

SIC-BC-PLC-2023-016

**Corporate Governance Policy****Silicon Craft Technology Public Company Limited****Objective**

The Company formulated the corporate governance policy pursuant to guidelines of the Corporate Governance Code of the Office of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”) to serve as principle to be observed and adhered by the Board of Directors, the management and the employees of the Company. The objectives are to build up value to the business on sustainable basis and to enhance the organization on efficient business operation, transparency and accountability, apart from creation of confidence to the shareholders, the investors and the relevant parties. It can also make the business having competitiveness and performance with long term perspective, ethical and responsible business, good corporate citizenship and corporate resilience. Essence of the corporate governance policy can be divided into 8 practices as follows:

**Principle 1: Recognize the Roles and Responsibilities of the Board of Directors as the Leader of an Organization that Creates Value for Sustainable Business**

The Company has clearly established roles and responsibilities of the Board in the Board of Directors’ Charter with main duties are to set important policies and strategies for business operations as well as to allocate resources. The Board of Directors shall have thorough understanding of roles, responsibilities and benefits of corporate governance principles to build value to the business sustainably and shall monitor, assess and oversee performance report of the Company to ensure that they can achieve the specified objectives and targets.

In addition, the Board of the Directors shall oversee the Company’s operations by taking into account the competitiveness and adaptability with the changes from various factors for long term and good performance by operating businesses which are beneficial to the society and by consideration of the environment, ethics, respect of right and responsibilities to the shareholders and the stakeholders of the Company on continued basis. These actions include equal treatment of shareholders, consideration of the stakeholders’ roles, information disclosure and transparency, by putting emphasis on sustainable creation of value to the organization and promotion of innovation, for example, to give special lecture on design and creation of electronic innovation to the students in various

educational institutions, engineering competition activities, acceptance of intern students during summer apprentice program and the cooperative education for learning through projects, participation on giving recommendations for the projects at Bachelor degree and the research works in Master or Doctorate degrees including provision of cooperation between the research laboratories and the Company.

Furthermore, the Board of Directors has clearly specified roles and scope of responsibilities of the subcommittees and the President and has supervised the directors and the executives to perform duties with responsibility, carefulness and honesty as well as to oversee to make sure that operations of the Company are in compliance with the relevant laws, regulations, resolutions of the meetings of the Board of Directors, resolutions of the shareholders' meetings and the Company's policies.

### **Principle 2: Define the Business Objectives and Main Goals for Sustainability**

The Board of Directors puts strong emphasis on formulation of main objectives and targets for business operations of the Company in order to make it grow together with the society with sustainability, to build value and benefits to the organization, customers, business partners, employees, shareholders, stakeholders and the society at large. In addition, it will foster communications to make the corporate's main objectives and targets reflect in decision and operations of the personnel in all levels, that it becomes the corporate culture under the corporate governance principles.

The Board of Directors also stipulated strategies and work plans, including monitored and assessed performance continually in order to make them consisting with the attainment of the main objectives and targets of the organizations. Innovation and technology have been applied appropriately and safely. In addition, the risk on setting the target which may lead to illegal behavior or unethical conduct shall be considered. The Board also supervised to ensure that objectives and targets shall be transferred via strategy and work plans throughout the organization. Consideration of business plans and strategies of the organization shall be based on sustainable creation of value to shareholders, stakeholders, society and environment, for instance, recruitment of knowledgeable and capable personnel and realization of importance on personnel development, hence the trainings shall be constantly provided. Social activities shall be conducted, for example, giving lecture to the students to provide knowledge on electronic innovation, support on scholarship and research fund, jointly specify research topics which can be actually applied in real life situation, and etc.

**Principle 3: Strengthen Board Effectiveness**

The Company's Board consists of the persons who are knowledgeable, capable with expertise and experiences that can perform duties for the best interest of the Company. The directors shall have qualifications and shall not possess prohibited characteristics as per specified by the laws and they shall have duty and responsibility on specifying and reviewing the Board's structure.

