



Principle 4 :

Ensure Effective CEO and People Management

1. Development and Succession Planning

The Company realized the importance of the selection of personnel to succeed in all levels with transparency and fairness in order to ensure that the operations of the Company would be continually managed and be capable to expand its operations and customers instantly. The Nomination and Remuneration Committee should be responsible for governing and enforcing the Company to issue and review the development and succession plan of the key positions which would be beneficial to the business operations, for instance the position of Managing Director, Chief Executive Officers and Key Positions which would be essential to the Managerial Structure, position of unique skills, depth expertise and hard to replace. The Committee would assess the situation in the business and the personnel efficiency along with the Company's strategy in short-term and long-term. These were done for planning the nomination and selection of the qualified personnel with knowledge, skills and expertise, as well as leadership skills adequately in order for developing and preparing in all aspects, so as to comply with the human resource development plan and the assessment of potential performance as expected and scheduled, and then proposed to Board of Directors for approval and/or acknowledgement once a year.

For more information, please visit the Company Website (www.tndt.co.th) in the “Sustainability” section under the title of “Corporate Governance”, subtitle “Corporate Governance Policy”

2. Top-Executives and Executives Nomination

2.1 Nomination

The Board of Directors would assign the Nomination and Remuneration Committee (NRC) to take responsibility for determining and reviewing the rules and regulations to meet the nomination processes of Human Resources in nominating and selecting a person to be appointed as Top-Executives and Executives, including the transfer and removal together with the Managing Director / CEO yearly in granting approval, the person to be considered as Deputy Managing Director and Assistant Managing Director or equivalent, and propose to the Board of Directors for consideration. The NRC would consider the knowledge, skills and experiences, including various expertise in the Company's business and related industries, in which would be the best interests of the Company's business. Moreover, such person should have leadership, vision and good attitude, good management skills, dare to think and make decisions, have creative ideas, and modernize to create business opportunities and lead the organization success. Anyway, the qualifications of such person should be under the Public Limited Companies Act BE 2535, the Securities and Exchange Act., Good Corporate Governance and Succession Plan.

2.2 Taking a Position in the Listed Company and in the Subsidiaries which is not a Listed Company

The Board of Directors indicated that the Managing Director of the Company could remain in the position of the Director 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. However, this did not take into account the Company's subsidiaries or affiliates and the joint ventures by the Company where there was a necessity to oversee and manage in order to protect the best interests of the Company.

2.3 Authority and Responsibilities of the Managing Director

The Managing Director would act as the Chief Executive Officer (CEO) by managing and overseeing the normal practices in business operations with the authority to process and monitor all activities in accordance with the policies given by the Board of the Directors under the rules and regulations of the Company. The CEO would also have the authority to approve as mentioned on the authority plan, consider the business strategies and should report the operating results to the Board of Directors regularly.

However, the CEO should comply with the guidelines and various regulations determined by the Board of Directors and should not approve of any items that might arise a conflict of interests or those that might have conflict of interests with the Company or its subsidiaries. If there were such cases, the CEO should report to the Board of Directors for further considerations.

The Board of Directors determined the policies and the guidelines for the CEO or Executive Directors to take position as the Directors of another company, both type of position and number of companies they might take, these should be approved by the Board of Directors.

Please see the Authority and Responsibilities of the Managing Director under the title of “**7.3 Information about Sub-Committees**”, subtitle of “**Executive Board**”, page 113.

3. Development of Top-Executives and Executives Group

Top-Executives and Executives Group

The Board of Directors encouraged the Company to support the Top-Executives and Executives Group to attend training / meetings/ seminars, related to the Company's business and useful for performing their duties which organized by the IOD, SEC, SET and Thaipat or any other related institution, annually as appropriate. The purposes were to develop skills, the potential for management in accordance with the rules, regulations or legal requirements, to improve knowledge and develop themselves and apply for the Company's operation, and to transfer such information to the Managing Director or related management. The Top-Executive and Executives Group were required to attend training / meetings / seminars at least 5 courses per year.

Employees

The Board encouraged and supported the Company to provide training in various fields for employees in all levels as of their responsibilities regularly, both the Company's main profession training for customer service requirement in accordance with standard of “The American Society for Nondestructive Testing (ASNT)” and other international organizations related, including training in various types of safety at work and other related, quality systems and soft skills training for the employees' improvement and working adoption as appropriate. In addition, the Company also provided foreign and local experts to train for the Company's personnel to be more knowledgeable and expertise.

Please see the details in the title of “**7.7 Human Resource Development Policy**” page 123-133

4. Assessment

4.1 Managing Director

The Nomination and Remuneration Committee would assess the performance of the Managing Director by applying the CEO assessment form, on the basis of the form of the Stock Exchange of Thailand, in the 4th quarter of the year. The assessment was divided into 4 categories which were;

1. Business strategy progression
2. Operational performance assessment
3. CEO development
4. ESG Performance

Then, the result would be proposed to the Board of Directors for approval and would apply the outcome to develop and improve for better performance in order to achieve the assigned goals. However, the results of the performance assessment of the Managing Director in 2023, was in “very good” level. The details of assessment were personal confidential information and could not be disclosed.

