

Good Corporate Governance Practice

Good Corporate Governance Practice

The Board of Directors strongly believes and complies with the good corporate governance according to the principle of good corporate governance for listed companies for year 2012 of the Stock Exchange of Thailand and the criteria of the survey project of corporate governance of listed companies (Corporate Governance Report of Thai Listed Companies – CGR) of Thai Institute of Directors (IOD) and the international standard such as ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The Company performs the good corporate governance according to the best practice of corporate governance of listed companies for year 2012 as follows:

- Rights of Shareholders
- Equitable Treatment of Shareholders
- Roles and Rights of Stakeholders
- Disclosure and transparency
- Responsibilities of the Board

1. Rights of Shareholders

Shareholders are the owners of the Company and control the Company by appointing the Board of Directors to act as their representatives. Shareholders are eligible to make decisions on any significant corporate changes. Basic rights of Shareholders are buy, sell or transfer shares, share in profit of the Company, obtain of relevant and adequate information of the Company in a timely manner, participate and vote in the shareholders meeting to appoint or remove members, appoint the independent auditor, make decision of dividend payment and other matters that affect the Company such as increase or decrease of capital and amendment to the Company's Article of Association etc. The Company upholds the principle of equitable treatment of shareholders so that all shareholders will be treated equally and fairly. The Company also encourages shareholders to exercise their rights.

In 2020, the Company implemented the followings:

1.1 Shareholder's Meeting

Organized the 2020 annual shareholders meeting on Thursday 30th April 2020: 09.00 a.m., Rajapruek Room, Simat Technologies Public Company Limited, No. 123, Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung Road, Lamplatew Subdistrict, Ladkrabang District, Bangkok 10520

- Distributed the notice calling for shareholders meeting 14 days in advance and attached with agendas and other relevant documents such as minutes of last shareholders meeting, the annual report, preliminary information of the directors who are due to retire and are nominated to directorship for another term and the new director, preliminary information of the auditor, articles of association that relevant to this meeting, proxy form and letter advising the documents needed for attending the meeting and map of the meeting venue.
- Publicized the notice calling for 2020 annual shareholders meeting including with supportive documents on corporate website at least 14 days prior the meeting in order to increase more channel informing information to

shareholders to consider meeting agendas as well as open opportunity for shareholders to send question to the Company for clarification the issue(s) of proposed agendas in advance at ir@simat.co.th or fax no. 0-2326-1014

1.2 Action taken at shareholder's meeting date

- Chairman, Chairman of the Audit Committee, Chief Executive Officer and other directors together 8 persons from the total of 9 persons attended the meeting and listen to the opinions of shareholders on various issues.
- Before the meeting, in accordance with the agendas stipulated in the notice calling for the meeting, Chairman of the meeting had informed shareholders regarding the procedure of the meeting and the voting method for each agenda, which approved unanimously by the shareholders.
- Chairman of the meeting had run the meeting in accordance with the agendas stipulated in the notice calling for the meeting. Provided equal opportunities to shareholders to check the Company's performance as well as to ask, give opinions and provide recommendations. The Company had written down all the major points in the minutes of meeting so that shareholders can investigate them accordingly.
- The voting is by using the ballot for every agenda.
- In order to run the meeting transparently and comply with the good practice of AGM by Securities and Exchange Commission, the Company assigned the lawyer firm, "Thosatham Company Limited", to be in charge of proceeding the AGM transparently and to comply with law and the Company's Articles of Association. The Chairman invited 1 shareholder to act as the witnesses in counting the votes with the inspector.

1.3 Preparation and disclosure of the minute of meeting

- The Company had prepared the minutes of shareholders meeting covered all the major points correctly and accurately. The Company forwarded the minutes of meeting to the Stock Exchange of Thailand as well as disclosed the minutes of meeting on the Company's website within 14 days after the date of the meeting.
- The Company pays attention to the policy to disclose correct and accurate information regularly and on time. The Company had disclosed information and other Company's news to shareholders, investors and other people who are interest in the above-mentioned through various channels provided by the Stock Exchange of Thailand and through the Company's website www.simat.co.th. In addition, the Company has established the Investor Relations office in order to communicate with shareholders, investors and other people who are interested in the above-mentioned. The Investor Relation Office can be contacted through the Coordinator, Mr. Thammanoon Korkiatwanich and Ms. Thikumporn Yodsakulthip Tel 02-326-0999 ext. 1211 and 1213 or E-mail ir@simat.co.th.