At least one thirds or three members of the Company's Board must be the independent directors. The independent directors shall possess qualifications and shall not have any prohibited qualifications as per specified by the Board, which are more stringent than or equivalent to qualifications specified by the Securities and Exchange Commission and the Stock Exchange of Thailand. At present, the Company's Board of Directors consists of 2 non-executive directors and 3 independent directors in order to balance power appropriately. Sub-committees have been appointed to assist the Board pursuant to the scope specified in each sub-committee's charters to strengthen efficiency and effectiveness on operations of the Board.

The Board shall appoint a suitable person to be the Chairman. In addition, in case the Chairman is not the independent director, the Board shall appoint one independent director to jointly consider on determination of the meeting agenda of the Board's meeting to encourage for balance of power between the Board and the management and for conformance with the corporate governance principle of the listed companies.

The Board of Directors has appointed the Nomination and Remuneration Committee to support the Board on recruitment of the qualified directors with the clear and transparent process, as well as to consider suitable remuneration before proposing for the shareholders' approval.

The Board of Directors shall supervise to ensure that all directors shall be responsible for performing duties and allocate appropriate time for works and also oversee on disclosure of roles and duties of the Board and the sub-committees, number of meetings arranged as well as number of attendances of meeting of each director during the past year, including report on performance of all sub-committees.

The Board shall evaluate performance of the Board as a whole and on individual director level at least once a year and at least they should be based on self-evaluation. The evaluation results shall be used for consideration on appropriateness of component of the Board. The Board should oversee to make sure that the directors regularly receive sufficient and continuous trainings and knowledge development.

In addition, the Company has appointed the Company Secretary to support operations of the Board, to coordinate on compliance with resolutions of the Board and to arrange matters relevant to the Board's meeting and the shareholders' meeting

#### **Principle 4: Recruit and Develop Senior Executives and People Management**

The Company has specified qualifications of the directors and top management in order to be confident that the Company has recruited the suitable directors and top management which are adequately for operations and undertakings pursuant to the business plan and succession plan as per specified in the charter and code of conduct, as per the specified target. Additionally, the Board also placed importance on understanding of structure and relationship of major shareholders which may impact on the control over the Company to ensure that they shall not affect the Board's exercise of its duties and responsibilities and the Board shall oversee on properly disclosure of information which may have an impact on the control over the business.

In order to perform so, the Board has specified the remuneration structure of the directors and the executives, as well as the evaluation which is suitable with scope of responsibilities and duties assigned. The Nomination and Remuneration Committee shall assist on supervision on compliance with the policy on human resource management and organization development.

With regards to human resource development, the Board of Directors has monitored the human resource management and development to ensure that they shall have suitable knowledge, skills, experiences and motivation,

#### **Principle 5: Nurture Innovation and Responsible Business Conduct**

The Board places importance and promotes innovation which can add value to business, by focusing on research and development of the products in order to invent and apply innovation in the products developed by the Company to help the customers on competitive edge. In addition, it also promotes innovation creation in the educational institutes through the engineering competition activities, acceptance of intern students during summer apprenticeship program and the cooperative education for learning through projects, participation on giving recommendation for the projects in Bachelor degree and the research works in Master or Doctorate degrees including provision of cooperation between the research laboratories and the Company.

The Board has specified that there shall be risk management and control on information technology so that information technology resources shall be efficiently and effectively allocated and managed, including adequate and appropriate information technology security measures by taking into consideration maintenance of confidentiality,

credibility and availability of information as well as prevention on abuse use of information. The Company shall be supervised to comply with the laws, regulations, rules and standards relevant to usage of information technology and to have the Business Continuity Plan (BCP) in place.

