

TSFC Securities Public Company Limited.

Policy No. 002/2022

Subject: Good Corporate Governance

The company's Board of Directors is well aware of the significance of good corporate governance in driving business capabilities and achieving excellent financial performance, while considering long-term impacts. They prioritize conducting business ethically and morally, respecting human rights, and demonstrating social and environmental responsibility. Ensuring equal treatment of all stakeholders, including their ability to adapt to changing circumstances, is also a top priority. To achieve these goals, the Board of Directors has adopted the principles of good corporate governance outlined by the Securities and Exchange Commission and the Stock Exchange as guidelines for their actions. As the highest level of leadership and accountability in the organization, the Board of Directors is committed to implementing and adhering to these principles diligently. The 8 principles of good corporate governance are as follows:

Principle 1: Understanding the Role and Responsibility of the Board of Directors as Leaders in Creating Sustainable Value for the Organization

1.1 The Board of Directors must comprehend its role and responsibility as leaders entrusted with the task of overseeing effective management practices within the organization. This includes:

- (1) Setting objectives and goals.
- (2) Defining strategies, operational policies, and allocating critical resources to achieve the objectives and goals.
- (3) Monitoring, evaluating, and overseeing the reporting of performance outcomes.

1.2 To create sustainable value for the organization, the Board of Directors should ensure that corporate governance leads to the following outcomes:

- (1) Achieving good performance with a long-term perspective, considering long-term impacts.
- (2) Conducting business ethically and responsibly, while respecting the rights and interests of shareholders and stakeholders.
- (3) Benefiting society and contributing to social welfare, while promoting environmental sustainability and minimizing negative impacts (good corporate citizenship).
- (4) Demonstrating corporate resilience, being able to adapt to changing circumstances.

1.3 The Board of Directors has the responsibility to oversee that every director and executive fulfills their duties with care, caution (duty of care), honesty, and loyalty to the organization

(duty of loyalty). Additionally, they must ensure that all operations are conducted in accordance with the laws, regulations, and resolutions adopted during shareholder meetings.

- 1.4 The Board of Directors should understand their scope of duties and responsibilities and clearly define the delegation of tasks and responsibilities to the management and executives. They must also closely monitor and supervise the performance of the management and executives in carrying out their assigned duties.

Principle 2: Establishing Objectives and Main Goals for Sustainable Business

- 2.1 The Board of Directors has the responsibility to establish or oversee the objectives and main goals of the business towards sustainability, aligning with value creation for the entire organization, customers, stakeholders, and society as a whole.
- 2.2 The Board of Directors is tasked with ensuring that the objectives, goals, and annual strategies of the business are in line with achieving the overall objectives and main goals of the company. This involves utilizing innovation and technology appropriately and securely.

Principle 3: Strengthening an Effective Board of Directors

- 3.1 The Board of Directors is responsible for defining and reviewing the board's structure, including size, composition, and independence, to ensure it is appropriate and necessary to lead the organization towards its objectives and main goals.
- 3.2 The Board of Directors is responsible for selecting a suitable Chairman and ensuring that the board's composition and operations support independent decision-making.
- 3.3 The Board of Directors is responsible for overseeing a transparent and clear process for nominating and selecting board members, ensuring they possess the qualifications in line with the defined criteria.
- 3.4 When proposing director compensation for shareholder approval, the Board of Directors should consider a compensation structure and rate that aligns with the responsibilities and motivates the board to lead the organization towards both short-term and long-term goals.
- 3.5 The Board of Directors is responsible for ensuring that every director has a sufficient level of responsibility and allocated time to carry out their duties effectively.

- 3.6 The Board of Directors is responsible for establishing frameworks and mechanisms to oversee policies and operations of subsidiary companies and significant investments, at levels appropriate to each business. This includes ensuring a clear and accurate understanding among the Board of Directors and its subcommittees regarding the subsidiary companies and invested businesses.

