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Company Name: TMH Telecom Public Co., Ltd

Company Representative : U Thiha Lwin (Managing Director)

Contact: +959457688887

URL: [www.tmhtelecom.com](http://www.tmhtelecom.com)

Code: 00005

## I. Fundamental Views on Corporate Governance and Other Key Information

### 1. Corporate Attributes

Fiscal Year-End	31 <sup>st</sup> March 2023
Sector Classification	Telecommunication
Number of Employees (consolidated) as of the End of the Fiscal year 2022-2023	273
Revenue, Profit after Tax, Total Assets and Net Assets (consolidated) for the Previous Fiscal Year	Revenue _ MMK 4,297,879,816 Profit/Loss After Tax _ MMK 170,128,846 Total Asset _ 16,966,666,455 Net Asset _ 13,914,408,558
Number of Consolidated Subsidiaries and Associated Companies as of the End of the Previous Fiscal Year (2022-2023)	1

### 2. Fundamental Views on Corporate Governance

The purpose of the Board Policy is to describe the Corporate Governance framework of TMH, especially the role, responsibilities, procedures of the Board of Directors of the Company.

This Policy is complementary to the provisions regarding the Board of Directors contained in:

- the Myanmar Companies Law,
- the Company's Constitution, and
- the Company's Code of Conduct.

The Board of TMH will ensure that the Board Policy is enforced across the Company. The Board must also approve any modifications of this Policy and review and update it in a timely manner as needed.

**3. Status of Major Shareholders (FY 2022-2023)**

	Name	Attributes	Nationality	Number of shares held	Shareholding ratio (%)
1	U Thiha Lwin	Managing Director	Myanmar	3,165,408	24.68%
2	U Myint Lwin	Executive Chairman	Myanmar	1,585,500	12.36%
3	Daw Khin Hnin Lwin	Non-executive Director	Myanmar	1,585,500	12.36%
4	U Kyaw Swar Lwin	Non-executive Director	Myanmar	1,060,500	8.27%
5	Dr. Nang Lai Yi Soe	Executive Director	Myanmar	1,085,516	8.46%
6	Daw Thu Zar	Executive Director	Myanmar	1,084,650	8.45%
7	Daw Ohnmar Lwin	Non-executive Director	Myanmar	1,060,500	8.27%
8	Golden Trader Co., Ltd	Institutional investor	Myanmar	542,346	4%
9	Dr. Nang Khin Than Soe	Investor	Myanmar	364,501	3%
10	U Aike Ti	Investor	Myanmar	263,533	2%

**Total issued shares:**

**12,823,224 shares**

**4. Policy on Foreigner Ownership**

Foreign Shareholding Ratio (As of the End of the Previous Fiscal Year)	0.0738%
Foreign Shareholding Limit Determined by the Company	5% of total shares
Reasons for setting the above Foreign Shareholding Limit and a future policy on foreigner ownership	To comply the rules and regulations defined by Ministry of Transport and Communication, Myanmar.

**5. Policy on Dividends**

The dividend policy of our Company is dictated by Company policy. The Company intends to pursue a dividend policy whereby dividends shall be paid or distributed to its Shareholders in amounts proportional to each Shareholder' percentage ownership interest to the full amount of the profits of our Company which are available for distribution from time to time in accordance with and subject to the Applicable Laws (in particular, the Companies Act) but after making all necessary, reasonable and prudent cash provisions and reserves for:

- (i) Taxation;
- (ii) Any capital expenditures;
- (iii) Repayment of any borrowings of the Company;
- (iv) Fulfillment of the Company's working capital requirements; and
- (v) Any other matter required for the fulfilment of the Company's obligations

Further, in considering the timing, manner and amount of dividend, if any, our Board intends to take into account various factors, including:

- (i) The level of cash, gearing, return on equity and retained earnings;
- (ii) Our Company's expected financial performance;
- (iii) Our Company's projected investment plans; and
- (iv) Restrictions on payment of dividends that may be imposed on our Company under our current or future financing arrangements.

We will pay cash dividends, if any, in Kyats.

