



Part 2

The Management and Corporate Governance

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7. Assets and shareholders information

7.1 Registered and fully paid-up capital

As December 31, 2019, the Company has a registered capital of 80,000,000 baht, divided into 80,000,000 ordinary shares with a par value of 1.00 baht per share in which there are 80,000,000 fully issued and fully paid-up ordinary shares, valued at 1.00 baht per share in the amount of 80,000,000 baht registered on the Stock Exchange of Thailand in the name of “Thantawan Industry Public Company Limited” “THIP”.

7.2 Shareholders

Name of the First Top Ten Shareholders from total 1,279 shareholders as of December 30, 2019

Table 5: The First Top Ten Major Shareholders as of December 30, 2019

No.	Name of Shareholders	Number of shares	%
1	Sunflower company limited	45,115,000	56.39%
2	Thai NVDR Co., Ltd.	11,168,087	13.96%
3	Mr. PAUL LIU WAI YIN (Official Receiver of Thai Finance and Securities Public Co., Ltd.)	3,849,000	4.81%
4	Mr. Somkiat Limsong	1,125,000	1.41%
5	UOB KAY HIAN PRIVATE LIMITED	1,027,000	1.28%
6	Mr. Prasert Khongrakiantiyot	1,025,000	1.28%
7	Mr. Shuwong Tiensue	1,004,000	1.26%
8	Mr. HUANG, TSAI-LAI (Official Receiver of Thai Finance and Securities Public Co., Ltd.)	842,000	1.05%
9	Mrs. Uraiwan Bawongiratikajon	712,900	0.89%
10	Mr. Theerawut Nuangsang	617,700	0.77%
Total		66,485,687	83.11%

Source: Thailand Securities Depository Co., Ltd.

Note: Updating information of the Company' shareholders at www.set.or.th prior to the Annual General Shareholder Meeting for the year 2020

As a major shareholder of Sunflower Co., Ltd., participates to formulate the Company' management and operational policies by nominating directors and managing to the Board of meetings.

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Shareholding Structure & Percentage of Shareholder as of December 31, 2019 as the following:

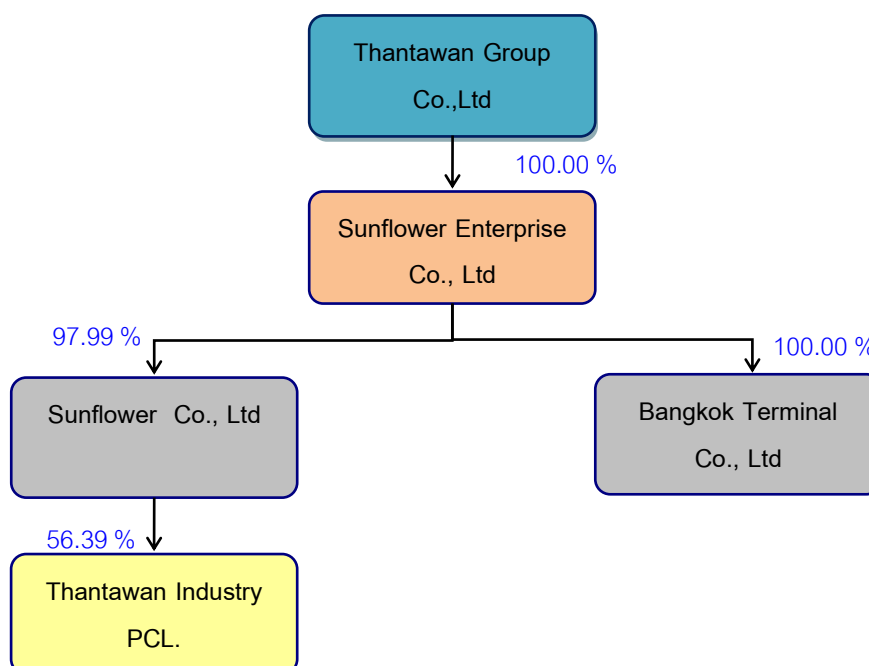


Table 6: Shareholder Structure of Related company & list of Board of Director as follow:

Name of Company/Type of Business	Major Shareholders	List of Board of Director
1. Thantawan Group Co., Ltd. Company's Registered Capital & Fully Paid-up at Baht 310,000,000.- Share Capital authorized 3,100,000 ordinary share Type of Business : Holding Company	1. Mr. Nam Mahathitirat - 51.69% , No. of share 1,602,400 2. Adpower International Ltd. (Foreign Juristic persons) - 48.31%, No. of share at 1,497,599 3. Mrs. Pojanard Prinyapatpakorn No. of share at 1	1. Mr. Nam Mahathitirat 2. Mrs. Pojanard Prinyapatpakorn 3. Mr. Wuttipong lam-Ophat
2. Sunflower Enterprise Co., Ltd. Company's Registered Capital & Fully Paid-up at Baht 300,000,000.- Share Capital authorized 3,000,000 ordinary share Type of Business : Holding Company	1. Thantawan Group Co., Ltd. - 100 % , No. of share 2,999,994 2. Mr. Nam Mahathitirat - No of share 5 3. Mrs. Pojanard Prinyapatpakorn No. of share at 1	1. Mr. Nam Mahathitirat 2. Mrs. Pojanard Prinyapatpakorn 3. Mr. Wuttipong lam-Ophat
3. Sunflower Co., Ltd. Company's Registered Capital & Fully Paid-up at Baht 70,000,000.- Share Capital authorized 70,000 ordinary share Type of Business : Holding Company	1. Sunflower Enterprise Company Limited – 97.99 % No. of share 68,595 2. Mr. Nam Mahathitirat – 2.01 % , No. of share 1,404 3. Mrs. Pojanard Prinyapatpakorn - No of share 1	1. Mr. Nam Mahathitirat 2. Mrs. Pojanard Prinyapatpakorn 3. Mr. Wuttipong lam-Ophat
4. Bangkok Terminal Co., Ltd Company's Registered Capital at Baht 2,500,000,000.- Fully Paid-up at Baht 1,000,000,000.- Share Capital authorized 250,000,000 ordinary share Type of Business : Investment in Real Estate	1. Sunflower Enterprise Co., Ltd. - 100 % No. of Share 249,999,940 2. Mrs. Pojanard Prinyapatpakorn - No. of share 50 3. Mr. Nam Mahathitirat - No of share 10	1. Mrs. Pojanard Prinyapatpakorn 2. Mr. Viroon Powlinjong 3. Mr. Wuttipong lam-Ophat

Additional Information

Thantawan Industry PCL. does not hold any shares in other companies and has no agreement between major shareholders.

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7.3 Issuance of other securities

- No any issuance of the other securities -

7.4 Dividend Payment Policy

The Company has a policy to dividend payment from the annual net profit after deduction from corporate income tax. The Board of Director will take into account of the dividend payment as appropriate as reasonable, to financial conditions and capital requirement of the Company both present and future.

Table 7: Dividend payment record of Thantawan Industry PLC.

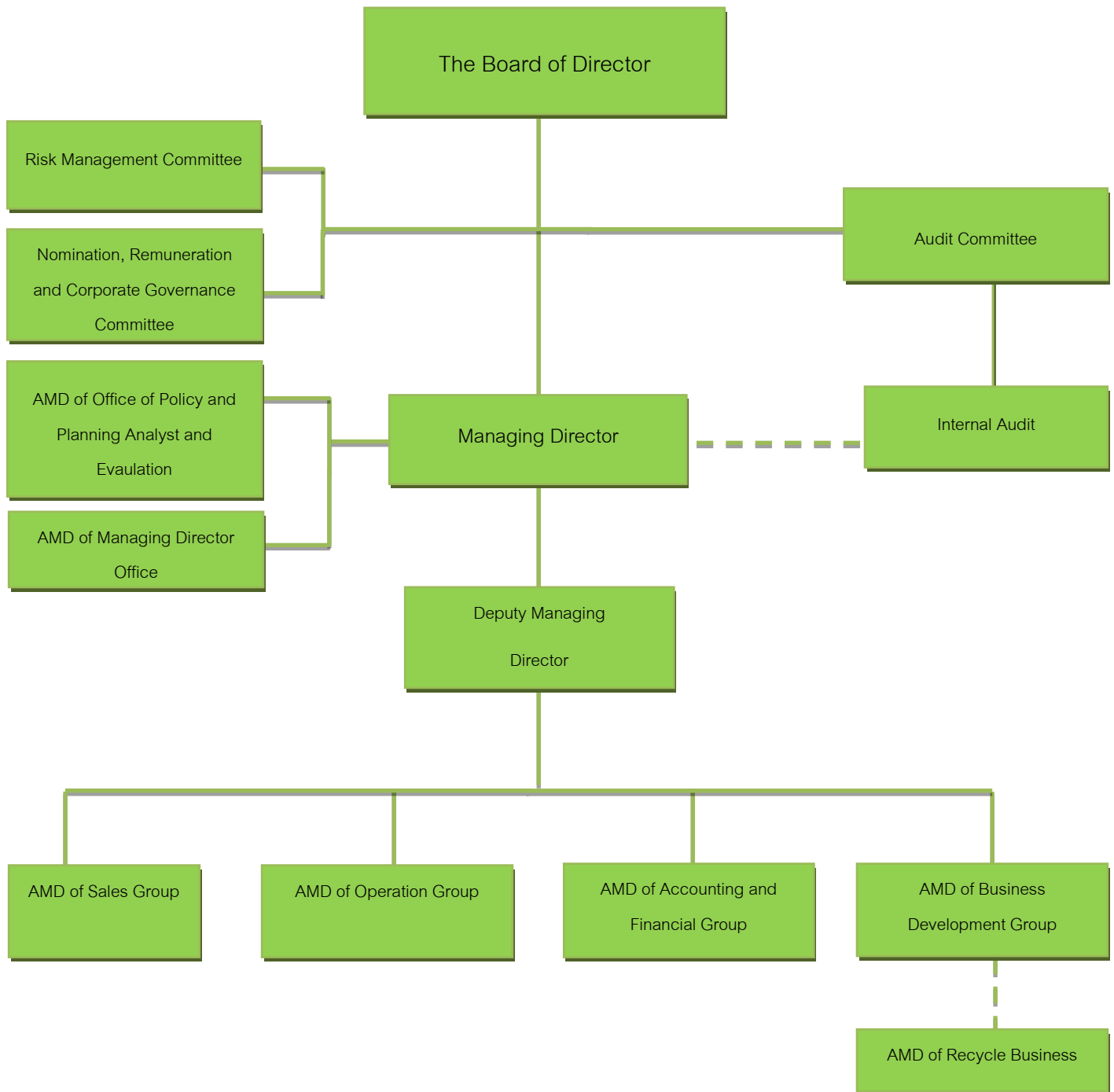
Dividend	2019	2018	2017	2016	2015
Earnings (Baht/Share)	3.06	3.23	3.46	4.05	3.02
Dividend Ratio (Baht/Share)	*	1.25	1.25	1.42	1.05
Dividend payout Ratio (%)	*	38.70	36.11	35.00	34.79

Remark: *The Dividend payment for the year 2019 will be paid due to the resolution or approval at the 2020 Annual General Shareholders' Meeting which will be held in April 2019. In addition, during the year 2017, there was the change of the Company's capital from 8,000,000 shares to 80,000,000 shares.

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8. Management Structure



The Management structure of Thantawan Industry Public Company Limited is comprised of 4 Committees as follows;

1. The Board of Director
2. Audit Committee
3. Nomination, Remuneration and Corporate Governance Committee
4. Risk Management Committee

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8.1 The Board of Director and Sub-Committee

The Board of Director

Presently, the Board of Director is comprised of 9 directors as follows:

Table 8: The Board of Director

Name & Surname	Position	No. of meeting	Attendance of Meeting
1. Mr. Prisun Wongsmith	Chairman	7	7
2. Mr. Sayan Satangmongkol	Indendent Director	7	7
3. Mr. Asdakorn Limpiti	Indendent Director	7	7
4. Ms.Sasitorn Funprom	Indendent Director	7	7
5. Mr. Sivanas Nagadatta ¹	Director	5	5
6. Mrs. Pojanard Prinyapatpakorn	Director	7	7
7. Ms. Narissai Mahathitirat	Director	7	7
8. Mr. Detbordin Riensubdee	Director	7	7
9. Mr. Thitisak Skulkroo ²	Director	4	3
10. Mr. Surasak Luangaramsri ¹	Director	2	2
11. Mr. Teerachai Siritunyanont ²	Director and Company's Secretary	3	3

¹Mr. Sivanas Nagadatta was appointed replacing Mr. Surasak Luangaramsri, who term completed on 24 April 2019.

²Mr. Thitisak Skulkroo was appointed replacing Mr. Teerachai Siritunyanont, who resigned on 1 June 2019.

