advance considerations by not less than 7 days prior to a meeting. For the committees, a meeting shall be in accordance with a charter of each committee.

The Board of Directors held 7 meetings in 2021, which was 6 directors' meeting to acknowledge and consider Company's operations and 1 non-executive director meeting was held on 24 December 2021 on the agenda of advice on the operations and management of managing departments including company's development of the year 2021; therefore, the non-executive directors discussed on the company's operations and



management unconditionally. The meeting minutes was written and sent to all directors for acknowledgment after the meeting.

In the year 2021, all directors attended the board of directors' meetings not less than 75% of the total board meetings throughout the year, and the average attendance rate of the board attending the board of directors' meeting was 100%.

2021's Meetings

Name	No. of Attendances / No. of Meetings								
	AGM 2021	EGM 1/2021	Board of Directors	The Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee	Non-executive Director
1. Dr. Unchalin Punnipa	Attended	Attended	6/6	-	-	-	4/4	-	-
2. Mr. Marut Simasathien	Attended	Attended	6/6	5/5	4/4	-	4/4	4/4	1/1
3. Dr. Rutchaneeporn Pookayaporn	Attended	Attended	6/6	5/5	4/4	-	-	4/4	1/1
4. Mr. Chinapat Visutipat	Attended	Attended	6/6	5/5	4/4	-	4/4	4/4	1/1
5. Ms. Suvabha Charoenying	Attended	Attended	6/6	-	-	-	-	4/4	1/1
6. Mr. Thana Thienachariya ¹⁾	Attended	Attended	6/6	4/4	-	-	-	-	1/1
7. Dr. Napassanun Punnipa	Attended	Attended	6/6	-	4/4	12/12	-	-	-
8. Ms. Somporn Ampaisuthipong	Attended	Attended	6/6	-	-	12/12	-	-	-
9. Ms. Ratana Punnipa	Attended	Attended	6/6	-	4/4	12/12	-	-	-
10. Mr. Ampon Oniam	Attended	Attended	6/6	-	-	12/12	-	-	-

Remark: ¹⁾ Mr. Thana Thienachariya was appointed as a member of Audit Committee according to the Board of Directors meeting number 1/2664 held on February 22, 2021.

(2) Directors' remuneration

Policy on Directors' remuneration

Remuneration of the board of directors and members of subcommittees will be determined by considering strategies, long-term business target, experiences, duties, scope of accountability and responsibility, and expected benefit from directors' performance, benchmarked with peers in the same industry.

The 2021 Shareholders' Annual General Meeting held on April 28, 2021, resolved the determination of directors and members of subcommittees remuneration in 2021. Their remuneration included salary, meeting allowance and others with details as follows:

(2.1) Monetary compensation

2021's Directors' remuneration

Description	Salary (baht/month)	Meeting Allowance (baht/meeting)
Board of Directors		
- Chairman	-	50,000
- Director	-	30,000
Audit Committee		
- Chairman	-	30,000
- Member	-	20,000
Nomination and Remuneration Committee		
- Chairman	-	30,000
- Director	-	20,000
Executive Committee		
- Chairman	-	-
- Director	-	-
Risk Management Committee		
- Chairman	-	30,000
- Director	-	20,000
Corporate Governance Committee		
- Chairperson	-	30,000
- Director	-	20,000

(2.2) Other remunerations

- Health insurance with premium not over 70,000 baht or medical expenses not over 70,000 baht
- Directors and Officers Liability Insurance, paid by the Company

(3) Individual directors remuneration

In 2021, the Company paid total remuneration to directors and members of subcommittees of 3,430,000 baht. It was in form of monetary meeting allowance with details as follows.

2021 Monetary Remuneration

Name	Meeting Allowance (baht)						Total
	Board of Directors	Title Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee	
1. Dr. Unchalin Punnipa	300,000	-	-	-	120,000	-	420,000
2. Mr. Marut Simesathien	180,000	150,000	80,000	-	80,000	80,000	570,000
3. Dr. Rutchaneeporn Pookayaporn	180,000	100,000	120,000	-	-	80,000	480,000
4. Mr. Chinapat Visutipat	180,000	100,000	80,000	-	80,000	80,000	520,000
5. Ms. Suvabha Charoenying	180,000	-	-	-	-	120,000	300,000
6. Mr. Thana Thienachariya ¹	180,000	80,000	-	-	-	-	260,000
7. Dr. Napaasanun Punnipa	180,000	-	80,000	-	-	-	260,000
8. Ms. Somporn Ampaisutthipong	180,000	-	-	-	-	-	180,000
9. Ms. Ratana Punnipa	180,000	-	80,000	-	-	-	260,000
10. Mr. Amporn Oniam	180,000	-	-	-	-	-	180,000
Total	1,920,000	430,000	440,000	-	280,000	360,000	3,430,000

Remark: ¹ Mr. Thana Thienachariya was appointed as a member of Audit Committee according to the Board of Directors meeting number 1/2664 held on February 22, 2021.



8.1.3 Supervising the operations of subsidiaries and associate company

To comply with the rules as well as the Securities and Exchange Act and the regulations, announcements, orders or requirements of the Stock Exchange of Thailand ("SET") and according to the announcement of the Capital Market Supervisory Board, the management department therefore proposed to the Board of TQM Corporation Public Company Limited ("the Company") to approve the policy on supervising and managing the subsidiaries and associate company of the Company. In this regard, the Company's subsidiaries and associate company must comply with the rules stated in the announcement of the Capital Market Supervisory Board, announcement of the Securities and Exchange Commission ("SEC") and relevant regulations, announcements, orders or requirements of the Stock Exchange of Thailand. The objectives are to allow the Company to have mechanisms for supervising the subsidiaries and associate company directly and indirectly and control the management and take responsibility for the operations of subsidiaries and associate company like being a unit of the Company so as to safeguard the interests of the Company's investments and have measures to monitor work management of the subsidiaries and associate company effectively. In this regard, the Chief Executive Officer with the power to issue the orders or announcements about the Company's policies according to the Delegation of Authority will consider creating and enforcing the Company's policy on supervising and managing the subsidiaries and associate company of the Company as further deemed appropriate.

In this regard, the "subsidiaries" and "associate company" mean the subsidiaries or associate companies that operate core businesses as stated in Clause 24 of the announcement of the Capital Market Supervisory Board No. TorJor. 39/2559 on permission application for offering to sell newly issued shares (as amended) in conjunction with the SEC announcement No. KorJor. 17/2551 on determined definitions in the announcement about issuance and offering to sell securities (as amended).

- 1) Unless specified, the following cases, the subsidiaries or associate company (as the case may be) must get approval from the Board of Directors meeting of the Company.
 - a) Appointment or nomination of the persons to be directors and executives in the subsidiaries or associate company at least in proportion to shareholding of the Company in such subsidiaries or associate company.

Unless otherwise specified by this policy or the Board of Directors of the Company, the directors and executives appointed or nominated by the Company must have the discretion to vote in the Board of Directors' meetings of subsidiaries and associate company on the matters relating to general management and normal business operations of subsidiaries and associate company as such directors and executives will deem appropriate for maximum benefit of the Company and subsidiaries or associate company (as the case may be).

In addition, the above appointed or nominated directors and executives must be named in the data system of listed directors and executives of securities - Issuing companies (White List) and have the qualifications, roles, duties and must not lack trustworthiness according to the SEC announcement on determined lack of trustworthiness of directors and executives of the company.

- b) Capital increase by issuing capital increase shares of the subsidiaries and shares allocation, including reducing the registered capital and / or paid-up capital of the subsidiaries inconsistent with the original shareholding ratio of shareholders or any other actions of causing the proportion of using voting rights both directly and indirectly of the Company in the shareholders' meeting of subsidiary to decrease by more than 10 percent of the total number of votes of that subsidiary except the case in the business plan or annual budget of the subsidiary already approved by the Board of Directors.
- c) Approval for the annual dividend and interim dividend payment (if any) of subsidiaries.
- d) Amendments to the subsidiaries' articles of association. However, amendments to the articles of association on significant matters under Clause 2.5 must be approved by the shareholders' meeting of the Company.
- e) Approving the total annual budget of the Company and all subsidiaries of the Company except the case specified in the Delegation of Authority.

- f) Appointment of the auditors of subsidiaries that are foreign companies only in the case of such auditors not being affiliated with the audit offices that are full members in the same network as the Company's auditor. This is not in accordance with the auditor appointment policy of the Company whereby the auditors of subsidiaries must be affiliated with the audit offices in the same network as the auditor of the Company.

Transactions from Clause (g) to (j) are considered to be important. Entering into transactions will have a significant impact on the financial status and operating results of the subsidiaries. Therefore, before the Board of Directors' meetings of subsidiaries and the directors appointed by the Company to hold the position in the subsidiaries will vote on the following matters, such directors must get prior approval from the Board of Directors of the Company for such matters. This must apply to the case when calculating the size of transaction to be done by the subsidiary compared with the characteristics and /or the size of the Company (by applying the rules for calculating the sizes of transactions as specified in the relevant announcements of the Capital Market Supervisory Board and the SET Board of Governors on connected transactions or acquisition, disposal of assets (as the case may be) *mutatis mutandis*) and must be approved by the Board of Directors of the Company. The following transactions, including:

- g) The case that the subsidiary agrees to enter into transaction with related party of the Company or subsidiary or transaction relating to acquisition or disposal of assets of subsidiary, including but not limited to the following cases:
- (1) Transferring or waiving the right to benefits and waiving the right to claims against people who cause damage to the subsidiary.
 - (2) Selling or transferring all or some important parts of the business of subsidiary to another person.
 - (3) Purchasing or accepting transfer of business of another company to the subsidiary.
 - (4) Entering into, modifying or terminating the contract about renting out all or some important parts of the businesses of the subsidiary, assigning another person to manage the business of the subsidiary or the merger between the subsidiary and another person with the purpose of sharing profit and loss.
 - (5) Renting or allowing purchasing by installments all or some important parts of the business or assets of subsidiary
- h) Borrowing money, giving loans, providing credit, guarantee, legal transactions binding the subsidiaries to bear the increased financial burden or providing financial assistance in any other way to other persons in the significant amount and not being a normal business of the subsidiaries except borrowing, lending money between the Company and subsidiaries.
- i) Close-down of subsidiaries
- j) Any other transactions that are not a normal business transaction of the subsidiaries with significant impact on the subsidiaries.
- 2) For the following cases, the subsidiaries or associate company (as the case may be) must get approval from the shareholders' meeting of the Company with the vote of not less than three-fourths (3/4) of the total votes of the shareholders attending the meeting and having voting rights.
- a) The case that the subsidiary agrees to enter into a transaction with related parties of the Company or subsidiary or transaction relating to the acquisition or disposal of assets of the subsidiary. This must apply to the case when calculating the size of transaction to be done by the subsidiary compared with the characteristics and /or the size of the Company (by applying the rules for calculating the sizes of transactions as stated in the relevant announcements of the Capital Market Supervisory Board and the SET Board of Governors on connected transactions or acquisition, disposal of assets (as the case may be)



- b) Capital increase by issuing capital increase shares of the subsidiaries and shares allocation, including reducing the registered capital and / or paid-up capital of the subsidiaries inconsistent with the original shareholding ratio of shareholders or any other actions of causing the proportion of using voting rights directly and indirectly of the Company in the shareholders' meeting of subsidiary to be reduced to less than the proportion specified in the law applicable to the subsidiaries, resulting in the Company's no authority to control that subsidiary. This must apply to the case when calculating the size of transaction compared with the size of the Company and must be approved by the shareholders' meeting of the Company (by applying the rules for calculating the sizes of transactions as specified in the relevant announcement of the Capital Market Supervisory Board and the announcement of the SET Board of Governors *mutatis mutandis*).
 - c) Close-down of the subsidiaries. This must be the case when calculating the business size of subsidiary to close down compared with the size of the Company (by applying the rules for calculating the sizes of transactions as specified in the relevant announcements of the Capital Market Supervisory Board and the SET Board of Governors regarding the acquisition or disposal of assets *mutatis mutandis*) and must be approved by the shareholders' meeting of the Company.
 - d) Any other transactions that are not normal business transactions of the subsidiary and will have significant impact on the subsidiary. This must be the case when calculating the size of transaction to be done by the subsidiary compared with the size of the Company (by applying the rules for calculating the sizes of transactions as specified in the relevant announcements of the Capital Market Supervisory Board and the SET Board of Governors regarding the acquisition or disposal of assets *mutatis mutandis*) and must be approved by the shareholders' meeting of the Company.
 - e) Amendments to the subsidiary's articles of association on the matters that may significantly affect the subsidiary's financial position and operating results. This includes, but is not limited to amendments to the subsidiary's articles of association with impact on the voting rights of the Company in the Board of Directors' meeting of the subsidiary and / or the shareholders' meeting of the subsidiary or dividend payment of the subsidiary etc.
- 3) The Board of Directors of the Company shall monitor and supervise the Board of Directors and executives of subsidiaries and associate companies, which are nominated or appointed by the Company, to comply with the duties and responsibilities according to the laws and the Company's policies.
 - 4) The Board of Directors of the Company has monitored the operating results of subsidiaries according to the plans continuously and requires the subsidiaries to disclose information on the financial status and operating results, connected transactions and acquisition or disposal of assets and any other significant transactions to the Company. Also, various operations shall conform to the rules for supervision and management of subsidiaries and associate companies completely and accurately according to the relevant announcement of the Capital Market Supervisory Board and the announcement of the SET Board of Governors (as the case may be).

Moreover, all directors and executives of all subsidiaries had already signed acknowledgement of the policy on supervising and managing the subsidiaries of operating core businesses and the associate company of operating core businesses for compliance with.

8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

(1) Policy to prevent conflicts of interest

Directors, executives and employees of the Company have duties to comply with regulation and consideration as follows:

1. Disclose and submit information regarding interests of themselves and relevant persons to the Board of Directors to acknowledge the relationship and transaction with the company and subsidiaries that could be conflicts of interest immediately before entering the transaction. The company secretary is assigned to monitor transactions with conflicts of interest and year end among directors, executives and/or relevant persons, managers and staff. The information must be presented to the Audit Committee and the Board of Directors to acknowledge at least once a year.
2. Avoid entering the transaction related to themselves and/or relevant persons that could cause conflicts of interest to the Company and subsidiaries. Also, refrain from any action that could cause conflict of interest to the Company or subsidiaries, or take advantage to themselves and/or relevant persons.
3. The Board of Directors must not approve any transaction that could be beneficial to them, or could cause conflicts of interest directly and indirectly.
4. The following actions that could be financially beneficial to directors, executives or relevant persons, other than usual business or cause damages to the Company, would be assumed as significant conflicts of interest to the Company and subsidiaries.
 - a) Transaction between the Company or subsidiaries with directors, executives or relevant persons that do not comply with guidelines on connected transaction
 - b) The use of information of the company or subsidiaries known beforehand, unless it is disclosed to the public
 - c) The use of properties or business opportunities of the Company or subsidiaries that are violating regulations or practices specified by the Capital Market Supervisory Board
5. In case that the transaction has common trade agreements with normal bargaining power uninfluenced by the status of directors, executives or relevant persons as the Board of Directors approved in principle, it should be summarized and reported to the Audit Committee and the Board of Directors to comment every quarter that has such transaction.
6. When conducting a connected transaction, guidelines on connected transaction according to securities regulations and the Company's policies on connected transaction must be complied with.
7. The Company and subsidiaries must be governed to have appropriate, efficient and prudent internal control, risk management and anti-corruption systems. It is to ensure that the Company and subsidiaries will conduct business in compliance with policies, laws, regulations and guidelines on good corporate governance of listed companies, as well as other relevant regulations of the Capital Market Supervisory Board, SEC and SET.
8. The Board of Directors must govern the Company and subsidiaries to comply with securities and other relevant regulations, as well as disclose information as specified by regulations of SET and other relevant organizations.
9. To arrange clear work system to reflect that the subsidiaries have sufficient system to disclose significant transaction information according to the specified regulations with continuity and credibility. Directors and executives of the Company must have information subsidiaries to monitor performance



and financial position, connected transaction between subsidiaries and directors & executives, significant transaction of subsidiaries. Also, mechanic in inspection of the work system in subsidiaries must be provided. Independent directors, members of Audit Committee and internal audit of the Company can get access to the information directly. The inspection of work system must be reported to directors, members of Audit Committee and executives to ensure that the subsidiaries comply to the work system at all times. They should avoid holding shares, being directors, executives or consultants in companies that conduct the same business as or compete with the Company or subsidiaries. Shareholding and being directors, executives and consultants in other organizations can be done if the shareholding or those positions are not conflicts of interest to the Company and subsidiaries. It must comply with regulations specified in Listed Company Act B.E. (as amended) and securities regulation.

(2) Supervising the use of internal information

The Company has the policy and methods of supervising the directors and executives to use internal information of the Company, which has not yet been disclosed to the public, for personal gain, including securities trading as follows:

- Educating the directors and executives of various departments on a duty to report securities holdings of themselves, spouses and underage children to the Securities and Exchange Commission and the Stock Exchange of Thailand under Section 59 and penalties under Section 59 and penalties under Section 275 of the Securities and Exchange Act 1992 (B.E. 2535) (including amendments) and report the acquisition or disposal of securities of themselves, spouses and underage children to the Securities and Exchange Commission under Section 246 and the penalties under Section 298 of the Securities and Exchange Act 1992 (B.E. 2535) (including amendments).
- Requiring the directors and executives, including spouses and underage children to make and disclose the securities holdings report and have a duty to report changes in holding securities to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act 1992 within the next 3 business days from the change date and send a copy of this report to the Company on the same day of sending the report to the Securities and Exchange Commission.
- The Company requires the relevant directors, executives and workers informed about important internal information with impact on the securities price changes to stop the trading of the Company's securities for a period of at least 1 month before the financial statements or that internal information will be disclosed to the public and at least 24 hours after disclosure of information to the public. Besides, disclosure of that important information to other people is prohibited.

The Company has established disciplinary action in case of violation, use of internal information for personal gain, ranging from written admonition, cutting wages, temporary suspension from work without receiving wages or dismissal. The punishment will be determined by the intent of action and seriousness of the offense.

(3) Anti-corruption

Details of anti-corruption, risk assessment on anti-corruption, and guidelines of compliance to prevent and monitor risks from corruption are in 3. Steering Business towards Sustainability

(4) Whistleblowing

The Company set up policies in Whistleblowing to let all stakeholders, either internal or external, raise concerns about misconduct, corruption or unethical behaviors, in order to correct the wrongdoing.

1. Objectives

- 1.1 To receive complaints regarding suspicious misconduct and violation in an appropriate and efficient manner in compliance with good corporate governance.
- 1.2 To ensure ethical, transparent, fair and verifiable business conduct by directors, employees and authorized persons, in compliance with laws and regulations, good corporate governance and business ethics.
- 1.3 To open a channel for reporting suspicious misconduct or behaviors against the abovemention guidelines of directors, employees and authorized persons.
- 1.4 To protect the whistleblower from unjust treatment due to their appropriate and fair complaints in good faith.

2. Definition

- 2.1. "The Company's personnel" means directors, executives and employees.
- 2.2. "Misconduct" means actions or negligence by the Company's personnel that violate Code of Conduct, regulations, policy after companies or relevant laws.
- 2.3. "Corruption" means actions or negligence according to their job duties or use power wrongly, violating laws, regulations, policies or Code of Conduct of the Company to improperly take advantage, such as bribery, false promise with money to government officials, private or government organization or relevant persons to take benefit or maintaining other improper benefit on business, unless it is allowed by laws and regulations, announcement, local tradition or trade norm.
- 2.4. "Whistleblowers" means the Company's employees and other stakeholders who raised issues on wrongdoing or misconduct in the Company.

3. Channels for whistleblowing

- 3.1 By email: whistleblower@tqm.co.th or
 Chairman of the Audit Committee: Maruts211@gmail.com
 Independent Director / Audit Committee: Rutchaneeporn.po@spu.ac.th or chinapat@onelaw.co.th
 Company Secretary: cs@tqm.co.th
 Investor Relations: ir@tqm.co.th
- 3.2 By post, deliver to
 Chairman of the Board of Directors or Chairman of the Audit Committee
 TQM Corporation Public Company Limited
 123 Ladplakhao Road, Chorakhe Bua Subdistrict, Ladprao District, Bangkok 10230
- 3.3 The Company's website <https://www.tqmcorp.co.th/>
- 3.4 Suggestion / comments / complaints box at the Company

4. Criteria for consideration

- 4.1 The concern raised should be with honest intention, not for personal interest.
- 4.2 The concern without identity/source will not be considered and no action will be taken.
- 4.3 the relevant persons in the investigation of issues must keep information and findings confidential.



5. Investigating Procedures

- 5.1. When the complaint is filed, Audit Committee will assign Internal Auditor or appoint an Investigation Committee to undertake the investigation and update the whistleblower with progress and result.
- 5.2. In case there is sufficient evidence to support the allegation, the person who is alleged will be entitled to acknowledge and prove his/herself innocent with more evidence.
- 5.3. The investigation will start as soon as possible with consideration of severity of allegation/complaints. The process will be undertaken carefully in order not to impact the quality and thoroughness of the investigation. The initial inspection will be a summary of the investigation and will proceed within one month after the allegation/complaints received.

6. Protection of whistleblowers

The whistleblowers who report misconduct in good faith will be protected appropriately. The Company will keep their information and identity confidential. In case that the Company need to disclose the information, only necessary information will be revealed, in consideration of safety and damage to the whistleblowers.

7. False whistleblowing

Complainant should be aware that the whistleblowing must be in good faith, without any dishonest and unfair intention to organization or individuals. In case of false whistleblowing, the Company will undertake the procedures, regulations or relevant laws with the complainant as appropriate.

8. Penalties

A person who breaches fails to comply with the abovementioned policy and guidelines, is considered to have committed a disciplinary offence according to office rules and regulations. They shall be liable for damage suffered to the Company or any other person, including any other liability otherwise provided by law.

9. Policy review

The Company, by Whistleblowing Committee, will review whistleblowing policy and guidelines, and proposed for Audit Committee to approve every year. It is to ensure that the policy is in compliance with relevant laws, is effective and is in accordance with the Company's objectives.

8.2 Report of the Audit Committee

The report of the Audit Committee is shown in Attachment 6. Meetings and participation of the Audit Committee is shown in 8.1.2) Meeting participation and individual remuneration.

8.3 Report of other subcommittees

Report of other subcommittees, namely Nomination and Remuneration committee, Risk Management Committee, Corporate Governance Committee and Executive Committee is shown in Attachment 6. Meetings and participation of the Audit Committee is shown in 8.1.2) Meeting participation and individual remuneration.

