

6. Corporate governance policy

6.1 Overview of the policy and guidelines

Overview of the policy and guidelines

Corporate governance policy and guidelines : Yes

The Board of Directors plays a key role in establishing, overseeing, and promoting the Company's good corporate governance. The Board has considered and approved the Company's corporate governance policy as a framework to guide business direction with transparency, accountability, stakeholder consideration, and alignment with the principles of good corporate governance for listed companies.

The Board also reviews the corporate governance policy on a regular basis to ensure alignment with good governance practices, international standards, and relevant regulatory requirements. In addition, the Board oversees the communication of the policy to management and employees at all levels and monitors its proper implementation to ensure that the Company continues to conduct its business in accordance with good governance principles.

6.1.1 Policy and guidelines related to the board of directors

Are there policy and guidelines related to the board of : Yes
directors

Guidelines related to the board of directors : Nomination of directors, Determination of director remuneration, Independence of the board of directors from the management, Director development, Board performance evaluation, Corporate governance of subsidiaries and associated companies

Nomination of directors

The Board of Directors places importance on maintaining an appropriate board composition aligned with the Company's business nature and strategic direction. Director nomination and selection are based on qualifications that meet the Company's needs, including knowledge, skills, experience, and expertise relevant to the ceramic industry, manufacturing, management, and corporate governance. Board diversity and the overall balance of the Board are also taken into consideration.

The Company has established a director nomination process under which the Board of Directors collectively considers and selects candidates based on appropriate qualifications at the relevant time. Candidates may be nominated by the Board, shareholders, or relevant business networks, prior to being proposed to the shareholders' meeting for approval. The Company verifies qualifications and prohibited characteristics in accordance with applicable laws, considers potential conflicts of interest, and assesses independence qualifications for independent directors. Shareholders are also provided with the opportunity to propose agenda items and nominate candidates for directorship within a specified period.

In accordance with the Public Limited Companies Act and the Company's Articles of Association (Article 21), at each Annual General Meeting of Shareholders, one-third of the directors shall retire by rotation. Retiring directors are eligible for re-election, subject to the Board's consideration prior to submission for shareholders' approval. *(Details of the Board composition are provided in Section 7.2: Information on the Board of Directors.)*

Determination of director remuneration

The Company has established a directors' remuneration policy to ensure that remuneration is appropriate and reasonable, and aligned with the roles, responsibilities, and workload of each director position, while taking into account fairness, transparency, and good corporate governance principles.

Directors' remuneration is considered by the Board of Directors as a whole, based on the Company's performance and the appropriateness of the remuneration structure, before being proposed to the shareholders' meeting for approval. Remuneration is paid in accordance with applicable legal requirements. Where not otherwise specified in the Company's Articles of Association, approval by the shareholders' meeting must be obtained by a vote of not less than two-thirds of the total votes of shareholders attending the meeting.

The remuneration structure comprises monthly remuneration, additional remuneration based on duties or positions (such as the Chairman and Audit Committee members), and meeting allowances in the event of additional meetings. The Company does not provide any other benefits to directors, except for salaries paid to directors serving in executive positions, which have already been disclosed in the Annual Report.

Independence of the board of directors from the management

The Company has established a policy requiring the Board of Directors to perform its duties independently from management to ensure careful, transparent, and effective oversight in the best interests of the Company and its shareholders. Independent directors are appointed in accordance with regulatory requirements, and their independence qualifications and potential conflicts of interest are reviewed both prior to appointment and throughout their tenure. Directors are required to disclose any conflicts of interest and abstain from voting or participating in the consideration of matters in which they or their related persons have an interest. Directors may also request additional information from management as necessary for their consideration, and meetings of directors only, without management presence, may be held when appropriate. *(Details of the qualifications and independence criteria for independent directors are provided in Section 7.2: Information on the Board of Directors.)*

Director development

The Company supports directors in obtaining the information and knowledge necessary for the effective discharge of their duties. This includes plant visits, training on directors' roles and responsibilities, and participation in seminars organized by the Stock Exchange of Thailand and external organizations. These activities help enhance directors' knowledge in line with changing business conditions and strengthen the effectiveness of the Company's governance.

Board performance evaluation

The Board regularly holds discussions to monitor the Company's performance and review directors' practices in order to enhance board effectiveness and support organizational management in line with the Company's objectives and strategy.

Corporate governance of subsidiaries and associated companies

The Board of Directors places importance on overseeing subsidiaries and associates to ensure that all companies within the Group operate in accordance with good corporate governance principles, applicable laws, and relevant regulations. A policy on the governance of subsidiaries and associates has been established as a framework for appropriate supervision, control, and performance monitoring.

Under this policy, the Company appoints qualified individuals to serve as directors, executives, or authorized persons in subsidiaries and associates in proportion to its shareholding. Such appointments are subject to the consideration and approval of the Board of Directors to ensure alignment with the direction of the parent company.

Subsidiaries and associates are required to comply with **the Company's policies, Business Code of Conduct**, internal control systems, and disclosure requirements to ensure consistency in governance practices, mitigate risks, and enhance transparency. This includes compliance with requirements relating to connected transactions, related party transactions, acquisitions or disposals of assets, and the disclosure of material information.

In terms of monitoring and internal control, the Company regularly monitors and evaluates the performance of subsidiaries and associates through reporting and risk management systems. Subsidiaries and associates are required to report financial, operational, compliance, and key risk information to the Board of Directors of the parent company on a regular basis.

Where any risks or operations are identified that may impact the Company or the Group, the Board of Directors will consider appropriate actions, including review, guidance, or corrective measures, to ensure that subsidiaries and associates operate in line with the Group's policies and objectives effectively.

6.1.2 Policy and guidelines related to shareholders and stakeholders

The Company has established policies, guidelines, and measures relating to shareholders and stakeholders, which apply across the Group. These serve as a framework for directors, executives, and employees at all levels to perform their duties ethically and in alignment with the Company's good corporate governance policy. Details are as follows:

Are there policy and guidelines and measures related to : Yes

shareholders and stakeholders

Guidelines and measures related to shareholders and : Shareholders, Employee, Customer, Business
stakeholders competitors, Suppliers, Creditors, Government
agencies, Community and society

Shareholders

The Company has established policies and practices for shareholders in accordance with good corporate governance principles. It respects and protects the fundamental rights of shareholders on an equitable basis, promotes the exercise of shareholder rights to attend and vote at meetings, propose agenda items and director nominations, receive accurate, sufficient, and timely information, and obtain returns as provided by law.

The Company also implements measures to facilitate transparency and shareholder engagement, including the advance disclosure of meeting information, communication channels for shareholders and investor relations, channels for suggestions and complaints, opportunities to raise questions and express opinions at meetings, and oversight of conflicts of interest and connected transactions in accordance with applicable requirements.