2. Equitable Treatment of Shareholders

The Company aware of the benefits of all shareholders includes major shareholders, minority shareholders and for shareholders who are ordinary person, institute investor, Thai and foreign investors and to be treated equally and fairly for the highest benefit of shareholders with the following procedures.

1.1 Attending shareholders' meeting by proxy

The Company gives right to shareholder who cannot attend the meeting by proxy to grant any independent director who has no interest in the agenda of director election to attend and exercise voting. The Company distributed proxy letter including relevant documents together with the invitation letter to all shareholders in advance for 14 days and also disclose to the public by Company's website.

1.2 Safeguard of internal information

The Company had adopted the safeguard and investigation system for the use of internal information for inappropriate personal gain. All directors and management must report the changes in holding of the Company's securities to the Security Exchange Commission. All directors, management and employees who involved in the internal information are prohibited to disclose such information to outsider people or people whose job is not involved with the information. Also, all directors, management and employees who involved with the preparation of the financial reports are prohibited to sell or buy the Company's securities one month before the information is disclosed to the public.

1.3 Director's interest

The board of directors and executive committees are required to report their own interest and their connected person which are the interest that related to the management of the Company and subsidiaries when they are appointed as the member of the board or committee and to report once there is any change in their interest.

3. Roles and Rights of Stakeholders.

Stakeholders of the Company will be treated fairly in accordance with their legal rights as specified in relevant laws. The Board of Directors will not do anything in violation of stakeholders' legal rights. Stakeholders include, but are not limited to shareholders, employees, customers, suppliers, competitors, independent auditors and community in the neighborhood of the Company, etc. The Company has adopted the Codes of Conduct so that directors, management and employees can use it as guidelines in running the Company's business. This Codes of Conduct are comprised of

1. Introduction
2. Policy and Guidelines on Conflict of Interests
3. Policy and Guidelines Relative to Shareholders
4. Policy and Guidelines Relative to Employees
5. Policy and Guidelines Relative to Customers
6. Policy and Guidelines Relative to Partners
7. Policy and Guidelines Relative to Creditors
8. Policy and Guidelines Relative to Competitors
9. Policy and Guidelines Relative to Independent Auditors
10. Policy and Guidelines Relative to Social and Environment
11. Implementation and Enforcement

(See details of Codes of Conduct at the Company's website)

In 2020, the Company implemented the Codes of Conduct as follows:

3.1 Policy and Guidelines Relative to Shareholders.

The Company treated all shareholders equally and fairly as per the details mentioned in the Rights of Shareholders and Equitable Treatment of Shareholders (see details at the Company's website)

3.2 Policy and Guideline Relative to Employees

The Company strongly believes that employees are the most valuable resources of the Company, it therefore encourage employees to learn and develop their skills continuously. The Company has provided fair and suitable remunerations to employees by comparing with other companies that have similar size and similar nature of business. Besides, The Company has provided sufficient welfares to employees that reflect the current circumstances. In 2020, the Company had implemented the followings for the employees:

- 3.2.1 In addition to salaries and bonuses that the Company paid to the employees which close to those paid by other companies with similar size and similar nature of business , the Company has arranged to have the Provident Fund for all employees and Group Life Assurance and Group Accident Insurance for onsite service employees.
- 3.2.2 The Company had organized various training courses both in in-house and abroad to improve knowledge and skill of the employees in order to improve the competitive potentiality. There are more than half of the total employees of the Company attended the training.
- 3.2.3 The Company had organized the Orientation Course to all new employees so that they know the policy, corporate culture and operating practices.

3.3 Policy and Guidelines relative to Customers.

The Company realizes the importance of customers to the success of the Company business. It therefore provided diverse and complete ranges of Hardware equipments such as mobile computers, barcode equipments and other hardware related to the Enterprise Data Collection and Collation System which has the high level of quality so that customers can source any kinds of hardware that suit to the customer's need and its operating system. The Company had also provided various kinds of services such as leasing of equipments and the annual maintenance service agreement, etc. so that customers can fully benefit from the Company. In addition, the Company has designed and developed software, which is applied to the mobile computers and other relevant equipments, that provide user-friendly and suitability to customer's operation and able to connect to the customer's IT system in order to give highest satisfaction to customers.