9. Internal Control and Related Party Transactions

9.1 Internal control and risk management

The Board of Directors recognizes the importance of having a good internal control system, and it is an important duty to ensure that the company has an appropriate and sufficient internal control system to efficiently oversee the operations to meet the goals, objectives, laws and relevant requirements, able to protect assets from fraud and damage, including providing accurate accounting and financial reporting and complete and sufficient information disclosed in a timely manner.

9.1.1 The Company organizes an internal audit department establishing policies and procedures for the Company's business to grow sustainably in accordance with the principles of corporate governance. The Audit Committee is authorized to approve, to consider the appointment, transfer and termination of the head of the Company's internal audit department. The resolution of the Audit Committee's meeting No.1/2564 held on 12 February 2021 approved to appoint an external agency Dharmniti Internal Audit Company Limited to be responsible for auditing and assessing the Company's internal control. Dharmniti Internal Audit Company Limited assigned Miss Kitlada Somngam to be the Internal Audit Chief. The Audit Committee considered the work history, education and trainings of Miss Kitlada Somngam and agreed that she had sufficient qualifications to audit and assess the Company's internal control effectively.

Information about work history, education and trainings of Miss Kitlada Somngam, as attachment 3, details of the Internal Audit Chief.

9.1.2 Referring to the Company's internal audit number 1 - 4/2564 on 29 March 2021 – 14 December 2021, issues that needs detailed audit are as follows:

1) Route plan of customer service staff / messenger, and premium receipt

- TQM Insurance Broker Company Limited
- TQM Life Insurance Broker Company Limited

2) Assets control

- TQM Insurance Broker Company Limited
- TQM Life Insurance Broker Company Limited

3) Insurance selling

- TQM Insurance Broker Company Limited
- TQM Life Insurance Broker Company Limited
- TJN Insurance Broker Company Limited

4) Administration of laws and regulations compliance

- TQM Insurance Broker Company Limited
- TQM Life Insurance Broker Company Limited
- TJN Insurance Broker Company Limited

Objectives of internal audit

- To ensure sufficiency and efficiency of
 - Planning process of customer service / messenger route, and premium receipt
 - Assets control
 - Selling process to customers and the receipt of premium
 - Administration of laws and regulation compliance



- To ensure that recommendations for improvement are effectively applied

Scope of duties

1. Route plan of customer service staff / messenger, and premium receipt
 - Request of customer service code in the system
 - Route plan of customer service staff / messenger
 - Employment of customer service staff / messenger
 - Check of deposit in the Company's bank account
2. Assets control
 - Process
 - Asset code
 - Calculation and record of depreciation
 - Control of asset warranty
 - Assets check and report of checking
 - Transfer, amortization, donation and dispose of the assets
 - Making and renewing insurance for the assets
3. Insurance selling
 - Work process
 - Insurance selling to customers
 - Insurance approval to customers
 - Customer data recording in the Company computer system
 - Follow up of premium payment
 - Work process in case of overdue premium payment
4. Administration of laws and regulations compliance
 - Laws, rule and regulation relevant to the Company
 - Supervision and follow up of regulation compliance
 - Report of Supervision and follow up of regulation compliance
 - Renewal of broker / corporate license

Results

Route plan of customer service staff / messenger

- There is a work process definition for issuing code for customer service staff / messenger and cancelling the authorization of customer service staff / messenger in the system in writing, and update authorization with current status

Assets control

- To update work manual to include control of asset warranty, and control of asset movement from the Company, and written tracking of assets back to the Company
- Asset review that asset codes are as specified by the Company

Insurance selling

- Work process of TJN Insurance Broker Company Limited should cover all operations and propose for approval from authorized person to be work guideline for staff
- Insurance selling of TJN Insurance Broker Company Limited should be improved in terms of work system, code issuing and customer's credit limit

Administration of laws and regulations compliance

- Administration of laws and regulations compliance with appropriate internal control system

As to ensure the Board of Directors' ability to supervise the risk management and internal control systems effectively, the Board has established relevant policies to help in managing supervision as follows.

1. Code of conduct of personnel
2. Risk management policy
3. Conflict of interest policy or conflict of interests
4. Policy on supervising the use of internal information and securities trading, computer system security and information and categorization of the Company's information
5. Anti-Corruption Policy
6. Whistle Blower Policy
7. Policy on protection and use of the Company's property
8. Policy on investment and supervision of operations in subsidiaries and associate company
9. Delegation of Authority



9.2 Related Party Transaction

(1) Details of Related Party Transaction as 31 December 2021

• Office Rentals

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
Eternal Growth Corporation Co., Ltd. "Eternal Growth"	<u>TQM Broker rented Head Office and branch office from Eternal Growth.</u>			Rental of buildings for use as Head Office and branch offices at the rental rate, compared to the appraised price appraised by an independent appraiser, was a normal business support transaction, which necessary and reasonable
	(1) Rent and Service			
	- Rent and service	63.41	71.63	
	- Unpaid rent and service	-	-	
	- discount on rental receivable	6.63	-	
	(2) Rental Deposit			
	- Rental Damaging Deposit	17.90	17.37	
	(3) Utilities			
	- Utilities	16.32	16.25	
	- Unpaid utilities	1.29	1.17	
Eternal Growth Corporation Co., Ltd. "Eternal Growth"	<u>TQM Life rented Head Office from Eternal Growth.</u>			Rental of buildings for use as Head Office and branch offices at the rental rate, compared to the appraised price appraised by an independent appraiser, was a normal business support transaction, which necessary and reasonable
	(1) Rent and Service			
	- Rent and service	1.24	2.31	
	- Unpaid rent and service	-	-	
	- discount on rental receivable	0.18	-	
	(2) Rental Deposit			
	- Rental Damaging Deposit	0.66	0.66	
	(3) Utilities			
	- Utilities	0.63	0.60	
	- Unpaid utilities	0.04	0.04	
Eternal Growth Corporation Co., Ltd. "Eternal Growth"	<u>Casematt rented Head Office from Eternal Growth.</u>			Rental of buildings for use as Head Office and branch offices at the rental rate, compared to the appraised price appraised by an independent appraiser, was a normal business support transaction, which necessary and reasonable
	(1) Rent and Service			
	- Rent and service	1.67	2.34	
	- Unpaid rent and service	-	-	
	- discount on rental receivable	0.18	-	
	(2) Rental Deposit			
	- Rental Damaging Deposit	0.66	0.67	
	(3) Utilities			
	- Utilities	0.49	0.65	
	- Unpaid utilities	0.04	0.04	
Dara Daily Co., Ltd. "Dara Daily"	<u>TJN rented Head Office from Dara Daily.</u>			Rental of buildings for use as an Office at the rental rate, compared to the appraised price appraised by an independent appraiser, was a normal business support transaction, of which necessary and reasonable.
	(1) Rent and Service			
	- Rent and service	0.3	0.1	
	- Unpaid rent and service	0.03	0.03	
	(2) Rental Deposit			
	- Rental Damaging Deposit	-	-	
	(3) Utilities			
	- Utilities	0.12	0.04	
	- Unpaid utilities	0.01	0.01	

• Advertising and Sales promotion

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
Dara Daily Co., Ltd. "Dara Daily"	1) The company and TQM Broker paid Dara Daily to the advertising			The purchase of advertising and medias was the sales promotion, having the price close to the market price or the comparable margin in the general market rate and with general conditions, and was a normal business support transaction, that was beneficial to the company, nec- essary and reasonable.
	The Company			
	- Advertising	-	-	
	- Unpaid advertising	-	-	
	TQM Broker			
	- Advertising	0.30	11.68	
	- Unpaid advertising	-	-	
	2) TQM Broker paid Dara Daily for Sales promotion.			Sales promotion was still ongoing in the future. The Company arranged promotional sales activities to support normal business operations that are necessary and reasonable with the comparable prices and conditions to the market price or the comparable margin to general market rate.
	TQM Broker			
	- Domestic Sales Promotion	0.51	3.93	
	- Unpaid Domestic Sales Promotion	-	-	
Dara Daily Tour Co., Ltd. "Dara Daily"	The Company and TQM Broker paid Sales promotion and international travel to Dara Daily Tour			Sales promotion activities were normal business transactions, necessary and reasonable with the comparable prices and conditions to the market price or the comparable margin to general market rate.
	The Company			
	- International travel expenses	-	0.23	
	- Unpaid international travel expenses	-	0.23	
	TQM Broker			
	- Sales promotion and international travel expenses	0.28	2.88	
	- Unpaid Sales promotion and international travel expenses	-	0.44	

• Car Accident Inspection

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
Brilliant Survey Co., Ltd. "Brilliant Survey"	TQM Broker paid accident inspection to Brilliant Survey.			The accident inspection for customers was normal and necessary business support transaction with comparable prices and conditions to the market price.
	- Accident inspection	0.09	0.21	
	- Unpaid accident inspection	0.01	0.01	

• TQM MOBILE APPLICATION Maintenance Service

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
TQLD Co., Ltd. "TQLD"	TQM Broker paid TQM MOBILE APPLICATION maintenance service.			TQM MOBILE APPLICATION maintenance service was a normal business support transaction which did not result in loss of interest to the Company as the price and conditions specified in the contract.
	- Service			
	- Advance payment	8.84	8.87	



• Computer and Equipment Maintenance Service

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
Brilliant Survey Co., Ltd. "Brilliant Survey"	<u>TQM serviced and maintained Brilliant Survey's computer's equipment and system.</u> - Service income - Accrued service income	0.14 -	0.14 -	Providing computer system maintenance services was a normal business support transaction, did not cause the Company to lose benefits as the price and conditions specified in the contract.

• Human Resources training expenses

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
Sirpatum Univerlty	<u>TQM Broker paid training expenses to Sirpatum University.</u> - Training expenses - Unpaid training expenses - CSR and donation	0.23 - 0.12	0.06 - -	Human Resources training expenses were reasonable with general prices and conditions.

• Legal advisor fee

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
One Law Office Company Limited ("One Law")	<u>The Company and TQM Broker paid for fee and legal advisor to One Law</u> The Company - Other service expenses TQM Broker - Legal advisor expenses - Other service expenses - Other service fees payable	0.13 0.86 0.06 0.08	- - - -	Legal services are a common business support activity that does not cause a negative impact to the group company. The price and terms are as stated in the contract, and are necessary and reasonable. The price and terms can be benchmarked with market price.

• Goods buying transaction

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
Beauty Twenty Four Co., Ltd. "Beauty Twenty Four"	<u>TQM Broker bought goods from Beauty Twenty Four,</u> - Gifts and Premiums - Other debtors	- -	0.29 -	The said purchase transaction was a reasonable transaction with general prices and conditions.

• Assets buying transaction

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
TQD Co., Ltd. "TQD"	<u>TQM Life paid website design fee and Life insurance agency management system.</u> - Design fee and website under process - Other debtors	- -	8.0 -	The website design fee website was a normal business support transaction, did not cause any loss to the Company as the price and conditions specified in the contract.
	<u>TQM Broker paid website design fee and Life insurance agency management system.</u> - Design fee and website under process - Other debtors	0.60 -	1.26 -	
Sirpatum University	<u>TQM Broker bought an ozone generator from Sri Patum university</u> - Ozone generator	0.01	-	The transaction is reasonable with normal price and trade condition.

• Assets selling transaction

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
Eternal Growth Corporation Co., Ltd. "Eternal Growth"	<u>TQM Broker sold asset (car) to Eternal Growth.</u> - Car - Other debtors	- -	0.93 -	The selling transaction was reasonable with normal price and general trading conditions.

• Loan given to related company

Company	Type of Transaction	Year ended 31 December 2021 (THB:MB)	Year ended 31 December 2020 (THB:MB)	Audit Committee's Comment
TQD Co., Ltd. "TQD"	<u>TQM Broker gave loan to TQD.</u> - Loan receivable - Interest - Approved interest receivable	3.20 0.17 -	8.60 0.33 -	annum, which was a reasonable rate, higher than the fixed deposit interest rate, the company should receive.



(2) Connected transaction policy

The Board of Directors meeting No. 5/2561 on 11 June 2018 resolved to approve the connected transaction policy. In the event that the Company or its subsidiaries enter into a transaction with related party, the Company or its subsidiaries shall comply with the measures and procedures for approving transactions according to the rules and laws on securities and stock market, regulations, announcements, orders or requirements of the Stock Exchange of Thailand and the announcements of the Capital Market Supervisory Board on the rules of connected transactions, including compliance with the regulations relating to disclosure of connected transactions.

Disclosure of connected transactions of the Company shall comply with the laws and regulations stipulated by the SEC and the Stock Exchange of Thailand as well as in accordance with the accounting standards pertaining to related parties of the Federation of Accounting Professions. Information will be disclosed in the notes of the audited or reviewed financial statements of the Company, annual registration statement and the annual report of the Company.

(3) Measures and procedures for approving connected transactions

As to measures for entering into connected transactions, in case that the Company or the subsidiaries have transactions with related parties, the Audit Committee will consider and comment on the necessity and reasonableness of entering into transactions as well as the appropriateness in terms of price and conditions of transactions to be in accordance with normal business operations in the industry by comparing the prices and conditions of transactions for doing with third parties or market prices before submitting to the Board of Directors or the Company's shareholders' meeting, as the case may be. Moreover, if the Audit Committee does not have expertise in considering connected transactions that may occur, the Company will provide the independent expert or the Company's auditor to comment on such connected transactions so as to be used for consideration and / or decisions of the Audit Committee, the Board of Directors and / or the shareholders' meeting, as the case may be. The stakeholders will not have the right to vote in such transactions. The Company will disclose connected transactions in the annual registration statement, annual report and notes of financial statements audited or reviewed by the Company's auditor.

If connected transaction are commercial transactions normally done by the Company or the subsidiaries for business operation or are commercial transactions of general business with the same characteristics done by the Company or the subsidiaries to support normal business transactions of the company and having the trade conditions with the fair prices and conditions and not causing transfer of benefits, including the trade conditions with the prices and conditions as follows:

1. Transaction with the prices and conditions that the Company or the subsidiaries have received or given to the general public
2. Transaction with the prices and conditions given by related parties to the general public
3. Transaction with the prices and conditions that can be shown by the Company as the prices and conditions given by business operator in the same way to the general public
4. Transaction with related parties only, but related products or services have the characteristics and prices of clear standards in the market and there are many buyers, sellers with no different prices, conditions and other agreements.

The Company has established the guidelines for connected transactions of normal business transactions or supporting normal businesses with trade agreements in the same manner that ordinary people should do with general contract parties in the same situations by the trade bargaining power without influence in that the approver has the status of a director, executive or related party. The Audit Committee considered, gave opinions and presented to the Board of Directors for approval as principles. It is stated that the management department can approve such transactions under the operational guidelines and financial amounts specified. Approval for transactions shall be in accordance with the Delegation of Authority or DOA manual, which requires the original department to present the reasons, necessity for doing transactions and comparison of market prices or general trade conditions under the framework determined by the Board of Directors. That is to say, for a connected transaction with a clear contract, specified price and conditions equivalent to general trade conditions, the management department must comply with the contract throughout the term thereof such as making a lease agreement equivalent to the cost estimate from an independent appraiser, etc. Or, for a connected transaction with

required process of requesting approval to buy or place a purchase order, e.g. purchasing goods, organizing activities, buying advertisements, etc., the management department must compare the prices, trade conditions with a general trade agreement of the market price and general conditions with no difference in essence and for actual transactions with clear service rates equivalent to service charges given by related party to the general public. It is necessary to prepare and present for approval according to administrative hierarchy of the unit in line with the Delegation of Authority or DOA manual. Also, arrangements must be made for reviewing transactions and signing in the final step by the management with positions from the level EVP up with no interest or the representative authorized by such executive with no interest before doing the transaction.

Additionally, the Board of Directors has assigned the management department to prepare and present an estimate of the financial amounts of connected transactions for each transaction on an annual basis and present to the Board of Directors for approval. If it is necessary to change the type or amount of the annual connected transaction of requested approval in principle, the management department must present to request approval from the Audit Committee and the Board of Directors every time. The Audit Committee has required the chief financial, accounting officer to track connected transactions and prepare a summary report of connected transactions to report in the Audit Committee meeting of the Company or the Board of Directors meeting every quarter and has required the internal audit department or the internal auditor to review connected transactions and present them to the Audit Committee every year.

If the Audit Committee and the Board of Directors have found that the operation does not conform to the specified policy, the Audit Committee and the Board of Directors will work together in order to find solutions.

However, if the Company or its subsidiaries will enter into connected transactions that are other types of transactions, the Company and its subsidiaries will comply with the stipulated policy, measures and procedures for connected transactions and must follow the rules and procedures of the SEC, the Capital Market Supervisory Board and the SET relating to connected transactions so as to ensure that such transactions will be neither removal nor transfer of benefits between the Company or subsidiaries and the persons that may have a conflict of interest, but they are transactions that the Company and subsidiaries take into account the benefits of all shareholders.



Part 3

Financial Statements



**TQM Corporation Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report



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Independent Auditor's report

To the Shareholders of TQM Corporation Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of TQM Corporation Public Company Limited and its subsidiaries (the "Group") and of TQM Corporation Public Company Limited (The "Company"), respectively which comprise the consolidated and separate statement of financial position as at 31 December 2021, the consolidated and separate statement of comprehensive income, change in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Acquisitions of businesses	
Refer to Note 4, 5, 14, 17 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>In 2021, the Group entered into agreements of the acquisitions of businesses; True Life Broker Company Limited and True Extra Broker Company Limited resulting in the recording of gain on bargain purchase of Baht 64 million in the consolidated statement of comprehensive income.</p> <p>The accounting for acquisition method of business combinations is a complex and need significant level of judgment, requiring the Group to determine the fair value of identifiable assets acquired, liabilities assumed, and consideration transferred with any resulting differences recognised as goodwill or a gain on bargain purchase. The Group appointed external independent appraiser to evaluate fair value.</p> <p>Due to the materiality of the transactions and the significant judgement and complexities involved in determining the fair value of intangible assets acquired, I considered accounting for acquisitions of businesses as a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> Understanding key terms and conditions by reading the sale and purchase agreement and inquire the management regarding the business acquisitions, including assessing the appropriateness of assessment by the Group of the identification of all the identifiable assets acquired and liabilities assumed and consideration transferred; Evaluating competency, independence and objectivity of the Group's specialist. Evaluating the appropriateness of assumptions and methodologies underpinning the valuations of the identifiable intangible assets by comparing with public information and calculation testing; Assessing the adequacy of the Group's disclosure in accordance with Thai Financial Reporting Standards.



Recognition of revenue from contracts with customers	
Refer to Note 5, 21 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The core businesses of the Group are insurance broker businesses. The revenue from contracts with customers received depends on the commission rate, which is specified in the agent agreements made with insurance companies, and the premiums that are specified in each type of non-life insurance and life insurance policy.</p> <p>There are a variety of commission rates and other service income rates, and types of policy. Moreover, there is uncertainty regarding cancellation of insurance policies during the coverage period. Therefore, there are risks with respect revenue from contracts with customers being recognised at an inappropriate measurement and improper period.</p> <p>Consequently, I consider that this is a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Testing the controls designed in respect to the recognition of revenue from contracts with customers by making enquiry of responsible executives, gaining an understanding of controls and sampling transaction to test the operating effectiveness of designed controls of the Group. • Sampling service agreements made between the Group and insurance companies to assess whether revenue recognition was consistent with the conditions of the relevant agreements. • On a sampling basis, examining supporting documents for revenue transactions occurring near the end of the accounting period to test that the revenue from contracts with customers are recognised in proper period. • Assessing appropriateness of policy cancellation reserve by sampling cancellation insurance policy document in subsequent period and compare with recognition reserve • Performing analytical review of the commission income and other service income accounts with the rate specified in the agreements to detect any irregularities in revenue transactions throughout the accounting period. • Considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 3 to the financial statements describing the effect of the Group's adoption of new accounting policy from 1 January 2021. The consolidated statements of financial position as at 31 December 2020 and consolidated statement of cash flows for the year ended 31 December 2020, which are included as comparative information, are a component of the audited consolidated financial statements, as at and for the year ended 31 December 2020, which were audited by another auditor who expressed an unmodified opinion thereon in her report dated 22 February 2021, after making the adjustments described in note 3. My conclusion is not modified in respect of this matter.



The separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the separate statement of cash flow of the Group and the Company for the year then ended, which are included as comparative information, which were audited by another auditor who expressed an unmodified opinion thereon in her report dated 22 February 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2022

TQM Corporation Public Company Limited and its subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2021	2020	2021	2020
			(Restated)		
		(in Baht)			
Current assets					
Cash and cash equivalents	7	804,039,483	1,110,414,354	58,851,442	442,564,922
Personal loans	8	118,345,989	-	-	-
Accrued income and other current receivables	9	514,025,698	424,972,513	4,374,709	4,426,014
Short-term loan to related party	6	-	-	40,000,000	-
Current portion of long-term loan to related party	6	3,199,195	6,399,996	-	-
Dividend receivables	6	-	-	303,999,690	317,999,604
Other current financial assets	10, 26	499,465,325	538,553,081	480,324,025	500,356,942
Other current assets		49,524,810	49,637,657	216,534	249,006
Total current assets		1,988,600,500	2,129,977,601	887,766,400	1,265,596,488
Non-current assets					
Deposits at banks - pledge as collateral	11	4,288,858	2,101,008	-	-
Other non-current financial assets	12, 26	1,095,836,661	736,215,723	773,950,391	512,081,910
Investment in subsidiaries	14	-	-	799,451,422	475,451,922
Investment in associate	13	-	-	-	-
Long-term loans to related party	6	-	3,123,220	-	-
Buildings and equipment	15	79,143,198	93,678,380	23,175	108,556
Right-of-use assets	16	483,719,241	581,956,312	-	-
Intangible assets	17	755,676,534	22,409,599	11	45,822
Deferred tax assets	23	27,209,957	32,648,526	-	7,317,893
Other non-current assets		1,921,446	4,956,696	-	-
Total non-current assets		2,447,795,895	1,477,089,464	1,573,424,999	995,006,103
Total assets		4,436,396,395	3,607,067,065	2,461,191,399	2,260,602,591

The accompanying notes form an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries
Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2021	2020	2021	2020
			(Restated)		
			(in Baht)		
<i>Current liabilities</i>					
Insurance premium payables and other current payables	18	422,585,068	306,018,572	954,300	941,063
Insurance premium received in advance		81,238,266	86,529,353	-	-
Current portion of lease liabilities	16	99,077,357	98,389,401	-	-
Current income tax payable		83,241,582	78,067,479	32,617	337,830
Other current provisions		14,625,966	10,799,818	-	-
Other current liabilities	6	28,215,180	30,788,655	50,726	40,627
Total current liabilities		728,983,419	610,593,278	1,037,643	1,319,520
<i>Non-current liabilities</i>					
Lease liabilities	16	400,710,525	494,332,240	-	-
Deferred tax liabilities	23	181,024,173	-	35,523,545	-
Non-current provisions for employee benefits	19	115,092,253	102,493,957	-	-
Total non-current liabilities		696,826,951	596,826,197	35,523,545	-
Total liabilities		1,425,810,370	1,207,419,475	36,561,188	1,319,520
<i>Equity</i>					
Share capital:	30				
Authorised share capital					
(300,000,000 ordinary shares, par value at Baht 1 per share)		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up share capital					
(300,000,000 ordinary shares, par value at Baht 1 per share)		300,000,000	300,000,000	300,000,000	300,000,000
Share premium		1,606,753,420	1,606,753,420	1,606,753,420	1,606,753,420
Surplus on business combination under common control		67,932,017	67,932,017	-	-
Retained earnings					
Appropriated					
Legal reserve		30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		529,180,937	423,221,799	345,372,205	350,790,265
Other components of equity		142,504,586	(28,260,614)	142,504,586	(28,260,614)
Equity attributable to owners of the parent		2,676,370,960	2,399,646,622	2,424,630,211	2,259,283,071
Non-controlling interests	6	334,215,065	968	-	-
Total equity		3,010,586,025	2,399,647,590	2,424,630,211	2,259,283,071
Total liabilities and equity		4,436,396,395	3,607,067,065	2,461,191,399	2,260,602,591

The accompanying notes form an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Revenue					
Revenue from contracts with customers	21	3,273,582,492	3,082,508,621	-	-
Dividend income	21	10,194,010	7,000,000	774,193,470	618,999,457
Gain from bargain purchase	4	63,808,938	-	-	-
Other income	21	52,348,594	11,022,482	594,647	1,148,040
Total revenue		3,400,134,034	3,100,531,103	774,788,117	620,147,497
Expenses					
Costs of rendering of services	22	1,544,588,090	1,517,434,793	-	-
Administrative expenses	22	780,959,539	747,379,471	11,774,587	11,644,404
Impairment loss of investment in associate	13	-	-	1,600,000	-
Total expenses		2,325,547,629	2,264,814,264	13,374,587	11,644,404
Profit from operating activities		1,074,586,405	835,716,839	761,413,530	608,503,093
Finance income	21	26,877,783	35,546,408	13,631,547	18,805,919
Finance costs		(1,708,990)	(2,091,779)	-	-
Share loss of associate accounted for using equity method	13	(1,600,000)	-	-	-
Profit before income tax expense		1,098,155,198	869,171,468	775,045,077	627,309,012
Income tax expense	23	(206,385,203)	(167,175,596)	(469,189)	(1,639,589)
Profit for the year		891,769,995	701,995,772	774,575,888	625,669,423
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain on investments in equity instruments designated at fair value through other comprehensive income - net of tax	23	170,765,200	(22,062,236)	170,765,200	(22,062,236)
Losses on remeasurements of defined benefit plans - net of tax	19, 23	(4,478,057)	(546,970)	-	-
Total items that will not be reclassified to profit or loss		166,287,143	(22,609,206)	170,765,200	(22,062,236)
Other comprehensive income (expense) for the year, net of tax		166,287,143	(22,609,206)	170,765,200	(22,062,236)
Total comprehensive income (expense) for the year		1,058,057,138	679,386,566	945,341,088	603,607,187
Profit attributable to:					
Owners of parent		890,430,843	701,995,239	774,575,888	625,669,423
Non-controlling interests		1,339,152	533	-	-
		891,769,995	701,995,772	774,575,888	625,669,423
Total comprehensive income (expense) attributable to:					
Owners of parent		1,056,717,986	679,386,047	945,341,088	603,607,187
Non-controlling interests		1,339,152	519	-	-
		1,058,057,138	679,386,566	945,341,088	603,607,187
Earning per share (in Baht)	24	1.48	1.17	1.29	1.04

The accompanying notes form an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries
Statement of changes in equity

	Consolidated financial statements									
	Retained earnings		Other components of equity							
			Losses on investments in equity instruments designated at fair value through other comprehensive income							
	Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Legal reserve	Unappropriated	Equity attributable to owners of the parent	Total other components of equity	Non-controlling interests	Total equity	
										(in Baht)
Year ended 31 December 2020										
Balance at 1 January 2020	300,000,000	1,606,753,420	67,932,017	30,000,000	351,773,445	(6,198,378)	(6,198,378)	2,350,240,504	993	2,350,261,497
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the parent										
Dividends	-	-	-	-	(629,999,929)	-	-	(629,999,929)	-	(629,999,929)
Dividends to Non-controlling interest	-	-	-	-	-	-	-	-	(544)	(544)
Total contributions by and distributions to owners of the parent	-	-	-	-	(629,999,929)	-	-	(629,999,929)	(544)	(630,000,473)
Total transactions with owners, recorded directly in equity	-	-	-	-	(629,999,929)	-	-	(629,999,929)	(544)	(630,000,473)
Comprehensive income for the year										
Profit	-	-	-	-	701,995,239	-	-	701,995,239	533	701,995,772
Other comprehensive income (expense)	-	-	-	-	(546,956)	(22,062,236)	(22,062,236)	(22,069,192)	(14)	(22,069,206)
Total comprehensive income (expense) for the year	-	-	-	-	701,448,283	(22,062,236)	(22,062,236)	679,386,047	519	679,386,566
Balance as at 31 December 2020	300,000,000	1,606,753,420	67,932,017	30,000,000	423,221,799	(28,260,614)	(28,260,614)	2,399,646,622	968	2,399,647,590

The accompanying notes form an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries
Statement of changes in equity

	Consolidated financial statements									
	Retained earnings		Other components of equity							
			Losses on investments in equity instruments designated at fair value through other comprehensive income							
	Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Legal reserve	Unappropriated	comprehensive income	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<i>(in Baht)</i>										
Year ended 31 December 2021										
Balance at 1 January 2021	300,000,000	1,606,753,420	67,932,017	30,000,000	423,221,799	(28,260,614)	(28,260,614)	2,359,646,622	968	2,399,647,590
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the parent										
Dividends	-	-	-	-	(779,993,648)	-	-	(779,993,648)	-	(779,993,648)
Dividends to Non-controlling interest	-	-	-	-	-	-	-	-	(539)	(539)
Total contributions by and distributions to owners of the parent	-	-	-	-	(779,993,648)	-	-	(779,993,648)	(539)	(779,994,187)
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	12,000,000	12,000,000
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	320,875,484	320,875,484
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	332,875,484	332,875,484
Total transactions with owners, recorded directly in equity	-	-	-	-	(779,993,648)	-	-	(779,993,648)	332,874,945	(447,118,703)
Comprehensive income for the year										
Profit	-	-	-	-	890,430,843	-	-	890,430,843	1,339,152	891,769,995
Other comprehensive income (expense)	-	-	-	-	(4,478,057)	170,765,200	170,765,200	166,287,143	-	166,287,143
Total comprehensive income (expense) for the year	-	-	-	-	885,952,786	170,765,200	170,765,200	1,056,717,986	1,339,152	1,058,057,138
Balance as at 31 December 2021	300,000,000	1,604,753,420	67,932,017	30,000,000	529,180,937	142,504,586	142,504,586	2,676,370,569	334,215,065	3,010,586,025

The accompanying notes form an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries
Statement of changes in equity

	Separate financial statements						
	Retained earnings		Other components of equity				
	Issued and paid-up share capital	Share premium	Legal reserve	Losses on investments in equity instruments			Total equity
Note				designated at fair value through other comprehensive income	other components of equity	Total other components of equity	
Year ended 31 December 2020							
Balance at 1 January 2020	300,000,000	1,606,753,420	30,000,000	355,120,771	(6,198,378)	(6,198,378)	2,285,675,813
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends	-	-	-	(629,999,929)	-	-	(629,999,929)
Total contributions by and distributions to owners	-	-	-	(629,999,929)	-	-	(629,999,929)
Total transactions with owners, recorded directly in equity	-	-	-	(629,999,929)	-	-	(629,999,929)
Comprehensive income for the year							
Profit	-	-	-	625,669,423	-	-	625,669,423
Other comprehensive income (expense)	-	-	-	-	(22,062,236)	(22,062,236)	(22,062,236)
Total comprehensive income (expense) for the year	-	-	-	625,669,423	(22,062,236)	(22,062,236)	603,607,187
Balance as at 31 December 2020	300,000,000	1,606,753,420	30,000,000	350,790,265	(28,260,614)	(28,260,614)	2,259,283,071

The accompanying notes form an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries

Statement of changes in equity

		Separate financial statements				
		Retained earnings		Other components of equity		
		Losses on				
		investments in				
		equity instruments				
		designated at fair				
		value through				
		other				
		comprehensive				
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TQM Corporation Public Company Limited and its subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
			(Restated)		
			(in Baht)		
<i>Cash flows from operating activities</i>					
Profit for the year		891,769,995	701,995,772	774,575,888	625,669,423
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Tax Expense	23	206,385,203	167,175,696	469,189	1,639,589
Finance costs		1,708,990	2,091,779	-	-
Depreciation and amortisation		170,543,571	147,305,573	131,192	159,218
(Reversal of) impairment loss recognised in profit or loss		(1,546,733)	2,099,661	(750,687)	1,263,695
Non - current provisions for employee benefits		12,525,283	10,809,475	-	-
Reversal of provisions		3,826,149	177,854	-	-
Gain on changes in fair value of debt investments measured					
at fair value through profit or loss		(595,735)	(1,316,333)	(594,647)	(1,148,039)
Share of loss of associate accounted for using equity method, net of tax		1,600,000	-	1,600,000	-
(Gain) loss on disposal of property, plant and equipment		62,957	(753,567)	-	-
Impairment loss - equipment		26,764	38,497	-	-
(Gain) loss on lease modification		240,503	(40,377)	-	-
Loss on written off withholding tax		2,156	21,524	-	-
Gain from bargain purchase	6	(63,808,938)	-	-	-
Dividends received		(10,194,010)	(7,000,000)	(774,193,470)	(618,999,457)
Interest income		(26,953,988)	(35,545,337)	(13,631,547)	(18,805,919)
		1,185,592,167	987,060,217	(12,394,082)	(10,221,490)
<i>Changes in operating assets and liabilities</i>					
Accrued income and other current receivables		(73,769,429)	(69,514,145)	-	7
Personal loans		(118,345,989)	-	-	-
Other current asset		292,474	3,093,772	32,472	30,755
Other non current asset		3,035,250	(4,956,696)	-	-
Other non current financial assets		(227,709)	8,122,719	-	-
Insurance premium payables and other current payables		106,801,883	(110,590,544)	13,237	702,308
Insurance premium received in advance		(5,340,907)	6,834,095	-	-

The accompanying notes form an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
Note		2021	2020	2021	2020
		(Restated)			
		(In Baht)			
<i>Cash flows from operating activities (continued)</i>					
Other current liabilities		(5,159,684)	2,383,530	10,099	(28,942)
Other non-current liabilities		-	(109,233)	-	-
Payment for long-term employee benefits		(5,524,559)	-	-	-
Net cash generated from operating		1,087,353,497	822,323,715	(12,338,274)	(9,517,362)
Taxes received		4,211,672	1,402,914	-	-
Taxes paid		(213,646,009)	(126,641,810)	(624,265)	(3,552,725)
Net cash from (used in) operating activities		877,919,160	697,084,819	(12,962,539)	(13,070,087)
<i>Cash flows from investing activities</i>					
Deposit at bank - pledged as collateral increase (decrease)		(346)	799,992	-	-
Acquisition of subsidiaries, net of cash acquired	4, 14	(230,707,935)	-	-	-
Acquisition of other current financial assets		(98,729,378)	(319,300,000)	(100,000,000)	(269,300,000)
Proceeds from sale of current financial assets		100,356,942	690,310,799	120,627,564	630,218,769
Acquisition of other non-current financial assets		(143,520,272)	(174,676,983)	(48,520,272)	(129,677,795)
Proceeds from sale of non-current financial assets		-	4,000,100	-	-
Proceeds from redemption of investments in debt instruments measured at amortised cost		38,000,000	-	-	-
Acquisition of subsidiary	14	-	-	(323,999,500)	(4,999,800)
Proceed from sale of subsidiary	14	12,000,000	-	-	-
Acquisition of associate	13	(1,600,000)	-	(1,600,000)	-
Proceed from acquisition of non-controlling interests		4,000,030	-	-	-
Proceeds from sale of equipment		22,013	1,310,722	-	-
Acquisition of equipment		(15,391,102)	(55,431,309)	-	(3,852)
Acquisition of intangible assets		(12,710,294)	(13,753,442)	-	-
Proceeds from repayment of loans to related parties		6,399,996	6,399,996	-	-
Loan to related parties		-	-	(40,000,000)	-
Dividends received		10,194,010	7,000,000	788,193,384	630,999,473
Interest received		29,997,090	35,903,753	14,541,832	19,290,776
Net cash from (used in) investing activities		(301,689,246)	182,563,628	409,243,008	876,527,571

The accompanying notes form an integral part of the financial statements.

TQM Corporation Public Company Limited and its subsidiaries

Statement of cash flows

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
			(Restated)		
			(in Baht)		
<i>Cash flows from financing activities</i>					
Director loan		(1,000,000)	-	-	-
Payment of lease liabilities		(99,901,307)	(96,835,822)	-	-
Cash paid for interest		(1,708,990)	(2,091,779)	-	-
Cash paid for dividend	25	(779,994,488)	(630,000,472)	(779,993,948)	(629,999,929)
Net cash used in financing activities		(882,604,785)	(728,928,073)	(779,993,948)	(629,999,929)
Net increase (decrease) in cash and cash equivalents		(306,374,871)	150,720,374	(383,713,479)	233,457,555
Cash and cash equivalents at 1 January		1,110,414,354	959,693,980	442,564,921	209,107,367
Cash and cash equivalents at 31 December		804,039,483	1,110,414,354	58,851,442	442,564,922
<i>Non-cash transactions</i>					
Outstanding payables for purchases of plant and equipment		1,155,854	(7,242,195)	-	(3,852)
Outstanding payables for purchases of intangible assets		10,582	(34,069)	-	-
Outstanding payables for finance leases		6,727,045	(59,638,808)	-	-
Dividend receivables		-	-	303,999,600	317,999,604

The accompanying notes form an integral part of the financial statements.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Change in accounting policy
4	Acquisitions of subsidiaries
5	Significant accounting policies
6	Related parties
7	Cash and cash equivalents
8	Personal loans
9	Accrued service income and other receivables
10	Other current financial assets
11	Deposits at banks - pledged as collateral
12	Other non-current financial assets
13	Investments in associates
14	Investments in subsidiaries
15	Buildings and equipment
16	Right-of-use assets and lease
17	Intangible assets
18	Insurance premium payables and other payables
19	Non-current provisions for employee benefits
20	Legal reserve
21	Segment information and disaggregation of revenue
22	Expenses by nature
23	Income tax
24	Earnings per share
25	Dividends
26	Financial instruments
27	Capital management
28	Commitments with non-related parties
29	Contingent liabilities
30	Events after the reporting period

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 24 February 2022.

1 General information

TQM Corporation Public Company Limited, the “Company”, is a public company incorporated in Thailand. The Company’s registered office at 123 Ladplakao Road, Jorakaebua, Ladprao, Bangkok 10230

The parent companies during the financial year were Eternal Growth Corporation Company Limited, which was incorporated in Thailand.

The Group is principally engaged in investment in companies that engaged in non-life insurance broker, life insurance broker, personal loans and provides procurement and consulting services for computer software and hardware.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange commission. The financial statements are presented in Thai Baht, which is consistently to all periods presented in these financial statements.

The Group has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2021 and disclosed impact from changes in accounting policies in note 3.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Change in accounting policy

The Group has adopted the new Conceptual framework for financial reporting announced by the Federation of Accounting Professions 48/2563 dated 17 November 2020, which effective for the accounting periods beginning on or after 1 January 2021, since 1 January 2021 and adjusted the comparative financial statement.

The new Conceptual framework for financial reporting determines that when a principal engages an agent to act on behalf of, and for the benefit of, the principal. If an agent has custody of an economic resource controlled by the principal, that economic resource is not an asset of the agent. Furthermore, if the agent has an obligation to transfer to a third party an economic resource controlled by the principal, that obligation is not a liability of the agent, because the economic resource that would be transferred is the principal’s economic resource, not the agent’s.

TQM Corporation Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2021**

The adjustments made to the amounts recognised in each line item in the statement of financial position and cash flow upon adoption of the new Conceptual framework for financial reporting resulted to the adjustment of the deposits at banks with restrictions for insurance premiums that the Company received from insured. For these deposits, the Company must submit the amount to insurance company, and not use or deduct any expenses as stated in the brokerage contracts and Insurance premium receivables. In addition, the Company adjust the payables in related to these deposits. The impact to the assets and liabilities and cash flow are as follows:

	Consolidated financial statements		
	As reported	Restated	As restated
	(in thousand Baht)		
Statement of financial position			
As at 31 December 2020			
Cash and cash equivalents	1,107,048	3,366	1,110,414
Deposits at bank with restrictions	1,060,048	(1,060,048)	-
Accrued income and other current receivables	715,135	(290,163)	424,972
Insurance premium payables and other current			
Payables	(1,258,149)	952,131	(306,018)
Insurance premium received in advance	(481,243)	394,714	(86,529)
		-	
Statement of cash flows			
For the year ended 31 December 2020			
Deposits at bank with restrictions	(135,610)	135,610	-
Accrued income and other current receivables	(41,315)	(28,199)	(69,514)
Insurance premium payables and other current			
payables	(37,595)	(72,996)	(110,591)
Insurance premium received in advance	38,183	(31,349)	6,834
		3,066	

Change in accounting policy does not affect to separate statements of financial position and separate statements of cash flows.

4 Acquisitions of subsidiaries*(a) True Life Broker Company Limited*

On 23 August 2021 the Group obtained control of True Life Broker Company Limited, a group life insurance brokerage business, by acquiring 51% of the shares and voting interests in the company. As a result, the Group's equity interest in True Life Broker Company Limited increased from 0% to 51%. The consideration consisted of a cash payment of Baht 250 million. The Group incurred acquisition-related costs of Baht 2.15 million which have been included in administrative expenses.

Taking control of True Life Broker Company Limited will enable the Group to expansion to varieties of customer's lifestyles through access to True Life Broker Company Limited. The acquisition is expected to provide the Group with an increased share of the group life insurance market through access to the acquiree's customer base.

TQM Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

During the period from acquisition date to 31 December 2021, True Life Broker Company Limited contributed revenue of Baht 46.4 million and profit of Baht 25.3 million to the Group's results. If the acquisition had occurred on 1 January 2021, management estimates that consolidated revenue would have increased by Baht 107.1 million and consolidated profit for the year ended 31 December 2021 would have increased by Baht 61.1 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

Contingent consideration and Expected compensation

The Group has agreed to pay the selling shareholders additional consideration if the acquiree's cumulative net profit for fiscal years and 2022 exceeds the amount as specified in the contract and agreed to additional received from shareholders additional consideration if the acquiree's cumulative net profit lower for fiscal years and 2022 than the amount as specified in the contract. The Group expects the acquiree to have a net profit close to the estimate and therefore no consideration recorded as part of assets or liability at the acquisition date.

Identifiable assets acquired and liabilities assumed

	Fair value (in thousand Baht)
Note	
Cash and cash equivalents	29,699
Accrued income and other current receivables	8,935
Intangible assets	721,615
Insurance premium payables and other current payables	(1,186)
Deferred tax liabilities	(144,323)
Other current assets / Other current liabilities	487
Total identifiable net assets	615,277
Less Non-controlling interests (49 %)	(301,461)
Total identifiable net assets received	313,766
Goodwill arising from the acquisition	(63,766)
Purchase consideration transferred	250,000
Net cash acquired with the subsidiary	29,699
Cash paid	(250,000)
Net cash outflows	(220,301)

The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

(b) True Extra Broker Company Limited

On 23 August 2021 the Group obtained control of True Extra Broker Company Limited, a Non-life insurance brokerage business, by acquiring 51% of the shares and voting interests in the company. As a result, the Group's equity interest in True Extra Broker Company Limited increased from 0% to 51%. The Group incurred acquisition-related costs of Baht 16 million. The Group considered this transaction as a business combination.

Taking control of True Extra Broker Company Limited will enable the Group to expansion to sales channel expansion covering new products through access to True Life Broker Company Limited. The acquisition is expected to provide the Group with an increased share of the Non-life insurance market through access to the acquiree's customer base.

TQM Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

During the period from acquisition date to 31 December 2021, True Extra Broker Company Limited contributed revenue of Baht 5.5 million and profit of Baht 1.3 million to the Group's results. If the acquisition had occurred on 1 January 2021, management estimates that consolidated revenue would have increased by Baht 11.8 million and consolidated profit for the year ended 31 December 2021 would have increased by Baht 2.3 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

Identifiable assets acquired and liabilities assumed

	Note	Fair value (in thousand Baht)
Cash and cash equivalents		5,759
Accrued income and other current receivables		7,735
Intangible assets		31,045
Insurance premium payables and other current payables		(6,712)
Deferred tax liabilities		(6,209)
Other current assets / Other current liabilities		(160)
Total identifiable net assets		31,458
Less Non-controlling interests (49 %)		(15,414)
Total identifiable net assets received		16,044
Goodwill arising from the acquisition		(44)
Purchase consideration transferred		16,000
Net cash acquired with the subsidiary		5,759
Cash paid		(16,000)
Net cash outflows		(10,241)

The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Financial instruments

(1) Classification and measurement

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(3) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

For accrued service income and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

(4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(5) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits.

(c) Accrued service income and other receivables

A accrued service income and other receivables are recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

(d) Investments in subsidiaries and associate

Investments in associate are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

(e) Buildings and equipment

Buildings and equipment are measured at cost less accumulated depreciation and impairment losses

Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the items and restoring the site on which they are located.

Comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Depreciation

Depreciation is calculated by using a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss.

The estimated useful lives are as follows:

Buildings	5 and 20	years
Buildings and leasehold improvements	3, 5 and 10	years
Furniture, fixtures and office equipment	5	years
Equipment and computer system	3 and 10	years
Vehicles	3 and 5	years

No depreciation is provided on assets under installation.

(f) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

The estimated useful lives are as follows:

Land	3 - 5 years
Buildings	1 - 8 years
Office equipment	4 - 5 years
Vehicle	2 - 3 years

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payment. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. However, for leases of that received COVID-19 related rent concessions and the Group elected not to assess that the rent concessions are lease modification, the impact will be adjusted on profit and loss.

(g) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software	3 - 10 years
Software license	3 - 10 years
Customer's relationship	10 years

(h) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

Defined contribution plan

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. net of depreciation or amortisation, if no impairment loss had been recognised.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(k) Provision for insurance policy cancellation

The subsidiaries estimate the provision for the insurance policy cancellation from insured persons who are eligible for the cancellation during the effective period. The provision has been made based on the management past experience and/or currently available information regarding the cancellation of insurance policy by the eligible insured persons.