**Dividend Per share \_ N/A**

**Total Amount of dividend – N/A**

**Total Issue Bonus share – N/A**

**Scheduled dividend amount in this fiscal year (2023-2024) \_ 12,823,224 Shares \* .... MMK = N/A**

## **II. Status of Corporate Governance Systems**

### **1. Composition of Corporate Governance Structure**

#### **(1) Composition of Corporate Governance Structure**

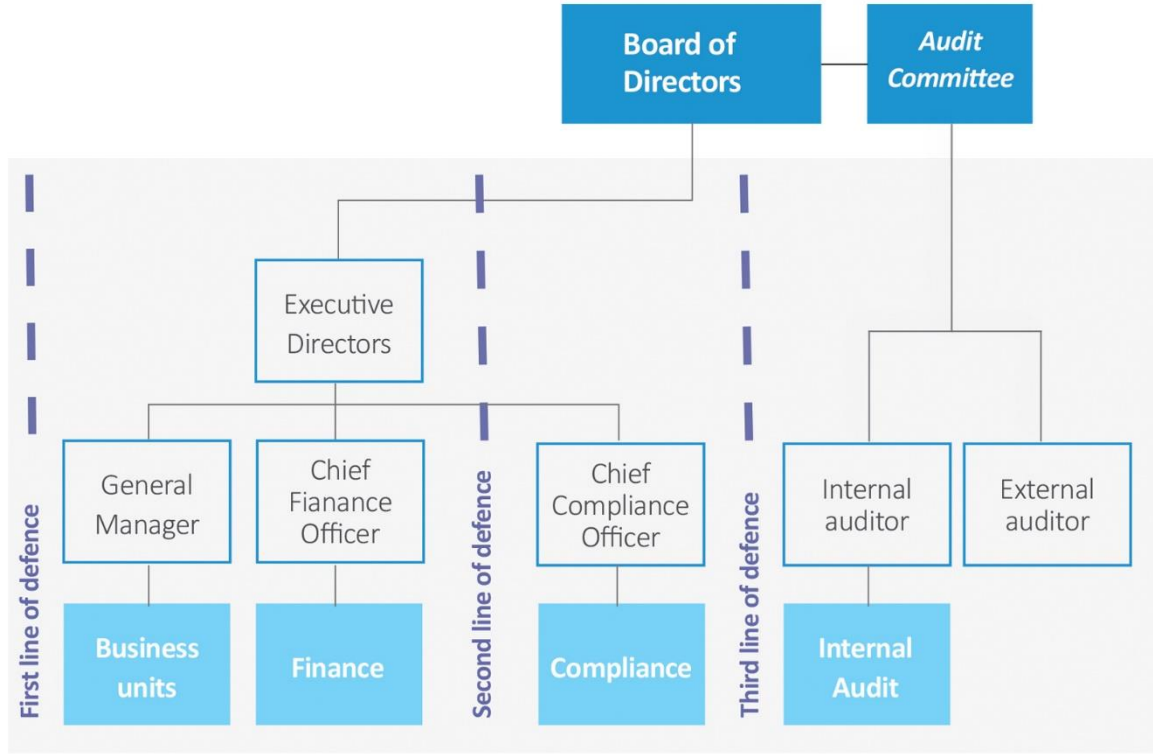
Over 1,100 shareholders own TMH and decide its future during General Meetings. The Board of Directors validates the strategy and oversees its implementation.

The Company has appointed an internal audit staff within the Audit department, which is an independent internal auditing division. The internal audit provides the auditing result directly to audit, compliance and corporate governance committee to improve the overall governance of the company.

#### **(2) Reasons for the Corporate Governance Structure**

The main reasons for the company corporate governance structure is to be more effective in the company's corporate environment for the board members shall take each responsibilities and accountabilities.

