



## Principle 3 :

### Strengthen Board Effectiveness

#### 1. Board of Directors Structure

##### Balance of Power

The Members of Board of Directors were qualified in accordance with the regulations of SET and were appointed by the AGM of shareholders. For the balance of power of the 8 Directors of the Board, there were 3 Independent Directors / Non-Executives and 4 Directors who were neither Independent Directors nor Executives, which exceeded 1 of 2 of total number of the Board member. The 5 Non-Executive Directors could exercise their objective and independent judgement, together with independent audit execution. For the balance of power of the Board and the Executives, the position of Chairman and Managing Director were held by different person, and the Independent Directors should participate in setting the board meeting agendas with Managing Director, in which compliance with the Good Corporate Governance.

### **Aggregation or Segregation of Positions**

The Chairman of the Board was not the same person as the Managing Director / CEO. For the structure of Company's Board of Directors, one-third were members of the Audit Committee, who were Independent Directors, creating balance of power to perform on management review and independent audit execution.

Moreover, the Company had clearly determined scope of responsibilities of the Board of Directors and Managing Director. Thus, the Chairman and Managing Director would not have absolute power and would create balance of power in the significant resolution that required the Board or shareholders' resolution. Moreover, the Board Members or Managing Directors were not allowed to vote or approve on any connected transaction that he / she might have a conflict of interest with the Company or subsidiaries.

### **Conflict of interest**

In case of the director held the position of director or executive or having interests, be directly or indirectly, in other businesses that might have conflicts, or having the opportunity to use inside information of the Company for their own benefit, the Director should comply with the regulations, guidelines, and procedures as specified in the related transactions, and the acquisition or disposition of important assets of the listed company according to the notification of SEC, or CMSB and/or SET and/or other related.

### **Policy of Board Diversify**

The Company and the Nomination and Remuneration Committee should be responsible for nominating the qualified directors of each Board/Committee, with the policy of board diversify by the features of knowledge, skill, and expertise in the Company's business and the related industries, specific profession, beneficial experiences for the business, appropriate gender, age and qualification, including the essential proficiency to achieve the objectives and goals of the organization and the Board Skill Matrix. The Board of Director should comprise of at least one female director due to the resolution and prudence in management, and at least one of the non-executive directors, who should be experienced or competent in the business or main industry in which the Company operates, in order for the achievement of the Company's objectives and stakeholders' interests efficiently. The Professional Search Firm or the Director Pool of Thai Institute of Director (IOD) would be the channels of nomination as well.

The Structure of the Company's Board of Directors should comprise of the Board of Directors and 3 Sub-Committees, namely the Nomination and Remuneration Committee, the Audit Committee and the Executive Board.

#### **1.1 The Board of Directors**

The Board of Directors should comprise of at least 5 or not more than 12 Directors, should be elected by the AGM of shareholders, and at least 3 Directors should be Independent Directors. In all, no fewer than half of the board members should reside in the Kingdom of Thailand. The Board would nominate and select candidates to serve as directors by considering the skills matrix, including the profession, specialized expertise, and gender to achieve a variety of board structure. In addition, the Board should comprise of at least one female director in order for more efficient performance of the Board of Directors.

Besides, the Board of Directors should possess the knowledges, experiences, leadership, vision and beneficial expertise to the Company business and the related industrial, being independent, dedication and effort for their responsibilities: They would also exercise prudence and honesty for the best interests of the Company and all stakeholders. The Board of Directors' duties would be to define a policy, review and approve the vision, policy, mission, strategic objectives, business plans and budgets of the Company, including overseeing and monitoring performance regularly in order to ensure the operation of the Company policies and frameworks with efficiency and effectiveness.



The Company in year 2023 has 4 boards as follows:

Director 's Name		Board of Directors	Nomination and Remuneration Committee	Audit Committee / Independent Director	Executive Board
1. Mr. Suwat	Dangpibulskul	x	-	-	-
2. Mr. Chaya	Jivacate	/	/	-	-
3. Miss Chomduen	Satavuthi	/	-	-	x
4. Mr. Krirkkiat	Satavuthi	/	-	-	-
5. Dr. Vasu	Keerativutisest	/	-	-	-
6. Dr. Wicha	Jiwalai	/	x	x	-
7. Mr. Vichai*	Watcharavatanakul	/	/	/	-
8. Dr.Jumpon*	Kluaymai-ngarm	/	-	/	-

Remark :  
 x = Chairman  
 / = Director  
 \* = A Director proficient and graduate in accounting.