Additionally, the Board shall monitor and supervise the management to perform businesses together with building up benefits for the relevant stakeholders, with social and environmental responsibility by encouraging for operations to add value to the Company pursuant to a changing environment. Such works may include designing innovative business models, products and services, promoting research, improving production and work processes as well as collaborating with business partners. The Company determines to operate business with integrity, honesty, transparency, adherence to fairness as its core value, as well as provision of excellent services to customers and the contact persons, willingness to compete the business with fairness, without taking advantages or exploitation of benefits, strictly perform the works under corporate governance framework. The Board also realizes the importance of roles of the stakeholders and treats all groups of stakeholders transparently, appropriately, partially and fairly. Those stakeholders include:

- **Employee:** Compensation provided to the employees shall be considered based on performance and fairness which can be measured by the specified criteria. Personnel development shall be constantly supported to keep them having knowledge and capability on continued basis. In addition, the Company also primarily considers about rights of the employee and opens opportunities to lodge complaints via various channels, in case he/she has not been treated fairly.
- **Customer:** To enhance long-term relationship and cooperation with the customers by adhering to principles of integrity, honesty and trust. The Company has duty to build maximum satisfaction to the customers with responsibility and put utmost emphasis on the customers' problems and requirements by adhering to morals and effective service provision.
- **Creditor:** To build up relationship and treat the creditors by adhering to principles of integrity, honesty and trust, with responsibility and fulfilment of conditions agreed with the creditors at its best.
- **Business partners:** Treat business partners with honesty and equality for fair business operation with mutual benefit, sustainable development and for being the long-term business partners with the Company. The Company shall choose to deal business with the business partners based on various conditions, such as

prices, quality, reliability and adherence to the right things, as well as skills on technique, laws and environment protection.

- Communities and environment: To oversee and ensure that the Company and its employees perform business with responsibilities and for the best benefit for the society, communities and that they shall also have duties to treat the communities located nearby with goodwill, provide assistance and support on community development for their good livelihood.
- Fair competition: To oversee and ensure that the Company operates business with transparency and does not use anti-competitive practices to gain unfair competitive advantage.
- Relevant public authorities: To oversee and ensure that the Company complies with the relevant laws and regulations and deals with public sectors and government agencies with partiality as per specified in the charters, code of ethics and anti-corruption policy.

#### **Principle 6: Strengthen Effective Risk Management and Internal Control**

The Board shall supervise and make sure that the Company has effective and efficient risk management and internal control systems which can fulfil objectives and comply with the applicable laws and standards. The Board has appointed the Audit Committee, all of whom are independent directors and do not possess any prohibited characteristics as per specified in the relevant laws as well as possess required qualifications and duties as per criteria stipulated by the Office of the SEC and the SET, so that they can perform duties effectively and independently as per assigned by the Board. Such duties include review of financial reports, internal control system, compliance with the laws, consideration and selection of the auditor, disclosure of the Company's information and preparation of the report of the Audit Committee, and etc. Moreover, the Board has appointed the Risk Management Committee to oversee and support the Board on supervision of risk management system as per specified in the risk management policy.

In order to make certain that the Board can supervise risk management and internal control systems effectively, the Board has prescribed the related policies to help supervising the works as follows:

1. Business ethics and code of conducts;
2. Related transaction policy;
3. Risk management policy;

4. Policy on investment and guidelines on supervision of subsidiaries or joint venture;
5. Inside-information and trading of the Company's securities;
6. Anti-corruption policy;
7. Whistle blowing policy;
8. Policy on provision of gift and entertainment;
9. Policy of risk management on exchange rate risk management
10. Succession plan policy;
11. Personal Data Privacy Policy;
12. Delegation of authority and approval power.
13. Other related policy.

The Board has clear anti-corruption policy specified in the Company's code of business ethics and code of conduct and it has been communicated to parties at all levels throughout the organization as well as the third party so that they shall be implemented and observed. The Board has supervised to ensure that there is mechanism or operation for handling complaints or whistle blowing and clear operating guidelines have been specified in the whistle blowing policy. There are also regulations on reporting, investigation on violation of ethics, acknowledgement of complaint on corruption and misconduct. In case the stakeholder has any issues about the Company's operations, he/she can ask for details or lodge complaints on illegal act, incorrectness of financial report, defective internal control system or any act which is against morals via the independent director or the Audit Committee of the Company. Information sent to the Company shall be kept in confidentiality. The person receiving complaint shall compile the fact relevant to violation or non-compliance with the regulation, and report any findings to the management and/or the Audit Committee, as appropriated, so that the investigation shall be conducted to find facts and specify operating measures, as appropriated, then report inspection result to the informant, in case the informant does not hide his/her identity. In case it is an important matter, the President and/or the Board shall be reported. The Company shall provide channel to lodge complaint and/or opinion and also add one channel for reporting via email to the top management directly at:

