



EXEMPTION FROM COMPLIANCE WITH GOOD CORPORATE GOVERNANCE PRINCIPLES

The Company recognized the importance of applying CG Codes for listed companies in the SET and practiced in all activities of the organization. However, the Company has not practiced in the followings: -

1. Chairman of the Board of Director should be Independent Director.

With the only exception that the Chairman of the Board did not come from the Independent Directors and that he also acted as the President of Executives. Due to the Non-Destructive Testing and Inspection for engineering safety, which was the specific business, required the personnel with knowledge, skills and had a long experience in the business, in order to lead the Company to success. However, both the operations of the Company and the Board of Directors were formed on the basis of good corporate governance, in accordance with the guidelines of the Stock Exchange of Thailand. The Chairman and the President of Executives was not the same person, in practice, the Chairman could not exercise the power in the place of the Board of Directors without the consent of the Board. The President of Executives should also follow the procedures of the Board of Directors which were always under the rules and regulations of the Company as well as being approved and under the supervision of the Board of Directors consisting of both Independent Directors and Non-Executive Directors as more 50 percentages of all Directors. This resulted in a balance of power, verifiable and the management that was transparent and concise. Moreover, the said authorization of power did not allow the President of Executives to authorize the issues in which he or any individuals might have conflicts of interests or connected transaction in any way to the Company.

Additionally, the Company had separated the position of the Chairman of the Board and the Managing Director, not making them under one person so as to be in accordance with the guidelines for good corporate governance.

2. Determine the term on duty of the Independent Directors should not exceed 9 consecutive years from the first date of appointment without any exception.

The Board of Directors consists of 3 independent directors, of which 2 independent directors are exceeding for more than 9 consecutive years. In these, the Board has considered that even the term on duty of the 2 Independent Directors are more than 9 years, their independent opinions and duties performances with knowledgeable and expertise have done the best interests for the Company and in compliance with the Company's rules and regulations, and the Capital Market Committee. For another term on their duties, the Board of Directors should consider and approve and present to the AGM meeting for approval

3. Good Governance Committee and Risk Management Committee

The Board of Directors has not yet formed these 3 sub committees. Therefore, the Board has assigned the Audit Committee to review the conducts and the corporate governance principles, including setting up the Risk Management Policy and the Internal Control System to review and assess the risks management of the operations in all aspects both internal and external organization including the overseas businesses, for the best interests and the prevention of corruptions. These were done by appointing the internal auditor to audit the work procedures in each department of the Company. .



4. The Board should consist of more than 50% of independent directors.

The Board of Directors consists of 8 directors, the 3 directors are members of audit committee / independent directors Non-Executive Director of which more than 1/3 of entire Board, and the other 2 Directors are not Independent Directors / Non-Executive Director. There was counterbalance of 5 Non-Executive Directors, more than a half of the entire board, to review the management and have the freedom to manage the audit work.

5. The Board should consider holding more than 6 meeting of the Board per year.

The Board of Directors regularly holds at least 1 meeting per quarter and expects more than 6 meetings per year. In the past year, the Company held 5 meetings of the Board of Directors. The meeting was scheduled in advance throughout the year, so that the directors could allocate time to attend the meeting by informing each director at least 2 weeks in advance before the actual meeting date. The meetings were conducted in accordance with the regulations of the Public Company Law and the regulations of the Stock Exchange of Thailand and should have a minimum number of quorums at the voting time at least 2 in 3 of the total number of entire directors.



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