(l) Revenue

Revenue for rendering of services is recognised over time. The stage of completion is assessed based on.

Brokerage income

Brokerage income is recognised on the date which the insurance policy comes into effect, net of discount, and services have been completed.

(m) Other income

Other income, which comprises dividend and others is generally recognised based on accrual basis, except for dividend income which is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(n) Interest income

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(o) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

(q) Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(r) Segment reporting

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

6 Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with subsidiaries and associates are described in notes 13 and 14. For Group's significant related party transactions during the year are as follow;

Name of the entities	Nature of relationship
Ethernal Growth Corporation Co., Ltd.	Parent company
TQM Insurance Broker Company Limited	Subsidiary
TQM Life Insurance Broker Company Limited	Subsidiary
Casmatt Company Limited	Subsidiary
TJN Insurance Broker Company Limited	Subsidiary
TO 2020 Company Limited	Subsidiary
Easy lending	Subsidiary
True Life Broker Company Limited	Subsidiary
True Extra Broker Company Limited	Subsidiary
TQC Company Limited	Subsidiary
(Formerly Daradaily Shopping Co., Ltd.)	
Surekrub.com Company Limited	Subsidiary
TQD Company Limited	Associate
Bangkok Life Assurance Public Co., Ltd.	Shareholders
The Viriyah Insurance Public Co., Ltd.	Shareholders

TQM Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Name of the entities	Nature of relationship
Bangkok Insurance Public Co., Ltd.	Shareholders
Muang Thai Life Insurance Public Co., Ltd.	Shareholders
Brilliant Survey Co., Ltd.	Common shareholders and/or directors
Daradaily Co., Ltd.	Common shareholders and/or directors
Daradaily Tour Co., Ltd.	Common shareholders and/or directors
The Premier Plus 2021 Co., Ltd.	Common shareholders and/or directors
(Formerly The Premier Consumer Co., Ltd.)	
TQR Public Co., Ltd.	Common shareholders and/or directors
Beauty twentyfour Co., Ltd.	Common shareholders and/or directors
One Law Office Limited	Common directors
Sripatum University	Common directors

Significant transactions with related parties

For the year ended 31 December

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Parent				
Rental and service expense	17,339	19,403	-	-
Payment for rental and service	67,130	76,327	-	-
Dividend paid	397,020	320,670	397,020	320,670
Disposal of asset	-	925	-	-
Subsidiaries				
Dividend income	-	-	763,999	611,999
Associates				
Interest income	166	327	-	-
Purchases of assets	3,500	7,250	-	-
Service expenses	-	6,867	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	58,315	55,804	4,060	3,151
Post-employment benefits	5,164	5,139	-	-
Total	63,479	60,943	4,060	3,151
Other related parties				
Dividend income	8,034	7,000	8,034	7,000
Brokerage income	497,965	721,583	-	-
Other service income	409,461	576,307	-	-
Information technology service income	138	138	-	-
Sales promotion expenses	819	7,078	-	-
Advertising expenses	300	11,685	-	-
Purchase asset	8	-	-	-
Service expenses	8,684	593	-	227
Training expenses	230	45	-	-
Dividend paid	57,237	48,905	57,237	48,905
Donation fee	100	-	-	-
Other personal related parties				
Dividend paid	53,103	40,320	53,102	40,319

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Balances as at 31 December 2021 and 2020 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Accrued income and other current receivables</i>				
Other related parties	146,794	121,954	-	-
Total	146,794	121,954	-	-
<i>Prepayment</i>				
Associate	-	-	-	-
Total	-	-	-	-
<i>Dividend receivables</i>				
Subsidiaries	-	-	304,000	318,000
Total	-	-	304,000	318,000
<i>Rental deposit</i>				
Parent	19,056	18,497	-	-
Other related parties	368	-	-	-
Total	19,424	18,497	-	-
<i>Insurance premium payables *</i>				
Other related parties	315,612	182,651	-	-
Total	315,612	182,651	-	-
* Balance before deduction of banks with restrictions and Insurance premium receivables				
<i>Other payables</i>				
Parent	1,365	1,246	-	-
Other related parties	90	677	-	227
Total	1,455	1,923	-	227
<i>Accrued expenses</i>				
Other related parties	336	33	-	-
Total	336	33	-	-
<i>Lease liabilities</i>				
Parent	448,470	522,045	-	-
Other related parties	2,116	499	-	-
Total	450,586	522,544	-	-

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Separate financial statements					
	Interest rate					
	31	31	31			31
	December	December	December			December
<i>Short-term loan</i>	2020	2021	2020	Increase	Decrease	2021
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
Easy Lending						
Company Limited	1	-	-	40,000	-	40,000
Net			-			40,000

Consolidated financial statements						
	Interest rate					
	31	31	31			31
	December	December	December			December
<i>Long-term loan</i>	2020	2021	2020	Increase	Decrease	2021
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
TQD Co.,Ltd. <i>(2020: TQLD Co.,Ltd.)</i>	2.50	2.50	9,600	-	(6,400)	3,200
Less: Current portion			(6,400)	-	3,200	(3,200)
Less: Allowance for expected credit losses			(77)	-	77	-
Net			3,123			-

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
(Reversal of) expected credit losses of loans	(77)	77
Total	<u>(77)</u>	<u>77</u>

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(Restated)</i>			
	<i>(in thousand Baht)</i>			
Cash	1,092	658	-	-
Bank deposits	802,947	1,109,756	58,851	422,565
Total Cash and cash equivalents	<u>804,039</u>	<u>1,110,414</u>	<u>58,851</u>	<u>422,565</u>

As at 31 December 2021, bank deposits in saving accounts of the Group carried interests between 0.05% and 0.40% per annum (2020: 0.05% to 0.60% per annum).

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

8 Personal loans

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Personal loans	118,346	-	-	-
Less Allowances for expected credit loss	-	-	-	-
Total Personal loans	118,346	-	-	-

A subsidiary received license from Bank of Thailand and provide Personal loans with repayment period from 3 to 6 months.

9 Accrued service income and other receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(Restated)</i>			
	<i>(in thousand Baht)</i>			
Accrued service income - related parties				
Aged on the basis of due dates				
Within credit terms	88,003	72,531	-	-
Overdue:				
1 - 90 days	45,695	29,418	-	-
91 - 180 days	282	15,186	-	-
181 - 365 days	10,271	2,934	-	-
More than 365 days	2,543	1,885	-	-
Total accrued service income - related parties	146,794	121,954	-	-
Accrued service income - unrelated parties				
Aged on the basis of due dates				
Within credit terms	241,287	230,372	-	-
Overdue :				
1 - 90 days	73,365	53,421	-	-
91 - 180 days	4,292	3,749	-	-
181 - 365 days	19,248	1,804	-	-
More than 365 days	2,884	1,308	-	-
Total accrued service income - unrelated parties	341,076	290,654	-	-
Total accrued service income	487,870	412,608	-	-
Less: Insurance premium payables (Impact from Offsetting a financial asset and a financial liability)	-	-	-	-
Total accrued service income - net	487,870	412,608	-	-

TQM Corporation Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2021**

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
	<i>(in thousand Baht)</i>			
Insurance premium receivables - unrelated parties				
Insurance premium receivables on legal action	346	447	-	-
Less: Allowance for expected credit loss	(346)	(447)	-	-
Total insurance premium receivables - net	-	-	-	-
Other current receivables				
Interest receivables - related parties	-	-	43	-
Interest receivables - unrelated parties	6,610	8,564	4,331	4,426
Other receivables - related parties	16,812	-	-	-
Other receivables - unrelated parties	1,960	2,599	-	-
Total other current receivables	25,382	11,163	4,374	4,426
Less: Allowance for expected credit loss	(828)	(1,218)	-	-
Total other current receivables - net	24,554	9,945	4,374	4,426
Loan to employees	1,601	2,419	-	-
Total accrued service income and other current receivables	514,025	424,972	4,374	4,426

As at 31 December 2021 and 2020, loans to employees are subjected to interest at rate of 12% per annum. The term of loan agreement is 1 year.

Expected credit loss**For the year ended 31 December**

**Consolidated
financial statements**
2021 2020
(in thousand Baht)

- Reversal	(491)	(552)
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TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

10 Other current financial assets

	Consolidated financial statements			
	2021		2020	
	Cost/ Amortised cost	Fair value (in thousand Baht)	Cost/ Amortised cost	Fair value
Fixed deposits with an original maturity over 3 months but less than 1 year	400,002		500,539	
Less: Expected credit loss	-		-	
Total fixed deposits with an original maturity over 3 months but less than 1 year	400,002		500,539	
Investments in debt instruments measured at amortised cost with maturity within 1 year	39,000		38,044	
Less: Expected credit loss	(80)		(17)	
Total investments in debt instruments measured at amortised cost with maturity within 1 year	38,920		38,027	
Investments in debt instruments measured at fair value through profit or loss				
Unit trusts	60,169	60,543	167	167
Add unrealised gain	374	-	-	-
Total investments in debt instruments measured at fair value through profit or loss	60,543	60,543	167	167
Total other current financial assets	499,465		538,553	

	Separate financial statements			
	2021		2020	
	Cost/ Amortised cost	Fair value (in thousand Baht)	Cost/ Amortised cost	Fair value
Fixed deposits with an original maturity over 3 months but less than 1 year	400,000		500,357	
Less: Expected credit loss	-		-	
Total fixed deposits with an original maturity over 3 months but less than 1 year	400,000		500,357	
Investments in debt instruments measured at amortised cost with maturity within 1 year	20,000		-	
Less: Expected credit loss	(51)		-	
Total investments in debt instruments measured at amortised cost with maturity within 1 year	19,949		-	

TQM Corporation Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2021**

	Separate financial statements			
	2021		2020	
	Cost/ Amortised cost	Fair value (in thousand Baht)	Cost/ Amortised cost	Fair value
Investments in debt instruments measured at fair value through profit or loss				
Unit trusts	60,001	60,375	-	-
Add unrealised gain	374	-	-	-
Total investments in debt instruments measured at fair value through profit or loss	60,375	60,375	-	-
Total other current financial assets	480,324		500,357	

As at 31 December 2021, other current financial assets carried interest 0.10% to 5.00% per annum (2020: 0.25% to 3.00% per annum).

11 Deposits at bank - pledged as collateral

As at 31 December 2021 and 2020, the subsidiary used fixed deposits amounting to Baht 2.1 million and Baht 1 million to maintain the required capital for its non-life insurance broker business under the Insurance Act B.E. 2535.

As at 31 December 2021 and 2020, the subsidiary used fixed deposits amounting to Baht 2.1 million and Baht 1 million to maintain capital in accordance with the Notification of the Office of Insurance Commission B.E. 2554 regarding the rules and conditions for the issue and renewal of a license to operate as a life insurance broker, whereby the subsidiary is required to maintain capital equal to not less than 0.25% of net brokerage revenues of the preceding fiscal year and not less than Baht one million throughout the time that it is licensed as a life insurance broker.

As at 31 December 2021 and 2020, the subsidiary used saving deposit of Baht 0.1 million to guarantee the duty under the credit and product sales representative agreement.

12 Other non-current financial assets

	Consolidated financial statements			
	2021		2020	
	Cost / Amortised cost	Fair value (in thousand Baht)	Cost / Amortised cost	Fair value
Investments in debt instruments measured at amortised cost				
Government bond	50,258		50,307	
Debentures	439,971		366,043	
Subordinated debentures	40,000		40,000	
Less: Allowance for expected credit losses	(1,189)		(1,850)	
Total	529,040		454,500	

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Consolidated financial statements			
	2021		2020	
	Cost / Amortised cost	Fair value <i>(in thousand Baht)</i>	Cost / Amortised cost	Fair value
Investments in equity designated at fair value through other comprehensive income				
Common shares	352,896	531,026	284,426	249,101
Preferred shares	9,999	9,999	9,999	9,999
Less: Unrealised gain (loss)	178,130	-	(35,325)	-
Total	541,025	541,025	259,100	259,100
Rental deposits				
Rental deposits - related party	19,695		19,146	
Less: Allowance for expected credit losses	(271)		(649)	
Total	19,424		18,497	
Rental deposits - unrelated parties	6,378		4,177	
Less: Allowance for expected credit losses	(30)		(58)	
Total	6,348		4,119	
Grand total	1,095,837		736,216	

	Separate financial statements			
	2021		2020	
	Cost / Amortised cost	Fair value <i>(in thousand Baht)</i>	Cost / Amortised cost	Fair value
Investments in debt instruments measured at amortised cost				
Debentures	223,387		244,246	
Subordinated debentures	20,000		20,000	
Less: Allowance for expected credit losses	(462)		(1,264)	
Total	242,925		262,982	
Investments in equity designated at fair value through other comprehensive income				
Equity securities	352,895	531,025	284,426	249,100
Less: Unrealised gain (loss)	178,130	-	(35,326)	-
Total	531,025	531,025	249,100	249,100
Grand total	773,950		512,082	

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

As at 31 December 2021 and 2020, investments in debt instruments measured at amortised cost consist of debentures, subordinated debenture and government bond, carried interests between 1.74% and 5.00% per annum which matured within June 2029.

As at 31 December 2021 and 2020, the Company used government bond amounting to Baht 50 million to maintain the required capital for its non-life insurance broker business under the Insurance Act B.E. 2535.

TQM Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements
For the year ended 31 December 2021

13 Investments in associates

	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(%)									
Associates											
TQD Co., Ltd. (2020: TQLD Co., Ltd)	Provide advice or services by using electronic media through the internet	40	40	7,000	3,000	2,800	1,200	-	-	-	-
Total						2,800	1,200	-	-	-	-

None of the Group's associates are publicly listed and consequently do not have published price quotations.

The Group recognised addition share of loss from investment accounted for using equity method from the increase in share capital of associate amounting to Baht 1.6 million, the remaining unrecognised losses relating to certain investments accounted for using the equity method where its share of losses exceeds the carrying amount of those investments. As at 31 December 2021, the Group's cumulative share of unrecognised losses was Baht 0.12 million (31 December 2020: Baht 2.63 million), of which Baht (2.28) million were the Group's share of losses (gain) for the year ended 31 December 2021, respectively (2020: Baht 2.09 million, respectively). The Group has no obligation in respect of these losses.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Separate financial statements									
Type of business	Ownership interest		Paid-up capital		Cost		Impairment		Dividend income
	2021	2020	2021	2020	2021	2020	2021	2020	2021
	(%)						(in thousand Baht)		2020
<i>Associates</i>									
TQD Co., Ltd.	40	40	7,000	3,000	2,800	1,200	(2,800)	(1,200)	-
(2020: TQD Co., Ltd)									
Provide advice or services by using electronic media through the internet									
Total					2,800	1,200	(2,800)	(1,200)	-

None of the Group's associates are publicly listed and consequently do not have published price quotations.

The Company subscribed for shares additionally issued of TQD Company Limited (subsidiary company), of Baht 4 million (ordinary shares 40,000 shared with a par value of Baht 100 each), the Company invested in 16,000 shares at a price of Baht 100 each, or a total Baht 1.6 million, representing 40% shareholding in this company. TQD Company Limited is registered its additional shares issued with the Ministry of Commerce on 7 April 2021.

TQM Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

14 Investments in subsidiaries

	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
(in thousand Baht)													
Direct subsidiaries	Non-life insurance broker	100	100	400,000	400,000	410,000	410,000	-	-	410,000	410,000	760,000	606,000
	Life insurance broker	100	100	50,000	50,000	50,301	50,301	-	-	50,301	50,301	-	-
	Provides procurement and consulting services for computer software and hardware	100	100	5,000	5,000	5,151	5,151	-	-	5,151	5,151	4,000	6,000
	Non-life insurance broker	100	100	5,000	5,000	5,000	5,000	-	-	5,000	5,000	-	-
	Investment or holding in other businesses, both of domestic and overseas	100	100	5,000	5,000	5,000	5,000	-	-	5,000	5,000	-	-
Easy Lending Company Limited	Personal loan for multi-purpose	76	-	50,000	-	38,000	-	-	-	38,000	-	-	-
True Life Broker Company Limited	Life insurance broker	51	-	2,000	-	250,000	-	-	-	250,000	-	-	-
True Extra Broker Company Limited	Non-life insurance broker	51	-	5,000	-	16,000	-	-	-	16,000	-	-	-
TQC Company Limited	Provides consulting services for insurance claims	100	-	20,000	-	19,999	-	-	-	19,999	-	-	-
Total				799,451	475,452	799,451	475,452	-	-	799,451	475,452	764,000	612,000
Indirect subsidiaries	Non-life insurance broker	60	-	10,000	-	-	-	-	-	-	-	-	-
	Total			-	-	-	-	-	-	-	-	-	-

TQM Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Easy Lending Company Limited registered the establishment with the Ministry of Commerce with registered share capital of Baht 50 million (500,000 ordinary shares with a par value of Baht 100 each), in which the subsidiary invested in 499,997 shares of Baht 100 each, totaling Baht 50 million, representing 99.99% shareholding and registered in shareholders with the Ministry of Commerce on 19 February 2021. During the year, the Group sold the ordinary shares of Easy Lending Company Limited as a subsidiary of the Group to the directors of the Company totaling 120,000 shares at par 100 baht per shares of 24% of the registered capital to the Company's directors and person willing to buy in amount of 12,000,000 baht. This results the Group's shareholding reduced to 76%.

Surekrub.com Company Limited (Indirect subsidiaries), with registered share capital of Baht 10 million (1,000,000 ordinary shares with a par value of Baht 10 each). The subsidiary invested 599,997 shares of Baht 10 each, totaling Baht 6 million, representing 60% shareholding in this company. Surekrub.com Company Limited is registered its establishment with the Ministry of Commerce on 8 April 2021.

As at 11 November 2021, the Group purchased 199,998 ordinary shares in TQC Company Limited at par value of Baht 100 per share total of Baht 20 million, representing 99.99% shareholding.

15 Buildings and equipment

	Consolidated financial statements					
	Building	Building improvement and rental buildings	Furniture, fixtures and office equipment (in thousand Baht)	Equipment and computers	Vehicle	Asset under construction and installation
						Total
Cost						
At 1 January 2020	1,759	136,105	190,003	154,293	41,224	158
Additions	-	2,622	9,024	13,605	21,416	1,522
Disposals	-	(4,209)	(6,063)	(2,111)	(1,800)	-
Transfer (out)	-	1,558	122	-	-	(1,680)
At 31 December 2020 and 1 January 2021	1,759	136,076	193,086	165,787	60,840	-
Additions	-	1,644	2,472	12,024	-	406
Acquisitions and transfers in - at cost	-	457	1,614	24	4,271	-
Disposals	-	(680)	(5,324)	(3,829)	-	-
Transfer	-	391	15	-	-	(406)
At 31 December 2021	1,759	137,888	191,863	174,006	65,111	-
Accumulated depreciation						
At 1 January 2020	1,759	99,262	169,288	136,333	37,302	-
Depreciation charge for the year	-	8,905	9,681	10,360	4,567	-
Depreciation of disposal and impairment assets	-	(4,195)	(5,933)	(2,110)	(1,349)	-
At 31 December 2020 and 1 January 2021	1,759	103,972	173,036	144,583	40,520	-
Depreciation charge for the year	-	7,140	9,531	12,196	4,611	-
Acquisitions and transfers in - depreciation charge for the year	-	382	1,475	15	1,985	-
Depreciation of disposal and impairment assets	-	(658)	(5,244)	(3,819)	-	-
At 31 December 2021	1,759	110,836	178,798	152,975	47,116	-
Net book value						
At 31 December 2020	-	32,104	20,050	21,204	20,320	-
At 31 December 2021	-	27,052	13,065	21,031	17,995	-

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Separate financial statements

	Building	Building improvement and rental buildings (in thousand Baht)	Total
Cost			
At 1 January 2020	40	292	332
Additions	-	-	-
At 31 December 2020 and 1 January 2021	40	292	332
At 31 December 2021	40	292	332
Accumulated depreciation			
At 1 January 2020	5	113	118
Depreciation charge for the year	8	97	105
At 31 December 2020 and 1 January 2021	13	210	223
Depreciation charge for the year	8	78	86
At 31 December 2021	21	288	309
Net book value			
At 31 December 2020	27	82	109
At 31 December 2021	19	4	23

As at 31 December 2021, certain items of buildings and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets is amounted to Baht 415.1 million (2020: Baht 387.3 million).

16 Right-of-use assets and lease

Consolidated financial statements

Right-of-use assets	Property	Building	Office equipment (in thousand Baht)	Vehicle	Total
At 1 January 2020	11,127	725,128	6,439	6,543	749,237
Additions	-	4,830	622	3,007	8,459
Disposals	(1,570)	(62,114)	-	(4,415)	(68,099)
Depreciation charge for the year	(2,818)	(101,603)	(1592)	(1,628)	(107,641)
At 31 December 2020 and 1 January 2021	6,739	566,241	5,469	3,507	581,956
Additions	722	19,513	2,501	6,479	29,215
Disposals	(1,209)	(16,269)	(5,009)	-	(22,487)
Depreciation charge for the year	(2,776)	(99,129)	(876)	(2,184)	(104,964)
At 31 December 2021	3,476	470,356	2,085	7,802	483,719

In 2021, the right-of-use assets of the Company increased by Baht 6.7 million (2020: Decreased by Baht 59.6 million).

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Lease liabilities</i>		
Lease liabilities	503,861	598,512
Interest on lease liabilities	(4,073)	(5,791)
Total	499,788	592,721
Current portion	(99,077)	(98,389)
Lease liabilities - Net current portion	<u>400,711</u>	<u>494,332</u>

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Expense relating to lease recognised in profit or loss</i>		
COVID-19 related rent concessions	16,545	-
Depreciation of right-of-use asset	104,964	107,641
Interest on lease liabilities	1,709	2,092
Expenses relating to short-term lease	325	604
Expenses relating to lease of low-value assets	56	51

In 2021, total cash outflow for leases presented in the Group were Baht 101.6 million (2020: Baht 99.6 million) including the cash outflow to short-term lease and leases of low-value assets. Moreover, the Group had non-cash transaction of the Company for right-of-use assets and liabilities decreased by Baht 6.7 million (2020: Baht 59.6 million).