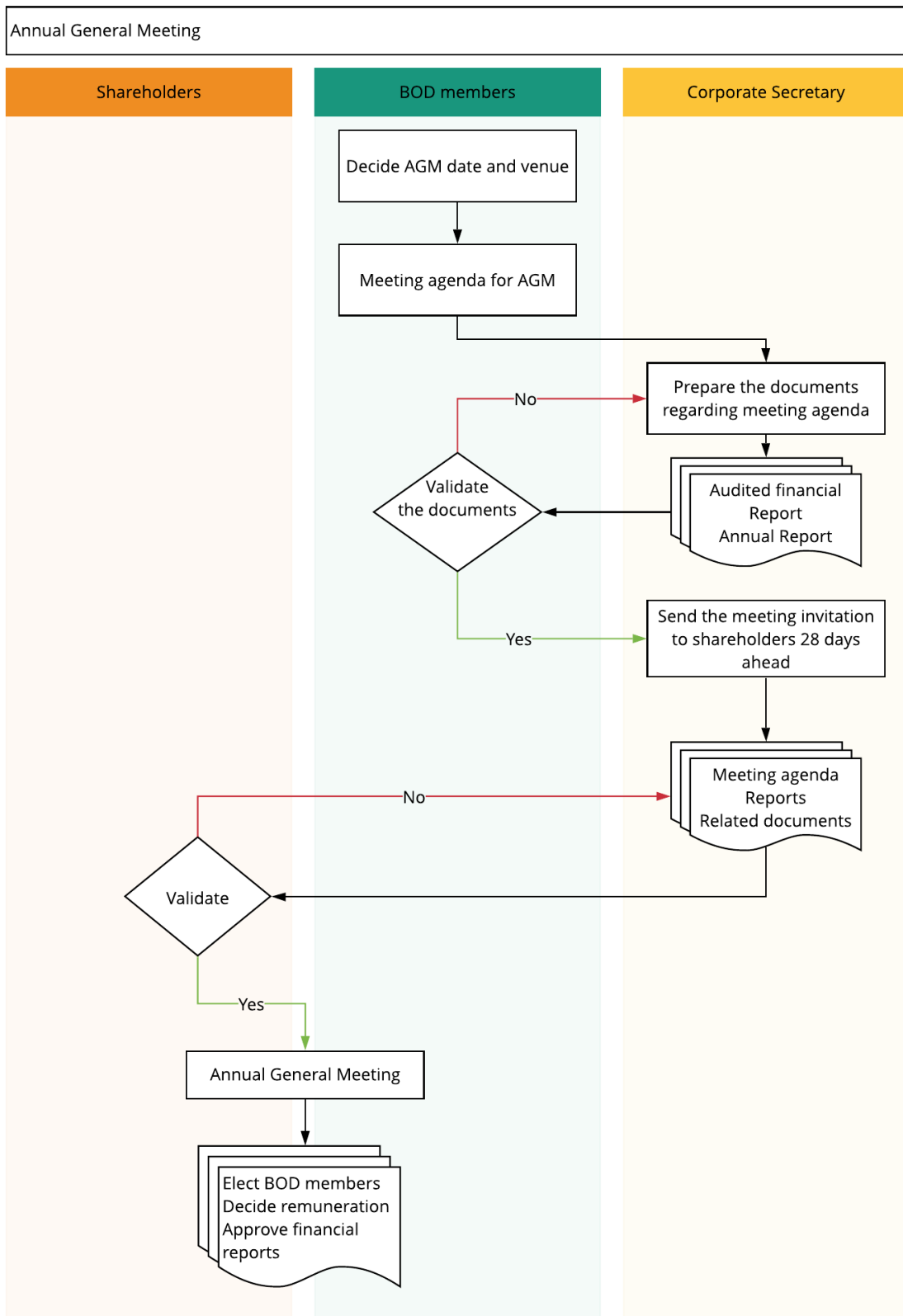
### Organization Chart



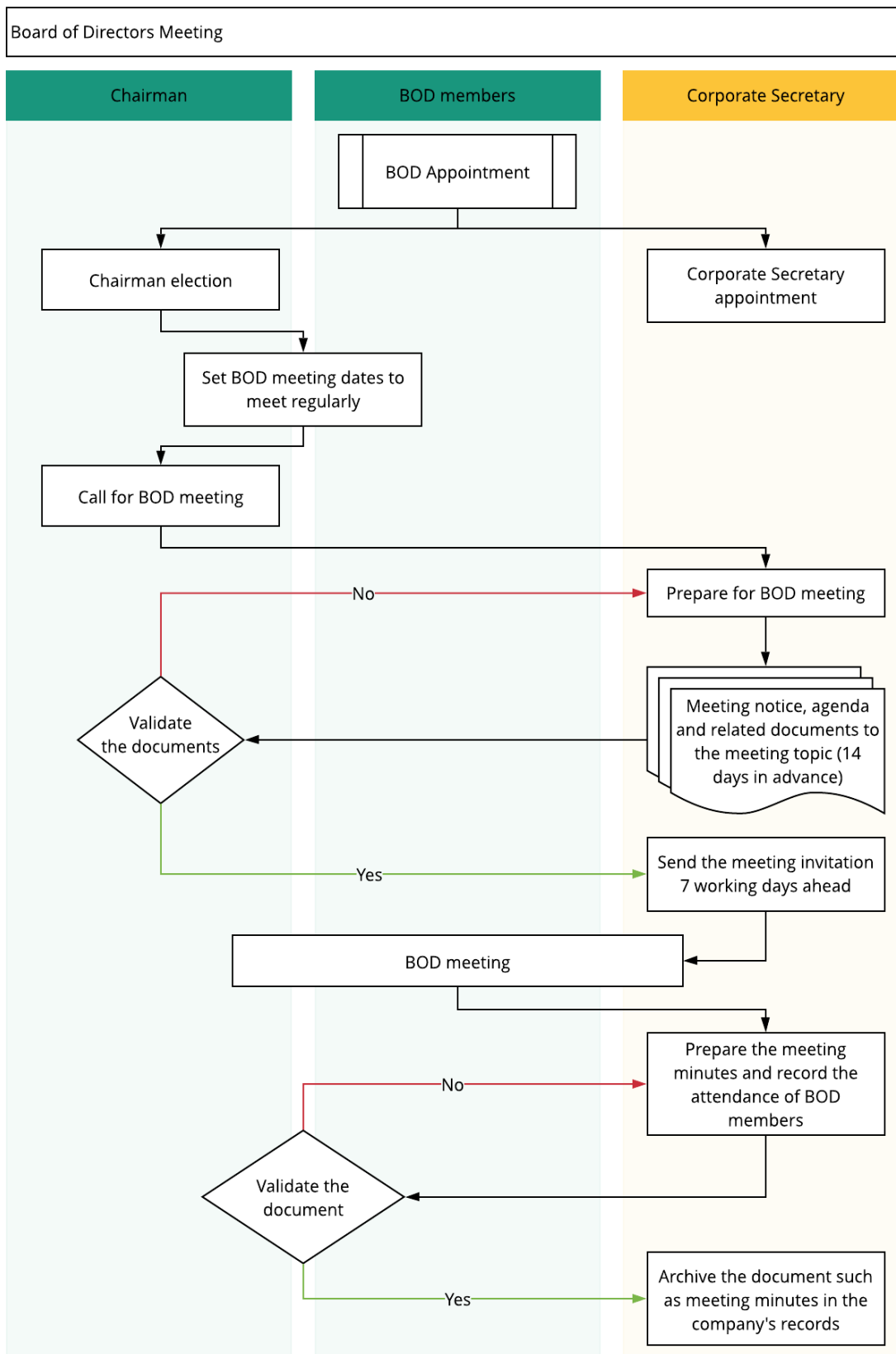
XXX Board-level Committees    
 XXX Member of the Management Team    
 XXX Departments    
 — Reporting Line

First line of defence <b>Risk Management</b>	Second line of defence <b>Compliance</b>	Third line of defence <b>Independent assurance</b>
<ul style="list-style-type: none"> <li>Takes and manage risk exposure in accordance with the risk appetite, mandate and limits set by the Board</li> </ul>	<ul style="list-style-type: none"> <li>Confirms the level of compliance with regulations, and other limits and requirements as defined in TMH's policies</li> </ul>	<ul style="list-style-type: none"> <li>Provides the Board with an independent opinion about the effectiveness of Risk Management and Internal Controls</li> </ul>
<ul style="list-style-type: none"> <li>Identifies and escalates significant emerging issues related to risk</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and accesses how the first-line of defence enforce the Risk Management framework</li> </ul>	<ul style="list-style-type: none"> <li>Identifies significant deficiencies or material weaknesses and monitors changes needed to mitigate the issues.</li> </ul>

## Annual General Meeting



## Board of Directors Meeting



The Board has established three committees, which are all chaired by Independent Directors:

**The Audit, Compliance and Corporate Governance (ACCG) Committee**

**The Nomination Committee,**

**The Remuneration Committee.**

The company has adopted this corporate governance structure because it judges the structure to be workable for realizing and ensuring its corporate governance and for conducting appropriate and efficient corporate management.