3.4 Policy and Guidelines relative to Partners.

The Company has treated partners fairly and equally under the basis of mutual benefit and exchanged with them the true and correct information as well as strictly complied with all conditions of the agreement made with them. In addition, the Company provided supports and assistance to them in the development of new products and services. All directors, management and employees are prohibited to ask or receive any improper benefit from partners.

3.5 Policy and Guidelines Relative to Creditors

The Company has treated creditors fairly and equally, provided correct, true and on time information to creditors as well as strictly complied with all conditions of the agreement made with them.

3.6 Policy and Guidelines Relative to Competitors

The Company has treated competitors fairly by adhering to the generally accepted practices. Avoid the abusing of confidential information and the breach of righteous rights of the competitors, as well as the dishonest way to destroy competitors.

3.7 Policy and Guidelines Relative to Independent Auditors

The Company realizes the importance of the Independent Auditors as the key mechanism of shareholders in auditing the Management's performance and to ensure that the financial reports are correct, complete and reliable and has given full supports to the Independent Auditors by providing them correct and complete information, as well as providing them convenience during their auditing process. The financial statements for the year 2020 were audited by the Independent Auditor and the Independent auditor expressed an unqualified opinion to the Company's financial statements on the auditor's report.

3.8 Policy and Guidelines Relative to Social and Environment

The Company strongly believes that our business will grow constantly and sustainably only when the social by overall is peaceful and environment is sustainable. The Company therefore realizes the need to be a good corporate citizen as well as to be responsible to the society and environment by providing appropriate contributions in various forms that are suitable and compatible with the Company resources and capabilities. The Company believes that the contributions to society may not necessarily spend a lot of money at each time but rather do it on a regular basis and compatible with the Company's resources as well as let the employee to participate. The Company also believes that good corporate social responsibility programs should have interaction between the givers and the receivers so that the program can proceed smoothly and continuously. The Company has provided contributions to communities nearby and far from the Company. The Company has considered the contributions based on necessity and appropriateness such as donate the computer equipment to schools and temples, etc.

Stakeholder's Channel of Communication

The Company gives a chance to stakeholder to participate by giving advice to the following channels. All the advices shall be gathered to report to the top management and board of directors.

Company Secretary	Tel. 0-2326-0999 Ext. 1211 E-mail: thammanoon@simat.co.th
Investor Relation	Tel. 0-2326-0999 Ext. 1211 or 1213 E-mail: irsimat@simat.co.th

In case, the stakeholder would like to contact the board of directors directly and not through the management in order to complain of any breach of right, corruption, illegal or unethical action which relates to the management, the stakeholder can contact the independent director via e-mail board_ac@simat.co.th. The Company also allows the employees and outside stakeholder can contact, advise, complain and report the illegal or unethical action to e-mail board_director@simat.co.th to engage the followings.

Any employee or stakeholder can advise through the designated channel and the information will be kept as secret and the Company has the procedure to safeguard the informer by proceeding the audit with undisclosed source of information. Moreover, the informer can request for appropriate safeguarding procedures or the Company may provide appropriate safeguarding procedures with no request if the Company considers that the matter may cause any damage or insecure.

In case, any illegal or unethical action is found, the Company will assign the committee to investigate, judge and punish and report to the audit committee and board of director further.

4. Disclosure and Transparency.

The Company has a policy to pay attention to the disclosure and transparency with regard to the corporate governance. In 2019, The Company had disclosed information both the financial information and other information correctly, accurately, transparently and on time, in accordance with the regulations of the stock Exchange Commission and the Stock Exchange of Thailand as follows:

4.1 Had forwarded the financial reports and other reports such as the change of directors and change in securities of the Company held by each director etc. to SEC and Stock Exchange of Thailand within the given time set forth by them.