Audit Committee

Table 9: Audit Committee

Name & Surname	Position	No. of meeting	Attendance of Meeting
1. Mr. Sayan Satangmongkol	Chairman	5	5
2. Mr. Asdakorn Limpiti	Director	5	5
3. Ms. Sasitorn Funprom	Director	5	5

Ms. Wachiraporn Seri is a secretary of Audit Committee

Nomination, Remuneration and Corporate Governance Committee

Table 10: Nomination, Remuneration and Corporate Governance Committee

Name & Surname	Position	No. of meeting	Attendance of Meeting
1. Ms. Sasitorn Funprom	Chairman	6	6
2. Mr. Sayan Satangmongkol	Director	6	6
3. Mr. Asdakorn Limpiti	Director	6	6

Mrs. Atipa Baicharoen is a secretary of Nomination, Remuneration and Corporate Governance Committee

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Risk Management Committee

Table 11: Risk Management Committee

Name & Surname	Position	No. of meeting	Attendance of Meeting
1. Mr. Asdakorn Limpiti	Chairman	6	6
2. Mr. Surasak Luangaramsri	Director	6	6
3. Mr. Ong Wui Yong	Director	6	6
4. Mr. Detbordin Riensubdee	Director & Secretary	6	6

8.2 Executive

Table 12: Name of Executive Directors as of December 31, 2019

Name & Surname	Position
1. Mrs. Pojanard Prinyapatpakorn	Managing Director
2. Mr. Detbordin Riensubdee	Deputy Managing Director / (Acting) AMD of Business Development Group
3. Mr. Surasak Luangaramsri	AMD of Sales Group
4. Mr. Ong Wui Yong	AMD of Business Operation
5. Ms. Napasiri Mahathitirat	AMD of Accounting and Financial Group
6. Ms. Narissai Mahathitirat	AMD of Office of Policy and Planning Analyst and Evaluation
7. Mr. Teerachai Siritunyanont	AMD of Managing Director's office
8. Mr. Wichit Pansrimangkorn	AMD of Recycle Business

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8.3 Report of changes in securities holding of Director and Executive

The Company has reported the changes in securities holding (THIP) of Director and Executive to the Board of Director's meeting on a quarterly basis. In summary, the report of changes in securities holding of the Company's Director and Executive (definition by Securities and Exchange Commission-SEC). This includes the number of securities holding of those involved under section 59 and 258 of the securities and Exchange Act., by holding the securities of Director and Executive (direct and indirect) as of December 31, 2019 in comparison with the year 2018 as follow:

Table 13: Report of changes in securities holding of Director and Executive

List	Director & Executive	Position	Total shareholding Dec 31, 2019	Shareholder's equity (%)*	No. of share Dec 31, 2019	Shareholder's equity (%)**	No. of share changing up (down)
1	Mr. Prisun Wongsmith Spouse & immature child Legal entity relevant	Chairman of the Board of Director and Independent Director	- - -	- - -	- - -	- - -	- - -
2	Mr. Sayan Satangmongkol Spouse & immature child Legal entity relevant	Independent Director / Chairman of Audit Committee/ Director of Nomination Remuneration and Corporate Governance	- - -	- - -	- - -	- - -	- - -
3	Mr. Asdakorn Limpiti Spouse & immature child Legal entity relevant	Independent Director / Chairman of Risk Management Committee / Director of Audit Committee / Director of Nomination Remuneration and Corporate Governance	- - -	- - -	- - -	- - -	- - -
4	Ms. Sasitorn Funprom Spouse & immature child Legal entity relevant	Independent Director / Director of Audit Committee/ Chairman of Nomination Remuneration and Corporate Governance Committee	- - -	- - -	- - -	- - -	- - -
5	Mr. Sivanas Nagadatta Spouse & immature child Legal entity relevant	Director	- - -	- - -	- - -	- - -	- - -
6	Mrs. Pojanard Prinyapatpakorn Spouse & immature child Legal entity relevant	Director and Managing Director	- - -	- - -	- - -	- - -	- - -
7	Mr. Detbordin Riensubdee Spouse & immature child Legal entity relevant	Director / Director of Risk Management / Deputy Managing Director / (Acting) AMD of Business Development Group	- - -	- - -	- - -	- - -	- - -
8	Ms. Narissai Mahathitirat Spouse & immature child Legal entity relevant	Director and AMD of Office of Policy and Planning Analyst and Evaluation	- - -	- - -	- - -	- - -	- - -

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List	Director & Executive	Position	Total shareholding Dec 31, 2019	Shareholder's *(%) equity	No. of share Dec 31, 2019	Shareholder's equity)% **()	No. of share changing up (down)
9	Mr. Thitisak Skulkroo Spouse & immature child Legal entity relevant	Director	- - -	- - -	- - -	- - -	- - -
10	Mr. Teerachai Siritunyanont Spouse & immature child Legal entity relevant	Director and the Company's Secretary / AMD of Managing Director's office	- - -	- - -	- - -	- - -	- - -
11	Ms. Napasiri Mahathitirat Spouse & immature child Legal entity relevant	AMD of Accounting and Financial Group	- - -	- - -	- - -	- - -	- - -
12	Mr. Surasak Luangaramsri Spouse & immature child Legal entity relevant	Director / AMD of Sales Group	- - -	- - -	- - -	- - -	- - -
13	Mr. Wichit Pansrimangkorn Spouse & immature child Legal entity relevant	AMD of Business Recycle	4,000 - -	0.005% - -	4,000 - -	0.005% - -	- - -
14	Mr. Ong Wui Yong Spouse & immature child Legal entity relevant	AMD of Operation Group	- - -	- - -	- - -	- - -	- - -

** Fully Paid-up shares as of December 31, 2019 = 80,000,000 Shares

8.4 Company Secretary, Chief Financial Officer (CFO) and Chief Accountant

8.4.1 Company Secretary

The Board of Director appointed Mr. Teerachai Siritunyanont as the Company Secretary since Feb 22, 2007 who shall comply with the relevant laws, objective, article of association. the Board's resolutions, as well as resolutions of shareholders'meeting and has duties prescribed by law as follows:

1. Arranging meetings for the Board of Director and the Shareholders in accordance with the corporate governance principles and adhere to the Company's the article of association and the relevant laws for instance; The Securities and Exchange Act.
2. Oversee the Company's disclosure of information compliance with the regulations of the SET and SEC including other relevant agencies.
3. Preliminary consultation to the Board of Director and Executives of the Company for the part that shall comply with the rules and regulations of the SET and SEC, along with following the announcement of new rules regularly.
4. Prepare and filing of various related documents such as register of directors, notice of board meeting, minutes of board's meeting, notice of General meeting of shareholders, minutes of shareholders meeting, report of securities holding and report of interest and so on.
5. Oversee activities of the Board of Director so that they can perform efficiently and effectively.

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6. Coordinate and conduct the compliance of resolutions of the Board of Director and shareholder's meeting.
7. Perform any other duties as assigned by the Board of Director.

The qualifications of Company secretary should be a person holding a bachelor degree of accounting, details are shown in the [Attachment 1](#).

8.4.2 Chief Financial Officer (CFO)

Ms. Napasiri Mahathitirat is the highest responsibility in finance and accounting which take in the charge of controlling and supervising the accounting and finance accurately and timely, as well as complying with the guidance of The Securities and Exchange Commission, Thailand, and the qualifications for the individual who already holds such position are consistent with the requirement of the Stock Exchange of Thailand. The Detail of Chief Financial Officer (CFO) is shown in the [Attachment 1](#).

8.4.3 Chief Accountant

Ms. Kantapak Kasamaniti to be directly responsible in overseeing the accounting and preparing financial reports efficiently in compliance with the guidance of The Securities and Exchange Commission, Thailand, and the qualifications for the individual who already holds such position are consistent with the requirement of the Stock Exchange of Thailand. The Detail of Chief Accountant is shown in the [Attachment 1](#).

8.5 Remuneration of Directors and Executives

8.5.1 Cash remuneration

1. Remuneration of Directors

1.1. Meeting Allowance

The Company has a remuneration policy for Directors in monthly fixed rate, meeting allowances for non-executive directors per each meeting and Sub-Committees per time per actual meeting based on director's remuneration in similar industries group and considered the appropriate business type, experience, roles and responsibilities.

Detail of remuneration of directors for 4 teams in the term of meeting allowance:

1. Remuneration of the Board of Director

1.1 The Board of Director: Monthly fixed rate comprise of:

Chairman	40,000 Baht / month
Director	30,000 Baht / month

1.2 Non-Executive Directors

Chairman	20,000 Baht / time
Director	10,000 Baht / time

2. Remuneration of sub-directors

2.1 Audit Committee: paid on a number of times of actual meeting

Chairman	20,000 Baht / time
Audit Committee	10,000 Baht / time

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2.2 Nomination, Remuneration and Corporate Governance Committee: paid on a number of times of actual meeting

Chairman 20,000 Baht / time

Nomination, Remuneration and 10,000 Baht / time

Corporate Governance Committee

2.3 Risk Management Committee: paid on a number of times of actual meeting

Chairman 20,000 Baht / time

Risk Management Committee 10,000 Baht / time

Over the fiscal year ended 2019, the monthly remuneration for Directors was total Baht 4,530,000 net all year as adhere to the resolution of 2019 Annual General Meeting of Shareholders as follows:

Table 14: Remuneration of Directors in 2019

(Unit: Baht)

No.	Name & Surname	Position	Remuneration					Total
			The Board of Director (Monthly paid)	The Board of Director (per time)	Audit Committee (per time)	Risk Management Committee (per time)	Nomination Remuneration and Corporate Governance Committee (per time)	
1	Mr. Prisun Wongsmith	Chairman of Board of Director	480,000	140,000	-	-	-	620,000
2	Mr. Sayan Satangmongkol	Independent Director / Chairman of Audit Committee / Director of Nomination Remuneration and Corporate Governance Committee	360,000	70,000	100,000	-	60,000	590,000
3	Mr. Asdakorn Limpiti	Independent Director / Chairman of Risk Management Committee / Director of Audit Committee and Director of Nomination Remuneration and Corporate Governance Committee	360,000	70,000	50,000	120,000	60,000	660,000
4.	Mrs. Sasitorn Funprom	Independent Director / Director of Audit Committee and Chairman of Nomination Remuneration and Corporate Governance Committee	360,000	70,000	50,000	-	120,000	600,000

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No.	Name & Surname	Position	Remuneration					Total
			The Board of Director (Monthly paid)	The Board of Director (per time)	Audit Committee (per time)	Risk Management Committee (per time)	Nomination Remuneration and Corporate Governance Committee (per time)	
6	Mrs. Pojanard Prinyapatpakorn	Director and Managing Director	360,000	-	-	-	-	360,000
7	Mr. Detbordin Riensubdee	Director and Director of Risk Management Committee	360,000	-	-	60,000	-	420,000
8	Ms. Narissai Mahathitirat	Director	360,000	-	-	-	-	360,000
9	Mr. Thitisak Skulkroo Appointed to be a director on June 1, 2019.	Director	210,000	30,000	-	-	-	240,000
10	Mr. Surasak Luangaramsri Term completed on April 24, 2019	Director and Director of Risk management Committee	120,000	-	-	60,000	-	180,000
11	Mr. Teerachai Siritunyanont Resigned on 1 June 2019	Director and Company Secretary	150,000	-	-	-	-	150,000
12	Mr. Ong Wui Yong	Director of Risk management Committee	-	-	-	60,000	-	60,000
Total			3,360,000	430,000	200,000	300,000	240,000	4,530,000

1.2 Bonus

For the year 2019, there were 6 Non-Executive directors and the Company paid bonus to them as follows which was approved by the annual general meeting;

Table 15: Bonus for Non-Executive directors in the year 2019

(Unit : Baht)

List	Name & Surname		Amonth of Bonus
1	Mr. Prisun	Wongsmith	520,000
2	Mr. Sayan	Satangmongkol	400,000
3	Mr. Asdakorn	Limpiti	400,000
4	Mrs. Sasitorn	Funprom	400,000
5	Mr. Sivanas	Nagadatta (Appointment on 24 April 2019)	266,666
6	Mr. Thitisak	Sakulkroo (Appointment on 1 June 2019)	233,333
Total			2,219,999

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Executive Remuneration

The Remuneration of Executives, will link to the operations result of the Company and their performance results of each Executive comprising of a salary and bonus. The remuneration for each Executives who operate the Company for the year 2019 is in amount of Baht 42,065,563.00.

8.5.2 Other Remuneration

No other than monetary remuneration.

8.6 Personal

As December 31, 2019 the Company has manpower classified by productions line and operations as follows:

Table 16: Manpower Classified by productions line and operations as of December 31, 2019

productions line and operations	Monthly-paid employee (person)	Daily-paid employee (person)	Total (person)
General bag	15	57	72
Zipper bag	90	822	912
Drinking straw	19	179	198
Management Centre	215	152	367
Management Centre (Branch office; ST)	115	-	115
Total	454	1,210	1,664

Table 17: Employee's Remuneration 2019

Description	Amount (Baht)
Salary	196,767,935.99
Labor Cost	200,532,116.97
Bonus	38,448,030.00
Social Security Fund and Compensation Fund	10,511,253.00
Contribution to Provident Fund	4,582,980.00
Other benefits	20,134,239.26
Total	470,976,555.22
16.98% of total Expenses	

Remuneration and Development of Employee Policy

The remuneration set aside by the Company for its employees of all levels and all nationality are fair and under the same criteria. It comprises of salary, wage, overtime payment, bonus and incentives, contribution to social security funds and provident funds, retirement compensation. In 2019, the Company was paid those remunerations during the past year in the total of 470,976,555.22 Baht.

The Company has determined a staff remuneration plan with transparency accuracy and fairness, which is consistent with the Company's operating results, government policy and domestic economic conditions. For the short-term benefits, there will be an annual operating evaluation and key performance indicators, together with the

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company's operating results, and in the part of long-term benefits, the Company still has been in the process of consideration.

Human resources development policy of the Company is the one of significant policy to train its employees and promote a knowledge continuously by focusing on enhancing capabilities and potential of all level of employees to cause an awareness, knowledge, comprehension, skills which support to operate effectively both in the present and future for leading the advancement of employees and the Company further. In order to promote and develop the operation continuously, the Company prepared an orientation document to a new employee for a useful working information, and also organize the business orientation which present the Company's business type and the path of the Company's operation. In the corporate governance system, the Company's employee will be sent to observe activities and seminar both in domestic and abroad.

The Company has policies of the employee development by focusing in all level of training and provide the training for employee by conducting a policy and annual training plan expected the employee to understand and be able to work properly and efficiently. For the related employee in production line, the Company focus on the reduction of waste and workplace safety as well as environmental awareness and organize the training in getting the most out of material, the waste sorting system such as toxic waste, garbage, trash, including the occupational safety with campaigns in regard to the reduction of accidents and working sustainably security.

The Company does not have a Labour Union.

Detail of average's training hours and security statistics has show on Sustainability Report 2019.

9. Corporate Governance

9.1 Corporate Governance Policy

The Company committed to build reliability for investors and stakeholders in the business and increase value to the organization and promote sustainable growth of the Company, manage its business as adhere to the Good Corporate Governance to achieve business' goals which is the basic value of Leading Corporations. Consequently, the Company has set the Corporate Governance Policy and designed to frame its various aspect of business as the following:

1. The Board of Director ("The Board"), the Management and all employees shall implement the Corporate Governance manual with confidence and understanding to the principles.
2. The Board, the Management and all employees shall apply the Company's corporate governance principles to all level of business management.
3. The Board, the Management and all employees shall commit to fair treatment of all stakeholders and serve the Company with dedication, integrity and transparency.
4. The Board, the Management and all employees may recommend improving the policy of CG so that it may align with and suitable current business management standards as well as evolving social needs and international practices.

