

Corporate Governance Manual

คู่มือการกำกับดูแลกิจการที่ดี



CUSTOMER SUCCESS IS OUR BUSINESS

ความสำเร็จของลูกค้า คือ ธุรกิจของเรา



Metro Systems Corporation Public Company Limited

TABLE

Vision	1
Mission	1
Core Value	1
Business Goals and Strategies	2
Corporate Governance Policies and Practice	4
Penalty	43

VISION

Pursuit of excellence to serve our clients the best IT Solutions

MISSION

To commitment to drive growth with cutting-edge technology and innovative solution, aiming to create values for stakeholders

To strive on personnel development in order to enhance the services' quality and form the knowledge to grow sustainably

To commitment to development the value chain to increase efficiency and encourage of sustainability in business operations

CORE VALUE



Moral



Excellence



Teamwork



Respect & Trust



Ownership

Business Goals and Strategies

The Company focused on continuously generating revenue and gross profit margin growth by setting 6 dimensions of the organizational strategic goals:

Goal 1: Growth Goal

To make profitable growth

Expand the Company's revenue profitably through stronger core business development and target customer base expansion to cover all product segments by offering comprehensive solutions that meet market demands.

Goal 2: Customer Goal

To manage Customer Retention

Improve Customer Retention management by focusing on customer satisfaction and confidence, while increasing the number of new customers and attracting customers who have disappeared by providing comprehensive services that suit individual demands and creating long-term value.

Goal 3: Process Goal

To improve effective internal process

Internal process management that focuses on improving and developing internal processes to make them more efficient by reducing redundant procedures and increasing operational speed, as well as adopting modern technologies to help increase efficiency, such as the use of automation and digital tools for data management and coordination, which reduces operational errors. Efficient processes also enable the organization to respond rapidly to business requirements.

Goal 4: Innovation Goal

To develop intellectual property products and services of the organization

Create valuable innovations that can make a difference in the market through continuous research and development to create products and services that effectively fulfill customer needs. The intellectual property promotion and protection will help the Company compete in a rapidly changing market and strengthen the organization in the long run.

Goal 5: Development Goal

To develop human resources to become IT service professionals

Develop employees' knowledge and skills to cope with the fast-changing technology of the digital era by providing quality training programs to strengthen their ability to provide effective IT services that meet customer needs. This includes promoting continuous learning and development to ensure that employees are most proficient in using technology and providing professional services. Such developments will ultimately result in employees being able to provide quality services and satisfy customers.

Goal 6: Sustainability Goal

To operate a sustainable business in all dimensions

Focus on business operations that take into account environmental and social impacts and good governance by developing projects and processes that can reduce environmental impacts, using resources efficiently, and promoting social responsibility. In addition, the Company also emphasizes transparency in operations and the participation of all sectors in the organization in driving sustainable development for stable long-term business growth.

Corporate Governance Policies and Practice

The Board of Directors adheres firmly to the importance of good corporate governance. The Company intends to promote itself as an efficient organization in conducting business with good management, moral in business operations along with a transparent and verifiable management system, and equality and fairness in order to mature sustainably by producing the maximum benefits for the Company and generating a good relationship as well as confidence among stakeholders in all business sectors, including shareholders, employees, customers, business partners, government agencies, creditors, community, and society, which also reflects the corporate social responsibility.

In order to conform to the CG Code for listed companies of the Office of the Securities and Exchange Commission, the Sub-committee has established a good corporate governance policy in compliance with international standards of corporate governance, so that the Board of Directors, as the leader of the organization, shall observe appropriately the following 8 principles:

Practice Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

Practice Principle 2: Define Objectives that Promote Sustainable Value Creation

Practice Principle 3: Strengthen Board Effectiveness

Practice Principle 4: Ensure Effective CEO and People Management


Practice Principle 5: Nurture Innovation and Responsible Business

Practice Principle 6: Strengthen Effective Risk Management and Internal Control

Practice Principle 7: Ensure Disclosure and Financial Integrity

Practice Principle 8: Ensure Engagement and Communication with Shareholders

Additionally, the Company has established Business Code of Conduct as the guidelines for business operations by specifying Code of Practice and Compliance



for directors, executive directors, employees, and subsidiaries to acknowledge and conduct in the same manners.

Practice Principle 1

Establish Clear Leadership Role & Responsibilities of the Board

The Board of Directors has recognized the roles, duties, and responsibilities as the leader of the organization that must oversee the organization to have a good management, supervise the Company's business operations to be transparent, and lead to sustainability. The roles, duties, and responsibilities of the Board of Directors are as follow:

1. Specify objectives and main goals in business operations as well as the vision and mission of the Company and communicate to employees so that everyone aims in the same direction with a joint commitment to develop the organization to the goals of creating sustainable business values in the aspects of economy, social, and environmental, regarding all stakeholders.
2. At the annual meeting of the Board of Directors, the Board of Directors will jointly review the policies, operating strategies, and operational budgets in accordance with business directions, along with monitoring and evaluating the performance by taking into account the competitiveness, technology industry trends, business impacts, both short-term and long-term from the performance report of Executive Committee, so that the Management can adopt them to make progress or adjustment for better performance, which allow the Company to adapt under changing factors appropriately and efficiently.
3. Specify the scope of duties and responsibilities of the Board of Directors according to the Director's Manual and the charter of each sub-committee. It shall be reviewed annually in order that the directors and executive directors will perform their duties responsibly, carefully, and honestly for the organization, and can practice correctly and appropriately to keep up with occurring changes. In addition, the responsibilities of the Board and the executives have clearly been separated so the operations can be executed correctly according to the law,

regulations, and resolutions of the shareholders' meeting as well as the established guidelines. The stated roles, duties, and responsibilities shall regularly be conveyed to directors, Sub-Committees, and employees at all levels.

4. Specify strategies, policies, procedures, and Code of Conduct for directors, executive directors, and employees to cover all operations of the Company. In addition, organize meetings of the Board of Directors that monitor the performances of the executive directors regarding implementation of the Company's strategies at least once a year. Additionally, compile various policies in the form of a corporate governance manual to be used as principles for ethical work practices by respecting the rights and being responsible for shareholders and all stakeholders on the basis of accuracy and suitability according to good corporate governance principles, which portray the principles and guidelines of operations ready to drive the business forward according to cultural framework of the organization (METRO Way). Also, remain good role models as leaders in corporate governance by emphasizing on the impacts on society and the environment besides financial performance in order that the Company shall have stable and sustainable growth in the long term.