4.2 Had disclosed the financial status and other information such as nature of business, competitive environment, business risk, the number of security of the Company held by each director and management to SEC and Stock Exchange of Thailand

4.3 Had disclosed the financial information and other information correctly and accurately in the Company's website www.simat.co.th

4.4 The Company has established the Investor Relations office so that shareholders and other persons can contact at

Mr. Thammanoon Korkiatwanich Tel : 02-326-0999 ext. 1211 E-mail: ir@simat.co.th

Ms. Thikumporn Yodsakulthip Tel : 02-326-0999 ext. 1213 E-mail: ir@simat.co.th

4.5 The Board of Directors had selected the Independent Auditors who are independent and have no conflict of interests with the Company and the auditors have been approved by S.E.C. The Company has appointed the auditors from ANS Audit Co., Ltd. As the Company's auditor for the year 2020 as recommended by the Audit committee as follows:

Mr. Sathien Vongsanan, CPA license no. 3495 or

Mr. Atipong Atipongsakul, CPA license no. 3500 or

Mr. Vichai Ruchitanont, CPA license no. 4054 or

Miss Kulthida Phasurakul, CPA License no. 5946* or

Miss Patcharee Siriwongsin, CPA License no. 9037*

The audit fee for year 2020 is 4,126,000 Baht which is the rate close to the fee paid by other companies with similar size and similar nature of business,

4.6 The Company audited financial reports have been audited by the Independent Auditor and the independent auditor expressed an unqualified opinion.

5. Responsibilities of the Board

The Board of directors is responsible to shareholders in carrying out the Company's business in compliance with the laws and regulations of the Stock Exchange Commission and the Stock Exchange Commission and the Stock Exchange of Thailand, the objectives and articles of association the Company as well as the resolutions of shareholders meeting. The Board of Directors shall perform duties in good faith, with due diligence and care, and for the best interest of the Company and shareholders. In 2020, the Board of Directors has performed its duties as follows.

5.1 Board Structure

Board of directors comprises of the knowledgeable and competent persons who have the important role in determining the Company's policy, business plan for both short-term and long-term including the financial policy, risk management and overall business and also audit and evaluate the Company's operating result.

Currently, the Board of Directors is composed of 9 persons as listed below

1.	Mr. Thawatchai Arunyik*	Chairman
2.	Mr. Thongkam Manasilapapan	Vice Chairman
3.	Mr. Boonlerd lewpornchai**	Director
4.	Mr. Theeranut Tangsathapornpong	Director
5.	Mr. Panom Ratanarat**	Director
6.	Mr. Thanayous Kositsakul	Director
7.	Mr. Tanawat Eusiriphan**	Director
8.	Mr. Thammanoon Korkiatwanich	Director
9.	Ms. Ranchana Rachatanavin, Phd.	Independent Director/Chairperson of Audit Committee

Remark:

* : According to resolution of the Board of Directors' Meeting no. 1/2020 on February 28, 2020; Mr. Thawatchai Arunyik was appointed to be Director as replacement of Mr. Narat Saraman, who resigned on November 20, 2019 and appointed to be Chairman of the Board of Directors as well effective since February 28, 2020 onward.

** : According to resolution of the Board of Directors' Meeting no. 1/2021 on February 24, 2021;

- Mr. Boonlerd lewpornchai as a director in replacement of Gen. Vidhya Chovichien.
- Mr. Panom Ratanarat as an independent director in replacement of Mr. Narongrit Rerkpatanapipat.
- Mr. Tanawat Ueasiriphan as an independent director in replacement of Mr. Vorachai Charoenprasittiporn.

The Board of Directors is composed of 3 directors who are Executive committee, 3 Independent directors and 3 directors who are not Executive committee.

The Company has 3 independent directors which is one-third of the board and 3 independent directors are audit committees.

The retired directors may be eligible for re-election. There is no limit for number of terms of being the Company director which is subject to the approval of shareholders.

The executive directors must not be the directors in other public companies more than 5 companies. The holding of directorship in other companies mentioned above must be informed to the Board and approved by the Board.

Executive Director is an executive who is appointed as a member of the Board, Non-executive Director is a director who has no position in the Company's management team, and the Independent Director is a director who has no position in the Company's management team and must meet the qualification outlined by the Stock Exchange Commission and the Stock Exchange of Thailand (see details of the definition and qualification of directors in the Corporate Governance Policy at the Company's website)

The Company Secretary also acts as the Secretary of the Board.