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Monitoring Compliance

The Company designated as the duties and responsibilities of Directors, the management and all employees to acknowledge and comply with the policies and terms which are contained in the guidelines on corporate governance of the Company, and both Executives at all levels shall be responsible to and encourage employees who are under their supervision to gain knowledge, understand and comply with the manual of corporate governance principles strictly.

The Company will not run its business in an act that could violate the law or conflict with the corporate governance principle, what if the Board of Director, Executives, or employees violates against the corporate governance policy, the wrongdoers shall be disciplined strongly. and if there are reasons to believe an act that violate the law, rules, regulations and rules of government, the Company will submit and report the wrongdoers to government officer for prosecution.

In case, employees of the Company at all levels have problems to decide or compliance with the code of conduct which does not stipulate in the code of conduct of the Company, set a question in your mind about your activities by yourselves as the following steps:

- 1) Does the act violate the law?
- 2) Does the act conflict with the policy or morality or affect the Company's reputation?
- 3) Does the act affect any stakeholder or not?

Additionally, if the Company's employees found the act that violate the law and/or the principle of Corporate Governance, please report any complains or indictment to Chairman of the Company. The Company shall not disclose the reporter (as the detail in Whistle-Blowing Measures and Whistle-Blower Protection Mechanisms)

Operation and Internal Control System of the Company in compliance with Corporate Governance Policy

Article 1: Right of Shareholders

The Company recognizes the importance of shareholders' right by encouraging and supporting shareholder in acceptable and reliable standard and methods which include the right to freely trade or transfer their own shares, the right to attend Shareholders' Meetings, the right to propose in advance the Meeting agenda , the right to nominate a person to be a director, the right to attend and vote in the General shareholders' meeting, the election of directors, the appointment of auditors and fixing of the audit fee, the remuneration of directors, the right to consider dividend payment, amendment of Memorandum of Association and Articles of Association of the Company, approval of significant transactions influencing the Company's direction as well as the right to receive adequate information.

The Company arranges the Annual General Meeting of Shareholders (AGM) every year within four months after the end of each fiscal year. In case of urgent need to consider any special agenda that may affect or in

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connection with the interests of shareholders, need to get an approval from the Board of Director. Then, they can call an extraordinary meeting of shareholders case by case.

The Treatment to Shareholders prior to the AGM

- 1) The Company has provided an opportunity to shareholders to propose agenda (s) and nominate director candidates to be considered electing in the 2019 AGM, by which the details and procedures are placed in the Company's website at least 3 months, prior to the year ended (October 1, 2019 – December 28, 2019). Then send to the Stock Exchange of Thailand. The Company has defined to the shareholders who wish to propose agenda (s) must be one single shareholder or several shareholders together hold the Company's shares at least 5 percent of total voting rights of the Company.
- 2) The Company publicize an invitation letter, procedures for proposing agenda Items with the opinion of the Board of Director along with proxy forms comprising of form A, B and C (form C is for foreign shareholders that have appointed custodians in Thailand only) according to Ministry of Commerce in both Thai and English. Also, the other supporting information of the agenda (s) on the Company's website, prior to the meeting at least 30 days in advance of the AGM and before publicizing the notice of the 2019 AGM on March 6, 2019 and hold the AGM on April 24, 2019.
- 3) The Company provide the notice of 2019 AGM with clearly specified information; meeting venue, date, time, detailed procedures for agendas, important & essential information for consideration, the opinion of the Board of Director, minutes of the previous meeting, annual report, proxy forms with clearly specify and other relevant documents, then distribute to shareholders not less than 21 days; April 2, 2019, prior to the meeting. To ensure that the information relates to voting decision receive by the shareholders are sufficient, accurate, complete, transparent and study the agendas in advance for announcing in the newspaper 3 days consecutive, prior to the AGM for the shareholders to prepare themselves for participating the meeting.

The Company provided opportunities for shareholders to submit question related to items on the agenda or other information prior to the meeting from April 1, 2019 to April 19, 2019 via the email address irthip@thantawan.com or the Company's address for more information, please contact directly

Secretary of the Company

Thantawan Industry Public Company Limited No. 123 Suntowers Building A, 32nd Floor,

Vibhavadi-Rangsit Rd., Chomphon, Chatuchak, Bangkok, 10900

Email Address: board-thip@thantawan.com

Tel.: (662) 273-8333 ext. 3209, Fax: (662) 273-8484

The Treatment to Shareholders on the date of the AGM

- 1) The Company facilitates all shareholders at the meeting date with equity by affording staffs to welcome and provide information for checking documents and registration. The Company has arranged a registration process for two hours in advance. Although the registration passes that period, shareholders who wish to attend the meeting can register to attend the meeting without losing their rights.
- 2) The Company arranges the meeting venue which is convenient to participate and properly adequate size for shareholders and set up an emergency plan under a good security to increase confidence and

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security during the meeting for all shareholder. In 2019, the Company arrange its AGM on April 24, 2019 at the Meeting Room of 39th floor, 123 Suntowers Bldg. B, Vibhavadi-Rangsit Rd, Chompon, Chatuchak, Bangkok, which is convenient to come to the meeting venue because it was close to Vibhavadi-Rangsit Rd and not far from BTS Mo Chit station, Ha Yaek Lat Phrao station or MRT Chatuchak station, Phahon Yothin station.

- 3) The Company has applied a bar code system for registration and counting votes by being able to show a shareholder's registration number which was printed on the registration form and proxy form for enhancing the registration process and having the document check counter for those who authorize another person as a representative to attend the meeting, and the Company also prepare the stamp duty for those representative who did not affix the stamp duty on the proxy form, along with there are staffs to comfort shareholders for all along the process.
- 4) The Company shall not deprive the rights of shareholders to attend the meeting. All shareholder can exercise their rights to attend the entire meeting.
- 5) Prior to the meeting, Chairman of the Board will clarify criteria in relation to the meeting such as the opening of the meeting, voting procedures including counting of shareholders' vote for each session, according to the Company's Article of Association.
- 6) The Company will specify director's interest in the invitation letter and the AGM. If any director has a particular interest or involve to any agenda, Chairman of the meeting will notify participants prior to the agenda's consideration. Directors, who involve to the interest, will not participate to the meeting of each agenda.
- 7) The Company shall support the participants to take their rights in protecting their own interests by asking questions, expressing opinion and making recommendation at the AGM.

To ensure transparency and verification, the Company provided voting cards for each agenda item. In casting votes, Chairman requested shareholders or proxies who voted to disapprove or abstain for such agenda item to mark the voting cards accordingly with his/her signature affixed and raise their hands to notify the Company's officers so as to have their barcodes scanned and their voting cards collected. All shareholders who voted to approve needed to mark the voting cards accordingly with his/her signature affixed but were not required to raise their hands. All the voting cards were collected when the meeting adjourned. As for a large number of shareholders who authorized their proxies to the independent directors, the Company needed to cast votes of approval, disapproval, or abstention for each agenda item according to their requisition.

The Treatment to Shareholders after the AGM

- 1) The Company disclose the resolution of shareholder's meeting with the voting results on the meeting day after the meeting through the SET Community Portal System which has been developed by the Stock Exchange of Thailand (SET) and the Company's website, along with preparing the minutes of the Shareholder's meeting and notify to the Stock Exchange of Thailand (SET) within 14 days, which is May 3, 2019 after the meeting in accordance to the SET regulations to disseminate full details of the meeting with completely. This includes

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names of Directors and the Management who attending the meeting, voting procedure, resolutions of the meeting, voting result for each agenda item, voting and questioning process of the shareholders in each agenda and clarification and shareholders' comments thoroughly together with publicize of video recording of the AGM on the Company's website (www.thantawan.com).

- 2) Consider the recommendations and opinions that received from the shareholders for the quality assessment of the AGM and development plan for the next AGM consistently.

The Company disclosed the voting results and resolutions for each agenda item at the 2019 Annual General Meeting of Shareholders to the public via SET Portal and The Company's website after the meeting ended (www.thantawan.com).

Article 2 Equitable Treatment of Shareholders

- 1) Shareholders are entitled to assign proxies to the meeting and cast ballots for them as well as receive documents and advice how to assign the proxy with legalization. Once proxy forms have been handed to directors at the meeting, proxies are entitled to participate in the meeting and cast their ballots like all other shareholders. Shareholders may also delegate the proxies to independent directors and have the right to receive profiles, work experiences and reports on conflicts of interest for the consideration of agenda items from the independent directors appropriately.
- 2) The Company has conducted The AGM and the meeting shall be conducted according to the agendas notified on the notice which was sent to shareholders and has a policy without any agenda item added to the meeting, if there was no the notice to the shareholders in advance.
- 3) The Company has set an adequate time for the meeting and it shall be allocated for the meeting and equal opportunities provided for shareholders to express their opinions, ask questions and exercise the rights to elect individual directors. The shareholders can vote every agenda through a polling card that distributed to the meeting.
- 4) Directors and relevant Executives shall attend the AGM to answer the questions that raise by the shareholders. The main questions, answer and opinions shall be recorded in the minutes of the meeting for the future review by the shareholders.
- 5) The Company has disclosed current information through the Company's website for providing the shareholders with important information that have been changed including information sheets and disclose in accordance with various regulations. After disclosure to The Stock Exchange of Thailand (SET), the information shall be published to the Company's website both Thai and English.

The agenda of the 2019 Annual General Meeting was considered chronologically as it appeared in the invitation letter submitted to shareholders prior to the Meeting, without any changes in order or request the Meeting consider any agenda item other than those specified in the invitation letter. Moreover, after all agenda items were considered, Chairman provides an opportunity for the shareholders' additional queries of their interest before the end of the meeting.

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Preventing Conflict of Interests

The Company realizes the importance of managing the conflict of interests of related persons, namely, the Board of Director, Subcommittee, and employees in a prudent, fair, and transparent manner. As a consequence, the Board of Director has established policies and measures regarding the conflict of interests as follows;

- 1) Directors and Senior executives must file a report with the Company stating their interests in the management of the Company when they first take the office. They must also file a report should there be any changes in their interests and at every year end and at Annual Report.
- 2) At a Board of Director's meeting, any Director or Executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. This is to ensure that the Board and Executives make decisions in a fair manner

There was no any relevant person having a conflict of interest with the Company in 2019

Article 3 Roles toward to Stakeholders

The Company recognizes the importance to the interests among groups of stakeholders, the Company operates business with responsibility and treats all stakeholders fairly. Commitment to develop business to the sustainable growth and can generate remuneration to shareholders appropriately, protect their interests and assets of the Company as preserve their properties. The Company has the rights of stakeholders among groups with good practice equally as follow:

Shareholder: The Company is committed to perform business with transparency, integrity and fairness to major and minor shareholders for utmost benefit. Disclose the fact information completely and regularly.

Customer: The Company is committed to produce the quality products with standards, managing marketing practices with fairness, responsible for the quality and standardize products to meet customer's satisfaction as well as to treat them as confidential. Additionally, our Customer service team is ready to handle with care for problem-solving promptly from any customer's complaint.

Business Competitor: The Company operates business within the frame work on trade competition and fairness under the Allianz business competitors encouraging with each other in a frame work that does not cause any damage to the business and relationship with each other.

Trading Partner/Creditor: The Company shall not proceed any corruptions with trading partner and creditor. Set procedure to select the trading partner in a systematic way as well as strictly any conditionals practices towards the Creditor including the purpose of using the money to repay the quality of collateral and any other matters that have been made agreements with creditors in order to achieve mutual benefits.

Employee: The Company recognizes the social protection of workers, occupational health and safety workplace in accordance with law, together with employee engagement between employees and organization, manage by human resources, fairness remuneration, welfare, and career advancement according to law and related regulations including support the employees to the community participation.

Environment & Society: The Company encourages public activities to the communities, social and employees to emphasize them for participating in the communities' activities in order to contribute the benefit of social

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development. The Company support all kind of anti-corruption to ensure fairness in business competition and benefit to society and the nation as a whole.

Overall operating result relating to stakeholders for the year 2019 had details in Sustainability Report 2019.

Article 4: Disclosure and Transparency

Disclosure Information of the Board of Director and Executive Management Remuneration Fee

Information of the Board of Director and executive management remuneration fee and shareholding must be reported in the annual registration statement (Form 56-1), annual report (Form 56 - 2) and also published at the Company's website.

Under Article 59 of the Securities and Securities Exchange Act, directors and executives must report their share portfolios with each purchase, sale or transfer of shares to SEC. In addition, the Company's key guideline is to promote the oversight of the use of inside information. The Company reminds directors and executives to refrain from buying, selling or transferring their shares at least a month ahead of performance report submission to SET for each quarter. The Company also set policy for directors to report each purchase, sale or transfer or shares to the Board at each meeting. Furthermore, directors and executives must report changes in their vested interests to the Company every quarter and update their reports every year. Such information to be kept within the Company to conform the Capital Market Supervisory Board's announcement Tor Jor 2/2009, in regard to the report on vested interests of directors, executives and related parties.

The Company shall disclose significant information of the Company with accurate, clear, complete for decision-making process of stakeholders. The Information Disclosure is main issues of a transparency index in operation that is the main factor in building trust to investors in reliable operation and audit mechanism. The Company, therefore, conduct the disclosure and transparency regulation as follows:

- 1) The Board of Director or other persons delegated by the Board of Director shall disclose sufficiently an information: both financial and non-financial in reliable and timely for stakeholders and shareholders as equal following to laws and the Company's regulation. The Company usually prepared and updated the information on its website which are complete and up-to-dated to ensure that stakeholders are able to use aforementioned information in decision-making further and contract with an institute responsible for related functions with accuracy, convenience and efficacy.
- 2) The Company's information system was prepared carefully which was accuracy, clearness, transparency and easy to understand and there is the disclosure of the significant information both advantage and disadvantage for the Company.
- 3) Provides the public relations agency, acting public relations news, information, and operations of the Company's portfolio, which is beneficial to shareholders, investors, employees, stakeholders and the general public, consistently and efficiently, eliminate the wrong understanding, including investor relations, acting as the coordinating agency, with the institutional creditors, analysts and shareholders

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of the Company to provide the data and operations of the Company the contact channels with fast and easy access.