#### Roles and Authority of the Chairman of the Board

Please see the title of “7.2 Board of Directors” under the topic of “(3) Authority and Responsibilities of Chairman of the Board of Directors”, page 107-108

#### Roles and Authority of the Board of Directors

##### 1.1.1 Assigning, Reviewal and Authorization

Please see the title of “7.2 Board of Directors” under the topic of under the topic of “(4) Authority and Responsibilities (Board of Directors)”, page 108-109

##### 1.1.2 Taking a Position in the Listed Company and in the Subsidiaries which was not a Listed Company

The Board of Directors has determined that the Directors might only remain in the position of a listed company for no more than 3 companies, and for other companies or subsidiary companies that was not a listed company, for no more than 5 companies. An exception to this would be when the Director was authorized to take up a certain position by the Company.

##### 1.1.3 Board of Directors Meeting

###### 1.1.3.1 Prior to the Meeting

(1) The Meeting should be held regularly at least once every quarter, or 6 times a year with the dates of the meeting being schedule in advance throughout the year so as the Directors to allocate sufficient time for attending the meeting and the Directors should be notified 2 weeks before the meeting. The procedures of the meeting would be in accordance with the regulations of the Company, the Public Law and the regulations of the SET and the minimum number of quorum while voting should be no less than two third (2/3) of the total Directors.

(2) The Chairman of the Board would encourage the Directors and the Executives to jointly present and consider the significant issues, which would be beneficial to the Company's operation, to be the meeting agendas. In addition, the Company Secretary would be appointed to circulate the meeting invitation together with the supporting documents according to the agendas at least 7 working days before the meeting so that all Directors might have adequate time in studying all the information before attending the meeting. In case of any necessary information for further decision-making, the Directors could inform the Company Secretary to coordinate with the Managing Director / CEO or the assigned Executives.



### **1.1.3.2 The Board's Meeting Date**

(1) The Chairman would allocate the time sufficiently for the Executives to present an issue and various performance reports and allow the Directors to discuss the problems and assess the cases carefully. The outcome of an evaluation would be decided by the majority votes. In the case that there were the same number of votes, the Chairman of the meeting would be the deciding voter.

(2) The Board of Directors would encourage the Managing Director to invite the Executives Officer or relating personnel to participate in the meeting in order to provide information in the case that the Board would require the related additional data.

(3) If there were agendas involving the Directors, the stake holding Directors might neither vote nor attend the meeting.

(4) The Board of Directors would encourage the policy where the Non-Executive Directors, Independent Directors, Member of Audit Committee, or any concerned might hold meetings among themselves to discuss any management problems that might arise as they deem appropriate, without the attendance of the Executives, and the resolutions would be notified to the Managing Director.

(5) Each Company's Directors should attend the meeting no less than 75% of the total number of meetings held annually.

### **1.1.4 Directors' Reports**

The Board of Directors should be responsible to control, promote and monitor the disclosure of various significant information in business transactions, corporate governance, financial statements and financial information disclosure to the public, in the Form 56-1 Annual Report and the Company website ([www.tndt.co.th](http://www.tndt.co.th)). The financial statements should be made in accordance with the generally accepted accounting principle of Thailand.

For this purpose, the Board of Directors should appoint 3 Sub-Committees, which would comprise of Independent Directors who were not Executives, to review and audit the quality of financial managements and internal control systems, including the Directors and Top Executives' nomination and remuneration system. In these, the Sub Committees should propose the report to the Board of Directors for consideration.

## **1.2 Sub Committees : The Board of Directors have appointed 3 Sub Committees as follows:-**

### **1.2.1 Audit Committee**

The Audit Committees should be independent Directors and the Company's Directors which have been appointed by the Board of Directors and should have the qualifications according to the Securities Regulations and the Stock Exchange, including notifications, rules and/or the regulations assigned by the SET and the Company. A term on duty should not exceeding three years and not serve more than three consecutive terms (9 years). Unless the Committee's consideration for more than three consecutive terms, the Committee should unanimously approve such Independent director, having done the best interest for the Company, and should ensure that the extra term would not affect the qualifications of independence. Moreover, such Independent Director should be approved by the Board of Directors and proposed to the Shareholders for approval on the AGM.

### **1.2.2 Nomination and Remuneration Committee (NRC)**

The Nomination and Remuneration Committee, half of members should be independent Directors and all the members should be appointed by the Board of Directors. They should have the qualifications as prescribed by the Securities Regulations and the Stock Exchange, including notifications, rules and/or the regulations assigned by the Stock Exchange of Thailand. Moreover, the meeting of NRC should be done regularly at least 2 times a year.