5.2 Sub-Committees

The Board of Directors has appointed the Executive committee, Audit Committee and Nomination and Remuneration Committee to assist the Board in managing the Company by clearly stipulation the duties and responsibilities of each sub-committee. At present, the Company has not established the Remuneration Committee. However, the Company has adopted the consideration for the remuneration of directors and top management by comparing to the remuneration paid by other companies of similar size and similar nature of business.

5.3 Role and Responsibilities of the Board

The Executive committee has regular meeting to consider and manage the Company to grow constantly in accordance with the policy and strategic direction set forth by the Board. The Executive committee had performed its duties and responsibilities as per the following details:

1. Approve payment or become guarantor for the payment for the Company's normal business transactions within the limit or not more than 50 million Baht.
2. Appoint or remove officer of the Company whose rank not higher than the Managing Director.
3. Prepare and establish the policy and strategic direction of the Company for the approval of Board of Director.
4. Establish the Organization Chart and the Management Structure of the Company covering the selection, training, employment and termination of employee of the Company
5. Establish business plan and management authorities, approve the annual business budget and management the Company business in accordance with the business plan and business strategy, and in compliance with the policy and strategic direction approved by Board of Directors
6. Perform other duties assigned by Board of Directors.

The Audit Committee had performed the following duties to oversee the management's work according to the role and responsibilities as assigned by the Board.

1. To verify that the Company has an accurate and adequate financial statements.
2. To verify that the Company has proper and effective internal control and internal audit system and to consider the independence of the internal audit division or any division responsible to internal audit.
3. To verify that the Company complies with the Securities and Exchange Acts, the regulations of the Stock Exchange, or any laws regarding to the business of the Company.

4. To consider, select and propose appointment and remuneration of the auditor who is independent to the Company and to attend the meeting, which has no management's joining, with auditor at least once a year.
5. To consider the connected transaction or conflict of interest transaction and ensure that they are comply with the rules and regulations of the Stock Exchange and are reasonable and most beneficial to the Company.
6. To prepare the Audit Committee's report for disclosure in the annual report of the Company which such report must be signed by the Chairman of Audit Committee.
7. To conduct any other works as assigned by the Board of Directors with consent from the Audit Committee.

5.4 Board of Directors Meeting and Directors' Remuneration

- The Board of Directors has had regular meeting every quarter and may have additional meeting when it is necessary. In every meeting, the Board had clearly fixed the agenda and had sent the notice calling for the meeting which more than 7 days in advance so that the Board of Directors shall have sufficient time to study the information. Minutes of meeting had been written correctly and accurately, and the minutes of meeting that certified by the Board had been kept properly so that the Board of Directors and other involved persons can investigate them accordingly. In 2020, the Board of Directors had 7 meetings and each meeting took approximately 3 hours and the attendance of the Board of Directors is as follows:

Name	Position	Board of Director Meeting in 2020	
		No. of Meetings	Attendance
Mr. Thawatchai Arunyik*	Chairman	7	6
Mr. Thongkam Manasilapapan	Vice Chairman/Chairman	7	7
Mr. Thammanoon Korkiatwanich	Director	7	7
Mr. Thanayous Kositsakul	Director	7	5
Mr. Teeranut Thangsatapornpong	Director	7	6
Ms. Ranchana Rachatanavin, Phd.	Independent Director and Chairperson of Audit Committee	7	7
Mr. Boonlerd Iewpornchai*****	Director	7	0
Mr. Panom Ratanarat*****	Director	7	0
Mr. Tanawat Ueasiripan*****	Director	7	0
Gen. Vidhya Chovichien**	Director	7	5
Mr. Narongrit Rerkpatanapipat***	Independent Director and Audit Committee	7	7
Mr. Vorachai Charoenprasittiporn****	Independent Director and Audit Committee	7	6

Remark:

* : According to resolution of the Board of Directors' Meeting no. 1/2020 on February 28, 2020; Mr. Thawatchai Arunyik was appointed to be Director as replacement of Mr. Narat Saraman, who resigned on November 20, 2019 and appointed to be Chairman of the Board of Directors as well effective since February 28, 2020 onward.