- 4) The Board of Director making the statements of financial position and the profit and loss account audit report of the external auditor, along with the annual report of the Board of Director at the meeting of shareholders at the annual general meeting for approval.
- 5) The Board of Director supervise the disclosure of information, including a financial statement, annual report, Form 56-1 to be able to reflect on financial status and business overview adequately, along with supporting the Company to arrange the Management Discussion and Analysis (MD&A) to support the disclosure of financial statement in every quarter.
- 6) The Board of Director reports any change in securities holdings and Executives of the Company. According to the regulations of the Board, the Securities and Exchange Commission of Thailand.

In 2019, the Company publicized an information via the following channels:

1. Electronic system which has been developed by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC)
2. Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
3. Submit the Notice of Annual General Meeting of shareholders by the Post Office
4. The Company visit program
5. The Company's website at www.thantawan.com in both Thai and English

Additionally, the Company has arranged the report of the Board's responsibility to financial reporting together with Auditor's report in the annual report as well as a measure to prevent the use of insider information. Employees must not apply the Company's confidential information to personal or others gains. They should maintain inside information and sensitive that could lead to undue exploitation for themselves, their families, or their associates including any information influencing stock prices and the Company's proprietary commercial secrets, formula and inventions. Those who disclose the important information and news to outsiders without approval from the Company shall be subjected to disciplinary action according to company procedures and legal action

Article 5: The Board Responsibilities

The Company has a practice in accordance with the governance and responsibilities of the Board of Director of the Company. The Board of Director shall consist of individuals who have expertise and experience to be able to promote and benefit the Company as well with passion and full-time duties in responsible. The Board of Director has been appointed by shareholders to be the responsible leaders for setting the direction of the Company. Additionally, the Board of Director shall appoint the management responsible for business operations and appoint committee to be responsible for specific assignments. For Shareholders, they shall appoint the auditor of the Company, including the Company's secretary responsible for the operation and following the law.

In addition, the Board of Director is responsible for the formulation and structure review of the Company in both size and composition, the proportion of independent directors that are appropriate and be necessary to

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achieve the Company's defined objectives. For guidelines on responsible governance of the Board of Director of the Company are as follows;

1. Structure, Compositions & Qualifications of the Board of Director

- 1) Meeting the qualifications and is not possessing the prohibited characteristics prescribed in the Public Limited Companies Act B.E. 2535 (1992).
- 2) To be composed of at least 5 members, not over 9 members. It is not less than one-half of the directors and reside in Thailand whether shareholders of the Company or non-shareholder. Age is not over 75 years of age with 3 years of term whereas the retiring Directors may be re-elected.
- 3) Independent directors are at least 1/3, but no fewer than three persons with qualifying in compliance with guidelines of SEC.
- 4) To be composed of variety skills; Industrial, Accounting & Finance, Business, Management, International Marketing, Strategies, Crisis Management, Legal and Corporate Governance. This consists of expert with knowledge at least 3 persons; Legal and Accounting & Finance 1 person per each.
- 5) The appointment of the Board of Director is adhered to the specific agenda with transparency. Also, Directors' profile with detail sufficiency for making decision at the AGM. Additionally, to disclose all member of the Board of Director's profiles in the annual report for acknowledgement.
- 6) The work of the Board; roles & duties is divided clearly between the Board of Director, Executives Sub-Committees and management of the Board.

At present, the Board of Director comprises of 9 directors which 4 of them are independence directors who have a full relevant qualification and abilities in consistent with the Company's business.

2. Directorship in Other Companies

The policy of Directorship serving terms in the listed companies of the Directors is as follow:

- 1) The Company has determined that each director is allowed to be in the directorship in other companies. Not over than 5 listed companies including subsidiaries that are not listed companies (if any) in order to achieve efficiency and can devote more time to conduct the duties of the Board of Director.
- 2) The Board of Director should not be the Director in the listed companies that may cause the conflicts of interest with the Company and the performance of the Directors.
- 3) Policy of the Directorship serving terms in other companies of Managing Director and Senior Executive, the Company has defined the Directorship serving term in other companies of Managing Director and Senior Executive of the Company in accordance with the Public Limited. Company ACT 1992. This must be approved by the Board of Director, prior the serving term.

In 2019, there was no any director who take in the charge of their role over 5 places of listed company as shown in the biography of directors and executive, [Attachment 1.](#)

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3. Terms of Office of Directors

The number of terms of directors

The number of years directors' service was stated in the Articles of Association of the Company in accordance with Public Limited Companies Act, B.E. 2535(1992). In the AGM, directors shall retire from their roll at least 1/3 person according to its Articles of Association. Currently, the Company has 9 directors which each one has served on each term for 3 years, however, those who shall retire might be reelected by voting in the AGM.

The number of consecutive terms of Office of Independent directors.

Independent Directors can serve up to 3 consecutive terms by starting counting from the first day of the appointment and expire of each term on the date of AGM who have to retired by rotation, however, the Board of Director may propose those who shall retire to be reelected by voting in the AGM, but the position of independent director shall be expired.

4. Independence Director

An Independent Director shall not be the member of the group of majority shareholders and be independence from the majority shareholders as well as the Company's Executive. Moreover, the Independent Director must have a financial knowledge or any other business knowledge, reach and can understand the Company's business appropriately for expressing their opinion freely to protect the minority shareholders' profit, attend the meeting regularly and make a report to certify their independence when being appointed and disclose the significant independence information in the Company's annual report. Additionally, the independent director must have a full qualification in accordance with the specification of the Stock Exchange of Thailand (SET) and The Securities and Exchange Commission (SEC).

- 1) Holding shares shall not exceed 0.5 percent of the total number of shares with voting rights of the Company, its / parents' companies, subsidiary, affiliate, major shareholder or controlling person including shares held by related persons of such Independent Director.
- 2) Neither being nor used to manage the office, employee, advisor who receives salary, or authorized person of the Company, its parent company, subsidiary, affiliate, same level of subsidiary company, major shareholder or controlling person. Unless the foregoing manner has ended not less than two years.
- 3) Not being a person related to blood relationship or legal family's registration as father, mother, spouse, sibling and child including spouse of a child to the other directors, management, major shareholder, authorized person or person to be nominated as director, executive or authorized person of the Company or its subsidiary company.
- 4) Neither having nor used to have a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in the manner that may interfere to his/her independent discretion. Also, neither being nor used to be a significant shareholder or authorized person of any person to business relationship with the Company, its parent company, subsidiary, affiliate, same level of subsidiary company, major shareholder or authorized person unless the foregoing manner has ended not less than two years.

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- 5) Neither being nor used to be an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or authorized and not being a significant shareholder, authorized person or partner of an audit firm which employs auditors of the Company its parent company, subsidiary, affiliate, major shareholder or authorized person unless the foregoing manner has ended not less than two years.
- 6) Neither being nor used to be a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company. its parent company subsidiary, affiliate, major shareholder or authorized person and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing manner has ended not less than two years.
- 7) Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder.
- 8) Not undertaking any business in the same nature and in competition with the business of the Company or subsidiary company or not being a significant partner in a partnership or director with management authority, employee, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of the other companies which undertakes business in the same nature and in competition with the business of the Company or its subsidiary company.

5. Scope and Authorities of the Company's Directors

- 1) Duties and responsibilities of the Board of Director is to manage the Company's business in accordance with the Company's objective, the Article of the Company and relevant laws, together with the resolutions of the shareholders meetings.
- 2) To define the Company's vision, mission, strategy of a business procedure, core value or main objectives and the principle of the Company by being reviewed and approved on annual basis.
- 3) To oversee the business operation to be sustainable existence under the factors, opportunities and risks which may impact on the business and stakeholders.
- 4) To consider planning an operation plan, statement, goal and policy of business procedure as well as enhancing the competitive ability of the Company in the international standard.
- 5) To supervise the Company's strategies to implement and monitor by making the performance measurement which define to report the operation result regularly including, providing a policy to improve the business operation in consideration of safety and hygiene, corporate social responsibility and environment as well as the human capital development.
- 6) To monitor and develop the corporate governance policy as a business' guideline and also supervise an implementation of this policy, including approving these policy and review regularly at least once a year.
- 7) To encourage employees at all levels in ethical, moral and to comply with the corporate governance manual, code of conduct, and anti-corruption policy along with conducting internal control system and internal audit to reduce risk of fraud and abuse of authority as well as preventing illegal acts.
- 8) To oversee and support to create innovation and technology which lead to the higher value of the Company, coupled with building more benefits to all stakeholders.

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- 9) To provide the limitation of corporate governance, IT management and preventive measures for IT service.
- 10) To supervise and resolve the conflict of interests which may occur between different stakeholders of the Company and define the guidelines of report which may be a conflict of interests for the benefit of the Company and all shareholders. Additionally, Stakeholders shall not be a part of making decision, directing procedures or disclosure of transactions that possibly may cause conflict of interests.
- 11) To oversee the interests of both major and sub-shareholders with fairness that related to their right as well as encouraging shareholders to exercise their rights to maintain their own benefits and ensuring that the Company has the right to disclose important information in completely, transparency, timely manner and checkable.
- 12) Aware of the roles and responsibilities of the Board of Director and respect the rights of all shareholders and stakeholders with fairness and transparency, and supervising a procedure, receiving channels and deal with all stakeholders or complaints of those who mean to report a clue of the malpractice related to the Company efficiently, along with providing opportunities for all stakeholders can contact/report the matter of those which may be a problem on the Board directly.
- 13) The Board of Director provides the operational control system, financial report and a compliance of rules and policies, as well as establishing the person or authority who is a part of the Company, or hiring outsources which are independent in the performance of duties, to be responsible for monitoring such control system and review important system at least once a year, together with disclosure in the annual report.
- 14) To provide the risk management policy covers the entire organization by assigning the management to comply with those policies and submit the risk management report to the Board of Director through Audit Committee regularly on a quarterly basis. The Company provide the effectiveness evaluation of risk management at least once a year for placing the importance on early warning signals, and all unusual items.
- 15) To consider appointing a Sub-Committee as proposed from the Nomination remuneration and corporate governance committee, including the appointment of Corporate Secretary, to oversee various aspects regarding the responsibility of the Board of Director and managing a work of the Company in accordance with laws and regulations related to the responsibilities of Company Secretary.
- 16) The Board of Director may authorize the Sub-Committee, Managing Director, and/or Executive to be in charge of any duty for achieving the defined objective of the Company, including canceling, repealing, adjusting, rectifying the authorization of those assignment.
- 17) The Board of Director are entitled to consider an approval of procurement and asset sale, investment in the business expansion as well as being a joint venture with other entrepreneurs under the Articles of Association and Article of Association including relevant Laws.

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6. Separation of the roles of the Board of Director and the Management

The Company defines clear roles and responsibilities regarding the Board of Director and the Management. The Board shall be responsible for establishing the policies and overseeing the Management's implementation of those policies, whereas the Management shall be responsible for implementing the policies formulated by the Board, and ensuring that it has carried out as planned. Therefore, Chairman the Board of Director the Company shall not be the same person with Managing Director, and each must be nominated and elected by the Board in order to ensure their appropriateness.

Chairman shall not be a member of the Management and shall not participate in the Management of the Company; nor shall the Chairman be authorized to sign binding agreements on behalf of the Company. This is to clearly define separate roles between supervision of the Company's overall policy and business management.

The Management is authorized to manage the Company's operations in accordance with the policies; responsible for the Company's operating results; control expenses and capital expenditures within the limits approved by the Board in the annual operating plan; manage human resources in line with the prescribed policy; resolve problems or conflicts that affect the Company; and maintain effective communication with the stakeholders

6.1 Scope of roles and responsibilities of Chairman of the Board of Director

- 1) To set the Board meeting agenda in consultation with Managing Director and oversees to ensure the Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision-making process.
- 2) To convene the Board meetings or assign other persons to act on his behalf and specify to have the Board meetings without directors from the Management.
- 3) To be Chairman of the Board meetings. In the case of a tie, Chairman will cast a decisive vote.
- 4) To allocate sufficient time for directors to carefully and effectively discuss issues and topics related to the management and corporate governance or propose meeting agenda items, as well as to encourage directors to independently use their discretion at the Board meeting. Senior Executives of the Company may be invited to provide significant information to support the Board's decision on particular issues.
- 5) To be Chairman of the AGM and conduct the meeting in accordance with the Articles of Association and the sequence of agenda items as stated in the meeting invitation letter unless the meeting resolves to change the sequence of agenda items with more than two-thirds of votes of the attended shareholders as well as giving shareholders an opportunity to express opinions equally and also have a response for shareholders' questions properly and transparently.
- 6) To support and be a role model in compliance with the principles of good corporate governance and Code of Conduct of the Company.
- 7) To oversee in order to conduct a disclosure and management of information transparently in case of the conflict of interests occurred.
- 8) To fosters a positive working relationship between the Board of Director and the Management and supports the performance of the duties of Managing Director and the Management in accordance with the Company's policy.

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- 9) To oversees the operation of the Board of Director as a whole, Sub-Committee and each individual director perform their duties effectively and efficiently.