5. Hold the Board of Directors meeting at least every 3 months, arrange the shareholders' meeting within 4 months from the end of the Company's accounting period, and organize an extraordinary general meeting of shareholders from time to time as necessary for the operations of the business.

6. Establish an internal control system and internal audit in the Company, and implement a risk management system appropriately, carefully, and efficiently, and monitor operations in various matters continuously and regularly in the Board of Directors meetings.


7. Appoint the Corporate Secretary and assign the scope of authorities and responsibilities to perform duties responsibly, carefully and honestly.

Scope of Authority of Chairman

- 1) Call a meeting of the Board of Directors, as well as set the date, time and agenda.
- 2) Preside as chair of the Board of Directors meetings to steer the meetings and give the casting vote in the case of voting with equal votes on both sides.
- 3) Control the meeting to be efficient according to the Company's regulations, support and allows directors to express their opinions independently.
- 4) Preside as the chairman of the shareholders' meetings of the Company to steer the shareholders' meeting.
- 5) Support and promote the Board to perform their duties to the best of their abilities according to the scope of authorities and responsibilities corresponding to the principles of corporate governance.
- 6) Supervise and monitor the administration of the Board, Executive Committee, and various Sub-Committees to achieve the objectives as stated.

Scope of Authority of Chief Executive Officer

- 1) Manage and supervise the normal business operations of the Company, e.g. consideration on making purchase agreement for products or services, etc.
- 2) Become the person who defines the missions, objectives, guidelines, and policies, oversee overall operations, and deal with the product owners, customers, and marketing.
- 3) Consider business strategies and fundraising for the Company to present to the Executive Committee and/or the Board of Directors according to the order of importance.
- 4) Have the authority to appoint a deputy or assistant to the Chief Executive Officer and various consultants necessary for the operations of the Company.
- 5) Have the authority to hire, appoint, lay off, dismiss, set the wage rates, issue rewards, and increase salaries, remuneration, and bonuses for employees of all levels, except for nominating, appointing, and discharging personnel in the position



of president or vice president, which must be submitted to the Executive Committee for approval.

6) Have the authority to consider and approve on matters related to operations, contract signing, agreements related to the purchase or sale of products or services, which are normal business operations of the Company, contracts related to procurement, or any other contracts for the benefit of the Company's business as specified in the annual approval structure or as assigned by the Board of Directors.

7) Have the authority to consider and approve financial matters or various operations as specified in the annual approval structure or as assigned by the Board of Directors.

8) Carry out any other matters as assigned by the Board of Directors.

Practice Principle 2

Define Objectives that Promote Sustainable Value Creation

The Board of Directors jointly defines and reviews the Company's vision, mission, and business strategies, supervise the Company's business according to the objectives and goals stated to maximize the economic values for the Company and its shareholders. In addition, clearly specify business goals for both short and long terms. There are concrete operational frameworks and operating strategies for each year by considering the economic conditions, market competition conditions, risk factors, and the performances of the past years, along with follow-up on the achievement of the goals stated to enhance values for the Company, customers, stakeholders and society, and to strengthen the confidence of stakeholders in all sectors. They are free to express their opinions, do not seek benefits for themselves or any individuals, do not undertake any action in conflict or in competition with the interests of the Company and its subsidiaries. In addition, innovation and modern technology are applied appropriately and safely based on social and environmental responsibilities. They shall be ready to be the leaders who will develop the organization continuously leading to sustainability.

Practice Principle 3

Strengthen Board Effectiveness

The Board of Directors realizes the importance of corporate governance for the best interests of the Company with the understanding about the roles, duties, and responsibilities, by separating the roles between the Board of Directors and the management and supervising to ensure that the Company becomes confident in the system of transactions or other endeavors of the Company. The Board of Directors has practiced in accordance with the law and ethics to perform the duties of the Board of Directors efficiently and effectively. The Board of directors must jointly specify and review the structure of the Board of Directors, select people with knowledge and suitability to hold positions of directors, consider the remuneration of the Board of Directors to propose to the Annual General Meeting, and supervise policies and operations of subsidiaries, with the following guidelines:

3.1 Structure of the Board of Directors

The Board of Directors was made up of knowledgeable and experienced individuals in many fields. Most of the directors have taken executive courses offered by the Thai Institute of Directors Association (IOD). They have jointly formulated company policies with senior executives for both short- and long-term operational plan, financial policies, risk management, and an overview of the organization. Also, the supervises, audits, and evaluates the Company's performances, including those of senior executives, as planned to ensure that the composition and operation of the Board of Directors facilitate the independent exercise of decision-making.

The structure of the Board of Directors consists of 6 committees: the Board of Directors, Executive Committee, Audit Committee, Nominating and Remuneration Sub-Committee, Corporate Governance Sub-Committee, and the Risk Management Sub-Committee.

The Company has clearly specified and separated the authority of each committee. Consideration and decision making on important matters must be approved by each committee, which has specific duties, and proposed to the Board of Directors for consideration or acknowledgment to balance and review to ensure transparency and fairness to all concerned parties.

3.2 Recruitment of Directors

3.2.1 Recruitment and Nomination of the Company's Directors

The Company's Articles of Association stipulate that the Board of Directors consists of no less than 5 but no more than 30 members, and, that no less than half of all Directors must reside in the Kingdom of Thailand.

The selection of individuals to be appointed as the Company's directors must be nominated by the Nominating and Remuneration Sub-Committee with consideration according to the recruiting criteria of the Nominating and Remuneration Sub-Committee, which is determined by professional diversity and expertise without limitation on race, religion, gender and qualifications as follow:

1. Have knowledge, skills, experiences in the Company's industry, finance, accounting, management or others as appropriate, in accordance with the strategies and business operations of the Company and not in conflict with the regulations of the Company.
2. Do not have forbidden characters as prescribed by the Public Limited Company Law. In addition, there must not be any characters showing the lack of suitability to be entrusted by the shareholders to manage the Company according to the criteria set by the Securities and Exchange Commission.
3. Able to fully devote oneself with responsibilities to perform their duties and allocate sufficient time, especially in making important decisions for the benefit of the Company.