The stakeholder can express his/her opinion via the Company's communication channels as follows:

1. Via postal services, by attention to:

The Chairman of the Board of Directors or the Chairman of the Audit Committee

Silicon Craft Technology Public Company Limited

40 Thetsabanrungsunnua Road, Ladyao, Chatuchak, Bangkok 10900

2. Via email:

The Chairman of the Audit Committee: [ac@sic.co.th](mailto:ac@sic.co.th)

The Company Secretary Department: [comsec@sic.co.th](mailto:comsec@sic.co.th)

3. Via the Company's website: <http://www.sic.co.th>

4. Via phone: (66) 2 589 9991

#### **Principle 7: Ensure Disclosure and Financial Integrity**

The Board shall be responsible and to make sure that the financial reporting system and disclosure of all material information shall be correctly, adequately, on timely manner, pursuant to the applicable criteria, standards and operating practices. There shall be suitable and qualified personnel to prepare financial reports and on disclosure of information of the Company as well as monitor the Company's financial liquidity and solvency, including the financial mitigation plan in case there is any financial problem by taking into account the rights of the stakeholders.

In this regard, the Company has assigned the Company Secretary who acts as the Investor Relations to communicate and publicize information beneficial to the shareholders, investors, analysts and the related parties appropriately, equally and on timely manner. The Company Secretary shall also be responsible for dissemination of the Company's information pursuant to the specified criteria to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and the relevant agencies, such as material information which may impact the Company's securities prices or decision-making of the Company's stakeholders and investors in the Annual Registration Statement/ Annual Report (Form 56-1 One Report) and/or the Company's website, and etc. Investors can contact the Company's investor relations at



Silicon Craft Technology Public Company Limited

40 Thetsabanrungsunnua Road, Ladyao, Chatuchak, Bangkok 10900

Phone: (66) 2 589 9991

Fax: (66) 2 589 8881

E-mail Address: [ir@sic.co.th](mailto:ir@sic.co.th)

### **Principle 8: Ensure Engagement and Communication with Shareholders**

The Board puts emphasis to the Company's shareholders to ensure that they shall be treated equally and shall fully exercise all fundamental rights, such as;

1. Right to purchase, sell and transfer securities;
2. Right to share the Company's profits;
3. Right to receive relevant news and information adequately via the Company's website or the SET's website or by other means;
4. Right to attend the meeting and exercise their voting right independently during the shareholders' meeting with regards to the appointment or removal of directors, consideration of the directors' remuneration, appointment of the auditor, payment of dividend, capital increase or issuance of new security as well as right to make inquiry to the Board concerning the Board's report and other matters proposed to the meeting for consideration and approval;
5. Right to propose the meeting agenda in advance and nomination of the candidate to be elected as the Company's directors as well as to participate in decision making of the Company's important matter

All shareholders shall have the right to vote pursuant to the number of shares they hold, where one share shall have one voting right.

In addition, the Board shall also realize and places importance to the shareholders' right by not performing any act which may violate or deprive the shareholders' right and make them feel confidence that they can take part in making decision on the Company's important matter. The Board shall oversee to make sure that the arrangement of the shareholders' meeting is successfully, transparently, efficiently and that the shareholders can exercise their

right properly. The resolutions of the shareholders' meeting shall be disclosed and the minutes of meeting shall be correctly and completely prepared.

The company shall review such policy regularly, at least once a year.

This Charter of the Board of Directors was firstly approved by the Board of Directors Meeting No. 1/2017 held on February 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 4/2023 held on July 21, 2023.

This announcement made on July 21, 2023.



(Dr. Bodin Kasemset)

Chief Executive Officer