6.2 Scope of duties and responsibilities of Managing Director

Managing Director of the Company has been assigned by the Board of Director to conduct the Company's business, under the approved work programs and budgets with stringency and integrity as well as protecting the best interests of the Company and shareholders. Managing Director must not be engaged in any conflicts of interest with the Company and subsidiaries of the Company. Roles and responsibilities are as follow:

- 1) To prepare and propose to the board 5-year and 10-year business plans, including the Company's strategic imperatives.
- 2) To prepare and provide to the Board of Director's information relevant to the Company's business and activities, as well as other information needed by the Board.
- 3) To manage the Company's business and business strategy as approved by the Board of Director.
- 4) To run its business in compliance with the objectives, the Article of Association, policies, rules, conditions, orders and resolution of the Board's meeting or shareholders'meeting.
- 5) To structure and manage the organization under the guidelines that are given by the Board of Director.
- 6) To fine-tune the Company's positive culture in support of its vision, mission, and strategic imperatives.
- 7) To apply the Anti-corruption policy and practice to the Company by announcing and enforcing in the Company and having an measurement of the Anti-corruption policy and practice check list regularly.
- 8) All the other tasks assigned by the Board of Director.
- 9) To delegate authority or assign others to act on his or her behalf under the Company's rules, terms, principles or orders that are given by the Board of Director or the Company as defined.
- 10) To prepare and present significant company's business performance to the Board of Director as regular basis as well as the other reports are required by the Board of Director.
- 11) To represent the Company in dealings with third parties.

7 The Board of Director's authorization

The Board of Director is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board of Director charter, and the shareholders' meeting resolutions. Such matters include defining and reviewing corporate vision, mission, operating strategies, operating plans, risk management policy, annual budget and business plans, medium and long-range business plan, monitoring and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, material connected transactions, merger and acquisition, corporate spin-off, joint venture deals and approving the various matters or propose its opinion toward the AGM for approval, the Board should be aware that those activities have not any impact on the continuity of the Company's operation, financial liquidity or affordability.

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8 The Board's meeting

The Company has scheduled the Board meetings in advance for each year so that directors can schedule themselves to attend the meeting. Chairman of the Board of Director approves to endorse the meeting and its agenda by consultation with Managing Director. Each Director is also allowed to propose urgent matters for the agenda's consideration in each meeting. The Company will deliver the meeting agenda and relevant documents to all directors for consideration in advance in order to have enough time and consider the agendas under the following guidelines:

- 1) The Board of Director shall have a meeting at least 6 times per year with 2/3 of the total board in attendance to constitute a quorum.
- 2) The Company shall deliver the meeting invitation to directors at least seven days prior to each meeting date to give them enough time to study, deliberate and make decision on all agenda items as well as schedule themselves properly to attend each meeting.
- 3) Chairman of the Board approves to endorse the meeting and agenda of the meeting by consulting with Managing Director and consider the proposed agendas of directors to include other significant matters in the agenda for the next meeting.
- 4) Chairman of the Board ensures that the Board of Director has adequate time for the management's information presentation including questions and debate of significant issues.
- 5) The Board of Director must duly devote their time and attention to the Company's business and be prepared to attend meetings regularly. The Board of Director have the duty to attend at least 75 percent of such meeting.
- 6) The Board of Director can gain reasonable access to information, to request documents and information, consultation and related services concerning the Company's operations from Senior Executive as well as seeking independent views from external consultants if necessary.
- 7) Supports Senior Executive to attend the board meetings to provide additional information and details.
- 8) Supports Non-Executive Directors to have opportunities in arranging their meeting as deem appropriate for reviewing and discussing its operation and management without the attendance of the Management, after that reporting its meeting result to Managing Director.
- 9) A resolution will be passed by no less than 2/3 of entire directors while casting vote.
- 10) Directors, who are potential involvement or vested interest in any agenda item, must refrain from voting or express views on that item.
- 11) Minutes of the Board meetings including its meeting agenda and the board's views must be clear for future reference.

In the year 2019, there was a meeting of the Board of Director in total of 7 times and independent directors held the meeting themselves without Executives total of 1 time, the Company disclosed the total of meeting attending for each director in table no. 8.

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9. Board of Director and Sub-Committee 's Performance Assessment

The performance appraisal of the Board and Sub-Committee is done annually by evaluation in group and self-assessment to co-consider the performances and problems for further development.

In the year 2019, the Company used the appraisal format of Stock Exchange of Thailand to cover significant issues such as structure and qualification of the Board, roles and responsibilities, board meeting, duties of the board, relationship with the management and self-development of Directors and Executives.

Appraisal of the Board's performance as a whole, will be defined clearly a criteria and procedure by Nomination, Remuneration and Corporate Governance Committees who also considered the appraisal format and questionnaire about an information of knowledge development, performance of directors and then reported to the Board of Director for considering. The Company might consider an employment of an external consultants to set guidelines and propose issues of the Board's performance appraisal as well as to disclose the performance in the annual report.

Secretary of the Company submits the performance's appraisal form to all directors to assess the performance of the Board of Director and Sub-Committee. After finishing the assessment, it will propose to the Nomination, Remuneration and Corporate Governance Committee first. Then, proposing to each Chairman of directors

Table 18 The results of the assessment of the Board of Director and subcommittee for the year 2019

The Board of Director and Sub-Committee	The results of the assessment of committee as a whole
1. Board of Director	93.80%
2. Audit Committee	93.08%
3. Nomination, Remuneration and Corporate Governance Committee	92.31%
4. Risk Management Committee	91.88%

The criteria for the assessment represent to the percentage as:

- Over 85% = Excellent
- Over 75% = Very Good
- Over 65% = Good
- Over 50% = Average
- Under 50% = Need an improvement

Managing Director Assessment

The Board of Director and Nomination, Remuneration and Corporate Governance Committee were the assessor of Managing Director's performance by considering based on business performance, implementation of the Board's policies, and socio-economic circumstances and used the appraisal format of Stock Exchange of Thailand. Then Nomination, Remuneration and Corporate Governance Committee will consider the appropriate remuneration for Managing Director and Senior executive and proposed to the Board of Director according to the following criteria:

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| 1. Leadership skills | 7. Human resource management and relationship with human resource |
| 2. Strategic Planning | |
| 3. Strategic Implementation | 8. Succession Planning |
| 4. Financial Management | 9. Production and services knowledge |
| 5. Relationship with the Board of Director | 10. Characteristic |
| 6. Relationship with outsider | |

The conclusion of Managing Director's an average score of assessment is 92.44 percent achieved "Excellent". And also, was estimated by Key Performance Indicator, an average score of Key Performance Indicator assessment is 70.05 percent achieved "Good". Therefore, a summary of Managing Director is 74.53 percent achieved over all "Good".

10. Development of Directors and Executives

- 1) The Company has promoted and provided support on training and education on corporate governance principle of the Company to Directors, Committee members, Executives, the Company's Secretary and others to generate and develop the operation regularly.
- 2) The Board should ensure that the personnel involved with the preparation and disclosure of information have the knowledge, skills and experience appropriate to the duties, responsibilities and to have a sufficient number of personal which include a top-financial and accounting Executive, accountants, internal audit, the Company's secretary and investor relations.
- 3) The Company has provided new Directors with orientation documents to comply with useful materials. An orientation program is provided to new Directors with nature of business and the Company's business practices. Directors have also undergone training organized by Thai Institute of Directors (IOD).
- 4) The Company has continued to executive development program forges preparedness for its internal rotation of Executives and this also applies to Managing Director succession through the Senior Executives appraisal program.
- 5) The Company has established a mentoring program, to develop operational readiness level of Senior Executives or Managing Director position. Upon Managing Director's position is available, the Company will consider the qualification and capabilities person as well as external qualified executives or Executive Managing Director's Assistant or Senior Executive with the availability to the recruitment process.

Readiness Preparation for Directorship

For new Directors, The Company established a director induction program to facilitate their prompt performance of duties to provide important information essential for the directors' performance of duty such as the Company's Articles of Association, the Company's director handbook, the handbook for directors of listed companies, and summary of operating results, for using as quick reference and arranging a meeting with Chairman and Directors and Managing Director or Executives or the Head of each department to stay informed and make queries about the Company's business in depth.

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Table 19 : Training and Seminar program for directors, executive and secretary in 2019

Name of Course	Venue	Participant list	Position
Directors Certification Program (DCP)	Thai Institute of Directors	Ms. Sasatorn Funprom	Independence Director/ Audit Committee/ Chairman of NRCG Committee
S01 Sustainable Development Goals	The Stock Exchange of Thailand	Mr. Detbordin Reinsubdee	Director/ Risk Management Committee / Deputy Managing Director
S02 Supply Chain and Stakeholder Analysis			
13 th BioPlastics Market	Centre for Management Technology	Ms. Narissai Mahathitirat	AMD of Office of Policy and Planning Analyst and Evaluation
Corporate Governace for Capital Market Intermediaries	Thai Institute of Directors	Mr. Ong Wui Yong	AMD of Business Operation Group
Committee for Safety, Occupational Health and Working Environment	Kit for Safety and Environment Company Limited		
Customs duties that an accountant must know (6 hours)	NYC Management Co.,Ltd	Ms. Napasiri Mahathitirat	AMD of Accounting and Finance Group
TLCA CFO Professional Development Program (TLCA CFO CPD) 2019 No. 2/2562 “Automation & RPA (Robot Process Automation) for Accounting” (2 Hours and 30 Minutes)	Thai Listed Companies Association		
TLCA CFO Professional Development Program (TLCA CFO CPD) 2019 “SEC policy on capital market development and supporting the work of listed companies” (2 Hours)			
New TFRs you need to know (7 Hours)	NYC Management Co.,Ltd	Ms. Kantapak Kasamaniti	Accounting Manager
Updating tax law 2019, together with the previous tax-checking issue (3 hours)	Dharmaniti Seminar and Training Company Limited		
Significant accounting issues related to the use of BOI promotion privileges in the digital age (6 Hours)			

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9.2 Sub-Committee

The Board of Director appointed 3 Sub-Committees such as Audit Committee, Risk Management Committee, Nomination, Remuneration and Corporate Governance Committee for sustainable development to be responsible for their specific areas and report directly to the Board for its consideration or reference by putting in place its Charter of the Sub-Committees specifying rights and duties, which is published on the Company's website.

9.2.1) Audit Committee

As of December 31, 2019, the Company has Audit Committee and Independent Directors of the Company's board in total 3 persons with fully qualified, according to the announcement of the Stock Exchange of Thailand in connection with qualifications and scope of Audit Committee, to perform their duties and balance of the Company's business operations with accuracy and the benefits to shareholders. Naming list of Audit Committee and the Independent Directors adhere to the table no. 9. Ms. Sasitorn Funprom was appointed in the 2018 AGM on April 24, 2018 who graduated from school of accounting with knowledge and experience in auditing and review the financial statements of the Company.

Roles and responsibilities of Audit Committee

1) Financial Reports and Audit

- 1.1. Review financial statements of the Company in order to ensure that they are correctly and credibly as well as disclose information sufficiently. The Company co-ordinates with the external auditors and the Executive's responsible for financial reporting both quarterly and annual.
- 1.2. Consider, select and nominate an independent person as an Auditor for the Company as well as suggest remuneration for the Auditor with regard to reliability, resource adequacy and quantity of auditing including attending the meetings with the Auditors without any management at least 1 time per year.
- 1.3. Promote the independence of the Auditors and opine to the suitability of the Auditors including the enhancement of financial reporting system development with equal to the International Financial Reporting standards.

2) Internal Control

- 2.1. Review to ensure that the Company has a proper internal control system and risk management system efficiently and transparently, including suggesting to review or examine any necessary and important items as well as to provide suggestions to improve the internal control systems, risk management systems and report the result of review to the Board of Director.
- 2.2. Review evidences in the event that there is any reasonable doubt in the operations that may have a significant affect to the financial status and the operating results of the Company or the conflict of interests or illegal act and malpractice related to regulations which may have an impact on the operations of the Company.
- 2.3. Review an internal process of Whistle-Blowing measure.
- 2.4. Review to verify the information technology with accuracy and effectiveness, relate to financial reporting and internal control.

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- 2.5. Prepare the report of Audit Committee by disclosing in the Company's annual report. The Annual Report must be signed by Chairman of Audit Committee and have opinions on various matters according to the regulations of the SET.
- 2.6. Consider the evaluation form for the adequacy of the internal control system. The internal audit department has examined and assessed to ensure that the Company has adequate internal control systems and present to the Board of Director for consideration.
- 2.7. Review the Company to conduct a management process of anti-corruption in accordance with the guidelines of the various compliance units effectively by starting with promoting and creating the awareness, risk assessment, establishing preventive systems, audit, and reviewing a self-assessment related to anti-corruption measures, according to the assessment of internal audit that is checked and reviewed to ensure that the Company has the anti-corruption policy systems as reported in the self-assessment of the Thai Institute of Directors Association (IOD).

3) Internal Audit

- 3.1 Review the Company to ensure that the internal audit system is suitable and efficient, including controlling the internal audit unit to comply with the internal audit standard.
- 3.2 Consider the independent status of the internal audit unit in accessing into the efficient information for an internal auditing work, including make a suggestion in the matter of the Company's budget, planning and division of internal audit unit as well as to approve an appointment, shift or termination of the chief of internal audit unit or the internal audit as the management proposed.
- 3.3 Consider the procurement of extranal consultants or professional experts for providing an advice or opinion as the Audit Committee seems appropriate.
- 3.4 Consider the approval of the charter of internal audit unit and review it on annual basis by proposing to the Board of Director to consider amending (if any).
- 3.5 Approve and evaluate the annual internal auditing plan in order to ensure that the plan is in line with a type or level of the Company's risk.
- 3.6 Review and consider a result report together with internal auditor on the performance of internal control system assessment.

4) Supervise the anti-corruption measure

- 4.1 Supervise the internal control, financial management and the other process related to the anti-corruption measure to ensure that processes are determined properly and be complied efficiently.
- 4.2 Supervise to conduct the whistle-blowing process in even that a employee or stakeholders has any rational doubt or has seen any reasonable suspicious activity which is a non-observance or breach the law, rules, regulation, code of conduct or corporate governance policy to ensure whistleblowers that the Company has the independent investigation and the proper monitoring process, including the reviewing process and the corruption concluding process for determining the internal measure standard.

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5) Compliance with relevant laws and regulations

- 5.1. Review the Company to compliance with securities laws and regulations of the Stock Exchange of Thailand and policies, rules, requirements and the other laws, relating to the business of the Company.
- 5.2. Consider related transactions or transactions which may conflict of interests to compliance with the laws and the requirements of the Stock of Exchange of Thailand to ensure that such transactions are reasonable and the utmost benefit of the Company.