17 Intangible assets

As at 31 December 2021 and 2020, net book value of intangible assets are as follow:

	Consolidated financial statements			Separate financial statements	
Notes	Assets acquired from business acquisition	Software Computer	Total (in thousand Baht)	Software Computer	Total
<i>Cost</i>					
At 1 January 2020	-	88,171	88,171	161	161
Amortisation for the year	-	(65,761)	(66,761)	(115)	(115)
At 31 December 2020 and 1 January 2021					
	-	22,410	22,410	46	46
Additions	4	752,661	12,720	-	-
Transfer		-	-	-	-
Amortisation for the year		(25,158)	(6,957)	(46)	(46)
Net book value		727,503	28,173	-	-

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

18 Insurance premium payables and other payables

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
	<i>(in thousand Baht)</i>			
Insurance premium payables	-	49,694	-	-
Other payables - related parties	1,455	1,923	-	227
Other payables - unrelated parties	253,986	97,814	389	203
Payables from acquisition of assets	1,513	309	-	-
Accrued expenses - related parties	336	33	-	-
Accrued expenses - unrelated parties				
	165,295	156,245	565	511
Total	422,585	306,018	954	941

As at 31 December 2021, the Company had bank deposit for insurance premium which has to be submitted to the insurance company and insurance premium receivable amounting to Baht 1,866 million (2020: Baht 1,350 million). These amounts are not recognised as asset of the Company.

19 Non-current provisions for employee benefits

	Consolidated financial statements	
<i>At 31 December</i>	2021	2020
	<i>(in thousand Baht)</i>	
Defined benefit plan	115,092	102,494
Total	115,092	102,494

Present value of the defined benefit obligations

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	102,494	91,001
Include in profit or loss:		
Current service cost	10,817	9,293
Past service cost	-	-
Interest on obligation	1,708	1,516
Included in other comprehensive income		
Actuarial gain (loss)		
- Demographic assumptions	(752)	778
- Financial assumptions	(32,665)	(720)
- Experience adjustment	39,015	626
Total	5,598	684
Benefit paid	(5,525)	-
At 31 December	115,092	102,494

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

The Group expects to pay Baht 18 million of long-term employee benefit during the next year. (2020: Baht 5 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 12 - 18 years (2020: 12 - 18 years)

Principal actuarial assumptions

	Consolidated financial statements	
	2021	2020
	(%)	
Discount rate	1.5 - 1.9	1.5 - 1.9
Future salary growth	1.5 - 5	1.5 - 7.6
Employee turnover	1.9 - 57.3	0.0 - 57.3

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect to the defined benefit obligation

At 31 December

	Consolidated financial statements	
	2021	
	Increase	Decrease
	(in thousand Baht)	
Discount rate (1% increase/decrease assumption)	(12,128)	14,445
Future salary growth (1% increase/decrease assumption)	15,064	(12,888)
Employee turnover (20% increase/decrease assumption)	(18,967)	25,854

Effect to the defined benefit obligation

At 31 December

	Consolidated financial statements	
	2020	
	Increase	Decrease
	(in thousand Baht)	
Discount rate (0.5% increase/decrease assumption)	(5,036)	5,470
Future salary growth (0.5% increase/decrease assumption)	6,594	(6,099)
Employee turnover (0.5% increase/decrease assumption)	(7,396)	3,899

20 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

21 Segment information and disaggregation of revenue

Disaggregation of revenue

<i>For the year ended 31 December</i>	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Major products/service lines		
Brokerage income	2,036,496	1,848,876
Service income	1,236,948	1,233,495
Consulting service income	138	138
Total revenue from contracts with customers	3,273,582	3,082,509
Timing of revenue recognition		
At a point in time	3,273,444	3,082,371
Over time	138	138
Total revenue from contracts with customers	3,273,582	3,082,509

Reconciliation of revenue

<i>For the year ended 31 December</i>	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
External customer	3,273,582	3,093,531
Inter-segment	61,476	60,993
	3,335,058	3,154,524
Adjustments and eliminations	(61,476)	(60,993)
Other income	-	(11,022)
Total revenue	3,273,582	3,082,509

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of its reportable segments.

Other income

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Gain arising on FVTPL				
debt instruments	596	1,316	595	1,148
Gain on exchange rate	41	198	-	-
Gain from rent concession	16,545	-	-	-
Gain from reversal of				
account payable	22,221	7,550	-	-
Other income	13,146	1,958	-	-
Total	52,549	11,022	595	1,148

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Finance income

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Interest income on debt instruments measured at amortised cost	26,878	35,546	13,632	18,806
Total	26,878	35,546	13,632	18,806

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Revenue and profit (loss) information regarding the Group's operating segments

<i>For the year ended 31 December 2021</i>	Non-life insurance broker	Life insurance broker	Consulting service for computer business	Others	Total	Adjustment and eliminate	Consolidated financial statements
	<i>(in thousand Baht)</i>						
External revenues	3,142,859	130,585	138	-	3,273,444	-	3,273,582
Inter-segment revenue	-	-	60,474	1,002	61,476	(61,476)	-
Dividend income	-	-	-	774,193	774,193	(763,999)	10,194
Interest income	13,051	184	32	13,688	26,955	(77)	26,878
Depreciation and amortisation	137,267	5,045	2,819	140	145,271	25,157	170,428
Income tax expense	203,443	6,350	1,096	528	211,417	(5,031)	206,385
Segment profit (loss)	805,577	26,372	4,245	773,990	1,610,184	(718,415)	891,769
Segment assets	2,106,083	143,531	29,107	2,638,217	4,916,938	(480,542)	4,436,396
Segment liabilities	1,505,031	25,626	21,112	139,052	1,690,821	(265,011)	1,425,810

<i>For the year ended 31 December 2020</i>	Non-life insurance broker	Life insurance broker	Consulting service for computer business	Others	Total	Adjustment and eliminate	Consolidated financial statements
	<i>(in thousand Baht)</i>						
External revenues	3,008,327	83,790	138	1,276	3,093,531	-	3,093,531
Inter-segment revenue	2,400	-	60,993	-	63,393	(63,393)	-
Dividend income	-	-	-	618,999	618,999	(611,999)	7,000
Interest income	16,382	304	52	18,808	35,546	-	35,546
Depreciation and amortisation	141,044	3,286	2,817	159	147,306	-	147,306
Income tax expense	163,831	(51)	1,756	1,640	167,176	-	167,176
Segment profit (loss)	684,937	(3,814)	7,081	625,663	1,313,867	(611,871)	701,996
Segment assets	2,038,780	67,038	30,193	2,265,732	4,401,743	(794,676)	3,607,067
Segment liabilities	1,489,449	13,440	22,443	1,328	1,526,660	(319,240)	1,207,420

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Timing of revenue recognition

The Group mostly recognise revenue at a point in time and recognise interest income over the time.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Major customers

For the year ended 31 December 2021, the Group has revenue from major customers (the amount of revenue is equal or over 10% total revenue) derived from 3 major customers, in amount of Baht 1,534 million (2020: 4 major customers in amount of Baht 2,005 million).

22 Expenses by nature

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Salaries, wages and other employee benefits	1,088,323	1,020,998	630	356
Sales commission and sale promotion expense	618,179	622,190	-	-
Depreciation and amortization expenses	170,428	147,306	131	159
Rental expense from operating lease agreements	4,084	3,808	-	-
Service expense	14,775	14,965	-	-
Repair and maintenance expenses	19,546	18,430	-	-

During 2021, the Company has contributed provident funds for its employees amounting to Baht 20.9 million (2020: Baht 19.9 million), which included in employee benefit expenses.

23 Income tax

Income tax recognised in profit or loss

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	212,026	172,003	319	1,892
Adjustment for prior years	-	-	-	-
Deferred tax expense				
Movements in temporary differences	(5,641)	(4,827)	150	(252)
Total income tax expense	206,385	167,176	469	1,640

TQM Corporation Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2021***Income tax relating to each component of other comprehensive income*

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Income tax recognised in other comprehensive income				
Deferred tax on gain from the change in value of financial assets measured at FVOCI	42,691	(5,515)	42,691	(5,515)
Deferred tax on actuarial losses	(1,120)	(137)	-	-
Total income tax expense	41,571	(5,652)	42,691	(5,515)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense	15 and 20	1,098,155	15 and 20	869,171
Income tax using the Thai corporation tax rate		213,117		173,933
Temporary differences and unused tax losses which deferred tax assets have not been recognised		120		828
Exempt dividend income		(2,038)		(1,400)
Non-deductible expenses		456		2,281
Additional expense deductions allowed		(5,270)		(8,466)
Total		206,385		167,176

	Separate financial statements			
	2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense	20	775,045	20	627,309
Income tax using the Thai corporation tax rate		155,009		125,462
Exempt dividend income		(154,838)		(123,800)
Non-deductible expenses		320		-
Additional expense deductions allowed		(22)		(22)
Total		469		1,640

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Total	-	32,649	(153,814)	-
Set off of tax	27,210	-	(27,210)	-
Net deferred tax assets (liabilities)	27,210	32,649	(181,024)	-

	Consolidated financial statements (Charged) / Credited to			
	At 1 January 2021	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Others
				At 31 December 2021
<i>Deferred tax assets</i>				
Allowance for expected credit losses	703	(426)	-	277
Provision for long-term employee benefits	20,495	1,392	1,120	23,006
Unrealised fair value losses on investment	7,065	-	(7,065)	-
Provision for the cancellation of Insurance policy	2,159	765	-	2,924
Leases	2,227	(1,224)	-	1,003
Total	32,649	507	(5,945)	27,210
<i>Deferred tax liabilities</i>				
Intangible assets - Customer relationship	-	(5,031)	-	145,501
Allowance for expected credit losses	-	(103)	-	(103)
Unrealised fair value gain on investment	-	-	35,626	35,626
Total	-	(5,134)	35,626	181,024
Net	32,649	5,641	(41,571)	(153,814)

	Consolidated financial statements (Charged) / Credited to			
	At 1 January 2020	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Others
				At 31 December 2020
<i>Deferred tax assets</i>				
Allowance for expected credit losses	296	407	-	703
Provision for long-term employee benefits	18,200	2,158	137	20,495
Unrealised fair value losses on investment	1,550	-	5,515	7,065
Provision for the cancellation of Insurance policy	2,124	35	-	2,159
Leases	-	2,227	-	2,227
Total	22,170	4,827	5,652	32,649

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Separate financial statements (Charged) / Credited to			
	At 1 January 2021	Profit or loss	Other comprehensive income	At 31 December 2021
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Allowance for expected credit losses	253	(150)	-	103
Unrealised fair value gain (loss) on investment	7,065	-	(7,065)	-
Total	7,318	(150)	(7,065)	-
<i>Deferred tax liabilities</i>				
Unrealised fair value gain (loss) on investment	-	-	35,626	35,626
Net	7,318	(150)	(42,691)	(35,523)

	Separate financial statements			
	(Charged) / Credited to			
	At		Other	At
	1 January	Profit or	comprehensive	31 December
	2020	loss	income	2020
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Allowance for expected credit losses	-	253	-	253
Unrealised fair value losses on investment	1,550	-	5,515	7,065
Total	1,550	253	5,515	7,318

As at 31 December 2021, the Group has temporary differences and unused tax losses amounting to Baht 4.7 million (*The Company only: Baht 2.8 million*) (2020: Baht 2.1 million (*The Company only: Baht 1.2 million*)).

As at 31 December 2021, the total amount of temporary differences associated with investments in subsidiaries for which deferred tax liability has not been recognize, is Baht 0.6 million (2020: Baht 0.8 million).

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

24 Earnings per share

The calculations of basic earnings per share for the year ended 31 December 2021 and 2020 were based on the profit for the year attributable to ordinary shareholders of the Company after restating the number of ordinary shares of the prior period to reflect the effect of the change on the Company par value of share from Baht 1 per share to Baht 0.5 per share as disclosed in note 30. Earning per share have been recalculated. Shares as if the shares have accrued at the beginning of the first year period as follow:

	Consolidated financial statements		Separate financial statements	
	2021 (Restated)	2020 (Restated)	2021 (Restated)	2020 (Restated)
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the year attributable to ordinary shareholders of the Company	890,431	701,995	774,576	625,669
Ordinary shares outstanding <i>(600 million shares / 0.5 per share)</i>	600,000	600,000	600,000	600,000
Earning per share (basic) (in Baht)	1.48	1.17	1.29	1.04

25 Dividends

Details of dividends during 2020 and 2021 are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2021				
Annual dividend 2020	28 June 2021	14 July 2021	1.15	345
Interim dividend 2021	11 August 2021	9 September 2021	1.45	435
2020				
Annual dividend 2019	29 April 2020	14 May 2020	1.10	330
Interim dividend 2020	10 August 2020	8 September 2020	1.00	300

26 Financial instruments

Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, accrued service income and other receivables, other current financial assets, deposit at bank - pledge as collateral, long-term loan to related party, other non-current financial assets, insurance premium payables and other payables and insurance premium received in advance lease liability and accrued dividend. The Company had financial risk associated with these financial instruments.

26.1 Credit risk

The Group is exposed to credit risk primarily with respect to cash and cash equivalents, accrued service income and other receivables, other current financial assets, deposit at bank - pledge as collateral, long-term loan to related party and other non-current financial assets. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

TQM Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

26.2 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements					
		Contractual cash flows			
			More than 1 years but less than 5 years	More than 5 years	
At 31 December	Carrying amount	1 year or less	(in thousand Baht)		Total
2021					
Financial liabilities					
Insurance premium and other payables	422,585	422,585	-	-	422,585
Insurance premium received in advance	81,238	81,238	-	-	81,238
Lease liabilities	503,861	100,597	403,264	-	503,861
Total	1,007,684	604,420	403,264	-	1,007,684
2020					
Financial liabilities					
Insurance premium and other payables	306,019	306,019	-	-	306,019
Insurance premium received in advance	86,529	86,529	-	-	86,529
Lease liabilities	598,512	100,109	359,209	139,194	598,512
Total	991,060	492,657	359,209	139,194	991,060
Separate financial statements					
		Contractual cash flows			
			More than 1 years but less than 5 years	More than 5 years	
At 31 December	Carrying amount	1 year or less	(in thousand Baht)		Total
2021					
Financial liabilities					
Other payables	954	954	-	-	954
	954	954	-	-	954
2020					
Financial liabilities					
Other payables	941	941	-	-	941
Total	941	941	-	-	941

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

26.3 Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

Foreign currency risk

The Group has no significant exposure to foreign currency risk because its financial transactions are in Baht currency.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group operations and its cash flows because most of the Group financial assets and liabilities bear fixed interest rate give the low exposure, increase or decrease to the sensitivity in interest expense on borrowing from movement of interest rate. Therefore, there are no significant impact to the Group's financial statements.

***Exposure to interest rate risk
at 31 December***

Consolidated financial statements
2021 2020
(in million Baht)

Financial instruments with variable interest rates

Financial assets	778	1,904
Financial liabilities	-	-

***Exposure to interest rate risk
at 31 December***

Separate financial statements
2021 2020
(in million Baht)

Financial instruments with variable interest rates

Financial assets	59	442
Financial liabilities	-	-

26.4 Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Consolidated financial statements				
	Carrying amount		Fair value		
<i>At 31 December 2021</i>	Fair value through FVTPL	Fair value through FVOCI	Amortised cost - net	Total (in thousand Baht)	
Financial assets					
Other financial assets					
Debt instruments	-	-	38,920	38,920	39,193
Investment unit	60,543	-	-	60,543	60,543
Total other financial assets	60,543	-	38,920	99,463	
Non - current other financial assets					
Common stock	-	531,026	-	531,026	531,026
Preferred stock	-	9,999	-	9,999	9,999
Government bonds	-	-	50,225	50,225	52,025
Debentures	-	-	438,861	438,861	451,472
Subordinated debentures	-	-	39,954	39,954	40,486
Total non - current other financial assets	-	541,025	529,040	1,070,065	

TQM Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Fair value through FVTPL	Carrying amount		Consolidated financial statements				Fair value	
		Fair value through FVOCI	Amortised cost - net	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total	
At 31 December 2020									
Financial assets									
Other financial assets									
Debt instruments	-	-	38,027	38,027	-	38,290	-	38,290	
Investment unit	167	-	-	167	-	167	-	167	
Total other financial assets	167	-	38,027	38,194					
Non - current other financial assets									
Common stock	-	249,101	-	249,101	249,100	-	-	249,100	
Preferred stock	-	9,999	-	9,999	-	-	9,999	9,999	
Government bonds	-	-	50,307	50,307	-	54,098	-	54,098	
Debentures	-	-	364,462	364,462	-	375,960	-	375,960	
Subordinated debentures	-	-	39,731	39,731	-	40,970	-	40,970	
Total non - current other financial assets	-	259,100	454,500	713,600					

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

At 31 December 2021	Separate financial statements						
	Fair value through FVTPL	Carrying amount		Fair value			Total
		Fair value through FVOCI	Amortised cost - net	Total (in thousand Baht)	Level 1	Level 2	Level 3
Financial assets							
Other financial assets							
Debt instruments	-	-	19,949	19,949	-	20,185	-
Investment unit	60,375	-	-	60,375	-	60,375	-
Total other financial assets	60,375	-	19,949	80,324			
Non - current other financial assets							
Common stock	-	531,025	-	531,025	531,025	-	-
Preferred stock	-	-	-	-	-	-	-
Government bonds	-	-	-	-	-	-	-
Debentures	-	-	222,948	222,948	-	230,822	-
Subordinated debentures	-	-	19,977	19,977	-	20,243	-
Total non - current other financial assets	-	531,025	242,925	773,950			

TQM Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

At 31 December 2020	Fair value through FVTPL	Fair value through FVOCI	Carrying amount		Separate financial statements			
			Fair value	Amortised cost - net	Total (in thousand Baht)	Level 1	Level 2	Level 3
Financial assets								
Non - current other financial assets								
Common stock	-	249,100	-	-	249,100	249,100	-	-
Debentures	-	-	243,115	-	243,115	-	250,791	-
Subordinated debentures	-	-	-	19,867	19,867	-	20,485	-
Total non - current other financial assets	-	249,100	262,982	-	512,082	-	-	20,485

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follow:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accrued service income and other receivables, dividend receivables, insurance premium payables and other payables and insurance premium received in advance, their carrying amounts in the statement of financial position approximate their fair value.
- The fair value of debt securities is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.
- The fair value of equity securities is generally derived from quoted market prices, or base on generally accepted pricing models when on market price is available.
- The fair value of unit trusts is determined by using the net asset value announced by asset management company.
- Short-term loan and long-term loan to related party their carrying amounts in the statement of financial position approximates their fair value

During the current period, there were no transfers within the fair value hierarchy.

TQM Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

27 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital. As at 31 December 2021, the Group debt-to-equity ratio was 0.5:1 (2020: 0.5:1) and the Company was 0.02:1 (2020: 0.01:1).

28 Commitments with non-related parties

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Capital commitments		
Designing and developing ERP system	2,988	2,313
Total	2,988	2,313
Other commitments		
Other service agreement	3,405	6,687
Consulting agreement	8,900	8,720
Bank guarantees	17,950	17,800
Total	30,255	33,207

29 Contingent liabilities

As at 31 December 2021 and 2020, the subsidiary was sued by an ordinary person as a co-defendant and co-responsibilities in civil cases who demands damages for a failure to comply with insurance agency agreements. The amount in dispute under these cases totaled Baht 5.5 million. These cases are currently under consideration of the Court of First Instance. The Company is conducting a negotiation with the plaintiff.

The management of the subsidiary believes that there will be no material effects arising from the above cases. The Company therefore did not set aside a provision for liability arising from legal cases in the financial statements. However, the Company has insured the liability with an insurance company and has claimed compensation from the insurance company.

30 Events after the reporting period

- On January 4, 2022, the Company registered the change of par value with the Department of Business Development from Baht 1 per share to Baht 0.50 per share. The change in par value of the shares has resulted in an increase of the number of the company's shares to 600 million shares. And the effective date as approved by The Stock Exchange of Thailand is 13 January 2022.
- On 24 February 2022, the Meeting of Board of Directors passed the following resolutions to approve a dividend payment from operating results from 1 January 2021 to 31 December 2021 at Baht 0.50 per share, or a total of Baht 300 million, which is specifying a list of shareholders on 25 March 2022 and to be paid on 12 May 2022.

Part 4

Certifying of Information





Certifying of Information




Having carefully verified the information and data shown in this annual registration statement, TQM certifies that they are completely accurate, factual, and not misleading or lacking in essential detail. In addition:

(1) The financial statements and data summarized in annual registration statement show essentially accurate information and data about its financial standing, performance, and cash flow of TQM and its subsidiaries.

(2) It has put in place a good information and data disclosure system to ensure that it discloses essential details about itself and its subsidiaries completely and accurately, while ensuring due compliance.

(3) It has put in place a good internal control system and ensured due compliance with such system. TQM has provided internal control system assessment details as of February 24, 2022, to the external auditor and the Audit Committee, including defects and key changes in the internal control system together with wrongdoing potentially affecting the preparation of the financial reports for itself and its subsidiaries.

As evidence that all documents are identical to those certified by TQM, the company has assigned Ms. Somporn Ampaisutthipong to put her initials on every page of the documents. Therefore, if her initials are missing on any given page, TQM will disown such data.

Name	Position	Signature
1. Dr.Unohalin Punnipa	Chairman of the Board of Directors / Chairman of Risk Management Committee / President / Authorized Director	
2. Dr.Napassanun Punnipa	Director / Chairman of Executive Committee / Nomination and Remuneration Director / Chief Executive Officer / Authorized Director	
Authorized person		
Ms.Somporn Ampaisutthipong	Director / Executive Director / Chief Financial Officer	

Attachment 1

Details of Directors, Executives, Controlling Persons, the Person Assigned to take the Highest Responsibility in Accounting and Finance, the Person Assigned to take Direct Responsibility for Accounting Supervision, the Company's Secretary, and the Representative for Contact and Coordination in Case of a Foreign Company



Dr. Unohalin Punnipa

Age	59 yrs.
Nationality	Thai
Current Position	Chairman of the Board of Directors / Chairman of Risk Management Committee / President
Appointment Date as the Director / Management	14 July 2011
Shareholding	3.73 %
No. of year being director	10 yrs.

Education

1. Honorary Doctorate Degree of Arts in General Management
2. Doctor of Philosophy in Public Administration, Eastern Asia University
3. Master of Business Administration, Kasetsart University
4. Bachelor of Political Science, Ramkhamhaeng University

Training

1. 2morrow Soaler 2020 Stock2morrow
2. Strategic Board Master Class (SBM) Class 7, 2019 (IOD)
3. Modern Manager Program (MMP 66) 2018 Chulalongkorn University
4. Everest Business Camp 2018 Sripatum University
5. Advanced Management Program, Capital Market Academy (CMA), Class 26, 2018
6. National Defense Course (NDC), Class 58, 2015
7. Advance Certificate Politics and Governance in Democracy System for Executive, Class 18 King Prajadhipok's Institute
8. Thailand Insurance Leadership Program, Class 3, 2013
9. ACADEMY OF BUSINESS CREATIVITY (ABC), Class 1, 2013
10. Advanced Security Management Program (ASMP), Class 3, 2012
11. Risk Management for Executives No.9/2011 Chulalongkorn University
12. Director Certification Program, Class 146, 2011
13. Successful Formulation & Execution of Strategy, Class 8, 2010
14. Role of the Chairman Program, Class 23, 2010
15. Business Analysis Program, Class 17, 2010 Chulalongkorn University

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 1997 - Present Chairman of the Board / President
TQM Insurance Broker Company Limited

- 2008 - Present Chairman of the Board / President
TQM Life Insurance Broker Company Limited
- 2021 - Present Director
True Life Broker Company Limited
- 2021 - Present Director
True Extra Broker Company Limited
- 2021 - Present Director
Easy Lending Company Limited
- 2021 - Present Director
TQC Company Limited
- 2020 - Present Director
TO 2020 Company Limited
- 2017 - Present Director
TQM Place Company Limited
- 2007 - Present President
Casmatt Company Limited
- 2006 - Present Director
Ethand Growth Corporation Company Limited
- 2017 - 2021 Director
Dara Daily Shopping Company Limited
- 2007 - 2018 Director
Casmatt Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Mr. Marut Simasathien

Age	72 yrs.
Nationality	Thai
Current Position	Independent Director/ Chairman of the Audit Committee/ Nomination and Remuneration Director/ Risk Management Director/ Corporate Governance Director
Appointment Date as the Director/Management Shareholding	22 February 2018 None
No. of year being director	4 yrs.