** : According to resolution of the Board of Directors' Meeting no. 1/2020 on February 28, 2020; Gen. Vidhya Chovichien was appointed to be Director as replacement of Mr. Pakin Pinto, who resigned on September 30, 2019 and effective

since February 28, 2020 onward and Gen. Vidhya Chovichien had resigned from the position of Director since February 24, 2021 onward.

*** : Mr. Narongrit Rerkpattanapipat had resigned from the position of Director since February 24, 2021 onward.

**** : Mr. Vorachai Charoenprasittiporn had resigned from the position of Director since February 24, 2021 onward.

***** : According to resolution of the Board of Directors' Meeting no. 1/2021 on February 24, 2021;

- Mr. Boonlerd lewpornchai as a director in replacement of Gen. Vidhya Chovichien.
- Mr. Panom Ratanarat as an independent director in replacement of Mr. Narongrit Rerkpattanapipat.
- Mr. Tanawat Ueasiripan as an independent director in replacement of Mr. Vorachai Charoenprasittiporn.

The authorized directors who can act on behalf of the Board of Directors are Mr. Thongkam Manasilapapan or Mr. Thammanoon Korkiatwanich or Mr. Teeranut Thangsatapornpong any two of three jointly sign together and affix the Company seal. Details of the roles, duties and responsibilities can be seen from the Report Form 56-1 and from the Company's website www.simat.co.th

- The Board of Directors had fixed the meeting date in advance since the beginning of the year so that all directors and management can schedule their time efficiently.
- Chairman of the Board and Chief Executive Officer had considered the agendas together.
- Chairman of the Board had provided equal opportunity to each director to express his opinions, and the director who has interest in any agenda must leave the meeting room during the consideration of the agenda.

Audit Committee

The audit committee comprised of

Ms. Ranchana Rajatanavin, Phd.	Chairperson of Audit Committee
Mr. Naronrit Rerkpattanapipat*	Member of Audit Committee
Mr. Vorachai Charoonprasitporn*	Member of Audit Committee

Remark: * Mr. Naronrit Rerkpattanapipat and Mr. Vorachai Charoonprasitporn has resigned from the position of Director and Audit Committee since February 24, 2021 onward.

After the annual shareholders' meeting 2021, the board of directors will appoint independent directors to replace of the audit committee member who has resigned.

In 2020, the Audit Committee had 4 meetings and each meeting took approximately 3-4 hours. The attendance of the Audit Committee's as follows:

Name	Total Meeting	Attendance
1. Ranchana Rajatanavin, Phd. (Chairman of Audit Committee)	4	4
2. Mr. Narongrit Rerkpattanapipat (Audit Committee Member)	4	4
3. Mr. Vorachai Charoonprasitporn* (Audit Committee Member)	4	4

5.5 Board Self-Assessment

The Board of Directors has policy to encourage directors and management to constantly develop knowledge and skill. In 2019, Directors and management had regularly participated in various training programs and seminars, such as Executive Accounting and Finance Director attended the training program on Accounting Standards and Practices organized by the Federation of Accounting profession. Company Secretary and the Investor Relations Coordinator attended various training programs organized by the Investor Relations Association and the Stock Exchange of Thailand. The Chief Executive Officer and Managing Director had attended the training program on Sales Conference with Partners and Related Companies in foreign countries.

5.6 Directors' Remuneration

The Company had paid out the remuneration to directors in 2020 in form of gratuity and meeting Allowance as follows.

Position	Remuneration of Directors Year 2021	Remuneration of Directors Year 2020
Chairman of the Board of Directors	THB 10,000 / Meeting	THB 10,000 / Meeting
Director / Independent Director / Audit Committee	THB 7,000 / Meeting	THB 7,000 / Meeting

Bonus of Independent Director/Audit committee member shall not exceed 100,000 Baht

Notwithstanding, any director who is already paid in type of salary or other compensation as an executive management or employee of the Company and/or its subsidiary(s) or associated company(s), will not receive the above-mentioned compensation.

Total money paid to the Board for year 2020 is 1.20 million baht (Year 2019: 0.97 million baht).

In year 2020, the Company paid out remunerations to management 5 persons total 9.60 million baht.

(Year 2019: management 5 persons 11.12 million baht)