### **1.2.3 Executive Board**

The Board of Directors should appoint the Executive Board by selecting from the Directors and/or a group of Executives as appropriated. Then, the Board of Directors should appoint one of the Executive Directors as the President.

The roles and responsibilities of these sub committees could be viewed at the management structure under the title of "7.3 Information about Sub-Committees", page 110-113.

In 2023, there were meetings and attendances of the Directors as follows:-

Directors' Name		Number of Meeting Attended (time) / Number of meetings held (time)							
		Board of Directors 4 times		Audit Committee 4 times		Nomination and Remuneration Committee 2 times		Executive Board 5 times	
		Physical	E-Meeting	Physical	E-Meeting	Physical	E-Meeting	Physical	E-Meeting
1. Mr. Suwat	Dangpibulskul	4/4	-	-	-	-	-	-	-
2. Mr. Chaya <sup>1/</sup>	Jivacate	-	4/4	-	-	-	2/2	-	-
3. Miss Chomduen	Satavuthi	4/4	-	-	-	-	-	-	5/5
4. Mr. Krirkkiat	Satavuthi	4/4	-	-	-	-	-	-	-
5. Dr. Vasu	Keerativutisest	1/4	3/4	-	-	-	-	-	-
6. Dr. Wicha <sup>1/</sup>	Jiwalai	4/4	-	4/4	-	2/2	-	-	-
7. Mr. Vichai <sup>1/</sup>	Watcharavatanakul	4/4	-	4/4	-	2/2	-	-	-
8. Dr. Jumpon <sup>1/</sup>	Kluaymai-ngarm	3/4	1/4	3/4	1/4	-	-	-	-

<sup>1/</sup>In 2023, there were 2 meetings held, among the Non-Executives and Independent Directors/Member of Audit Committee, without the attendance of the Executives.

#### **1.2.4 Good Governance Committee and Risk Management Committee**

The Board of Directors has not yet formed these 2 sub committees. Therefore, the Board would assign the Audit Committee to review the operations complying with code of 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 would be done by appointing the internal auditor to audit the work procedures in each department of the Company. The Audit Committee would review the policies, guidelines and the progress of the risks management, including various operational procedures and evaluate to reduce or control the risks so that the effects were at the acceptable level and prevent the corruption. In order for the internal audit to be independent and could operate at full power, the Board of Directors would specify that the internal audit would operate and report directly to the Audit Committee and that the Audit Committee would present the findings to the Board of Directors quarterly. This was prescribed in **form 56-1 One Report** under the topic "**Principle 6 : Strengthen Effective Risk Management and Internal Control**" page 159-161

### **1.3 Secretary**

#### **1.3.1 Company Secretary**

Please see the title of "**7.3 Information about Sub-Committees**", page 114, and the Company website (www.tndt.co.th) in the "**About TNDT**" section under the title of "Directors & Executives", subtitle of "Company Secretary".

#### **1.3.2 Secretary of Nomination and Remuneration Committee**

#### **1.3.3 Secretary of Audit Committee**

#### **1.3.4 Secretary of Executive Board**

1.3.2 - 1.3.4 Please see the title of "**7.3 Information about Sub-Committees**", page 110-113 and the Company website in the section of "**Sustainability**" under the title of "**Corporate Governance**", subtitle of "**Good Corporate Governance Policy**".



#### 1.4 Chief of Internal Audit

Please see the topic of “**Attachment 3**” Details of Head of Internal Audit and Head of Compliance Department, page 264-265 and the Company website (www.tndt.co.th) page “**Sustainability**”, title of “**Corporate Governance**” Sub-title “**Corporate Governance Policy**”

#### 1.5 Compliance Unit

Please see the topic of “**Attachment 3**” Details of Head of Internal Audit and Head of Compliance Department, page 264-265. and the Company website (www.tndt.co.th) page “**Sustainability**”, title of “**Corporate Governance**” Sub-title “**Corporate Governance Policy**”

#### 1.6 Investor Relations Office

The Board of Directors would encourage the Company to establish the Investor Relations Office to be responsible for creating relationships with investors and communicating the Company’s information to investors and outsiders equitably. In these, Investors could contact for more information as the details of “**General Information and Other Important Information**” page 98 and on the Company’s website (www.tndt.co.th), on page “**Investor Relations**” in the title of “**Information Request**” subtitle of “**IR Contacts**”.