Education

1. Master of Business Administration Kasetsart University
2. Bachelor of Accounting, Thammasat University

Training

1. Seminar on "The Importance of Audit Committee in the Capital Market and Roles of Audit Committee in Good Corporate Governance" (SEC)
2. Seminar on "One report, sustainability disclosure requirement: The challenges ahead" (KPMG)
3. Advanced Audit Committee Program (AACP), Class 38 (2020) the Thai Institute of Directors
4. Director Accreditation Program (DAP), Class 17/2004 the Thai Institute of Directors
5. Thailand National Defense Course, 2002 the National Defense College of Thailand
6. Corporate Governance for Directors and Senior Executives Course of state Enterprises and Public Organizations, Class 11

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 2021 - Present: Director / Member of The Audit Committee N.D.S.34 Company Limited
- 2016 - Present: Independent Director / Member of The Audit Committee Thai National Product Public Company Limited
- 2003 - Present: Chairman of the Board of Directors / Chairman of the Audit Committee NL Development Public Company Limited
- 1989 - Present: Director MPS Holding Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Dr. Rutohaneeporn Pookayaporn

Age	62 yrs.
Nationality	Thai
Current Position	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Corporate Governance Director
Appointment Date as the Director / Management	22 February 2018
Shareholding	0.06%
No. of year being director	4

Education

1. Doctor of Philosophy in Psychology Management, Alliant International University, USA
2. Master's degree in School Administration, Mississippi state University, USA
3. Bachelor of Business Administration, Mississippi University for Women, USA

Training

1. Ethical Leadership Program (ELP), Class 24, 2021 (IOD)
2. Financial Statements for Directors (FSD), Class 43/2020 the Thai Institute of Directors
3. Director Certification Program, Class 261, 2018 the Thai Institute of Directors
4. Business Reform and Innovation Network Course, Class 1 (BRAIN) organized by the Federation of Thai Industries
5. Advanced Insurance Program, Class 6, the Office of Insurance Commission (OIC)
6. Senior Executive Program, Class 5, the Energy Science Institute
7. Senior Executive Program, Capital Market Academy, Class 8
8. National Defense Course (Por Ror Aor 19), 2006
9. Service Level Relationship Development Project, Class 3 (Por Sor Bor 3)

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 2021 - Present Director XET Company Limited
- 2020 - Present Director A.S.M. Company Limited
- 2017 - Present Director Ban IT Property Company Limited
- 2017 - Present Director Ban Chao Sam Ran Property Company Limited
- 2010 - Present Director Embedded Innovation Sripatum Company Limited
- 2004 - Present Director SPT Holding Company Limited
- 2004 - Present Director SPU Development Company Limited
- 2003 - Present Director SPT Park Company
- 2003 - Present Director Pomsuksant Cleaning Limited Partnership
- 1999 - Present Director M.P. Education Co., Ltd.
- 1996 - Present Director Thai Ayathaya Business Administration Co., Ltd.
- 1996 - Present Director S.M.P. 1996 Co., Ltd.
- 1995 - Present Director Ubonchart Co., Ltd.
- 1995 - Present Director One Plus One Design Co., Ltd.
- 1993 - Present Director M.P. Town Co., Ltd.
- 1988 - Present Director Sripatum Education Co., Ltd.
- 1987 - Present Chancellor Sripatum University
- 1984 - Present Director Thai Suriya Housing and Agriculture Co., Ltd.
- 2004 - 2021 Director SPT Park Company Limited
- 2004 - 2021 Director SPT Land Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Mr. Chinapat Visuttiapat

Age	54 yrs.
Nationality	Thai
Current Position	Independent Director / Nomination and Remuneration Director / Risk Management Director / Member of the Audit Committee / Corporate Governance Director
Appointment Date as the Director / Management Shareholding	22 February 2018 None
No. of year being director	4 yrs.



Education

1. Master of Laws, Thammasat University
2. Bachelor of Laws, Thammasat University

Training

1. Successful Formulation & Execution of Strategy (SFE) Class 36/2021 (IOD)
2. Graduate Diploma in Business Law, Thammasat University
3. Director Certification Program (DCP), Class 162, 2012
4. Director Diploma Examination, Class 36, 2013

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- 2021 - Present Independent Director/
Chairman of the Audit Committee
Sahachoen (Chonburi) Public
Company Limited
- 2016 - Present Independent Director/
Chairman of the Audit Committee
Abatek (Asia) Public Company Limited
- 2016 - Present Independent Director/
Chairman of the Audit Committee
Sera Public Company Limited
- 2016 - Present Independent Director/
Member of the Audit Committee
Origin Company Property
Public Company Limited

Position in other companies / businesses

- 2021 - Present Independent Director/
Chairman of the Audit Committee
Chin Huay Public Company Limited
- 2020 - Present Director
ONE Law Office Limited
- 2020 - Present Director
ONE Law Club Limited
- 2018 - Present Director
O O One Branding Company Limited
- 2018 - Present Director
Choco toss Company Limited
- 2018 - Present Director
Toon Tossakan Company Limited
- 2018 - Present Director
Wellaw Company Limited
- 2014 - Present Director
KHKP Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Ms. Suvabha Charoenying

Age	58 yrs.
Nationality	Thai
Current Position	Independent Director / Chairperson of Corporate Governance Committee
Appointment Date as the Director / Management	8 May 2018
Shareholding	0.29%
No. of year being director	4 yrs.

Education

1. Master of Business Administration in Finance and Marketing, Assumption University
2. Bachelor of Business Administration in Finance and Banking, Assumption University

Training

1. Digital Leadership Bootcamp, Class 2/2020 Skooldio
2. Senior Executive Program, Class 13, 2019 the Energy Science Institute
3. Strategic Board Master Class (SBM) Class 7, 2019 (IOD)
4. Strategic Board Master Class, Class 2, IOD Institute, 2017
5. Program Board Success through Financing and Investment Institute, IOD, 2016
6. Corporate Governance for Capital Market Intermediaries Course, IOD Institute, 2014
7. Financial Institutions Governance Program, Class 5, IOD Institute, 2014
8. Audit Committee Program, IOD Institute, 2011
9. Successful Formulation & Execution of Strategy, Class 6, IOD Institute, 2011
10. Executive Development Program (EDP), Class 2, Thai Listed Companies Association (TLCA), 2009
11. Advanced Management Program, Capital Market Academic, Class 1, 2009
12. Families in Business from generation to Generation Harvard Business School, USA, 2004
13. Finance For Non-Finance Director, Class 1 (FND 1/2001) IOD 2003
14. Director Certificate Program, Class 1, 2000

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- 2020 - Present Director
The One Enterprise Public Company Limited

- 2018 - Present Independent Director:
SF Corporation Public Company Limited
- 2016 - Present Independent Director:
Minor International Public Company Limited
- 2015 - 2018 Director / Executive Director:
Thanachart Securities Public Company Limited
- 2015 - 2017 Independent Director:
Big C Super Center Public Company Limited

Position in other companies / businesses

- 2021 - Present Director Learn Corporation Company Limited
- 2019 - Present Director Thai Institute of Directors
- 2018 - Present Director Intermark (Thailand) Company Limited
- 2017 - Present Director Gourmet Enterprise Company Limited
- 2017 - Present Director Gourmet Asia Company Limited
- 2015 - Present Director Family Office Company Limited
- 2014 - Present Director Thai Financial Planners Association
- 1995 - Present Director Ubonchart Co., Ltd.
- 1995 - Present Director One Plus One Design Co., Ltd.
- 1993 - Present Director M.P. Town Co., Ltd.
- 1988 - Present Director Sripatum Education Co., Ltd.
- 1987 - Present Chancellor Sripatum University
- 1984 - Present Director Thai Suriya Housing and Agriculture Co., Ltd.
- 2004 - 2021 Director SPT Park Company Limited
- 2004 - 2021 Director SPT Land Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Mr. Thana Thienahariya

Age	52
Nationality	Thai
Current Position	Independent Director / Member of the Audit Committee
Appointment Date as the Director / Management	24 December 2020
Shareholding	0.10%
No. of year being director	1 yrs.



Education

1. Master's degree Master of Business Administration Washington State University, USA.
2. Bachelor's degree Bachelor of Economics (2nd Class Honor) Chulalongkorn University

Training

1. Director Certification Program (DCP 181/2556)
2. TLCA Executive Development Program (EDP, Class 8/2554)
3. New Generation of Leadership in Democracy, King Prajadhipok's Institute (Batch 1/2011) King Prajadhipok's Institute
4. Capital Market Academy Leader Program (Batch 8/2009) Capital Market Academy

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- 2020 - Present Director and Chairman of the Board of Directors Bluebird Group Public Company Limited
- 2020 - Present Advisor to CEO Siam Commercial Bank Public Company Limited
- 2013 - Present Independent Director Sappee Public Company Limited
- 2015 - 2020 Senior Executive Vice President Chief Executive Officer Siam Commercial Bank Public Company Limited Marketing Group and Acting Senior Executive Vice President Chief Executive Corporate Communications Division And social activities

Position in other companies / businesses

- 2020 - Present Chairman of the Board of Directors Purple Ventures Company Limited
- 2015 - Present Director Akaorn Education Company Limited
- 2013 - Present Director Academy of Business Creativity Sripatum University
- 2013 - 2020 Director Southpaw Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Dr. Napassanun Punnipa

Age	49 yrs.
Nationality	Thai
Current Position	Director / Chairman of Executive Committee / Nomination and Remuneration Director / Chief Executive Officer
Appointment Date as the Director / Management	14 June 2011
Shareholding	3.08%
No. of year being director	10 yrs.

Education

1. Doctor of Philosophy in Public Administration, Eastern Asia University
2. Master of Business Administration, Kasetsart University
3. Bachelor of Business Administration, Sripatum University

Training

1. Thailand Insurance Super Leadership Program,
Class 1, 2020 the Office of Insurance Commission (OIC)
2. Digital Transformation for CEO # 2, 2020
3. Ultralink China, Class 1, 2018 of FiveWhale
4. Innovation Leadership for Global Competitiveness, Class 2,
2018 Siam University
5. Executive Integrated Medical Management Program (EMMP)
2018 of Chulabhorn International College of Medicine,
Thammasat University
6. DEF: Digital Edge Fusion 2017 of Sripatum University
7. Advanced Management Program, Capital Market Academy,
Class 22, 2016
8. Difference :How to Harness Business Creativity Class 2,
2014 Academy of Business Creativity
9. Real Estate/Real Deal, Class 1, 2014 Academy of Business Creativity
10. Director Certification Program, Class 147, 2011
11. Insurance Leadership Program, Class 2 of the Office of Insurance
Commission (OIC)
12. Insurance Management Development Program 2008 of
Chulabhorn University
13. New Millennium Executive Program 2002 of Thammasat University

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 1997 - Present Director / Chief Executive Officer
TQM Insurance Broker Company Limited
- 2008 - Present Director / Chief Executive Officer
TQM Life Insurance Broker Company Limited

- 2021 - Present Director
True Life Broker Company Limited
- 2021 - Present Director
True Extra Broker Company Limited
- 2021 - Present Director
Easy Lending Company Limited
- 2021 - Present Director
TQC Company Limited
- 2021 - Present Qualified Board Member
Suan Sunandha Rajabhat University
- 2020 - Present Director
TO 2020 Company Limited
- 2018 - Present Director
Casmat Company Limited
- 2017 - Present Director
TQM Place Company Limited
- 2016 - Present Director
TQD Company Limited
- 2016 - Present Director
Dara Daily Tour Company Limited
- 2011 - Present Director
Dara Daily Company Limited
- 2011 - Present Director
The Billion Deal Trading Company Limited
- 2017 - 2021 Director
Beauty Twenty Four Company Limited
- 2013 - 2021 Director
Dara Daily Shopping Company Limited
- 2007 - 2019 Chief Executive Officer
Casmat Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Ms. Somporn Ampaisutthipong

Age	57 yrs.
Nationality	Thai
Current Position	Director / Executive Director / Chief Financial Officer
Appointment Date as the Director / Management	20 September 2017
Shareholding	0.12%
No. of year being director	4 yrs.



Education

1. Master of Finance and Marketing, Sripitakul university
2. Bachelor of Management Science, Sukhothai Thammathirat Open University
3. Vocational Certificate in Accountancy, Rajamangala University of Technology, Borpitimuk Chakkawad Campus

Training

1. SET ESG Expert Pool" Class1 (SET&SEC)
2. Foundations in Responsible Investment (SET)
3. Trend, direction of M&A, key point for consideration and strategy for M&A 2021 (SET)
4. Director Accreditation Program, Class 143/2017
5. Director Certification Program, Class 252/2018
6. CFO Certificate Program the Federation of Accounting Professions
7. Strategic CFO in Capital Market, Class 5, the Stock Exchange of Thailand
8. Executive Development Program, Class 7, the Stock Exchange of Thailand
9. Thailand Overseas Investment Center (TOISC) Class 7, the Office of the National Anti-Corruption Commission (BOI)

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 2021 - Present Chief Executive Officer
Easy Lending Company Limited
- 2016 - Present Chief Financial Officer
TQM Insurance Broker Company Limited
- 2016 - Present Chief Financial Officer
TQM Life Insurance Broker Company Limited
- 2021 - Present Director
True Life Broker Company Limited
- 2021 - Present Director
True Extra Broker Company Limited
- 2016 - Present Chief Financial Officer
Casmatt Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Ms. Ratana Punnipa

Age	58 yrs.
Nationality	Thai
Current Position	Director / Executive Director / Nomination and Remuneration Director / Chief Risk Officer
Appointment Date as the Director / Management	22 September 2017
Shareholding	None
No. of year being director	4 yrs.

Education

1. Bachelor of Business Administration in Accounting,
Ramkhamhaeng University

Training

1. Ethical Leadership Program (ELP), Class 24, 2021 (IOD)
2. Internal Control for IPO team, Class 3, 2019 (SET)
3. Director Certification Program, Class 254, 2018 (IOD)
4. Director Accreditation Program, Class 143, 2017 (IOD)

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 2018 - Present Director
TQM Insurance Broker Company Limited
- 2017 - Present Chief Risk Officer
TQM Insurance Broker Company Limited
- 2018 - Present Director
TQM Life Insurance Broker Company Limited
- 2017 - Present Chief Risk Officer (CRO)
TQM Life Insurance Broker Company Limited
- 2021 - Present Director
Easy Lending Company Limited

- 2021 - Present Director
TQC Company Limited
- 2020 - Present Director
TO 2020 Company Limited
- 2018 - Present Director
Casmatt Company Limited
- 2007 - Present Chief Risk Officer (CRO)
Casmatt Company Limited
- 2016 - Present Director
Dara Daily Tour Company Limited
- 2017 - 2021 Director
Dara Daily Shopping Company Limited
- 2013 - 2021 Director
Premier Consumer Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Mr. Ampon Oniam

Age	60 yrs.
Nationality	Thai
Current Position	Director / Executive Director / Chief Operations Officer
Appointment Date as the Director / Management	22 September 2017
Shareholding	0.04%
No. of year being director	4 yrs.



Education

1. Ethical Leadership Program (ELP), Class 24, 2021 (IOD)
2. Director Certification Program, Class 254, 2018

Training

1. Ethical Leadership Program (ELP), Class 24, 2021 (IOD)
2. Internal Control for IPO team, Class 3, 2019 (SET)
3. Director Certification Program, Class 254, 2018 (IOD)
4. Director Accreditation Program, Class 143, 2017 (IOD)

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 2017 - Present Chief Operations Officer
TQM Insurance Broker Company Limited
- 2017 - Present Chief Operations Officer
TQM Life Insurance Broker Company Limited
- 2008 - Present Director
Casmet Company Limited

- 2017 - Present Chief Operations Officer
Casmet Company Limited
- 2017 - 2018 Managing Director
Dara Daily Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None

Ms. Kanjane Kulsurakit

Age	58 yrs.
Nationality	Thai
Current Position	Assistant Finance Director
Appointment Date as the Director / Management Shareholding	26 January 2015 0.01%

Education

1. Master of Marketing, Ramkhamhaeng University
2. Bachelor of Finance, Assumption University

Training

1. Ethical Leadership Program (ELP), Class 24, 2021 (IOD)
2. Internal Control for IPO team, Class 3, 2019 (SET)
3. Director Certification Program, Class 254, 2018 (IOD)
4. Director Accreditation Program, Class 143, 2017 (IOD)

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 2015 - Present: Assistant Vice President, Finance
TQM Corporation Public Company Limited
- 2015 - Present: Assistant Vice President, Finance
TQM Insurance Broker Company Limited
- 2015 - Present: Assistant Vice President, Finance
TQM Life Insurance Broker Company Limited
- 2015 - 2020: Assistant Vice President, Finance
Casmet Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None

Mr. Patintasak Tuntiohuti

Age	42 yrs.
Nationality	Thai
Current Position	Assistant Vice President, Accounting
Appointment Date as the Director / Management Shareholding	11 November 2021 None

Education

1. Master of Finance, Ramkhamhaeng University
2. Bachelor of Accounting, Ramkhamhaeng University

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 2016 - Present: Assistant Vice President, Accounting
TQM Insurance Broker Company Limited
- 2016 - Present: Assistant Vice President, Accounting
Casmet Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None



Ms. Supiohaya Theppitak

Age	48 yrs
Nationality	Thai
Current Position	Company Secretary
Appointment Date	28 February 2018
Shareholding	0.03%

Education

1. Master of Business Administration, Kasetsart University
2. Bachelor of Arts Burapha University

Training

1. Seminar "Roles of secretary in upgrading CG on Anti-Corruption" (CAC) 2021
2. Training and Workshop on sustainability report by sector 2021, group 7 in the category financial sector 2021
3. Preparation training for sustainability evaluation 2021
4. AGM Assessment Project 2021
5. Seminar on IOD Open House for Company Secretary, Thai Institute of Directors Association 2021
6. Open House for Company Secretary Thai Institute of Directors 2020
7. Company Secretary Program (CSP) Class 85/2018 Thai Institute of Directors 2018
8. Effective Minutes Taking (EMT) Class 40/2018 Thai Institute of Directors 2018

Professional Experience During The Past 5 Years

Position as Director / Executive in other listed companies in SET

- None

Position in other companies / businesses

- 2018 - Present Senior Director Operations
TQM Insurance Broker Company Limited
- 2004 - 2017 Director Operations
TQM Insurance Broker Company Limited

Competitive or related businesses to the company

- None

Illegal Record in the past 5 years

- None

Attachment 2

Details of the Directors of Subsidiaries

[illegible]

[illegible]

Region

X = Chairman of the Board of Directors

U = Director

A = Independent Director

A.C. = Member of The Audit Committee

F = President

C = Chief Executive Officer

M = Executive.

(1) = Vice President

(2) = Chancellor

(3) = Consultant

(4) = Director

2. Mrs. Aumramporn Vajayakarnjai, Senior Vice President, Accounting, resigned from an executive of the Company, who is responsible of accounting on 1 November 2021.

3. ¹ Mr. Polynazek Turtichut, Assistant/Vice President Accounting, was appointed by the Board of Director at the meeting number 53554 to be an executive who was responsible of accounting on 11 November 2021.