4. Be of morality, ethics, and any other qualifications that may be required by law or as appropriate by the Board of Directors.

Then, propose to the Board of Directors for consideration before presenting to the shareholders' meeting to consider electing the directors to take office later. The rules for the election of directors of the Company according to the Company's Articles of Association are as follow:

- 1) One shareholder has one vote equal to one share one vote.
- 2) Each shareholder is required to use all one's votes as stated in 1) to elect one person or many of them to become directors but cannot divide the proportion of the votes to any person.
- 3) Persons, who receive the highest number of votes in descending order, shall be elected as directors equal to the number of directors required or to be elected at that time. In case that persons elected in descending order have equal votes more than the number of directors required or to be elected at that time, the chairman shall be the one to issue the casting vote.

In every Annual General Meeting, have one-third of directors give up the positions. If the number of directors cannot be exactly one-third, have the directors retire by the number closest to 1 out of 3.

Directors, who shall retire in the first year and the second year after the registration of Company, are decided by drawing lots. In the following years, the directors, who have been in office for the longest time, shall draw lots to determine who will retire. Retiring directors can also be re-elected.

Shareholders' meeting may pass a resolution on removing any director from office prior to the expiration of the term with a vote of no less than three-fourths of the number of shareholders attending the meeting with the rights to vote and having

shares amounting no less than one-half of the number of shares held by shareholders attending the meeting with the rights to vote.

However, the shareholders of the Company, who hold shares of no less than 5 % of the total number of shares with voting rights in the Company as one or multiple shareholders for at least whole one year, and, must hold shares on the date of nomination for director election and on the closing date of the register book for the determination of the rights in the Annual General Meeting, can nominate individuals to be elected as directors from September to November of every year in order that the Nominating and Remuneration Sub-Committee can scrutinize before proposing to the Board and the Annual General Meeting for further approval.

3.2.2 Terms of the Directors

The Board of Directors has a term of appointment according to the Company's Articles of Association, which also requires that the Chairman must not be the same person as the Chief Executive Officer or executive directors of the Company. Or, if any person in the Board of Directors holds an executive position in another company, the person must reveal the information openly to the supervisors.

3.2.3 Recruitment and Nomination of Top Management

The Board has considered and assigned the Nominating and Remuneration Sub-Committee to consider the criteria and methods for recruiting qualified individuals to take the position of the top management and propose names of the persons deemed appropriate along with reasons for the consideration and appointment by the Board of Directors. In the recruitment process, the criteria for the consideration are as follow:

- 1) Have knowledge, skills, education, experiences, and expertise corresponding to the operations of the Company, and be able to help further develop the Company.

- 2) Have all the qualifications without any prohibited characters as prescribed by the Public Limited Company Law, securities laws, and other related laws.
- 3) Be able to fully devote oneself to making important decisions for the sake of the Company.
- 4) Have honesty, integrity, morals, ethics in management with a good work record

Then, the Nominating and Remuneration Sub-Committee shall present the names along with reasons to the Board of Directors for further appointment.

3.2.4 Sub-Committee

The Board of Directors has appointed each Sub-Committees, namely the Audit Committee, Nominating and Remuneration Sub-Committee, Corporate Governance Sub-Committee, and Risk Management Sub-Committee, to perform specific duties and present the performance results of each year or quarter (if any) to the Board of Directors for consideration and acknowledgment.

3.3 Division of Roles and Duties of the Board of Directors

The Company determines and divides the authorities of the Board of Directors and the management at different levels clearly. Consideration and decisions on important matters must be approved by the Board of Directors and Sub-Committees to balance and review to ensure transparency and fairness to all concerned parties.

3.4 Consideration of Directors' Remuneration

The Nominating and Remuneration Sub-Committee shall be the one, who determine the remuneration of the directors by scrutinizing the suitability in various aspects. Directors shall receive remuneration according to their experiences, duties, roles, and responsibilities, and comparable to those in similar industry, as well as the business expansion and profit growth of the Company. The remuneration for directors shall be in accordance with the principles and policies specified by the

Board within the scope approved by the shareholders' meeting. (For the type of remuneration that must be approved by the shareholders' meeting)

3.5 Directors and Officers Liability Insurance Plan

The Company also offers Directors and Officers Liability Insurance plans, which protect directors and officers against financial losses or damages caused by “infringement or offense” that directors or officers of the Company are also legally liable.

3.6 Executive Development of the Directors

The Board of Directors emphasizes on the development of knowledge and competence by continuously promoting training and knowledge development for the Board of Directors, Sub-committees, executive directors, Corporate Secretary in order to gain knowledge and understanding about roles, duties, nature of business, laws related to business operations, and new ideas to be applied to the operations corresponding to the Company's business. The training and knowledge development are both conducted within the Company and through the services of external institutions, or as participation in various activities organized by the Thai Institute of Directors Association (IOD), the Office of the Securities and Exchange Commission (SEC), as well as other leading training institutes in all courses involved continuously throughout the year, with the disclosure of information from the training and various seminars of the directors in the Annual Registration Statements (Form 56-1 One Report).

3.7 The Orientation for Directors

The Company organizes an orientation for every director, who takes new office every time, to enhance knowledge and understanding of the directors firstly taken the positions in learning about the business and operations of the Company. The Corporate Secretary shall present documents and information useful for

operations of the new directors, e.g. Director Manual, CG Principle, Code of Conduct, regulations of the Company, shareholder structure, performances of the Company, various criteria, or related laws, etc.

3.8 Evaluation of the Performances of the Board of Directors and Sub-Committee

The Company has policies to arrange for the Board of Directors to have their own performance evaluations annually by using the Appraisal Form of the Stock Exchange of Thailand with modification to suit the Company for the Board of Directors to review the performances and obstacles in the work during the past year. Regarding the evaluation process, the Corporate Secretary shall distribute the Appraisal Forms to all directors for annual performance evaluation, both as committee and as individual, and gather the evaluation results from the directors to summarize and analyze the performance evaluation results of the directors in order to inform the Board's meeting of the results and problems, as well as apply the conclusions for further improvement of the performance of the Board of Directors.