### **Audit, Compliance and Corporate Governance Committee (ACCG)**

#### **Responsibilities**

Corporate reporting – The ACCG shall:

- a. monitor, review and assess the integrity of the financial statements of the Company and any other formal announcements relating to the Company's financial performance, and review any significant reporting issues and judgments contained therein,
- b. discuss with management and the external auditors on a regular basis and review and approve the annual financial statements and other disclosures required by laws and regulations, including announcements of a sensitive nature, prior to Board approval and public disclosure,
- c. review the findings of the audit with the external auditor. This shall include but not be limited to the following:
  - a discussion of any major issues which arose during the audit,
  - any accounting and audit judgments, and
  - levels of errors identified during the audit, and
  - reviews of and where necessary, challenges the consistency of accounting policies, methods used to account for significant or unusual transactions where different approaches are possible, and the clarity and completeness of corporate disclosure, and any changes of these.

**External Audit – The ACCG shall:**

- a. consider and make recommendations to the Board, to be put to shareholders for approval, regarding the appointment, re-appointment and removal of the Company's external auditors,
- b. oversee the external auditor selection process if an auditor resigns the committee shall investigate the issues leading to this and decide whether any action is required by the Board,

- c. recommend to the Board for approval remuneration, including fees for audit or non-audit services and whether the level of fees is appropriate to enable an adequate audit to be conducted,
- d. recommend to the Board for approval terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit,
- e. review the preparation and execution of the auditor's annual program of work for the Company,
- f. evaluate, on an annual basis, the qualification, independence, and performance of the external auditor and report to the Board and the AGM the committee's opinion with respect to the adequacy of its performance and independence. Such a report shall include the Committee's recommendation on the reappointment or termination of the external auditor and, if required, on a replacement for the said firm. The Committee report shall be submitted to the AGM,
- g. satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business),
- h. assess annually qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures,
- i. ensure adherence to procedure concerning the supply of non-audit services by the external auditor, taking into account relevant ethical guidance and legal requirements regarding the matter. In general, the Company stipulates that the appointed external auditor shall not provide any other services to the Company beyond the scope of the financial audit, unless otherwise explicitly approved by the Board. No exceptions shall be granted if they are deemed to compromise the independence of the external auditor in any way (e.g., consulting services, tax services, or others). Any exceptions to this provision should be disclosed to shareholders along with an explanation as to why this was granted and what assurances exist to safeguard the auditor's independence, and
- j. monitor and review management's responses to the recommendations of the external auditor, including those in the Management Letter.

**Internal Audit** – The ACCG shall:

- a. monitor and review the effectiveness and organizational structure of the Company's internal audit function,
- b. approve the appointment and removal of the Head of Internal Audit and review the qualifications and effectiveness of internal audit personnel,
- c. ensure the internal audit function has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards,



- d. review with the Company's internal auditor the preparation, execution and results of the Company's annual internal audit program, as well as any activities undertaken outside this annual program,
- e. review and assess the annual internal audit plan,
- f. review all internal audit reports and take or call for necessary action,
- g. ensure the internal audit function remains independent from management to ensure objective reporting,
- h. review with the Company's internal auditor and report to the Board on the adequacy of the structure, responsibilities, staffing, resources and functioning of the Company's internal auditing department; such a review will include an annual evaluation of the performance and qualifications of the department head, and;
- i. review and monitor management's responsiveness to the findings and recommendations of the internal auditor.

**Risk management** – The ACCG shall:

- a. define objectives and strategies for and ensure the development of the risk management framework for the Company and review the same at least annually to confirm it is both sound and effective and report to the Board on its findings and recommendations,
- b. define the ceiling for risk exposure that executive management must adhere to,
- c. set reporting guidelines for management to report to the ARCC on the effectiveness of the Company's management of its material risks, particularly market, operational, reputational, and compliance risks, and update the Board on the major findings of those reports as appropriate,
- d. provide for a comprehensive risk control system to ensure proper business process controls are in place to help identify and safeguard against risks; and
- e. ensure that this risk control system is periodically revised and aligned with regulatory changes, and is being complied with by management and
- f. approve and update as necessary a summary of the Company's policies on risk oversight and management of material risks.