6) Other duties

- 6.1. Audit committee is able to seek for the independent opinion from a professional consultant as they deem necessary according to the Company's expenses though the consideration of the Board of Director, in even that to assign those consultants, it shall be as the Company's regulation.
- 6.2. Arrange a report of Audit Committee, signed by Chairman of Audit Committee and disclose in the Annual Report of the Company, in accordance with the SET's guidance.
- 6.3. Chairman or Audit Committee shall attend the AGM for the clarification work of Audit Committee or the appointment of the Auditor.
- 6.4. Review and amend Audit committee charter, and propose to the Board of Director for approval.
- 6.5. a charge of relevant duties as the Board of Director has been assigning thought the consideration of Audit Committee.

9.2.2) Nomination, Remuneration and Corporate Governance Committee

In 2019, there are 3 persons of Nomination, Remuneration and Corporate Governance Committee which everyone is an independence director as shown in the list on the table no. 10, additionally, Nomination, Remuneration and Corporate Governance Committee, each duty is as follows;

1) Nomination term

- 1.1 Define the procedure and criteria for the nomination of directors.
- 1.2 Consider structures, sizes and composition of the Board of Director and Sub-Committee properly in line with the Company's structure and the changing circumstances.
- 1.3 Consider and set the qualification of candidate who becomes a director by taking into consideration of knowledge, skilled talent as well as having experience related to the Company's operation and dedication.
- 1.4 Nominate the qualified candidates to be directors, Sub-Committee and Senior Executive and propose to the Board of Director to consider appointing that as seen suitability and the position that become vacant.
- 1.5 Devise a development and training plan of performance of duty or business knowledge of the Company for directors and directors in Sub-Committee.
- 1.6 Review the succession plan for Senior Executive as well as the list of a qualified candidate for succession and propose to the Board for consideration as seen suitability and the position that become vacant at least once a year.
- 1.7 Perform other duties as assigned by the directors

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2) Remuneration term

2.1 Consideration of the remuneration for the Board of Director and Sub-Committee

- 1) Report its opinion about structures and composition of the remuneration, including the non-financial remuneration for the Board and Sub-Committee for an annual review, in even that the Board of Director shall be the one who consider permitting prior to propose to the AGM of shareholders for approval.
- 2) Approve and review the criteria of the performance appraisal of the Board of Director and Sub-Committee then propose to the Board of Director for consideration and assessment. Nomination, Remuneration and Corporate Governance Committee would consider the result of the assessment for appointing the regeneration of the Board of Director and Sub-Committee.
- 3) Propose the criteria of the remuneration of the Board of Director and Sub-Committee by taking into consideration their duties and responsibilities. The remuneration will be appointed in line with assessment, business plan and overall operating result as a whole for convincing and keeping the directors who had knowledge, skilled and latency. The Board of Director would consider for approval before proposing to Annual General Meeting of Shareholders for approval onward.

2.2 Consideration of remuneration for Senior Executive

- 1) Approve and review the structures and composition of the remuneration of Senior Executive on the annual basis and propose the Board of Director for approval.
- 2) Review the assessment criteria of Senior Executive and the criteria and factors of assessment of all organization on annual basis, then propose to the Board of Director for approval
- 3) Organize the performance assessment of Senior Executive on an annual basis, together with communicating the considered result and development point toward Senior Executive for their acknowledgement, then report the assessed result to the Board of Director.
- 4) Consider defining the Senior Executive remuneration by considering in the proper remuneration which is a salary related to the time and duration of work, along with those assessment results, and propose the considered remuneration to the Board of Director for approval.

3) Corporate Governance term

- 3.1 Be in charge of conducting the corporate governance policy and anti-corruption policy which are suitable for the Company under relevant laws, criteria, rules and the regulation of the institute responsible for corporate governance, namely the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC) and relevant institute as well as international standard guideline of the good corporate governance for proposing to the Board for approval
- 3.2 Provide the manual of corporate governance practice principles in accordance with Corporate Governance Policy and Anti-corruption policy in order to be the right practice and reliable standard for the Company
- 3.3 Control, administer and give its advice to Directors and Executive in performing their duties and responsibilities as the corporate governance policy in consistent with concepts and principles of

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Corporate Governance Policy and Anti-Corruption Policy to be sustainable and practical as well as generate a good practice, according to the Code of Conduct of the Company's directors, Executives and employees.

- 3.4 Reviewing and improving the Corporate Governance Policy and Anti-Corruption Policy regularly at least once a year to make the corporate governance policy and anti-corruption policy consist in the international good practice guidance, along with laws, criteria, rules, regulation and business of the Company.
- 3.5 Conduct the Annual Report of the corporate governance assessment to report to the Board of Director as well as giving its opinions and recommendations for the improvement as seen appropriate.
- 3.6 Suggest rules and practices of morality and ethics for business procedures and a list of principles of the Board of Director, Executives and employees.
- 3.7 Appoint working groups to support the Corporate Governance Policy as necessary.
- 3.8 Perform other duties as assigned by the Board of Directors.

9.2.3) Risk Management Committee

In 2019, the Company had 4 directors performed in Risk Management Committee. List of Directors as adhere to table no. 11, which have scope of duties and responsibility as follows;

- 1) Define the risk management policy and framework covers all areas including financial risk, safety and environmental risk, production and distribution risk, risk from raw material cost as well as labor risk and any risks affecting to the Company's reputation, along with the investment risk with investment screening and corruption risk etc.
- 2) Review and revise the policy as well as risk management processes and the charter to ensure the effectiveness and adequacy were in line with changing circumstances.
- 3) Define a strategy in compliance with the Company's risk management policy, along with monitoring and controlling in order to reduce risk to an acceptable level.
- 4) Support and develop the implementation at all levels including promote a culture of risk management comply with the policies and strategies as defined.
- 5) Supervise, control and review the essential risk management report, along with making a suggestion to ensure that there is the efficient risk management system in consistent with the Company's business properly, and be able to manage the relevant risks for retaining it in the acceptable level in accordance with the corporate risk management policy.
- 6) Report to the Board of Director regularly to rectify what need to be improved to be consistent with policies and stipulated strategies.
- 7) Perform other duties assigned by the Board of Director.

9.3 Remuneration of Directors and Managing Director

The Company has the remuneration policy for Directors and Managing Director in reasonable levels to motivate and retain a quality of Directors compared to the same industries nearby by considering determining the remuneration methods to link with their achievement, performance and responsibilities, together with making benefit for shareholders. The assigned directors who are responsible for special duties will be paid more by liking with the level of their

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responsibilities and those who is Chairman shall be paid more than Directors. Additionally, the Board of Director will provide a report of Director's remuneration policy, along with a principle, reason, and objective of aforementioned policy on annual basis by publicizing on the Annual Report and financial report in order that the Board of Director shall propose the remuneration policy in the shareholder's meeting for approval onward.

9.4 Selection and appointment of Directors

Selection Independent Director

Criteria for Independent Directors comprises of 1 Independent Directors with knowledge, competence and famous expert in plastic industry and another 1 Independent Directors with knowledge of accounting or CPA and experience in review the financial statements in order to nominate the qualified candidates in accordance with the consideration of Directors, then present to the shareholder's meeting for approval.

Directors and Independent Directors appointment

- 1) Each shareholder shall have one (1) vote per one (1) share.
- 2) Each shareholder shall exercise all the votes as 1) to elect one or several candidates as a Director or Directors. However, the votes cannot be split.
- 3) Candidates who receive the highest number of votes in descending order, shall be elected as Directors, equal to a number of Directors or election such that period. In case the candidates who are elected by descending order of votes with the equal number of votes, but exceed the number of the directors. Chairman of the meeting shall cast one extra vote to the final decision.

Termination and Retirement of Directors

- 1) At every Annual General Meeting (AGM), one-third of the Directors should retire. If this number cannot be divided into three parts, the number of the nearest to the one-third shall vacate the office. However, a retiring Director may be eligible for re-election.
- 2) Apart from retirement at the end of the office term, a director shall vacate the office with a reason of death, resignation, lack of qualifications or disqualification under the law pertaining to Public Company Limited and/or Securities and Exchange Law. Removal pursuant to a resolution at the Shareholders meeting or a court's order.
- 3) Any Directors, who would like to resign from the Directors, can submit a resignation letter to the Company. The resignation will be effective from the receiving date by the Company. The Director may also inform the register about the resignation.
- 4) At shareholders meeting, shareholders may vote the removal of any Directors from the office, prior to the term's expiration. At least, three-quarter votes of eligible shareholders present at the meeting are required. Providing that the number of shares is at least half of the total number of shares represented by the eligible shareholders and present at the meeting.
- 5) In case of Directors are vacancy as the other reasons and other than for term expiration, the Board must select a qualified person and no prohibited manner in accordance with law of the Public Limited Company and laws of the Securities and Exchange to be a Director at the next Board's meeting. If the remaining term is less than two months, the substituting Directors can remain in the office for the remaining period.

9.5 Supervision of operations of subsidiaries and associated companies

- The Company does not have subsidiaries and associated companies for supervision.

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9.6 Preventing misuse of the internal information

The Company attaches significance to preventing the misuse of information that has not yet been disclosed to the public or confidential information, that could have any impact on the Company's share price, for their own or other benefit. Consequently, The Company has established a measure to prevent misuse of internal information and incorporated them the Corporate Governance Principle and Code of Conduct and Regulations for employees in writing obviously to provide guidelines for the concerned persons, namely, the Board of Director, Sub-committee, Executive and employees responsible for related functions as well as their spouses and children who are minors by having the established practices in compliance with the Securities and Exchange Act B.E. 2535 as follows:

1. The Board of Director, Executives, and employees responsible for related functions as well as their spouses and children who are minors are prohibited from trading company shares for one month period prior to the release of the Company's quarterly and annual financial statements and for 24 hours after the release (Blackout Period). In order that, the Company's secretary will inform via all concerned persons of the blackout period via the email 30 days prior to blackout period and to prevent employees involved with the preparation of the financial statements from disclosing the information to outsiders from the closing date of the financial statements to the public disclosure of the aforementioned information.
2. The concerned persons who have knowledge of confidential information that could impact the Company's share price are prohibited from trading the Company's shares until 24 hours after the public disclosure.
3. Directors and Executives (Senior executives) as defined by SEC are required to make an initial reporting of their securities holding in the Company when there are any changes in securities holding as a result of the purchase, sale, transfer or acceptance of transfer of securities within 3 business days from the date of any changes and submit this report to SEC's website.
4. The Board of Director will monitor to ensure compliance with such measures. It is stipulated that any changes in their shareholding will be reported in the Board of Director's meeting and disclose the number of shares both directly and indirectly as of the beginning and end of the year as well as those traded during the year shall be reported in the Annual Report.

In the past 2019, there is no wrongful action from Directors, Senior Executive and employees who related to internal information.

9.7 Compliance with the corporate governance principle

The Company adhere and complies its business continuously with the corporate governance principle such as the Principle of Good Corporate Governance for Listed Companies 2017 of the Stock Exchange of Thailand, and the Corporate Governance Report of Thai Listed Companies (CGR) of Thai Institute of Directors (IOD).

The Company recognizes and values the principles of Good Corporate Governance, the Company has devised a clear policy and guidelines as seen in its CG manual that has been approved by the Board of Director for the year 2019 (download at www.thantawan.com) for strictly conduct.

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In the year 2019, there were no cases of Non-Executive Directors to resign as the issue of corporate governance as well as no cases of corruption offense or ethical misconduct. The Company was rated on corporate governance practice by various agencies and achieved numerous awards as follows:

- Rated 93% or Excellence according to Corporate Governance Report of Thai Listed Companies 2019 carried out by the Thai Institute of Directors (IOD).
- Rated 98 points according to the evaluation of the quality of the year 2019 Annual General Meetings of Shareholders (AGM checklist) of listed companies carried out by the Thai Investors Association.
- The Company was certified by "Thailand's Private Sector Collective Action Against Corruption" on February 24, 2019.

9.8 Anti-Corruption Policy

In the year 2019, Nomination, Remuneration and Corporate Governance Committee reviewed the Anti-Corruption Policy and Practices and proposed to the Board of Director. The Company published the Anti-Corruption Policy and Practices to employees and the Company's website at www.thantawan.com in whistle blowing section and the Annual Reports as informed by the following details of the Anti-corruption policy as follows

Thantawan Industry Public Company Limited "The Company" has a policy to promote morality, ethics, and transparency by emphasizing on fair business practices to all relevant person in and outside of the industry which included shareholders, employees, customers, partners/creditors, competitors and society. The Company determines principles of unsupportive activities of a group or persons who act inappropriately in seeking for benefits in order to make sure that the operation will be carry out without corruption. Therefore, the Company has set up a policy to conduct the business and communicate to the Board of Director, Managing Director, faculty of management and employees at all levels are strictly adhered not to perform or accept corruption at all, no matter in a direct or indirect way. Every relevant departments are comprehensive to review the implementation of Anti-Corruption Policy regularly as well as reviewing the guidelines together with the requirements for various operations in order to comply with business changes, regulations and legal requirements.

Roles and Responsibilities

Board of Director has a role to consider and approve policies in order to supervise the system to have anti-corruption mind set in order to ensure that the management department should acknowledges the anti-corruption policy together with adhering to the guidelines of the employees to the entire organization.

Nomination, Remuneration and Corporate Governance Committee has a duty to set policies and supervise the anti-corruption measure in order to present to the Board of Director for consideration and approval along with giving advices to Managing Director and Senior Executives to have responsibility to implement an anti-corruption policy.

Audit Committee has a duty to review and evaluate internal controls, financial report, preparation, and other processes related to Anti-Corruption Policy to ensure that the Company has complied with the laws and regulations for the criteria of the Company as determined. Having proper segregation of duties and

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responsibilities including reviewing internal controls which regarding to anti-corruption measures with personnel working in advance, before reporting the results to the Board of Director.

Risk Management Committee, the duty of assessing the opportunities and impact of risk factors that may be caused by corruption as well as determination a risk management policy and placing the risk management framework of the Company, including supervising, monitoring and reviewing risk management reports to ensure the confident of effective risk management that are suitable for operating the business of the Company then report the results to the Board of Director.