In addition, the Company has policies for Sub-Committees to evaluate their own annual performances in order to serve as a scope for reviewing performances during the past year. It can be applied to correct and improve work efficiency. The evaluation results shall be presented to the Board of Directors meeting for acknowledgment. The guidelines for the evaluation are as follow:

The Board of Directors

The Appraisal Form for the Board of Directors of the Company can be categorized into 6 main topics as:

- 1) Structure and Qualification of the Board of Directors
- 2) Roles, Duties, and Responsibilities of the Board of Directors
- 3) The Board of Directors Meeting

4) The Dynamics of the Board's Performance

5) Relationship with the Management

6) Self-Development of Directors

With the criteria for each topic classified into 5 levels as:

0 = Strongly disagree, or, no action taken on the matter

1 = Disagree, or, little action taken on the matter

2 = Agree, or, action taken mostly on the matter

3 = Strongly agree, or, action well performed on the matter

4 = Totally agree, or, action very well done on the matter

Individual Directors

The Appraisal Form for individual director can be categorized into 5 main topics as:

1) Individual Qualities

2) Readiness to Perform Duties

3) Participation in the Meeting

4) Roles, Duties, and Responsibilities

5) Relationship with the Board of Directors and Management

With the criteria for each topic classified into 5 levels as:

0 = Strongly disagree, or, no action taken on the matter

1 = Disagree, or, little action taken on the matter

2 = Agree, or, action taken mostly on the matter

3 = Strongly agree, or, action well performed on the matter

4 = Totally agree, or action very well done on the matter

Sub-Committee

The Appraisal Form for individual member can be categorized into 4 main topics as:

1) Structure and qualification of the member

2) The Board of Directors meeting

3) Roles, Duties, and Responsibilities of the Board of Directors

4) The Board of Directors Reporting

With the criteria for each topic classified into 5 levels similar to the performance of individual director.

The secretary of each Sub-Committee shall be the one who collects and processes the results to be submitted to the Board of Directors and each Sub-Committee every year.

3.9 Reporting Stakeholder of Directors and Executive Directors

The Board of Directors requires directors and executive directors to report to the Company stakeholder of themselves and of their related individuals by preparing a report and submitting to the Company Secretary to report the stakeholder to the Board of director in the meetings annually.

3.10 Corporate Secretary

The Board of Directors shall be the one who appoints the Company Secretary to be responsible for overseeing the Board of Directors meetings, Annual General Meeting, and activities of the Board of Directors, as well as regulate the Company's Compliance Department to help the Board of directors and employees of the Company to have access to necessary information, comply with related laws and regulations as well as encourage the business operations to conform with the corporate governance standards.

Practice Principle 4

Ensure Effective CEO and People Management

Being aware of the personnel who will take office at all levels and become a part of driving the Company to its goals, the Board of Directors has ensured that the nomination and development of the Chief Executive Officer and top management at all levels shall be appropriate and transparent based on knowledge, skills, experiences, remuneration, and appropriate evaluation, as well as supervised the management and personnel development to be corresponding to the direction and strategies of the Company.

4.1 Recruitment and Nomination of Chief Executive Officer

The Nominating and Remuneration Sub-Committee shall scrutinize individuals, who have complete qualifications, understand the structure and relationship of shareholders that may affect the management, exhibit knowledge and expertise in the Company's business, can lead the organization to further development, as well as demonstrate leadership character without disgraceful behaviors. After the scrutiny, the Nominating and Remuneration Sub-Committee shall present them to the Board of directors for approval.

4.2 Succession Plan of Top Management

The Board of Directors has responsible for making a succession plan for the top management of the organization in case that executive directors vacate the office to ensure the investors, organizations, and employees that the operations of the Company shall carry on continuously.

4.3 Executive Directors Development and Human Resource Management

The Company promotes and facilitates ongoing training and education to the Board of Directors, Sub-committees, executive directors, and Corporate Secretary in order

to create new knowledge and ideas to be applied to the operations corresponding to the Company's continuous business operations. This training and education are both conducted within the Company and through services of external institutions. Directors and executive directors of the Company must complete basic training courses of the Thai Institute of Directors Association (IOD) or other courses from the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, Thai Investors Association, Thai Institute of Directors Association, or other independent organizations. The Corporate Secretary shall coordinate with the directors to inform about training courses to enhance knowledge and to bring benefits in the operations of the directors.

Regarding human resource development, the Company has policies to develop personnel to have appropriate knowledge, skills, experience, and motivation by emphasizing on continuous development in order to become a learning organization along with organizing various demonstration centers so that employees can learn, strengthen their skills and expertise, and prepare themselves to develop and enhance their work potential to make themselves ready for rapid changes in technology, competition, business environment, internal and external economy, including disruptive innovation. Human resource development must be corresponding with business direction, strategies, vision, and mission of the Company and in conjunction with participation in social responsibility. In addition, the Company encourages directors, executives, and employees to adhere to business ethics on a regular basis both practicing by the writing and following the will of integrity and monitor the practices by having everyone take the tests as the results are then used to evaluate the level of knowledge and understanding. The results of the aforementioned test are considered to be part of the consideration of the employees' performance in the annual performance evaluation.

Practice Principle 5

Nurture Innovation and Responsible Business

The Board of directors realizes the importance and supports the creation of innovation that brings value to the business, while creating benefits for customers or related parties with social and environmental responsibilities, by preparing an operation plan for all parties to operate according to the objectives, goals, and strategies of the Company and running the business with responsibilities, fairness, and consideration for the interests of all groups of stakeholders.

1. The Company always promotes the creation of innovations to add value to the business according to the changing environmental conditions. It also supports employees to innovate in both processes and add value to products, show creative potential Offer ideas for acquiring new business. Continuing innovation until it is protected as the Company owns intellectual property and must be innovative that does not encourage inappropriate behavior, to create a good image to be a new era organization that is a leader in future business. as well as develop the organization to grow forward sustainably.
2. The Company has operated with corporate social responsibility by supporting and promoting all employees to take part in doing good deeds, continuously giving back, and assistance to society, including focusing on developing the potentials of children and youth to be more efficient.

The Company's business operation does not affect on social responsibility, the environment, or any stakeholders. There is no legal violation in matters relating to the Company's principles of social responsibility, which are corporate governance, fair business operations, anti-corruption, respect for human rights, fair

labor practices, responsibility to consumers, protection of the environment, community and social development, and possession of innovation and dissemination of innovation.