- 3.7 The Board of Directors is responsible for conducting an annual performance evaluation of the Board of Directors and its subcommittees, with the results used to enhance their future performance.
- 3.8 The Board of Directors is responsible for ensuring that every director has knowledge and understanding of their roles, the nature of the business, and relevant laws related to the business. Additionally, the Board should support continuous skill development and knowledge-building for all directors to carry out their duties effectively.
- 3.9 The Board of Directors is responsible for ensuring that its operations are conducted in an orderly manner, with access to necessary information, and with a secretary who possesses essential and relevant knowledge and experience to support the Board's operations.

Principle 4: Recruitment and Development of Top Management and Human Resources

- 4.1 The Board of Directors is responsible for ensuring the recruitment and development of top management and senior executives with the necessary knowledge, skills, experience, and qualities to drive the organization towards its objectives.
- 4.2 The Board of Directors is responsible for overseeing the appropriate design of compensation structures and performance evaluations.
- 4.3 The Board of Directors has an understanding of the structure and relationships of shareholders that may impact the management and operations of the business.
- 4.4 The Board of Directors is responsible for monitoring and developing the workforce, ensuring they possess the appropriate number, knowledge, skills, experience, and motivation required for the organization's success.

Principle 5: Promoting Innovation and Responsible Business Practices

- 5.1 The Board of Directors emphasizes and supports the creation of innovation that brings value to the business while also benefiting customers or relevant stakeholders and being socially and environmentally responsible.
- 5.2 The Board of Directors is responsible for monitoring and ensuring that the management team incorporates social and environmental responsibilities into the operational plan, ensuring that all aspects of the organization align with its objectives, main goals, and business strategies.
- 5.3 The Board of Directors is responsible for overseeing the allocation and management of resources to ensure efficiency and effectiveness, considering the impact and development of resources throughout the value chain, enabling sustainable achievement of objectives and main goals.
- 5.4 The Board of Directors establishes governance and management frameworks for information technology at the organizational level that align with business requirements. Additionally,

they ensure that information technology is utilized to enhance business opportunities and operational development, risk management, and achieving business objectives and main goals.

Principle 6: Ensure an Appropriate Risk Management and Internal Control System

- 6.1 The Board of Directors has the responsibility to oversee and ensure that the company has an effective risk management and internal control system that enables the achievement of objectives and compliance with relevant laws and standards. Furthermore, they must ensure that these systems are implemented in accordance with the law and relevant standards.
- 6.2 The Board of Directors is required to establish an independent and efficient audit committee that can perform its duties effectively and independently.
- 6.3 The Board of Directors has the responsibility to monitor and manage conflicts of interest that may arise between the company and management, the board, or shareholders. This includes preventing the improper use of company assets, information, and opportunities in transactions involving related parties.
- 6.4 The Board of Director is responsible for guiding the formulation of clear and effective anti-corruption policies and practices at all levels of the organization and communicating them to external parties to ensure effective implementation.
- 6.5 The Board of Director has the duty to oversee the establishment of a mechanism for receiving and addressing complaints in case of any whistleblowing incidents.

Principle 7: Maintain Financial Integrity and Disclosure of Information

- 7.1 The Board of Directors has the responsibility to oversee the proper and timely preparation of financial reports and disclosure of essential information, in accordance with relevant laws, standards, and practices.
- 7.2 The Board of Directors is tasked with monitoring the adequacy of the company's financial liquidity and debt repayment capabilities.
- 7.3 In the event that the company encounters financial difficulties or shows signs of potential financial problems, the board should ensure that the company has plans or mechanisms in place to address such issues, taking into consideration the rights of stakeholders.
- 7.4 The Board of Directors has the duty to promote the use of information technology for disseminating information.

Principle 8: Support Participation and Communication with Shareholders

- 8.1 The Board of Directors ensures that shareholders have participation in making significant decisions of the company.

8.2 The Board of Directors oversees that the operations during shareholders' meetings are conducted smoothly, transparently, efficiently, and in a manner that enables shareholders to fully exercise their rights.

8.3 The Board of Directors ensures that the resolutions made during meetings and the reports of shareholder meetings are accurate and complete.

Announced on 25 July 2022

(Mrs. Kesara Manchusree)

Chairperson of the Board of Directors

Primary Responsible Unit: Corporate Governance Committee