Managing Director and Senior Management has a duty to receive the authority and responsibility for implementing anti-corruption. For instance, having a system to support the anti-corruption policy and pass it down to employees along with all related parties. Furthermore, they have a duty to review the appropriateness of the internal control system in order to consistent with business changes, regulations, and legal requirements including the audit report, according to the Anti-Corruption Policy to Audit Committee, Nomination, Remuneration and Corporate Governance and the Board of Director consistently.

Internal Audit Department is responsible for inspecting and reviewing operational processes to ensure compliance with policies, practices, operational authority and the regulatory requirements of regulator in order to ensure that the operational process have a suitable and sufficient control system against the risk of corruption that may occur then report to Audit Committee.

Anti-corruption guideline and practice

1. The Board of Director, the Management, and employees do not perform anything related to corruption in all forms, both directly and indirectly.
2. The Company prohibits Directors, Executives, and employees of the Company from doing any act that is tended to be corruption such as, giving or receiving bribes to or from government officials, government agencies, private agencies, or stakeholders related to the Company in order to gain or maintain business trade advantages and competition.
3. The Company prohibits Directors, Executives and employees from demanding the operation or accepting corruption for the benefit of oneself, family, brothers, friends, and acquaintances.
4. The Company has authorized Directors, Executives and employees of the Company. They must work carefully in the work process that has a high risk of corruption such as, sales and procurement, marketing, investment project, contracting, giving and receiving gifts, souvenirs or other benefits, reception, giving donations, supporting funds, etc.
5. The Company has authorized Directors, Executives and employees of the Company for taking action on giving or accepting donations for supports in the right way according with the Company's regulations and required by law ensuring that donations or financial support are not used for bribery.
6. The Company has authorized Directors, Executives and employees of the Company to be cautious in making transactions with person, or any organization that is questioned about corruption.
7. The Company prohibits Directors, Executives, and employees of the Company from neglecting or ignoring when seeing acts that are considered to be corruption related to the Company which is considered as duty to inform the director or the person in responsible and cooperate in examining various the truth.

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8. The Company will provide fairness and protection to those who have refused corruption or informing clues about corruption to the Company as specified in the whistle-blowing measures and mechanisms to protect whistleblowers as well as the cooperators in the reporting of corruption regarding the specified Company's whistle-blowing policy or complaint (Whistleblower Policy) with the Code of Conduct of the Company.
9. The Company will consider and punish anyone that found implicating with corruption which is considered as unethical act according to the regulations of the employee's discipline. The person may be punished by the law if the act is illegal.
10. The Company will disseminate knowledge and understanding to anyone who must work with the Company or may affect the Company in order to comply with the Anti-Corruption Policy.

Operating requirements

In order to be clear with the operations of high-risk matters by the occurrence of corruption. All Directors, Executives and employees must act with caution in the following areas:

1. Political Assistances

- 1) The Company has a neutral business policy, not being politicized, politician or any political parties adhere to political neutrality, support legal compliance and democratic governance. The Company has no policy to support the activities of political parties or politicians directly and indirectly.
- 2) The Company has no policy to support the activities of political parties, politicians in exchange for special privileges direct or indirect disapproval benefits.
- 3) The Board of Director, Executives, staff and employees of the Company are able to participate in political activities according to personal liberty rights but do not pretend to be the Company's employee or using of assets and any equipment of the Company for the benefit of political activities.
- 4) The Board of Director, Executives, staff and employees of the Company are able to participate in political activities according to personal liberty rights but this should proceed as follows;
 - a) Should not express in the way that makes others understand that the Company is relevant, concentrates or supports political actions.
 - b) Do not dress in the Company's uniforms or apply any symbols to make others understand that you are employees of the Company in participating in political activities.
 - c) Do not pretend to be the Company's employee for credibility in order to find a coalition of political expression.
 - d) Avoiding an expression or expressing political views in the office or during working that may cause conflicts in the workplace.

2. Charitable donations and support

- 1) Charitable donations both in the form of financial assistance or other forms such as giving knowledge or devote the time, etc. The Company can be a part of social activities as well as public relations. It will enhance the good image for the Company without aiming for business returns.
- 2) Supporting money or possession of cash substitution to activities or projects must be conducted with transparency, legally and must specify the name of the provider in the Company's name and it must be

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approved as accordance with the regulations of the Company to ensure that it will not be used for corruption. It needs to have an objective in order to promote business and good image of the Company such as job creation, income, community, educating people.

- 3) Any donations that support to government officials, government agencies including charities must perform under the following conditions;
 - a) The organization is reliable and/or legally established
 - b) It is an act on behalf of the Company which operates correctly under laws, the Company's regulations and being transparency.
 - c) It should not pay or offer cash substitute items to government officials, or directly to any persons unless it clearly stated in the request for support with a proof of support in writing.
 - d) Monitoring should be done in order to ensure that donations or supports has been spent for public benefit and/or meet the donation objectives and/or truly support.
- 4) The complaint requests the Company to provide financial support, donations and grants must do as follows;
 - a) The complaint presents details of requests for reimbursement, granting, financial support, donations or grants to the supervisor for consideration.
 - b) The supervisor of the complaint reviews it before submitting to the authority in accordance with the regulations regarding approval authority.
 - c) The authorised person considers the details of financial support, donations or grants to ensure that the objectives of providing financial support, donations and grants are in accordance with the Company's practices then considers for an approval.
 - d) The complaint provides an evidence of financial support, donations or grants such as a letter from the organization that supports the donation or grants, photographs or receipts, etc., to the Accounting Department as an evidence for accounting records after providing a financial support, donations, or grants.
 - e) The Accounting Department reviews the evidence of financial support, donations or grants. If the evidence provided by the complaint is not enough, The Accounting Department notifies the complaints in order to request information or to clarify. If it is able to prove that the granting, donation, or financial support does not follow the Company's practice or to use as an excuse for corruption, the Company will punish with the highest punishment.

3. Activity arrangement to Corporate Social Responsibilities

- 1) Activity arrangement of corporate social responsibility both in the form of financial assistance or other forms such as, providing knowledge, taking time to deliver products to support activities, environmental conservation, etc. The Company can be a part of social return activities as well as public relations and enhance good image for the Company without looking forward to business in returns.
- 2) Activity arrangement of corporate social responsibility together with government officials, government agencies or various organizations can be done as appropriate which must be done on behalf of the Company and it has objectives accordance with the Company's policy. It should have a clear criteria and proceed plan regarding to the Company's regulations.

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- 3) Conducting social responsibility activities, whether by money or possession of cash instead. It must proceed with transparency, legally, and must specify the name of the provider in the name of the Company only by going through the approval process in accordance with the Company's regulations and make sure that social responsibility activities will not be used for corruption which may be done in many forms, such as creating jobs, creating income, including communities educating people in the community etc.
- 4) Corporate social responsibility activities
 - a) The complainant presents the details of the social responsibility activities to the supervisor for consideration.
 - b) The supervisor of complainants reviews the activities before presenting to the Corporate Social Responsibility Department and corporate communication for consideration.
 - c) The Corporate Social Responsibility Department and corporate communication consider and prepare the annual plan before presenting the authority in accordance with the regulations as regards with approval authority and the use of the approval authority table for consideration.
 - d) The authorized person considers the details of the social responsibility activities to ensure that the purpose of the activities follow the Company's practice for consideration and approval.
 - e) The Corporate Social Responsibility Department submits documents such as the annual plan, event details, etc. to the Accounting Department for the advance payment of the social responsibility activities and manage an expense with an evidence of social responsibility activities such as receipts, images, etc., as evidence for accounting records in accordance with the established operational procedures.
 - f) The Accounting Department reviews an evidence of social responsibility activities. If the evidence provided by the complainant is insufficient, the Accounting Department will notify the complainant to request additional information or clarification. If the social responsibility activities are not following the Company's practice or to use as an excuse for corruption, the Company will punish the offender with the highest penalty.

4. Accepting gifts, souvenirs or other benefits

- 1) The Company's employees refrain from accepting gifts, assets or other benefits in all matters as well as having a duty to inform the third parties about the anti-corruption policy thoroughly
- 2) In the event that it is necessary to accept gifts, assets or other benefits and cannot refuse, proceed as follows;
 - a) Notify the supervisor immediately.
 - b) The staff will prepare a gift slip, souvenir, and other benefits and send documents together with gifts, or souvenir to the department which is appointed by the Company as follows;

For the Factory at Omyai and Tuangtana Nakorn, it will be sent to the Human Resources Department.

For the Head Office at Suntower, it will be sent to Managing Director.

- c) The responsible department takes photos of souvenirs, recording information, and attaches photos in the control registration of gifts or souvenirs to issue codes and attaches to the received items.
- d) The responsible department specifies the code on the delivery note of gifts, or souvenirs and document storage and those received items at the designated place.

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- e) The responsible department delivers the control registration of gifts, or souvenirs to Managing Director for acknowledging.
- f) Managing Director considers the control registration of gifts, or souvenirs for appropriate use such as raffle gifts, or donations, etc.

5. Giving gifts, souvenirs or other benefits

- 1) Giving gifts, souvenirs or other benefits by traditionally can do without a violation of the relevant laws. Local customs should be provided in a form that promote the image of the Company. Products that promote sustainable development, or generating income for the community as follows;
 - a) Calendars and diaries
 - b) The Company's products
 - c) Products used as public relations media of the Company
 - d) Royal Project Products, the Royal Initiative, Community products that generate income for the community, or products that promote sustainable development.
- 2) Giving gifts, souvenirs, or other benefits should be equally treated in order to prevent discrimination.
- 3) Do not offer any gifts, souvenirs or other benefits to spouses, children or persons involved with government officials, business partners, value customers, and contacting persons because these behaviors are considered as acceptance instead.
- 4) Giving gifts and souvenirs on important business occasions such as the establishment day or business contract signing, can do but if the value of gifts, souvenirs or other benefits is exceeded 3,000 baht (three-thousand-baht), it must be approved by Managing Director or the Company's regulation as follows;
 - a) The complainant proposes details of giving gifts, souvenir or other benefit to the supervisor for consideration.
 - b) The supervisor of the complainant reviews the details before proposing to the authority in accordance with the regulations on approval authority and the use of the approval authority table for consideration.
 - c) The authorized person considers the details of giving gifts, souvenirs or other benefits to ensure that the purpose of giving gifts, souvenirs or other benefits adhere to the principles and practice of the Company for consideration and approval.
 - d) The complainant presents an evidence of gift, souvenir or other benefits such as receipts and send to the Accounting Department as evidence for accounting records in accordance with the specified operational procedures.
 - e) The Accounting Department reviews an evidence of gift, souvenirs or other benefits. If the evidence is insufficient, The Accounting Department will notify the complainant to request additional information or clarification. If the fact that the gift, souvenir or other benefit are not following the Company's practice, or to use as an excuse for corruption, the Company will punish the offender with the highest penalty.

6. Hospitality and receptions

- 1) Hospitality and receptions are for business receptions such as the receptions for food and beverages, sports receptions entertainment and other spending directly related to business practices or traditional including

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provide business insight knowledge which situation able to do but it must be a reasonable expense and does not affect the decision making of the receptionist, which may cause conflicts of interest. For instance, do not provide any hospitality-receptions during tender.

- 2) It must have a financial statement for showing the spending expense for investigating as follows;
 - a) The complaint presents the hospitality and receptions such as name-surname, workplace and position of all certified persons as well as a list of the Company's employees participating in the certification for the supervisor consideration.
 - b) The supervisor of the complaint reviews it before it is proposed to the authority in accordance with the regulations on approval authority and the use of the approval authority table for consideration.
 - c) The authority considers the hospitality and receptions to ensure that the purpose of the hospitality and receptions follow the Company's practice for consideration and approval.
 - d) The complaint sends the documents to the Accounting Department to proceed with advance payment before the hospitality and receptions with evidence of hospitality or receptions such as receipts as evidence for financial records in accordance with the specified operational procedures.
 - e) The Accounting Department reviews proof of hospitality or receptions. If the evidence provided by the complainant is insufficient, the Accounting Department will notify the complainant to request additional information or clarification. If the hospitality or receptions are not following the Company's practice or to use as an excuse for corruption, the Company will punish the offender with the highest penalty.

7. Accepting proposals for meeting, training, seminar and business visits by spending the business partner's budget.

- 1) Accepting proposals for meeting, training, seminar and business visits by using the partner's budget can be done if it is complied with the conditions in the contract and the Company's policy.
- 2) It must relate directly to business operations or conservative which must be done with transparency and does not affect the decision in operation or causing conflict of interest.
- 3) It must not accept training proposals that has a hidden nature as tourism, against the laws and regulations without the intention of truly transferring knowledge.
- 4) Accepting a proposal for meeting, training, seminar and company visit by using the partner's budget. In the event that it is not specified in the contract agreement, it can be done, if it is considered that the said proposal is appropriate and beneficial to the Company, which must be approved by the supervisor and according to the Company's regulations.

Whistleblowing measures and mechanism for whistleblowers protection

1. Scope of whistleblowing and complaints.

- 1) See any actions indicating or may indicate direct or indirect corruption involving the organization such as staffs are offering or receiving bribes from government officials or private sectors.
- 2) See a violation of the Company's procedures or affecting the internal control system of the Company which indicates or may indicate a corruption.
- 3) See any actions that cause losing benefits or affecting the reputation of the Company.
- 4) See a violation of the law, morals and ethics of the Company.

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2. Whistleblowing measures

To ensure equal and fairness treatment for all stakeholders according to the corporate governance principles. The Company has provided channels for notifying clues, complaints, comments, or any suggestions that stakeholders are affected or anyone that will be affected, and will cause damage to the stakeholders to lose all groups from the business of the Company. Reporting the practice of directors, executives, or employees of the Company about the violation of laws or ethics including behavior that may indicate corruption, unfair practice, lack of care and lack of prudence through the following channels.