3. The Company realizes the importance of responsibility for all stakeholders. In order to be able to achieve sustainable objectives and main goals, resources are allocated and managed with efficiency and effectiveness by taking into account the impacts and development of resources throughout the supply chain with commitment to conduct business according to the Code of Conduct, good corporate governance policy, corporate social responsibility policy, anti-corruption policy, business partner acquisition and audit policy, and intellectual property protection policy. The stakeholders shall be treated equally and strictly according to the benefits and protection with fairness and appropriateness as follow:

1) Shareholders, Investors, and Analysts

The Company operates its business in a transparent, accurate, fair manner and in accordance with the rules, regulations and related laws, takes into account the returns to shareholders, and discloses correct and equitable information through the website of the Stock Exchange of Thailand (SET) and the Company's investor relations website on a regular basis, including organizing an activity for the Company to meet with investors in "Opportunity Day" and organize a Company Visit for analysts or investors to study information about the company's operations closely Meeting with executives Company visit and listened to presentations about the company's business in order to maximize benefits and increase shareholder value over the long term.

2) Customers

The Company distributes products and services at fair prices and international quality standards and treats customers fairly to ensure customer satisfaction. The Company has fulfilled contracts in a transparent, complete, and accurate manner

while maintaining a good relationship between customers and the Company. For example, the Company has conducted customer satisfaction surveys in terms of confidence and trust in products and services, service satisfaction of sales staff, receipt of detailed information on the products and services that are accurate, complete, and consistent with documents showing the properties of the products and services regularly, personnel's skills, knowledge, and understanding of products and services, quickness and accuracy of the order process, accuracy and speed of product delivery, and satisfaction in each business group as a whole. The survey results were discussed with relevant departments to analyze the survey results and jointly find ways to improve products and services to increase customer satisfaction in the long run. The Company aims to receive customer satisfaction survey results of at least 80% each year.

3) Business Competitors

The Company has established business strategies and competition, including actions that should be taken to treat competitors fairly under the legal framework regarding competition and the code of business conduct with transparency. The Company's directors, executives, and all employees must avoid dishonest ways to destroy competitors, not do anything that infringes the intellectual property of competitors, not seek confidential information improperly or dishonestly, and not destroy the reputation of competitors by accusing them in a derogatory way without truth. In addition, they must not enter into agreements with competitors or other business operators that are monopolistic or reduce competition in the market and cooperate in competition to create good market conditions, such as providing information about products or creating new products or services, including not entering into any agreements with competitors or any person that is characterized as reducing or restricting competition.

4) Business Partners

The Company attaches importance to treating suppliers equally in accordance with the framework of fair, transparent, and respectful competition. No assets or benefits are claimed from suppliers, no purchase of products with suppliers that infringe on intellectual property rights or violate human rights, and no business conduct with suppliers who act illegally. directors, executives, and employees must refrain from creating commercial bargaining power using reciprocity or creating conditions to compel compliance and have integrity in conducting joint businesses to comply with the code of conduct for suppliers and procurement regulations announced by the Company for use in the management of companies in the Group in the same direction.

The Company has guidelines for promoting the potential and ability to conduct sustainable business operations with suppliers to strengthen confidence and good relationships between each other, which consist of 3 approaches as follows:

(1) Analyze customer needs to appropriately define goals and strategies for developing suppliers' potential.

(2) For selecting suitable suppliers, the Company uses the criteria for selecting suppliers who have the expertise and potential to develop products or services through a supplier screening process according to the specified criteria. The Company has clearly defined supplier groups. There are criteria for procurement, appointment of import and export agents, criteria for supplier verification, and criteria and conditions for inspecting work to be used in selecting the right suppliers for the business plan.

(3) Build good relationships with suppliers to help strengthen lasting relationships and build confidence and trust in collaboration.

5) Creditors

The Company was able to operate under reasonable business conditions and in accordance with industry practice, adheres to trade conditions and contracts fairly and lawfully, without taking advantage of counterparties, and does not use fraudulent or concealment methods for any important facts that may cause damage to creditors. The Company was strictly committed to pursuing the terms of agreements made with all of creditors strictly, accurate, and straightforward according to the agreed schedule while being able to repay the loan with interest in a full amount to the creditors within the agreed period and being responsible for various types of guarantees with honesty to build trust and fairness for the creditors. In case where the Company was unable to comply with the required conditions, it would notify and negotiate with creditors in advance to seek ways to prevent damage that could possibly occur to both parties.

6) Employees

The Company has a human rights policy and creates knowledge and understanding about human rights among employees as part of work practices. The Company does not support businesses in violation of human rights and the Company uses fair administration principles with regard to management of salaries, wages and benefits including employment conditions without using forced labor from unwilling workers or child labor. The Company does not discriminate and provides equal opportunity for all employees by organizing good and suitable work environments along with strictly complying with Thai laws and labor standards. The Company sets fair returns and benefits equivalent to businesses in the same industry with annual wage structure reviews to make employee remuneration policies consistent with the Company's operations in the short term and in the long term. The Company specified guidelines for annual wage raises including the provident fund and other benefits.

7) Government and Government Agencies


The Company cooperates with state agencies to perform good citizenship, complies with the business law regulations, accounting procedures, taxation according to the nature of business, engages in business with government agencies with honesty and fairness, and hospitality similar to normal customers, refrains from bribery and hiring government officials to facilitate the business operations, and refrain from cooperating with government officials who have corrupting intents in any way, including not allowing government officials to behave illegally in their business.

8) Society and Community

The Company offers assistances in various aspects for the benefits of society and community with a commitment to support activities beneficial to society and communities, refrains from business operations that deteriorate the society, avoids taking any action that can destroy natural resources and the environment, oversees business operations not to cause pollution to the environment and society, cooperates with all parties in the community by devoting its own time, labor, and money as appropriate, cultivates consciousness, encourage employees and related persons to act as good citizens with responsibilities, and takes actions beneficial to the society and communities.

The Company is politically neutral by not acting in favor of or supporting any political party or any person with political power. Also, the Company respects the rights and freedoms in exercising the political rights of employees, which is compliance with applicable laws.