Attachment 3

Details of the Heads of the Internal Audit and Compliance Units

The company uses outsource services such as Dharmmit Internal Audit Company Limited as the Company's Internal auditor, which has been assigned to be the head of the internal audit of the company

Name-Surname / Position / Appointment Date	age (year)	Educational qualifications / Training history	Shareholding in Company*(%)	Family relationship between Directors and executives	Professional Experience During The Past 5 Years			
					Period	Position	Name of organization/	Business
Miss. Kittara Sornngam Certified Professional Internal Audit of Thailand (CPIAT) Was appointed on 22 February 2021 as Chief Internal Auditor.	35	Qualification • Bachelor's Degree Accounting Information System (Walailak University) Training • Digital Business with Legal Risk • Praise for CAC Signatory and Certified Companies • Fact Finding • International Standards for the Professional Practice of Internal Auditing • IT Audit Operate • Internal audit of Integrated sales and receivables system • Organic Act on Counter Corruption B.E. 2542 (1999) • Internal Auditor Standards Part 1 • Internal Audit Program: Prepared Course for Certified Internal Auditor (Pr-CIA), Chulalongkorn University • Internal Audit Comprehensive IAC	-	-	2017 - Present	Deputy manager	Dharmmit Internal Audit Co., Ltd.	providing the internal audit services
					2016 - 2017	Head of department	Dharmmit Internal Audit Co., Ltd.	providing the internal audit services
					2014 - 2015	Assistant Manager, Risk of Management and Internal Audit	Dharmmit Auditing Co., Ltd.	providing External audit of statutory financial statement and internal audit service
					2010 - 2013	Senior Internal Audit	Dharmmit Auditing Co., Ltd.	providing External audit of statutory financial statement and internal audit service
					2007 - 2010	Internal Audit	Dharmmit Auditing Co., Ltd.	providing External audit of statutory financial statement and internal audit service

Attachment 4

Business Assets and Details on Asset Valuation

Appraised Property	Market rental appraisal price	Assessment method	Property Appraisal/ Primary Appraiser	Property appraisal objectives	Date of the appraisal report
1. Market rental fee of the new office building (Pumloa 1 Building) Property : 6-storey office building with roof deck, total area of 7,812 square meters Lease period: 3 years, renewable for 3 times, 3 years, 3 years and 1 year respectively Property Location : No. 123, Lat Pla Khao Road, Chonabue Subdistrict, Lat Phrao District, Bangkok Owner : Eternal Growth Corporation Company Limited Obligations : none	- Rental fee is 500 baht per month per square meter. - Approximately 10% rent adjustment every 3 years	Comparison Approach to determine the appropriate market rent	UK Valuation and Agency Co., Ltd. Mr. Nates Tangoutnam Qualified Principal Assessor No. WorThon. 346	For public purposes	June 1, 2018
2. Market rental fee of the new office building (Pumloa 2 Building) Property : 7-storey office building with roof deck, total area of 6,548.05 square meters Lease period: 3 years, renewable for 3 times, 3 years, 3 years and 1 year respectively Property Location : No. 123/3, Lat Pla Khao Road, Chonabue Subdistrict, Lat Phrao District, Bangkok Owner : Eternal Growth Corporation Company Limited Obligations : none	- Monthly rent 480 baht per square meter. - Approximately 10% rent adjustment every 3 years	Comparison Approach to determine the appropriate market rent	UK Valuation and Agency Co., Ltd. Mr. Nates Tangoutnam Qualified Principal Assessor No. WorThon. 346	For public purposes	July 26, 2018
3. Market rental fee of Pnra Naknon Si Ayutthaya branch office Property : 3-storey commercial building with mezzanine, 1 unit, total area of 446 square meters, rental period 1 year Property Location : No. 158/131 Moo 3 Khlong Suan Phu Subdistrict Muang Pnra Naknon Si Ayutthaya District Pnra Naknon Si Ayutthaya Province Owner : Eternal Growth Corporation Company Limited Obligations : none	- Monthly rent 79 baht per square meter.	Comparison Approach to determine the appropriate market rent for a period of 3 years	UK Valuation and Agency Co., Ltd. Mr. Nates Tangoutnam Qualified Principal Assessor No. WorThon. 346	To know the appropriate market rent	May 4, 2018

Appraised Property	Market rental appraisal price	Assessment method	Property Appraisal/ Primary Appraiser	Property appraisal objectives	Date of the appraisal report
4. Market rental fee of Udon Thani branch office Property : 3-storey commercial building with mezzanine, 2 units, total area of 462 square meters, rental period 3 years Property Location : No. 222/22 Moo 5, Byass Road, Udon Thani Ban Liam Subdistrict Mueang Udon Thani District Udon Thani Province Owner : Elamal Growth Corporation Company Limited Obligations : none	- Rental fee is 95 baht per month per square meter.	Comparison Approach to determine the appropriate market rent for a period of 3 years	UK Valuation and Agency Co., Ltd. Mr. Natee Tangoutham Qualified Principal Assessor No. Wor/For. 348	To know the appropriate market rent	May 4, 2018
5. Market rental fee of Rayong branch office Property : 3-storey commercial building, 2 units, total area of 192 square meters, rental period 3 years Property Location : No. 222/20 – 222/21, Village No. 4, Ban Don Intersection, Bang Lamung-Rayong Road, Chong Nuan Sub-district, Mueang Rayong District, Rayong Province Owner : Elamal Growth Corporation Company Limited Obligations : none	- The rent is 75 baht per month per square meter.	Comparison Approach to determine the appropriate market rent for a period of 3 years	UK Valuation and Agency Co., Ltd. Mr. Natee Tangoutham Qualified Principal Assessor No. Wor/For. 348	To know the appropriate market rent	May 4, 2018
6. Market rental fee of Pitsanulok branch office Property : Commercial building, 4 floors, 3 units, total area of 559.50 square meters, rental period 3 years. Property Location : No 58/17 Moo 10 Sinarat Dechochul Road (Highway 117) Wat Chan Subdistrict Mueang Pitsanulok District Pitsanulok Province Owner : Elamal Growth Corporation Company Limited Obligations : none	- The rent per month for 110 baht per square meter.	Comparison Approach to determine the appropriate market rent for a period of 3 years	UK Valuation and Agency Co., Ltd. Mr. Natee Tangoutham Qualified Principal Assessor No. Wor/For. 348	To know the appropriate market rent	May 4, 2018
7. Market rental fee of Nakhon Phanom branch office Property : 3-storey commercial building, 1 unit, total area of 114 square meters, rental period 3 years Property Location : No. 12 Soi Thesa 14, Thesa Road, Phra Prathon Subdistrict Mueang Nakhon Phanom District Nakhon Phanom Province Owner : Elamal Growth Corporation Company Limited Obligations : none	- Rental fee is 120 baht per month per square meter.	Comparison Approach to determine the appropriate market rent for a period of 3 years	UK Valuation and Agency Co., Ltd. Mr. Natee Tangoutham Qualified Principal Assessor No. Wor/For. 348	To know the appropriate market rent	May 4, 2018
8. Market rental fee of Chiang Mai branch office Property : 4-storey commercial building with mezzanine, 1 unit, total area of 190 square meters, rental period 3 years Property Location : No. 199/4, Moo 5, within the Palm Springs Plaza project, Marikol Road, Nong Hoi Subdistrict, Mueang Chiang Mai District Chiang Mai Province Owner : Elamal Growth Corporation Company Limited Obligations : none	- Rental fee is 105 baht per month per square meter.	Comparison Approach to determine the appropriate market rent for a period of 3 years	UK Valuation and Agency Co., Ltd. Mr. Natee Tangoutham Qualified Principal Assessor No. Wor/For. 348	To know the appropriate market rent	May 4, 2018
9. Market rental fee of Khon Kaen branch office Property : 3-storey commercial building, 3 units, total area of 438.40 square meters, rental period 3 years Property Location : No. 141, 141/1, 141/2 Village No. 14, Ban Hua Trung Road, Ban Pet Subdistrict, Mueang Khon Kaen District Khon Kaen Province Owner : Elamal Growth Corporation Company Limited Obligations : none	- The rent per month for 98 baht per square meter.	Comparison Approach to determine the appropriate market rent for a period of 3 years	UK Valuation and Agency Co., Ltd. Mr. Natee Tangoutham Qualified Principal Assessor No. Wor/For. 348	To know the appropriate market rent	May 4, 2018



Attachment 5

Unabridged Policy and Guidelines on Corporate Governance and Unabridged Code of Business Conduct Prepared by the Company

TQM Corporation Public Company Limited ("the Company") manages with compliance to Corporate Governance guided by the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"). The Company recognizes the importance of operating the business with developing corporate governance for a sustainable business growth in a long term, as well as encouraging transparency. The corporate governance does not only create confidence to shareholders, investors or all stakeholders, but also create value and good performance to the Company, benefiting overall competitive advantage and sustainable growth.

Additionally, the Company has attached importance to the shareholders' rights and responsibility to the Company's shareholders and stakeholders continuously, equitable treatment of shareholders, and keeping in mind of the role of stakeholders, disclosure of information and transparency. Moreover, the Board of Directors puts emphasis on responsibility for duties and compliance with the principles of good corporate governance so as to increase confidence of shareholders, investors and all parties involved. The Board of Directors resolved to approve and enforce the corporate governance policy of covering the main principles, ranging from the structure, roles, duties and responsibilities of the Board of Directors to the management principles of executives with transparency, clarity and verifiability by applying the principles and practices based on good corporate governance for listed companies 2017 of the Securities and Exchange Commission as guidelines for organizational management, resulting in confidence that any operation of the Company is fair and takes into account the best interests of shareholders and all stakeholders. The essence of the policy can be divided into 8 principles as follows.

1. Awareness of the roles and responsibilities of the Board as organizational leader creating value for sustainable business
 1. The Board of Directors understands and recognizes the roles and responsibilities as a leader, for supervising the organization being good management covering objectives and goals, strategy formulation, operational policies as well as allocating important resources to achieve objectives and goals and monitoring, evaluating and reporting operation performances.
 2. The Board of Directors establishes policies, including the corporate governance policy and corporate social responsibility policy to create sustainable business in order to promote ethical business practices, respect the rights and responsibilities to shareholders and stakeholders, achieving success in the business operations of the company, benefit to society and develop or reduce environmental impact as well as being able to adapt under changing factors.
 3. The Board of Directors is responsible for overseeing that directors and executives perform their duties with accountability and responsibility, duty of care, honesty to the organization, duty of loyalty for the most benefit of the company, and shall comply with the law, objectives, regulations, resolutions of the Board of Directors' meeting and the resolution of the shareholders' meeting including the policy or guidelines that have been specified by the company by having to provide sufficient mechanisms to ensure that the company's operations complying with relevant laws, objectives, regulations, resolutions of the Board of Directors Shareholders meeting's resolution And various policies of the company such as related party transaction policy, anti-corruption policy (Anti-Corruption Policy), the Delegation of Authority, etc., including the approval process of important operations such as investment, transactions that affect the company, significant transaction with related party, acquisition or disposal of assets and dividend payment, etc.
 4. The Board of Directors understands the role scope of duty and responsibilities of the board of directors as well as clearly specifying the scope of delegation of duties and responsibilities to the committees and management as well as monitoring and overseeing the performance of duties as assigned by the various charters of the Board of Directors and sub-committees in writing, and shall review the said charters regularly at least once a year to be in line with the company's directions.
5. Director positions
 - 5.1 The Board of Directors has determined that each director can hold the position of director in other listed companies when combining the company, there shall not be more than 5 listed companies.
 - 5.2 In the case that a director is a Chairman, an Executive Director or a director binding company, one or many other companies, there shall not be more than 3 business groups.

- 5.3 Managing Director of the company to be a director in other companies (except family business's companies) shall obtain approval from the board before taking office and the committee shall consider the type of director position and the number of companies holding positions in order to be effective in performing duty and in order for the director to be able to devote time to perform the duties of the directors of the company.

In addition, the company has stipulated that directors and senior executives have the duty to inform the company of the directorship positions in other companies to the company at the first opportunity to be appointed as the company's directors or senior management by disclosing information about company name, business type, amount of shares holding, including shares held by spouse and under-age children in the company and shall notify the company of the change of position in other companies according to the report on interests of directors and senior executives.

However, being a director in other business types shall not conflict with regulations or rules of other relevant regulatory agencies and shall notify the company within 7 days from the date of appointment or the date of holding the position.

2. Determining the main objectives and goals of sustainable business

- 2.1 The Board of Directors attaches great importance to the determination of the main objectives and objectives of the business operations of the organization to grow sustainably with society, creating value and benefits the organization, customers, business partners, employees, shareholders, and stakeholders and the society as a whole and shall promote communication and strengthen the main objectives and objectives of the organization to reflect in the decisions and operations of human resources at all levels to become an organizational culture under the principles of good corporate governance.
- 2.2 Objectives and annual business strategies shall be consistent with the achievement of the main objectives and objectives of the business by adopting innovations and technology appropriately and safely. In addition, the Board of Directors shall be aware of the risks of setting goals that may lead to illegal behavior or lack of ethics (unethical conduct) as well as supervising the intervention of objectives and goals through strategies and plans throughout the organization.

3. Strengthening the efficiency of Board of Directors

- 3.1 The Board of Directors has duties and responsibilities in determining and reviewing the structure of the Board of Directors, in terms of composition, qualifications, expertise, experience, number of directors suitable for the business, proportion of independent directors in order to be appropriate and necessary to achieve the specified objectives and key objectives. The related guidelines can be summarized as follows:
- 3.1.1 The meeting of shareholders determines the number of directors of the company, the term of office is 3 years. However, the directors who have completed their terms may be re-elected from the shareholders' meeting.
- 3.1.2 The Board of Directors shall have qualifications and shall not have prohibited characteristics as stipulated by law.
- 3.1.3 The Board of Directors consists of at least 1 in 3 independent directors and not less than 3 persons, independent directors of the company shall have qualifications and shall not have prohibited characteristics as specified by the Board of Directors which is strict, not less than the qualifications specified by the Capital Market Supervisory Board and the Stock Exchange of Thailand.
- 3.1.4 Directors and senior management of the company are responsible for reporting executive directorship, controlling person in a limited company or other listed companies, being a managing partner in an ordinary partnership or being a limited liability partner in a limited partnership, the company shall be informed in accordance with the rules and procedures prescribed by the Board of Directors.
- 3.1.5 The Board of Directors has clearly specified the scope of duties and responsibilities of the Board of Directors in the Board of Directors' charter. Details of the composition, qualifications, appointment, term of office and termination shall be as specified in the board of directors' charter.
- 3.1.6 The Board shall disclose the policy for determining compositions of the committee and directors' information i.e. age, education background, experience, shareholding proportion, number of years in office and director positions in other listed companies in the annual report and on the website of the company.
- 3.1.7 The Board of Directors shall appoint Company Secretary to perform duties as required by law and perform other duties as assigned by the Board of Directors.



- 3.2 The Board of Directors shall appoint a suitable person to be the chairperson of the board and ensure that the components and operations of the Board of Directors facilitate the exercise of independent judgment, in the case that the chairperson is not an independent director, the Board of Directors shall appoint an independent director to participate in determining agenda of the board meeting to maintain the balance of power between the board and management and to be in accordance with corporate governance principles for listed companies.
- 3.3 The Board of Directors shall oversee the recruitment and selection of each committee to have a transparent and clear process in order to get the Board of Directors and sub-committees having qualifications consistent with the specified components.
- 3.4 The shareholders' meeting has the power to consider and approve the directors' remuneration. Therefore, in proposing the directors' remuneration to the shareholders' meeting The Board of Directors will consider the structure and compensation rate to be appropriate with the responsibility. Persuade the Board of Directors to lead the organization to carry out both short-term and long-term goals.
- 3.5 Board of Directors shall ensure that all directors have responsibilities in performing their duties and allocate sufficient time.
- 3.6 The Board of Directors provides a framework and mechanism for supervising the policies and operations of subsidiaries and associates at the appropriate level for each business including subsidiaries and associates to have the same understandings.
- 3.7 The Board of Directors has a policy to evaluate the annual performance of the Board of Directors, sub-committee and individual directors, with the evaluation results being used for further development of duties.
- 3.8 The Board of Directors shall oversee that each director has knowledge and understanding of roles and responsibilities, nature of business and laws related to business operations as well as to support all directors to receive skills and knowledge for performing their duties regularly.
- 3.9 The Board of Directors shall ensure that the operations of the Board of Directors are completed, able to access the necessary information and appoint a company secretary with knowledge and experience necessary and appropriate to support the operations of the Board of Directors.
- 3.10 In addition, in order to strengthen the Board of Directors, the Board of Directors shall appoint a number of members from the Board of Directors as members of the sub-committees to perform special duties. Each sub-committee has the same term as the Board of Directors and has duties as assigned by the Board of Directors.
- 3.11 The board shall oversee the disclosure of roles and duties of the committee, sub-committee and the chairman, the number of meetings and the number of times each director attended the meeting in the past year and report the performance of every sub-committee.

3.11.1 The Audit Committee

To perform duties as assigned by the Board of Directors, which includes the duty to review financial reports, internal control system, legal compliance, selection of auditor, disclosure of company information and preparation of the audit committee's report, etc., as it appears in the audit committee's charter.

3.11.2 Executive Committee

To perform various duties as assigned by the Board of Directors, including management duties regarding normal operations and the management of other companies, screen policies, business plans, budgets, management structures and the management powers of the company, establishing rules for conducting business in accordance with the economic conditions, to propose to the meeting of the board of directors for consideration and approval and / or agreement including checking and following up the company's operations according to the policy set by the Board of Directors, etc., as stated in the Executive Committee's charter.

3.11.3 Nomination and Remuneration Committee

To perform duties as assigned by the Board of Directors, including the duty to select the person who being suitable to be nominated as a new director or senior management and management authority by specifying criteria or methods of recruitment and criteria of selection and transparency, to propose to the meeting of the board of directors and / or the shareholders' meeting for approval, consider the guidelines and determine compensation to the directors and senior management and management

authority by specifying rules or methods of determining, fair and reasonable compensation for submission to the Board of Directors' meeting and / or the shareholders' meeting for approval, etc. as shown in the Nomination and Remuneration Committee's charter.

3.11.4 Risk Management Committee

To perform duties as assigned by the Board of Directors including the duty to formulate policies, management strategy and the risk management framework, to propose to the Board of Directors, and follow up to ensure that risks and impacts are assessed including risk management at the level of the organization of the company, sufficient and in time to the situation, etc., as shown in the Risk Management Committee's charter.

3.11.5 Corporate Governance Committee

To perform various duties as assigned by the Board of Directors. These include the duty of reviewing the corporate governance policy of the Company, anti-corruption, developing and reviewing the processes or practices in corporate governance, following up and supervising the operations of the management complying with the policy and practice of corporate governance, etc., as stated in the Corporate Governance Committee's Charter.

3.11.6 Chairperson of the Board

The chairperson of the Board is the chairperson of the board meeting is responsible as the leader of the Board of Directors in supervising and overseeing the operations of the Board of Directors and sub-committees voting in case of equal votes, the chairperson of the Board of Directors shall have an additional vote as the deciding vote, calling the board meeting or may assign another person to act on his behalf, being the chairperson of the shareholders' meeting and any other operations according to the resolution of the board of directors' meeting.

3.12 Board of Directors Meeting

3.12.1 The company has informed the board of directors' meeting schedule in advance every year to help the directors to allocate time to attend the meeting and delivered the meeting invitation letter, meeting agenda details and supporting documents for the meeting for the board of directors to study and consider at least 7 days in advance of the meeting date.

3.12.2 In each meeting, the minimum quorum at the time that the board of directors shall pass a resolution shall be at least 2/3 of the total number of directors.

3.13 The rules and procedures for the appointment of independent directors are in accordance with the rules and procedures for the appointment of the directors, in which each independent director can hold an independent position for a maximum of 9 consecutive years.

4. Recruitment and development of senior management and human resources management

4.1 The Board of Directors shall ensure that recruitment and development of the chairperson of the Executive Committee and senior executives qualified with knowledge, skills, experience and qualifications necessary to drive the organization to the goal.

4.2 The Board of Directors shall supervise the determination of compensation structure and suitable evaluation.

4.3 The Board of Directors provide a policy to use the inside information of the company in associated with understanding of the structure and relations of shareholders that may affect the management of the business and the power to control the management of the business in order not to be a hindrance to the Board of Directors' duties, and shall oversee the disclosure of information that may have an impact on the appropriate control of the business.

4.4 The Board of Directors shall monitor and manage the human resources development to have the appropriate knowledge, skills, experience and motivation.

4.5 The Board of Directors requires an orientation for all new directors in order for the new directors to be aware of the expectations that the company has on the roles and responsibilities of the directors, policies and guidelines for corporate governance of the company, including knowledge and understanding of the business and operations of the company in order to prepare the director's performance.

4.6 The Board of Directors shall support those involved in the company's corporate governance system, i.e. directors, sub-committees, executives, company secretaries, investor relations, accounting department, etc., to attend training courses or participate in activities organized by the Thai Institute of Directors (IOD), the SEC, the Thai Listed Companies Association, Thai Investors Association, or various independent organizations consistently and continuously to enhance knowledge, improve operations being useful for performing duties more efficiently.



5. Promotion of innovations and responsible business operations

5.1 The Board of Directors attaches importance and supports the creation of innovations that create business value and benefits to stakeholders and is responsible to society and the environment by promoting actions to add value to the company according to the changing environmental factors. This may cover the determination of a business model (Business Model), thinking methods, design and development of products and services, research, improvement of production processes and work processes including cooperation with partners.

5.2 The Board of Directors shall monitor the management to conduct business with social and environmental responsibility and is reflected in the Operational Plan to ensure that all departments of the organization operate in accordance with the objectives, principles and strategies of the Business. Concerning the Roles of Stakeholders, the Board of Directors shall provide mechanisms to ensure that the business operates ethically, social and environmental responsibility, not violating the rights of stakeholders in order to be a guideline for all parts of the organization to achieve sustainability objectives and key goals. The Board of Directors establishes guidelines for stakeholders as part of the Corporate Social Responsibility Policy (CSR) and the Charter and Code of Conduct, and shall disclose important and relevant information necessary for stakeholders to know sufficiently and timely.

In this regard, the Board of Directors shall recognize the importance of the role of stakeholders and treat all groups of stakeholders including employees, shareholders, customers, business partners, public and society as a whole, transparent, appropriate, equitable and fair and shall set guidelines for treatment of conflicts of interest, including:

5.2.1 Employees

Providing compensation to employees by adhering to the principles of fair and measurable performance evaluation under the criteria specified by the company and aiming to promote and develop human resources to have knowledge and capability continuously and give the opportunity to the employees to file a complaint in case of unfair treatment via various channels i.e. comment box or through the human resources department that receives the report, etc. The company is responsible for providing a safe, hygienic and conducive working environment for effective work. The company shall check and review compensation and benefits of employees to be in the industry standards and as the company's policy to develop the knowledge of the employees that is necessary for the efficient operations of the entire organization.

5.2.2 Customers

Building long-term relationships and cooperation with customers by adhering to the principles of honesty and trust, the company has a duty to create the highest satisfaction for customers by taking responsibility, paying attention and paying attention to customers' problems and needs first by allowing all executives and employees to comply with the measures under this policy to ensure that the company adheres to provide good quality services and never stops developing new services that are effective for the company's customers. In addition, the company shall operate and conduct business with the company's customers by adhering to the ethics and encouraging the customers of the company to have good health.

5.2.3 Payables

Building relationships and treating creditors by adhering to the principles of honesty, trust and trust each other and responsible for paying attention and paying attention to various conditions entering into an agreement with the creditors the best.

5.2.4 Partners

Treating suppliers with honesty and is equal to ensure that the company's business operations are appropriate, fair and benefit both parties with sustainable development and is a long-term partner with the company. The company shall choose to do business with partners from various conditions i.e. price conditions, quality, control and environmental protection, technical and legal expertise, trust and stick to the right things.

5.2.5 Community and environment

Ensuring that the company and employees adhere to conducting business responsibly and benefit the society and community and has a duty to behave and treat the neighboring communities with friendliness to help and support the development of communities to be well-being as well as being responsible for fair and equitable business operations of the company and to promote sustainable development.

In addition, shall comply with the environment in accordance with the social responsibility policy conserving natural resources for sustainability including the promotion and support of conservation of resources and environment. The company discloses various activities including the promotion of employee participation that demonstrate the implementation of the social responsibility policy and oversee the preparation of corporate social responsibility reports in the annual report or separate versions.

6.2.6 Fair competition

Ensuring that the company conducts business openly, transparently and without creating an unfair competitive advantage.

6.2.7 Related government agencies

Ensuring that the company complies with various laws and regulations related and specified and supports various activities of government agencies on various appropriate occasions. In addition, the company shall adhere to providing services and selling good products with standard and quality and in accordance with the laws. In addition, the government offices and government agencies shall be treated politically neutral as defined in the Charter and Code of Conduct and anti-corruption policy.

In addition, there shall be a channel to receive complaints, and / or comment and add more ways to email directly to top management at napassanun@tqm.co.th. The Board of Directors has specified and protected the whistleblowers by not disclosing, but will collect various information of the whistleblower. The internal audit department shall compile a summary of the above issues and present to the audit committee for proof and fact finding. If found to be information that affects the company, it shall be presented to the Board of Directors for further consideration.