4.2 Top-Executives

The Nomination and Remuneration Committee has considered and approved criteria and performance assessment factors, by applying the individualized metrics (KPIs) to determine performance from a financial perspective, perspective on customer view, on internal processes and on learning and developing both business-related performances and organizational sustainability, for examples: promoting employees' awareness and participation in social and environmental around the workplace, overseeing safety in operations, etc., as well as approving the remuneration structure of Top-Executives, and monitoring Managing Director / CEO to assess the Top-Executives to be in accordance with the assessment criteria and in compliance with such factors completely and would report to the Board of Directors in the 4th quarter.

4.3 Executives / Employees

The Nomination and Remuneration Committee has determined policies, oversaw and monitored the determination of criteria and factors in assessing the performances of all employees in the organization by assigning the Managing Director / CEO together with those who were assigned or involved to proceed and communicate to the employees to acknowledge the criteria for assessment, by applying individualized metrics (KPIs) to determine the performance from the perspective on financial, on customer view, on internal process, and on learning and development. The assessment will take into account the performance of duties and achievements in both business-related and organizational sustainability aspects, for example, participation in activities and in taking care of society and the environment surrounding the workplace, strictly complying with safety principles, including striving to develop for more potential of one's own, etc, in order to motivate themselves to receive appropriate and fair compensation for the employees who committed and intend to develop their potential to be better and valuable to the organization. In 2022, the overall assessment results of Executives and Employees were good.

5. Remuneration

5.1 Remuneration of Managing Director (CEO)

The remuneration of the Managing Director (CEO) would be determined each year according to the principles and the policies that the Nomination and Remuneration Committee designated, being in line with the Company's operating results both in the short term and in the long term, and for the best interest of the Company. The level of short-term remuneration would be in the forms of salary, bonuses and long-term incentives which should be conformed to the financial performance, and the long-term operational strategies, as well as result of operation, Executive's development, together with considering the business expansion and the growth profit of the Company. (Please see the title of "7.6.2 Managing Director' Remuneration", page 120).

5.2 Remuneration of Executives

Remuneration of the Executives are determined annually by the Managing Director, in accordance with the policy of the Nomination and Remuneration Committee designated, being in line with the Company's operating results both in the short term and in the long term, by applying the individualized metrics (KPIs) to determine fairly and equitably. The results of the assessment would be applied for managing the rewards and considering career path advancement, to create incentives along with the development and increase the potential of executives. (Please see the title of "7.6.3 Executives' Remuneration", page 120).

6. Shareholding Structures

The major shareholder of the Company is the Miss Chomdeun Satavuthi family, consisting of Miss Chomdeun Satavuthi / Mr.Krirkkiat Satavuthi / Mrs.Juraisri Satavuthi / Mr.Anusorn Satavuthi / Miss Rassiya Satavuthi and Mr.Suwat Dangphibulskul, herein referred to as "the Major Shareholders", the total shares would be considered as acting in concert, according to the Capital Market Commission Board announcement (TorJor.7/2552) under "The specifications of relationship or behaviour described as 'acting in concert'" and under Section 246 and 247 of the Securities and Exchange Act, in order to assert the owner's rights to vote and still maintains the authority as the signatory and the Executive of the Company. Therefore, the Major Shareholders has the authority in management and control the votes in most of the significant meetings, except legal matters or the Company's regulations which states that the accepted votes of the shareholders meeting must be no less than 3 in 4 of the number of shareholders present and has the rights to vote in the case of an objection. In other words, other shareholders in the meeting which has the rights to vote may not be able to gather enough vote to object or balance out the management of the Major Shareholders.

For the disclosure of changes in securities holding of Directors, Top-Executive and Executives of the year 2023, please see the details **Attachment 1** : the Details of the Directors, the Executives, the Authorized Persons, the Top Assigned Person to be responsibility in Accounting and Finance, the Supervisory Accountant and the Company Secretary, on pages 247-260. For employees in relevant departments, there was no transaction to buy, sell, transfer or accept the transfer of securities.



7. Personnel Management

In Engineering business, the qualified NDT personnel & experts and Authorized API Inspectors would be in high demand in both the industrial sector and the inspection entrepreneurs. To qualify these personnel would have to waste time and capital for training, especially the timing. The amount of qualified personnel and the demands in the industry did not match, resulting in the shortage of qualified personnel and migration, which would increase in violation on the expansion of industry. Nevertheless, by the current shrinkage of the industrial sector, the shortage would not occur. On the other hand, the shortage of workload, the overflow personnel occurred. The Company has resolved these issues by planning to expand the inspection to other industrial groups with the upcoming transforming technologies. Therefore, the Company has accelerated the promotion and development of techniques and the performance of the overflow personnel, for appropriateness to support this expansion plan later.