4. The Company has efficient resource management by considering the impacts and suitable resource development throughout the supply chain, the best interests of all stakeholders from procurement to consumers, which the customers are at



the end of the supply chain, in order to be able to achieve the objectives and main goals stably and sustainably.

5. Information and communication technology systems are important factors that promote business operations and increase work efficiency. The Company therefore requires that all employees are jointly responsible for the utilization of information and communication technology systems under the regulations of the relevant laws.

Practice Principle 6

Strengthen Effective Risk Management and Internal Control

The Board of directors realizes the roles and duties to supervise for appropriate risk management and internal control systems with the following guidelines:

6.1 Assessment of the Sufficiency of the Internal Control System

6.1.1 The Board of directors has assigned the Executive Committee to supervise and assess the sufficiency of the internal control system. The Company has used the Internal Control Sufficiency Evaluation Form of The Office of the Securities and Exchange Commission (SEC) in cooperation with PricewaterhouseCoopers Thailand (PwC Thailand) in developing the evaluation form for sufficiency of the internal control system. The Company shall use the evaluation form as a guideline for self-assessment of the sufficiency of the Company's internal controls according to the concept of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which defines the essential components of internal control in 5 aspects:

- (1) Control Environment,
- (2) Risk Assessment,
- (3) Control Activities,
- (4) Information & Communication, and
- (5) Monitoring Activities,

In order to ensure that the Company's operations have suitable and sufficient internal controls as well as comply with relevant laws and regulations. In addition, there has been evaluation according to the scope of the guideline of Corporate Governance and continuously certified under the Thai Private Sector Collective Action Coalition against Corruption since 2016.

6.1.2 The Board of Directors shall supervise the Company to have a suitable internal control system with the qualified Audit Committee, who acts as independent directors with important roles regarding accurate and trustworthy financial reporting with sufficient information disclosure, to review the internal control system and the internal audit system as well as an appropriate and efficient risk management system by verifying and evaluating the sufficiency of the internal control system based on the operating data of the Management Report from the Internal Audit Department, which is responsible for reviewing the performance of all departments, and to report the results to the Audit Committee and the Board of Directors for acknowledgment on a quarterly basis.

For the results of the evaluation of the sufficiency of the internal control system according to the various evaluation frameworks, which are internal control of the organization, risk assessment, operational control, information and communication systems, and follow-up system, it is found that the Company's internal control system was sufficient and appropriate. However, the Audit Committee suggests the utilization of information and communication system in the work process continuously.

6.2 Risk Management System

The Board of Directors shall oversee that the Company has an appropriate risk management system by establishing clearly the risk management policies and assigning the Risk Management Sub-Committee to consider risks, evaluate impacts and the likelihood to prioritize risks and apply appropriate risk management methods.

6.3 Conflict of Interests

The Company emphasizes on the importance of not allowing its personnel to seek personal benefits. In order to avoid situations that may create a conflict between

personal interest and the interests of the Company, the Board of Directors has assigned the Audit Committee to supervise connected transactions or transactions that may lead to conflicts of interest between the Company and the management, the Board of Directors, or shareholders, including the prevention of improper utilization of properties, information, and opportunities of the Company and transactions with persons having an improper relationship with the Company according to the laws and regulations of the Stock Exchange of Thailand. In order that such transactions are made according to the operating procedures and information disclosure specified by law and for the benefit of the Company and the shareholders, the stakeholders shall not participate in the decision-making. In addition, the Board of Directors shall supervise the compliance with the operating procedures and information disclosure of transactions, which may lead to conflicts of interest, to be done accurately and completely in making important transactions. If it is the case of entering into a transaction that requires approval from the shareholders' meeting, it must be approved according to the laws and regulations of the Company.

The stakeholder of directors and executive directors shall be reported to the Company of their own and related persons' interests by preparing a report and submitting to the Corporate Secretary. In addition, in case of any modification of the information, a report must be submitted to the Corporate Secretary every time. The Corporate Secretary is required to report the stakeholder to the Board of Directors in the meeting every year.

6.4 Anti-Corruption

The Company has established policies and Code of Conduct about anti-corruption as it is committed to creating an organizational culture and rejects corruption in all transactions with the public and private sectors. The directors, executive directors, and employees of the Company at all levels shall participate in monitoring fraud

and corruption and rejecting all forms of corruption, both directly and indirectly. The Company has opened a channel for whistleblowing or complaints, in case of witnessing the conduct by individuals in the organization considered as fraud or corruption, in order to prevent and control such actions. Also, for participating in anti-corruption day activities every year in order to acknowledge the importance of the day, the Company shall publicize the National Anti-Corruption Day to the Company's employees to participate in the activities. The Company is certified as a member of the Thai Private Sector for Collective Action Coalition against corruption (CAC) since 2016.

6.5 Whistleblowing and Complaints

The Company has set guidelines for whistleblowing or complaints about illegal acts, violating or failing to comply with the code of conduct and human rights, conflict of interest or behaviors suggesting corruption of individuals in the organization, in the whistleblowing and complaints policy, which contains content in opening channels for those witnessing illegal acts or improper practices. Whistleblowing or complaints can be submitted to the respective supervisor of the whistleblower, Internal Audit Manager, Independent Director, or the Audit Committee. Whistleblowers can choose not to disclose their names, addresses, and contact phone numbers, and the recipients of the complaints must keep all relevant information confidential and shall disclose information as necessary with regard to safety and the damage of the complainants.

Moreover, the Company has assigned the Compliance Unit under supervision of the Corporate Secretary Department to handle the complaints. In case of any behavior or incident that may violate the compliance with the rules, regulations, and policies of the Company, or a suspicious behavior in contrary to the principles specified above by the Company, you can directly report the claims or complaints as follow:

- a) Postal Mail : Corporate Secretary
: Metro Systems Corporation Public Company Limited
400 Chalermprakiat Rama IX Road, Nong Bon,
Prawet, Bangkok
- b) Telephone : 020894124
- c) E-mail : corporatesecretary@metrosystems.co.th
- d) Company Website : <https://ir.metrosystems.co.th/complaint-channel-th/>

6.6 Insider Trading

The Company gives importance to the issue of insider trading by specifying about the insider trading in writing in the internal control manual to achieve an understanding of the correct code of practice.