## 2. Investment and Overseeing the Subsidiaries or Associates

#### 2.1 Investment Policy

The Company would consider significantly to the investing in businesses which support and benefit the Company’s business or business in an industry with a tendency of growth and return on investment. The Board of Directors would jointly consider the Company’s investment policy, by considering the necessity and appropriateness to support the business operations, as well as the Company’s operating results and being beneficial and significant to the Company and shareholders. In these, the Board would strictly comply with the regulations of the Stock Exchange of Thailand, in regard to entering into connected transactions or acquisition or disposal of assets of the Company.

#### 2.2 Governance Policy

##### Associates

The Company would oversee by sending the Company’s representatives, who have the qualifications and experience suitable for the business of the investee company, as a director in such associated company. The Chairman, Top-Executives Officer, Top Management or any person of the Company might be the Representatives Directors in proportion to the shareholding and the number of director criteria of such company.

##### Subsidiaries

The Company would oversee by sending more than a half of the total number of directors. If the operation affected the Company significantly, the operation should be approved by the Company Board of Directors’ meeting.

## 3. Capability Development

The Nomination and Remuneration Committee would be responsible for the potential development strategy of the new Directors, the Directors, the Executives and the Company’s Secretary by taking into the appropriateness under the rules and regulations which are related to the Company’s business.

In 2023, the training courses / seminars of the Directors / the Top-Executives / the Company’s Secretary / the Executives in department and division, including the Employees in all levels were disclosed in **form 56-1 One Report** under the title of “**7.7 Human Resource Development Policy**”, page 123-133 and **the Company website www.tndt.co.th** on page “**Sustainability**”, under the title of “**Corporate Governance**” subtitle of “**Corporate Governance Report**”.



#### 4. Self-Assessment

The Nomination and Remuneration Committee would review the assessment form together and present them to the Board of the Directors. The Board of the Directors and the Members of Sub-Committees would assess their performance together and assess the sufficiency of the internal control system by using the Self-Assessment form of the Board of Directors, by applying the form of the SET to suit for the Company, and utilize the results to develop and improve the business operations, to achieve the assigned goals. The Company would provide the Self-Assessment of the Board of Directors annually by the 4th quarter, and would be done in 2 ways.

These were done for the assessment of the effectiveness of the Board's performances on good corporate governance. The process would be as follows: -

4.1 The Nomination and Remuneration Committee would review the assessment accuracy, completely and in accordance with the regulations by applying the Self-Assessment form on the basis of the form of the SET.

4.2 The Board of Directors and the Sub-Committees would assess self-performance together by the 4th quarter of every year.

4.3 The Company Secretary would gather and summarize the assessment results to the Board of Directors in order to develop and improve the business operations, to achieve the assigned goals. The results of the assessment would be disclosed in form 56-1 One Report for the year 2023.

**The Board of Directors would assess their performances as a whole which would cover 6 different categories, they were:-**

1. Structure and qualification of the Board of Directors
2. Roles, duties, and responsibilities of the Board of Directors
3. The Board of Directors meetings
4. The Board of Directors' dynamic performance
5. Relationship with the Executives.
6. Self-development of the Directors

**The Director would assess his/her performance as an individual which would cover 5 different categories, they were:-**

1. Qualification of individual Director
2. Readiness for duty
3. Participation in the meetings
4. Roles, duties, and responsibilities
5. Relationship with the Boards and Executives

The Self-Assessment of the Board of Directors were divided into 5 levels, they were:- 4 = Excellent / 3 = Good / 2 = Average / 1 = Below Average / 0 = Must be improved. The 2022 Self-Assessment of the Board of Directors could be summarized as follows:-

Board of Directors / Committee	Assessment Score of year 2023 (AVG.)
1. Board of Director as a whole	3.99
2. Board of Director as an individual	3.95
3. Nomination and Remuneration Committee as a whole	3.98
4. Nomination and Remuneration Committee as an individual	3.97
5. Audit Committee as a whole	3.95
6. Audit Committee as an individual	3.99

## 5. Remuneration

The Board would assign the Nomination and Remuneration Committee to consider the remuneration of the Directors appropriately and transparently by comparing to other companies in the similar fields and in the same level, including the duties, responsibilities and also considering the expansion of the business and the growth of the Company's profit which should be sufficient to attract and retain valuable and qualified Directors. The remuneration of Directors in each year would be allocated from the remaining balance after the meeting allowances have been deducted, and would be presented to the Board of Directors for approval and further propose to the Shareholders Meeting for approval. In this, the Directors who were given more duties and responsibilities would be rewarded more to compensate with the tasks given. (Please see the title of "**7.6.1 Remuneration of Directors**", page 119).