1. By mail, Chairman of the Board of Director or Chairman of Audit Committee, Tantawan Industry Public Company Limited No. 123 Sun Tower Building 32, Vibhavadi Rangsit Road, Chomphon Subdistrict, Chatuchak District, Bangkok 10900
2. Email to Chairman of the Board of Director and Chairman of Audit Committee board-thip@thantawan.com
3. The Company's website www.thantawan.com
4. Suggestion box / comments / complaints within the Company channel for reporting clues as a safe channel. Able to give clues to the person when requesting information, clues to the informer later, or instructions regarding compliance Anti-corruption measures. In this regard, the Company will conduct the examination according to the procedure and record the investigation in writing without disclosing the name of the whistleblower including the collection of complaints to protect the impact may occur with those who report such clues.

The channel is safe and can give the whistleblower confidently access when reporting information or clues without risk to the informant later or recommendations regarding the implementation of anti-corruption measures.

In this regard, the Company will proceed with the investigation and record the investigation in writing without revealing the name of the whistleblower including the collection of confidential information in order to protect the effects that may occur to those reporting clues.

3. Whistleblower Protection Mechanism

To protect the rights of the complainant and the person who provided the information in good faith. The Company will conceal the name, address of any information that can identify the complainant or informant by keeping the information of the complainant and the person who provided the information is confidential. Only those who are responsible for checking the complaint will be able to access information.

In the case of complaints regarding corruption of the directors or executive. Audit Committee will protect the whistleblower, the complainant, witness and person who provided information in the investigation of the facts. Not to be affected by danger, unrighteousness caused by clues, complaints, witnesses or providing information.

Those who are responsible for complaints must keep the information, complaints and document of the complainants, including those who provide information confidential. Do not disclose information to other people who are not involved unless it is disclosed as required by law.

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4. Investigation

If the corruption information or clues are found within the organization, the Board of Director will order Audit Committee to considers the internal auditor to collect evidence or appoint an investigation committee to investigate and summarize the results of the investigation to Audit Committee for further consideration.

If the corruption information or clues are found from an agency that supervises the Company, or from outside the organization, the Board of Director will order the internal auditor to gather evidence or appoint an investigation committee to investigate and summarize the results of the investigation to the Board of Director for further consideration.

5. Penalty

The Company will consider and punish those who are guilty of corruption as employees in accordance with the regulations. Disciplinary punishment of employees specified by the Company and may be punished or may be claimed for damages as required by law. If a person commits a corruption offense is a Director, the punishment will determine with relevant legal procedures and may be punished or may be claimed for damages as required by law.

Policy communication within organization and external parties

1. The Company is aware of the importance of disseminating knowledge and understanding with others who have to perform duties related to the Company or may affect to the Company including the public in matters that must comply with the anti-corruption policy.
2. The Company has made written recommendations regarding anti-corruption measures and provide channels for dissemination. For instance, posting on public relations boards, intranet system, email, the Company's website etc. in order for everyone in the Company to understand, accept, and comply with the anti-corruption policy appropriately.
3. The Company arranges an orientation, training, seminar about anti-corruption policy for Directors, Executives, staffs and employees of the Company to be informed and implement appropriately.
4. The Company communicates and disseminates anti-corruption policy including channels for whistle blowing measures or complaints and penalties for failing to comply with the anti-corruption policy for the insiders to be informed via various channels. For instance, posting on public relations boards, intranet system, email, the Company's website etc. in order for everyone in the Company to understand, accept, and comply with the anti-corruption policy.
5. The Company communicates and disseminates anti-corruption policy including channels for whistle blowing measures or complaints to the public, subsidiary company, associated company, others companies that the Company have authorized and business representative, business partners and the stakeholders through various channels such as the Company's website, the Annual Report, Annual Registration Statement (56-1 Form) etc. to create the understanding and supporting to adhere to social responsibility standards in the matter of anti-corruption as well as the Company.
6. The Company has prepared contract documents that stating conditions or remarks to customers or business partners to be signed and informed to acknowledge the anti-corruption policy in the documents attached to the Company's contract.

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If any employees are unsure whether any action may constitute corruption or in case of questions or concerns, employees should consult Nomination, Remuneration and Corporate Governance committee or secretary of Nomination, Remuneration and Corporate Governance committee.

Questions about policy and practice

The Company assigned the Human Resources Department or responsible person for answering questions about anti-corruption policy. If the Company's personnel have any questions or need any advice in order to avoid actions that are related to corruption, they can consult with the Human Resources department.

When the Company's personnel face a situation that is uncertain in deciding whether the actions are against the anti-corruption policy, they have to do as follows;

Ask yourself the following questions:

- 1) Is the action illegal? If against the law, "stop doing".
- 2) Does the act violate the Company's policy or not? If it breaks the policy, "stop doing".
- 3) Is the action against values or the Company's culture or not? If it contrary to values or culture, "stop doing".
- 4) Does the action consist a negative effect on the image of the Company? If it effects the image of the Company, "stop doing".
- 5) Does the action effect the Company's stakeholders? If it adversely affects them, "stop doing".
- 6) Is the action causing bad practices in the future? If bad practices will occur, "stop doing".

Internal Control

1. Inspection process, internal control and data recording

- 1) The Company has an inspection procedure to ensure that the internal control system and information storage properly and comply with the anti-corruption policy.
- 2) All departments review risk assessments and formulate a risk management plan for corruption from operations that require coordination with external agencies such as procurement, sales of goods, extension of various licenses, etc. in writing including internal control systems and management to prevent the occurrence of corruption.
- 3) The Internal Auditor reviews the risk management plan and internal control systems of all departments prepare for annual audit plan to ensure that all business lines comply with the internal control system that is defined. If there is an issue that is not consistent with the anti-corruption policy, the responsible department must be notified in order to improve the internal control system to be suitable and summarized as a report and send to the management team and Audit Committee.
- 4) The Company provides procedure for document and various note storages to be ready for inspection to confirm the accuracy and suitability of financial report as well as the procedure to ensure that there are no items that have not been recorded or cannot explain or false lists.

2. For important departments have an internal control system as follows

- 1) **Procurement system.** The Company has procedures in relation to the procurement and enforcement systems within the Company to control every step related to the procurement process which is conducted through the system and stored as evidence for reference and can be inspected.

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- 2) **Sale system.** The Company provides work procedures related to sales systems and enforced within the Company to control every step related to the sales process which is conducted through the system and stored as evidence for reference and can be inspected.
- 3) **Accounting system.** The Company provides the accounting records in accordance with financial report standards and regulations of the office of the Securities and Exchange Commission through the system and stored as evidence for reference and can be inspected. Furthermore, various accounting records must have appropriate and accurate details by specifying transactions, purchase and sale, asset management with clear objectives of the transaction. There are no forgery accounting records and related documents to conceal the actual transaction.
- 4) **Human resource management**
 - 4.1) The Company has established a human resource management process by the recruitment and selection of personnel, promotion, training, employee performance assessment and providing compensation by requiring supervisors at all levels to communicate and understand with employees about the anti-corruption policy in order to use in the business activities under their responsibility and supervise to be effective.
 - 4.2) The Company has an orientation for new employees in order for employees to understand about anti-corruption policy, the Company expectations including penalties if employees do not comply with this policy.
 - 4.3) The Company provides a continuous training process for Directors, Executives, employees and staffs of the Company to truly understand about the anti-corruption policy, the Company expectations including penalties if employees do not comply with this policy.
 - 4.4) The Company has established a human resource management process. It is fair and it protects an employee who rejects or reports any corruption related to the Company which will not effect to the position, reduce penalties or negatively affect employees even though the action will cause the Company losing business opportunities. The Company provides channels for reporting clues and protection of the informer when employees need to report information or clues, including recommendations regarding compliance with the anti-corruption policy.

Monitoring and Reviewing

1. Nomination, Remuneration and Corporate Governance Committee must review this policy annually and propose to the Board of Director for approval. If there is a change, including the supervision and follow the policy implementation. This issue goes into practice and provide various suggestions continuously.
2. The Internal Auditor will examine the internal control system and processes such as sales, marketing processes, purchasing process, and other support processes of the Company regularly in order to ensure that the control system internal effectiveness is sufficient to combat corruption including discussing the results of the audit with related parties to find appropriate solutions and inspection reports for the management together with Audit Committee for further acknowledged. If there is an urgent issue, the Internal Audit department will notify directly to Chairman of Audit Committee immediately.

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3. Audit Committee will review the adequacy along with appropriateness of the internal control system and the risk management process of the Company in order to ensure the efficiency and effectiveness of the Company's operations are transparency.
4. The Internal Auditor will monitor the progress of the corrective approach that is properly resolved and report the results. Follow-up to the management team and Audit Committee for further acknowledgment.

9.9 Auditors and Auditor fee

1) Auditor fee

The Company paid audit's remuneration to auditors for the accounting period ended 31 December 2019 in total of 1,750,000 Baht and costs related to the audit by the actual cost at 18,375 Baht in the amount of 1,768,375 Baht.

2) Other charges

The Company paid audit fee to auditors for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the accounting period ended 31 December 2019 in the amount of 100,000 Baht. The Company does not have any future compensation due to unsuccessful service agreements in the past year yet.

10. Corporate Social Responsibility

The Company is committed to conduct business with recognizing the consequence that occurs at all time and to be a leading of packaging manufacturer. We have defined the Social responsibility as a framework of the Company in order to perform in conjunction with Good corporate governance principles throughout the customer, employee and stakeholder of the Company. The report and detail of the social responsibility will disclose in a separate report on website of the Company: <http://www.thantawan.com> under the social responsibility.

11. Internal Control and Risk management

11.1 The opinion of BODs concerning company's internal control system

According to the Board of Director meeting No.2/2020 held on March 6, 2020 which Audit Committee, comprising of 3 independent directors to attend the meeting. The Board of Director had evaluated the Company's internal control system from the report of Audit Committee as agreed with the Board of Director by considering the internal control in compliance with the international standard for the professional practice of internal control of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) comprising of 5 components: Internal control organization, Risk management assessment, Operational Control, Information system and communication and Monitoring system.

For the year 2019, the Board of Director and Audit Committee had agreed that the internal control system of the Company was sufficient and suitable to business operations, maintained effectiveness and efficiency operations, use of resources and protecting company's property, prevent or reduce errors, accounting system and financial reports with reliable accuracy as well as compliance with laws, orders, regulations to the Company's business, no deficiency significant. Details could be summarized as below:

1) Internal control organization

The Company encourages a good working environment including an appropriate organizational structure and explicit internal line of command to set the qualification of specific work position and assign duties and responsibilities to

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each position appropriately. Maintaining a good corporate governance policy by providing Code of Conducts as well as policy and operational plans, considering fairness to employees, customers, trade partners including responsibilities to shareholders. Giving priority to protect the interest of investors and stakeholders equally.

In addition, the Company has also stressed on the importance of personnel development to create the participation of employees thoroughly as well as apply activities mutual into the way of performance values. Furthermore, the Company also provides a training development of product knowledge to employees, skill and ability are suitable to job's assignment to encourage staff and training development of excellence and standards consistently.

2) Risk management

The Company has focus on the operations of the Risk Management policy and framework. The Board of Director has appointed 4 Directors as Risk Management committees. Duties are to review the Risk Management policy and framework and the Risk Management structure. Additionally, they have to provide an instruction to Risk Management that is consistent to the strategic direction and operational business plan together with supervision, monitor and review the significant's reports of Risk Management to comply with the standards and the changing environment. The Company had announced the Risk Management policy for employees to use as guidelines in the same standards. In 2019, the Company could operate the Risk Management plans contained risk's review, measures to support as defined and clearly identify those responsible to monitor the results of Risk Management from all division.

3) Operational control

The Company has specified duties and responsibilities and the approval authority of the management at each level, strictly and clearly. There is a clearly separation of duties and responsibilities from the tasks such as approvals, recording transactions, data processing, asset maintenance etc., in order to be able to review each other's items. For transactions with businesses or related parties, the Company will abide by the guidelines of the Stock Exchange of Thailand (SET) to avoid the conflict of interest and with regard to the utmost benefit of the Company and shareholders.

4) Information system and communication

The Company recognizes the importance of information and communication systems on accuracy, reliable and timely information, including the development of information system consistently by determining the right to access information in various systems according to the principle of duty separation and operation. The Company also provides information systems and communication channels both inside and outside the organization with efficiency and effectiveness. There are also channels and effective communication with stakeholders in a timely manner to publicize the information on the Company's website; www.thantawan.com.

In addition, the Company has established a channel for receiving complaints and the plan for managing such complaints in order to be confident that the complaint will be considered transparently and fairly.

5) Monitoring Activities

The Company has arranged the meeting on a regular basis for tracking and evaluating the operation to ensure that it has been proceeding as the target. If we found that the operation is not related with the target, there will be a resolution to the management for rectifying it in timely manner, along with defining the monitoring process and operating evaluation continually to achieve the target and objectives of the business operation, the management and head of each department have held a meeting to review its indicators, target and follow up its responsibilities on a regular basis and to

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define a policy, rules and procedure for the implementation of the adequate stipulated internal control system, then the internal auditor shall review the internal control system and report to Audit Committee and the Board of Director, if there is a significant mistake or detected important issues, it is necessary to report such matters to the manager of audit unit in timely manner for resolving it in time as well as reporting the progress in resolving problems to ensure that the internal control system is in the progress continually and improving it to be consistent with the change of circumstance, then report to the manager of auditor for the improvement, so that there will be the result report of audit and progress in the improvement to Audit Committee and Senior Executive for their acknowledge.

Audit committee will review and follow up the internal control system and inform about the deficiency of the essential part that is often find and report to BODs to make decision in suitable time. Most of the corrective action has been completed.

The external monitoring with CPA carries out its work freely has been appointed in the shareholders' annual meeting, to audit and comment the financial statements. Over the past years, there was no any observation of the Company's internal control deficiencies in the essential part.

Internal auditing by establishing an internal audit department of the Company in order to work since 2019 on behalf of the internal auditor hired from an outsourced company. The Company has appointed Ms. Wachiraporn Seri as the Internal Audit manager. Audit Committee is responsible for approving, appointing, removing, transferring, or terminating employment as well as evaluating the performance of the Internal Audit manager by acting as the Company's internal auditor, she is responsible for performing duties, examine and review the Company's internal control system by the qualifications of a person who is the primary responsible person or the head of an internal audit as stated in Attachment 3.

12. Connected Transaction in the past three years

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