The Company prohibits directors and executive directors from using insider trading, which is important information of the Company and has not been disclosed to the public, for the benefit of yourself or others. This includes trading in the Company's securities by directors, executive directors, and employees in the units acknowledging the inside information. They must not trade in the Company's securities during the 1 month period prior to the public disclosure of financial statements. The Company shall notify the time that should refrain from trading the Company's securities to the Company's directors and executive directors.

The Company places great importance on keeping customers' confidential information by not using the stated information for the benefit of directors, executive directors, employees, and related persons unless it must be disclosed as required by law. It also gives importance to the security of information in the information system by controlling and/or preventing accessibility to the Company's information from third parties, and assigning access rights to employees at different levels according to their authorities and responsibilities. In addition, the Company

has policies that allow relevant persons to receive information only as necessary to the operations and supervise the use and storage of sensitive information carefully and cautiously. Disclosure of any information must obtain permission from the management of that unit. In case that a third party is involved in ad-hoc work concerning information that has not yet been made available to the public and is in the process of negotiating, which is considered to confidential protection and may affect the movement of the Company's securities prices, they must enter into a Confidentiality Agreement until the information is disclosed to the Stock Exchange and the Securities and Exchange Commission.

6.7 Report of Acquisition or Disposal of Securities

The Company has required that the directors, managers, executives, and auditor shall prepare and report on changes in securities holding of their own, their spouses or cohabiting partners, and underage children to the Corporate Secretary. It must be prepared and submitted within 30 business days after taking office. Moreover, directors and senior executives must notify about acquisition or disposal of the Company's securities every time by notifying at least 1 day in advance before the trading to the Board or the person assigned by the Board in order to further report to the Office of the Securities and Exchange Commission about the acquisition or disposal of the securities within 3 business days, as well as strictly complying with the Securities and Exchange Act B.E. 2559 (2016).

Directors, executives, and employees, who violate the Insider Trading Policy, shall be subject to disciplinary actions and/or punishment by law depending on the case.

Practice Principle 7

Ensure Disclosure and Financial Integrity

The Board of Directors recognizes the Board of Directors' roles and duties in maintaining financial credibility for shareholders and other stakeholders such as investors and analysts such as by maintaining financial report preparation systems along with monitoring financial liquidity and repayment ability sufficiency. The Board of Directors appointed the Audit Committee composed of independent directors to take responsibility for quality of financial reports and internal control systems. In disclosing financial statements, the Board of Directors is responsible for the consolidated financial statement of the Company and affiliated companies. Financial statements are prepared in compliance with generally accepted accounting standards in Thailand with explanations and analyses by the management prepared to accompany financial statement disclosures in every quarter. The Board of Directors exercises caution and uses the best estimates in preparations including sufficient disclosure of significant information in remarks accompanying financial statements. The Board of Directors maintains effective internal control systems in order to be reasonably certain that accounting information records are accurate, complete and sufficient for maintaining assess and providing knowledge on weaknesses in order to prevent significant corruption or abnormal actions. Moreover, the Board of Directors has supporting plans to solve financial problems if the Company is in a situation where the Company is encountering financial problems or is likely to have problems with consideration given to stakeholder rights.

The Company is committed to managing taxes. Therefore, the Company specified a tax policy as a guideline for the Company's operations in line with international standards and laws. In addition, the Company makes use of tax privileges legally and uses tax structures according to correct guidelines to not cause tax evasion by


adhering to the principles of accuracy, transparency, and accountability to create maximum benefit for all stakeholders.

Disclosure of Information

The Company has a policy to communicate and disclose information in a correct, adequate and timely manner in accordance with relevant rules, standards and practices by disclosing the Company's general information and financial information in accordance with the regulations of the Stock Exchange of Thailand, as well as disclosing the Company's policies to the public and stakeholders with accuracy, completeness, timeliness, transparency through channels that are easy to access, equitable and trustworthy, as evidenced in the form of corporate communication channels such as e-mails, corporate websites, annual registration information/ annual report (Form 56-1), made available in both Thai and English.

The Company Secretary Department is responsible for coordinating and communicating with investors or shareholders, and there is a business analysis department whose main duty is to communicate with investors. The company Secretary Department, which is approved by the Board of Directors will disclose information of the Company through the Company's website in both Thai and English, and report to the Securities and Exchange Commission or the Stock Exchange of Thailand accordingly. This would facilitate shareholders, investors, analysts, and media to receive accurate, complete, transparent, and up-to-date information particularly since it became a matter that affected the decisions of investors and stakeholders. Therefore, it is necessary to control and define measures for the disclosure of information both financial and non-financial in accordance with the law.

In addition, the Company provides shareholders and investors the opportunity to visit the Company and access the Company's information through management



earnings announcements and other important events on an ongoing basis. Information and answers to inquiries of stakeholders can be obtained from the contact information provided herein. The Company allocates a specific investor relations budget every year in order to develop efficient investor relations operations as well as for the Company to analyze investor relations opportunities, problems or developments by defining investor relations objectives, including annual work plans and reports on investor relations operations to executive directors. Disclosure of such information will be done correctly, adequate, equitable and timely.

Nevertheless, the Company has established a policy on information disclosure and transparency, requiring the Board of Directors to oversee the disclosure of information about the Company's operations in the annual report and on the Company's website. Annually, the disclosure and transparency policy will be reviewed in order to ensure that the policy is in compliance with current legal requirements and regulations. The Company also provided channels for complaints, comments and suggestions, or inquiries from both internal and external individuals through the Company website.

The Company adheres to the laws, rules and regulations stipulated by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, and regularly monitors for changes to ensure correct and accurate disclosure of information, and as collateral for shareholders to have confidence in transparent business operations

Practice Principle 8

Ensure Engagement and Communication with Shareholders

Shareholders, as the owner of the Company, have the rights to determine the direction of the Company's business operations, to purchase or transfer shares, to obtain profit sharing, to attend the Meeting, to propose an agenda in advance, to nominate persons to be elected as directors of the Company, to participate in decision-making on important matters of the Company, to approve important transactions affecting the direction of the Company's business operations, to vote using ballots in important agenda for transparency and verifiability, to vote by oneself or by appointing proxies, to receive the meeting invitation letters, to obtain and access the Company's information, both before and after the Meeting, including the results of the consideration and the results of the voting, via various communication channels, e.g. the securities depository centers, Company website etc.