- 5.3 The Board of Directors shall monitor the management to allocate and manage resources to be efficient and effective by considering the impact and the development of resources throughout the Value Chain in order to achieve the main objectives and goals sustainably. Be aware of at least 4 types: financial capital, human capital, social and relationship capital, and natural capital.
- 5.4 The Board of Directors shall set up a framework for supervision and management of information technology at the organizational level that is in line with the needs of the business including supervising the use of information technology to increase business opportunities and develop operations risk management to enable the business to achieve the objectives and main objectives of the organization.

6. Ensuring the availability of appropriate risk management and internal control systems

- 6.1 The Board of Directors shall supervise to ensure that the company has a system of risk management and internal control to achieve the objectives effectively and complying with relevant laws and standards.
- 6.2 The Board of Directors appoints an audit committee, in which all members shall be independent directors and not having prohibited characteristics under relevant laws as well as having qualifications and duties in accordance with the regulations of the Office of the SEC and the Stock Exchange of Thailand in order to be able to perform their duties efficiently and independently in performing their duties as assigned by the Board of Directors, which includes the duty to review financial reports, Internal control system, legal compliance, consideration of auditor selection, disclosure of company information and preparation of the audit committee's report, etc., as it appears in the audit committee's charter.
- 6.3 The Board of Directors monitors and supervises any conflicts of interest that may occur between the company with managements, Board of directors, or shareholders including prevention of undue use of property, company information and opportunities and transactions with related parties with the company in an inappropriate manner, including the guidelines set out in the Charter and Code of Conduct and the internal information usage policy in writing.
- 6.4 The Board of Directors has a clear anti-corruption policy as specified in the Charter and Code of Conduct and anti-corruption policy by communicating at all levels of the organization and third parties for real implementation and the Board of Directors shall arrange a project or a guideline against corruption including supporting activities that promote and instill all employees to comply with relevant laws and regulations.
- 6.5 The Board of Directors supervises the mechanism for receiving complaints and taking action in the case of clues, and specifies clear guidelines in the policy on receiving whistleblower complaints. The channels for receiving complaints shall be disclosed on the company's website or annual report.



7. Maintaining financial credibility and disclosure of information

- 7.1 The Board of Directors is responsible for the system of financial reporting and disclosure of important information accurately, sufficiently, timely, in accordance with relevant rules, standards and practices.
- 7.2 The Board of Directors shall follow up to ensure that the company maintains sufficiency of financial liquidity and ability to pay off debt.
- 7.3 If there is a situation in which the business faces financial problems or is likely to encounter a financial problem, The Board of Directors shall ensure that the business has a plan for resolving problems or other mechanisms that can solve financial problems; however, under consideration of the rights of stakeholders.
- 7.4 The Board of Directors has a policy to prepare sustainability reports as appropriate for disclosure of legal compliance information, compliance with the Charter and Code of Conduct, Anti-Corruption Policy, treatment of employees and related parties including fair treatment and respecting human rights including social and environmental responsibility. Such information shall be disclosed in the annual report or shall be prepared in a separate book as appropriate for the company.
- 7.6 The Board of Directors shall supervise the management to set up an investor relations department to communicate and publicize information that is beneficial to shareholders, investors, analysts, and related parties appropriately and equally.
- 7.6 The Board of Directors encourages the use of information technology in the dissemination of information. In addition to the dissemination of information in accordance with the rules and through the Stock Exchange of Thailand, the Board of Directors shall provide information disclosure in both Thai and English through other channels, such as the company's website, including current information.
- 7.7 The Board of Directors requires the disclosure of information and transparency as part of the Company's Charter and Code of Conduct.

8. Promotion of participation and communication with the shareholders

The Board of Directors recognizes the importance of the shareholders of the company by ensuring that the shareholders receive fair treatment and the shareholders can fully exercise their basic rights as shareholders, such as

- (1) Right to buy, sell, or transfer shares
- (2) The right to have profit sharing of the company
- (3) The right to receive sufficient relevant information via the company's website or the SET website or by any other methods.

(4) The right to participate in the meeting in order to exercise the right to vote at the shareholders' meeting independently, to appoint or remove directors, consideration of the remuneration of directors, appointment of auditors, dividend payment, capital increase and issue new shares, including the right to ask questions to the Board of Directors about the report of the Board of Directors and any other matters proposed to the meeting for consideration and approval. The right to propose meeting agendas and to nominate persons to be elected as directors and participation in decision-making on important matters of the company, in which, every shareholder has the right to vote according to the number of shares being held and each share has one vote.

In addition, the Board of Directors shall also be aware of and value the rights of shareholders, not acting in violation of or depriving the rights of shareholders. The Board of Directors encourages and sets policies related to shareholders' rights as follows:

- 8.1 The Board of Directors shall ensure that shareholders are involved in the decisions on important matters of the company including:
 - 8.1.1 Protecting and respecting the basic shareholders' rights, such as the right to buy or sell shares, the right to have a profit sharing of the business, the right to receive sufficient business information, the right to attend shareholders' meetings to appoint or removal of directors, appointment of auditors, allocation of dividends, determination or amendment of regulations or memorandum of association, capital reduction or increase of capital and approval of special items, etc.

- 8.1.2 Promoting and supporting shareholders to exercise their rights in various matter in the annual general meeting of shareholders, including the right to propose the agenda of the shareholders' meeting in advance of the meeting, the right to nominate persons to be selected as directors in advance, the right to send questions to the meeting in advance of the meeting, rights to express opinions and ask questions at the meeting, etc., as well as to facilitate minority shareholders to nominate persons to be directors of the company by sending the biography and consent letter of the said person to the Chairman of the Board of Directors under the rules, regulations and procedures specified by the company.
- 8.1.3 Overseeing the delivery of an invitation letter to the shareholders' meeting together with relevant documents and disseminated via the company's website at least 28 days before the meeting date and preparing invitation letters for the shareholders' meeting in both Thai and English.
- 8.1.4 Encouraging shareholders to use a proxy in the form that shareholders can specify the direction of voting, agree, disagree, abstain by preparing a proxy Form A, Form B and Form C (Specific Proxy Forms) For custodian) to shareholders as well as facilitating shareholders not convenient to attend the meeting by themselves but wishing to exercise their voting rights via proxy by proposing an independent director to attend the meeting and vote on behalf of the shareholder, to facilitate the shareholders to exercise the right to select one of the independent directors to be proxies on behalf of the shareholders.
- 8.1.5 Refraining from any action, violation or restrict rights or depriving shareholders of the right to access the company's information, that shall be disclosed under various regulations and attending shareholders' meetings, for example, not immediately offering documents that contain important additional information, not add meeting agenda or changing important information without notifying shareholders in advance, etc.
- 8.1.6 Facilitating shareholders to exercise their rights, such as providing current important information via the company's website, etc.
- 8.2 The Board of Directors shall ensure that the operations on the day of the shareholders' meeting proceeding with transparency, efficiency and efficiency and allowing shareholders to exercise their rights, including:
 - 8.2.1 facilitating shareholders to exercise their rights to attend the meeting and vote fully in the meeting and refraining from any actions which limits the opportunity to attend the meeting of shareholders, in the event that the shareholders are unable to attend the meeting by themselves, the company gives the opportunity to appoint an independent director or any person to attend the meeting on their behalf.
 - 8.2.2 The rules and procedures for attending the shareholders' meeting shall be informed in the invitation letter and on the meeting date. The meeting moderator shall announce the rules used in the meeting and the process of voting for shareholders in the general meeting of shareholders and the notification of the rules and procedures for voting on the minutes in every meeting of shareholders.
 - 8.2.3 Arranging a meeting appropriately and allowing shareholders to ask questions related to the meeting agenda or about the company and comment. The Chairman of the Board shall ask the meeting on each agenda including the recording of questions relating to the agenda or related to the company and express opinions of shareholders including explanations of the Board of Directors and / or executives in the minutes of every shareholders' meeting.
 - 8.2.4 The meeting shall be conducted in the order of the agenda specified in the invitation letter and executives who are shareholders of the company shall not propose any additional meeting agenda which is not necessary to the meeting, especially the meeting agenda in which shareholders shall take sufficient time to study before making a decision.
 - 8.2.5 Encouraging the promotion of technology such as barcodes, voting cards, etc. for use in shareholders' meetings including shareholder registration, counting and displaying results so that the meeting proceedings



can be done quickly, accurately, transparently and verbally. The voting results shall be disclosed in the minutes of the shareholders' meeting together with the votes in favor, disapproval and abstention in each agenda being casted.

- 8.2.6 An independent person shall be a witness for vote counting or being counters or checking votes in meetings, such as the company's auditor or legal counsel and the results of the counting or examination of the said votes shall be disclosed to the meeting, and recorded in the minutes of the meeting.
- 8.2.7 The Board of Directors recognizes the importance of the annual general meeting of shareholders and respects the rights of shareholders, therefore, encourages all directors to attend the shareholders' meeting.
- 8.3 The Board of Directors recognizes the importance of the annual general meeting of shareholders and respects the rights of shareholders, therefore, encourages all directors to attend the shareholders' meeting.
 - 8.3.1 Ensuring that information regarding date, time, location, and agenda of the shareholders' meeting as well as all information related to matters that need to be decided at the shareholders' meeting, with sufficient clarification and reasoning in accordance with the agenda or resolutions requested by shareholders in each meeting. The company has a policy to give the opportunity for the shareholders to study the information before the meeting date in advance via the company's website with the same information as the document delivered to shareholders.
 - 8.3.2 After each shareholders' meeting, overseeing the compilation of meeting content which includes meeting agenda, details, name list of directors attending and leaving the meeting, resolution of the meeting, voting as well as questions and comments from shareholders, preparing "Minutes of the shareholders' meeting" on the company's website and delivered to the Stock Exchange of Thailand and / or related departments within 14 days from the meeting date which is in accordance with the regulations of the SEC and the SET. And disclosing to the public, the voting results of each meeting through the system of the Stock Exchange of Thailand within the time specified by law.
 - 8.3.3 Promoting the exercise of rights of shareholders and not restricting rights of shareholders by providing information disclosure via the company's website in advance and the company shall not present any documents with additional important information during the shareholders' meeting and the company shall not add the meeting agenda or change important information without notifying shareholders to know in advance, ensuring that the shareholders are provided with the latest news and information via the company's website regularly.

Code of conduct

The Company announced the full code of conduct to be acknowledged and complied by the Board of Directors, executive and all employees. It is also disseminated on the company's website. Please refer to Investor Relations section, sub-menu Corporate Governance or go to <https://www.tqmcorp.co.th/corporate-governance.php>.

Attachment 6

Report of the Audit Committee

Dear shareholders,

The Audit Committee consisted of 4 independent directors, Mr.Marut Simasathien - Chairman, Dr. Rutchaneeporn Pookayaporn - Director, and Mr. Chinapat Visutipat - Director, and Mr.Thana Thienachariya, appointed to be a member of the audit committee according to the Board of Directors meeting number 1/2564 held on 22 February 2021, Ms. Ratana Punnipa - Chairman of Risk Management Committee as a secretary. Directors were qualified as regulated by the Capital Market Supervisory Board along with skills and experiences. The Board of Directors considered Mr.Marut Simasathien as experienced in Accounting and Finance. The Audit Committee performed its duties as assigned by the Board of Directors. And according to the Charter of the Audit Committee, it was in accordance with the best practices Of the Securities and Exchange Commission by reviewing and pushing the company to comply with good corporate governance principles. There were adequate risk management systems and internal controls, with efficient internal audits as well as generally accepted standards. It was summarized as follows:

1. Review of financial statements. The Audit Committee has reviewed the quarterly financial statements and the financial statements for the year 2021, including related transactions, items that may have conflicts of interest with the management, internal auditor and the auditor by asking the auditor about the accuracy and completeness of the financial statements. Improvements in important accounting transactions include accounting estimates that affect the financial statements, the adequacy of accounting records and audit scope, correctly, completely and sufficiently disclosure of data and the independence of the auditor to ensure that the preparation of the financial statements was in accordance with the requirements of laws and accounting standards under the accounting principles. This was guaranteed to be reliable and timely including sufficient disclosure of information for the benefit of users of financial statements.

2. Review of risk management. The Audit Committee has reviewed efficiency and appropriateness of risk management processes arising from internal and external organizations including the risk management policies, plans and guidelines that affect the operating results on a regular basis every quarter with the management. Suggestions for improvement are provided.

3. Supervision and monitoring of internal control systems. The Audit Committee has reviewed the adequacy of the internal control system of the company, including subsidiaries and associated companies by following up on corrections to improve the work as suggested in the result report and opinions of the Audit Committee continuously, which the company has hired an internal audit who was an external agency, Dharmniti Internal Audit Company Limited. Also, there was an improvement of the internal control system to be in line with the situation always changing. The Audit Committee's opinion that there was an adequate internal control system and effectiveness, according to COSO's good internal control principles.

4. Review of supervision and good business. The Audit Committee emphasized the management policy to ensure good business supervision systematic and pushed for a positive attitude on internal control and reviews the operations in accordance with the laws, rules and regulations relating to the company's business operations. It ensured that the company operated in compliance with the reasonable business conditions.

5. Consideration of the appointment of an auditor for the year 2021. The Audit Committee has considered the selection of the auditor by considering the readiness, scope of services, independence of the auditor and the appropriateness of the audit fee. The resolution approved by the Board of Directors and the shareholders' meeting has appointed KPMG Phoomchai Audit Ltd. as the auditor for the year 2021. Such auditor was the auditor according to the list of auditors received approval from the Securities and Exchange Commission.

In summary, the Audit Committee has complied with the duties and responsibilities by using knowledge and ability to care independently and maintain benefits for all stakeholders. There were 5 audit committee meetings in the year 2021 and all directors attended. The performance was consistent as specified in the charter of the Audit Committee, which the Audit Committee's opinion that the company has prepared financial reports showing material and reliable information in accordance with financial reporting standards. There was the disclosure of related transactions that may cause sufficient conflict of interest, a good corporate governance system, and a risk management system and internal control sufficient and appropriate, including compliance with laws, rules and regulations relating to the business operations correctly and completely.

On behalf of the Audit Committee



(Mr.Marut Simasathien)

Chairman of the Audit Committee



Attachment 6

Report of the Risk Management Committee

Dear Shareholders of TQM Corporation Public Company Limited

There are three members of the Risk Management Committee, namely Dr. Unchalin Punnipa, Chairman of Risk Management Committee, Mr. Marut Simasathien and Mr. Chinapat Visuttiapat are members of the committee. Ms. Supichaya Theppitak is the secretary of Risk Management Committee.

Risk Management Committee set enterprise-wide risk management policy, and set a monitoring system to manage and control risk, as well as mitigate the risk. The key role is to identify risk relevant to the business, to set up preventive measure and to monitor the implementation. In 2021, the risk management committee had four meetings and all members attended all of the meetings. The work is in line with what specified in the risk management committee charter. Key topics that were considered are as follows:

- Follow up the status of risk and progress in risk management, as well as topics that need to improve in order to be in line with the framework of policy and strategy in risk management. The Committee reports to the Board of Directors quarterly.
- Govern the implementation of risk management policy and framework in order that the company and subsidiary have enterprise-wide and continuous risk management system.
- Evaluate the performance of the risk management committee as a group and individually in order to comply with good corporate governance.
- Review the charter of risk management committee to make it up to date and appropriate for the scope of responsibility, and to comply with the standard of listed companies and good corporate governance.

The Risk Management Committee has performed their duties and responsibility independently, complying with corporate governance with discretion and transparency for the best interest of the Company, shareholders and all stakeholders.

On behalf of Risk Management Committee

(Mr. Unchalin Punnipa)

Chairman of the Risk Management Committee

TQM Corporation Public Company Limited

Attachment 6

Report of the Nomination and Remuneration Committee

Dear Shareholders of TQM Corporation Public Company Limited


There are five members of the Nomination and Remuneration Committee, comprising of three independent directors, namely Dr. Rutchaneeporn Pookayaporn, who is the Chairperson of the Nomination and Remuneration Committee, Mr. Manut Simasathien and Mr. Chinapat Visuttipat, who are members, and two executive directors, namely Dr. Napessanun Punnipa and Ms. Ratana Punnipa who are members. Ms. Supichaya Theppitak is the secretary of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has performed duties as assigned by the Board of Directors, with discretion, transparency and fairness to meet the current situation for the best interests of shareholders and stakeholders. In 2021, the Nomination and Remuneration Committee had four meetings and all members attended all meetings and performed duties as defined in the charter of Nomination and Remuneration Committee. Important topics to consider are as follows:

- Select candidates to be directors and members of subcommittees in replacement of ones who retired by rotation, based on good corporate governance for a listed companies guided by the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET). The subcommittees consider quality appropriate for operations of the Company, as well as qualification, experiences and expertise of directors who are appointed in order to propose to the board of directors or AGM to approve.
- Determine remuneration for the Board of Directors and members of subcommittees which consideration in strategy and long-term target after company, as well as experiences, duties, scope Accountability and Responsibility, and expected benefits from each director. It can be benchmarked with peers in the same industry and to propose to the Board of Directors before proposing to Annual general meeting.
- Review guidelines, steps of evaluation, and evaluation form for Board of Directors in each group individually, in order to comply with the guidelines of good governance.
- Review the charter of Nomination and Remuneration Committee to make it up to date and appropriate for the scope of responsibility, and to comply with the standard of listed companies and good corporate governance.

The Nomination and Remuneration Committee has performed their duties and responsibility independently, complying with corporate governance with discretion and transparency for the best interest of the Company, shareholders and all stakeholders.

On behalf of Nomination and Remuneration Committee



(Ms. Rutchaneeporn Pookayaporn)

Chairperson of the Nomination and Remuneration Committee

TQM Corporation Public Company Limited



Attachment 6

Report of the Corporate Governance Committee

Dear Shareholders of TQM Corporation Public Company Limited

There are four members of the Corporate Governance Committee, namely Ms. Suvabha Charoenying, Chairperson of Corporate Governance Committee, Mr. Marut Simasathien, Dr. Rutchaneeporn Pookayaporn, Mr. Chinapat Visuttiapat, member, and Ms. Somporn Ampaisutthipong is the secretary of the Corporate Governance Committee.

The Corporate Governance Committee has a duty to propose guidelines and practices on corporate governance to the Board of Directors, and implement good governance. In 2021, the Corporate Governance Committee had four meetings and all members attended all meetings and performed duties as defined in the charter of Corporate Governance Committee. Important topics to consider are as follows:

- Revise and add policies on Environmental, Social and Governance – ESG to relate with financial performance and to reflect good governance and transparency, as well as efficient risk management, taking stakeholder into account, competitiveness, and long-term return. The Corporate Governance Committee revised and added the policies for the Company and its subsidiaries to follow according to practice in good ESG disclosure.
- Acknowledge investor relations activities and report to the board of directors quarterly.
- Evaluate the performance of the corporate governance committee as a group and individually in order to comply with good corporate governance.
- Review the charter of Corporate Governance Committee to make it up to date and appropriate for the scope of responsibility, and to comply with the standard of listed companies and good corporate governance.

The Corporate Governance Committee has performed their duties and responsibility independently, complying with corporate governance with discretion and transparency for the best interest of the Company, shareholders and all stakeholders.

On behalf of Corporate Governance Committee

(Ms. Suvabha Charoenying)

Chairperson of Corporate Governance Committee

TQM Corporation Public Company Limited

Attachment 6

Report of the Executive Committee

Dear Shareholders of TQM Corporation Public Company Limited

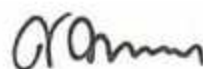
There are four members of the Executive Committee, namely Dr. Napassanun Punnipa, Chairperson of Executive Committee, Ms. Somporn Ampaisutthipong, Ms. Ratana Punnipa and Mr. Ampon Oniam; member. Ms. Supichaya Theppitak is the secretary of the Executive Committee.

The Executive Committee has performed their duties as assigned by the Board of Directors, with discretion command transparency and fairness to meet the current situation for the best interests of shareholders and stakeholders. In 2021, the Executive Committee had 12 meetings and all members attended all meetings and performed duties as defined in the charter of Executive Committee. Important topics to consider are as follows:

- Screen, propose and review target, policy, business plan, business strategy, financial target and annual budget for the Board of Directors to approve.
- Consider and approve the usual business, contracts, investment or divestment of the Company and/or subsidiary.
- Consider profit and loss of the Company and subsidiaries, and propose interim dividend payment to the Board of Directors to approve.
- Consider and approve financial transactions with financial institutions for benefits of the Companies operations according to Delegation of Authority.
- Monitor test performance and progress of investment project.
- Report the Company's business performance quarterly.
- Evaluate performance of the executive committee as a group and individually in order to comply with good corporate governance.
- Review the charter of Executive Committee to make it up to date and appropriate for the scope of responsibility, and to comply with the standard of listed companies and good corporate governance.

The Executive Committee has performed their duties and responsibility independently, complying with corporate governance with discretion and transparency for the best interest of the Company, shareholders and all stakeholders.

On behalf of Executive Committee



(Ms. Napassanun Punnipa)

Chairperson of the Executive Committee

TQM Corporation Public Company Limited



Attachment 7

Report of the Board of Directors' Responsibilities for Financial Reporting

The Board of Directors is responsible for the separate financial statements and the consolidated financial statements of the Company and its subsidiaries as well as information shown in the annual report. The financial statements for the year ending on 31 December 2021 were made according to generally certified accounting standards in Thailand. The appropriate accounting policy has been chosen for use and has been adhered to regularly. Also, discretion has been used carefully and reasonably in the preparation, including disclosure of adequate information in the notes of the separate financial statements and the consolidated financial statements to be able to reflect the operating results, financial status and cash flow, including connected transactions potentially causing a conflict of interest accurately, completely and transparently, which is beneficial to shareholders, investors and the general public with interests. They were audited by the Certified Public Accountant, KPMG Phoomchai Audit Ltd. that has already provided comments unconditionally.

The Board of Directors has provided and maintained an internal control system, an internal audit system and supervision system with effectiveness to ensure the reliability of financial statements that are complete, accurate and sufficient to take care of the Company's property relating to the availability of a good protection system, neither fraudulent transactions nor significant irregular operations.

The Board of Directors has appointed the Audit Committee that consists of 4 independent directors charged with reviewing the accounting policy and responsible for the quality of financial reports, internal control system, internal audit system and risk management system as well as considering complete, adequate and appropriate disclosure of connected transactions. The Audit Committee's opinions appear in the annual report.

The Board of Directors has opined that the Company's internal control system is overall at satisfactory level and can give reasonable assurance about the reliability of the Group's financial statements as of 31 December 2021 by adherence to generally certified accounting standards and compliance with relevant laws and regulations.

(Mr. Unchai Punnipa)

Chairman of the board of Directors

(Mrs. Napassanun Punnipa)

Chief Executive Officer

“TQM

Never Stops To Do The Best For You”



“INSURANCE BROKER LEADER”

TQM

CORPORATION PUBLIC COMPANY LIMITED

TQM Corporation Public Company Limited

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