Every year, the Company shall hold an Annual General Meeting by conducting the shareholders' meeting in accordance with laws, regulations, and corporate governance guidelines. In addition to the basic rights, the Company also organizes the following activities:

Prior to Annual General Meeting

1) The Company holds the Annual General Meeting once a year. The meeting shall be held within 4 months from the end of the fiscal year. If there are urgent cases that require the resolution of the shareholders, the Company will convene an Extraordinary General Meeting. The Annual General Meeting is held annually at the Head Office of Metro Systems Corporation Public Company Limited, 400 Chalermprakit Rama IX Road, Nong Bon, Prawet, Bangkok.

2) The Company disclosed the information in the Notice of the Annual General Meeting, both in the Thai language and in English with the date, time, venue, agenda, and information for consideration of various agenda items, together with the attached Proxy Form Type A, Type B and Type C as prescribed by the Ministry of Commerce so that the shareholders can appoint the Audit Committee or any person to attend the meeting on their behalf, including a map of the meeting venue as posted on the Company Website, before issuing the Notice to shareholders.

3) Delivery of the Notice of the Annual General Meeting and meeting documents together with the Annual Registration Statements (Form 56-1 One Report) was provided to the Thailand Securities Depository Co., Ltd. in order to be distributed to all shareholders prior to the Annual General Meeting Day and not later than 7 days before. The shareholders could therefore obtain the information for their decision to cast their votes correctly, completely and transparently. The notice of the annual general meeting was also announced in the newspapers, with both in English and Thai language versions for 3 consecutive days prior to the meeting and at least 7 days in advance as a notice for any shareholders to attend the meeting.

4) The shareholders can propose agenda and/or nominate members of the Board of Directors in the Annual General Meeting, including to submit their questions to the Company prior to the Meeting date during the period announced by the Company. The shareholders can take action through various channels, such as via e-mail, postal mail, or the Company Website.

On the Date of Annual General Meeting

1) The Company shall arrange the venue convenient for attendees to arrive at the Annual General Meeting that can sufficiently accommodate number of shareholders and proxies. the Company has organized the Annual General Meeting at its Head Office: 400 Chalermprakit Rama IX Road, Nong Bon, Prawet, Bangkok.

2) The Company shall arrange for the registration via a barcode system displaying the registration number of each shareholder as published on the registration form and proxy form in order to speed up the registration process. In addition, the Company shall provide the registering proxies the stamp duty to be posted on the proxy form for along with assistance by staff throughout the registration period.

3) The Company has established guidelines in the Annual General Meeting in order to prevent deprivation of the right to vote and equally facilitate shareholders in which shareholders can register to attend at any time during the meeting in order to exercise the right to vote on the agenda, which has not yet been voted on, as well as express their opinions freely within a reasonable time.

4) At the time of the Meeting, directors, sub-committees, executive directors, auditors and legal advisors shall be present in the Meeting. Before the start of the Meeting, the chairman of the Meeting has assigned the Company's legal advisors to clarify all criteria related to the Meeting, e.g. opening ceremony and voting, including the method of counting the votes of the shareholders who have to vote on each issue.

5) The Company uses ballot papers for every agenda item requiring a resolution to be transparent and verifiable. In the agenda of election of directors, the election of individual directors is made by voting through inquiry at the meeting whether any shareholders or proxies disagree or abstain from voting and asking the shareholders or the proxies who disagree or abstain to raise their hands and vote on the ballot paper together with their signature. The officer will record the votes by scanning the barcode on the voting confirmation card and collect the said card, while for shareholders who agree to vote and sign on the ballot card but without raising hands, the Company will collect the cards all at once after the meeting has been completed.

6) For details of the voting results of each issue, the results will be collected and announced to the Meeting after the completion of the voting on each issue. Also, when the staff has finished counting the votes, they will inform the Meeting about details of the vote counting results immediately.

7) The Company has an independent auditor who acts as the vote counting inspector throughout the Meeting. There shall be representatives of shareholder rights protection from the Thai Investors Association to observe as well.

8) Shareholders, who enter after the Meeting has opened by the chairman, can vote on the issues that are still being considered and have not yet been voted on, and shall be included in the quorum starting from the issue at the moment that they enter the Meeting. This may yield different voting rights for different issues.

9) At the Annual General Meeting, if there are directors who have interests in any issue, the directors must inform the Meeting to abstain from voting and not attend the Meeting in that issue.

10) At the Annual General Meeting, the Meeting shall consider various issues according to the order of the agenda specified in the meeting invitation letter without changing the stated agenda. In addition, there shall be no request to consider other matters other than those specified in the meeting invitation letter. However, if there is an extra issue, the Company shall hold an Extraordinary Meeting for the year, or, the issue shall be specified as special agenda in the Annual General Meeting with a notice of the meeting sent in advance to the shareholders according to the time specified by the law. After the Meeting has considered all issues on the agenda completely, the chairman shall allow shareholders to ask additional questions before closing the Meeting

After the Date of Annual General Meeting

- 1) The Company shall disclose the resolutions of the Annual General Meeting by informing the Stock Exchange of Thailand (SET) on the same day after the meeting ended, and publish the resolutions on the Company's website within the next business day.

- 2) The Company shall prepare the Minutes of the Annual General Meeting, by clearly separating by agenda as well as specifying names of directors who are present in or absent from the Meeting, shareholders' inquiries, the Board's clarification, vote counting, and the results of the votes in each agenda completely, in order to notify the Stock Exchange of Thailand (SET) within 14 days after the meeting date according to the regulations of the SET, disseminate the meeting details completely and suitably, and publish the Minutes of the Meeting to the shareholders on the Company's website. (www.metrosystems.co.th)

Penalty

Good corporate governance principles, including Code of Conduct and good practice, are obligations and regulations that all directors, executive directors, and employees must adhere to when performing their duties and must not neglect the practices according to principles in this manual. If there is a violation, neglect, or failure to comply with and this cause damage to the Company, it shall be deemed a disciplinary offense according to the Company's work regulations. Thus, the supervisors, as specified by the Company, have the authorities to consider the disciplinary actions fairly by prioritizing or taking into account the seriousness and nature of the wrongdoing on a case-by-case basis.