**Compliance** – The ACCG shall:

- a. ensure the Company has an effective compliance function in place to ensure compliance with external laws and regulations and internal codes and policies, particularly the Code of Conduct,
- b. review the findings of any examinations by regulatory and supervisory agencies and respond as needed,

- c. review with the internal auditors and other appropriate parties, legal matters that may have a material impact on financial statements and compliance procedures of the Company, and any material reports received from or communications with regulators or government agencies, and
- d. oversee the procedures for:
  - the receipt and treatment of complaints received by the Company regarding financial reporting, accounting and auditing, internal controls, and conduct or conflict matters,
  - the confidential, anonymous submission by the Company's employees of concerns regarding questionable financial reporting, accounting, auditing or other matters.

### **Working procedures**

**Meeting frequency** – The Committee shall meet as needed, but at least four (4) times a year. If possible, meetings shall be scheduled in advance according to an annual calendar and adjusted as needed.

### **Remuneration Committee (RC)**

This committee is responsible for reviewing all matters relating to remuneration, including the principles, parameters and governance framework of the Company's remuneration policy (as applicable to all employees), and the remuneration of executive Board members and other senior executives.

### **Remuneration – The RC shall:**

- a. set the principles, parameters and governance framework of the Company's remuneration policy as applicable to all employees,
- b. determine the remuneration policy of the Company, including its subsidiaries (with input from subsidiary boards as applicable), including the review of policies for salary, bonuses and benefits,
- c. set the remuneration policy and remuneration for independent non-executive Board members, executive Board members and other senior executives of the Company, and
- d. make recommendations to the Board, regarding on the following matters:
  - time commitment and responsibilities of independent non-executive Board members and executive Board members,
  - long-term interests of shareholders and investors, and
  - requirement to link pay to performance by reference to corporate goals and objectives resolved by the Board.

### Nomination Committee (NC)

This committee covers several areas such as regularly reviewing the structure, size, composition and performance of the Board to ensure its effectiveness.

#### Nomination – The NC shall:

- a. review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes,
- b. keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace,
- c. develop and maintain a formal and transparent process for the appointment and re-appointment of directors to the Board. The process for the appointment of new directors should include an evaluation of his/her capabilities and the way in which the new director will fit in with the overall competences of the Board,
- d. develop and maintain a process for the selection, appointment and re-appointment of directors, with regard to the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation, can do attitude and any other salient factors), including, if applicable, as an independent director. All proposed appointees should be required to disclose any other business interests that may result in a conflict of interest and/or report any future business interests that could result in a conflict of interest.
- e. Ensure all directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three (3) years.

## 2. Information of Directors

Position (Independent Director, Executive Officer)	Name	Number of Shares Held	Date of Birth
Executive Chairman	U Myint Lwin	1,585,500	13/3/1943
Non-Executive Director	Daw Khin Hnin Lwin	1,585,500	1/12/1950
Managing Director	U Thiha Lwin	3,165,408	26/12/1980
Non-Executive Director	U Kyaw Swar Lwin	1,060,500	25/10/1982
Executive Director	Dr. Nang Lai Yi Soe	1,085,516	5/8/1988
Executive Director	Daw Thu Zar	1,084,650	16/11/1973
Non-Executive Director	Daw Ohnmar Lwin	1,060,500	18/2/1979
Independent Director	U Thein Zaw	-	15/6/1956

Independent Director	U Aung Than	-	9/7/1949
Independent Director	Daw Tin May Oo	-	23/5/1948

Please refer the following link for the BOD members' profile detail:

<https://www.tmhtelecom.com/bod-members-and-attendance/>

The following directors have concurrent positions in the board of directors of other companies.

Position	Name	Concurrent positions and companies
Executive Chairman	U Myint Lwin	<p>U Myint Lwin holds a directorship in the following companies:</p> <ul style="list-style-type: none"> <li>• Tah Moe Hnye Group Investment &amp; Development Co., Ltd (Chairman)</li> <li>• Tah Moe Hnye Chan Thar Wood Based Industry Co., Ltd (Chairman)</li> <li>• Tah Moe Hnye Chan Thar Mining Co., Ltd (Chairman)</li> <li>• Tah Moe Hnye Chan Thar Nay Pyi Taw Hotel Co., Ltd (Chairman)</li> <li>• Chan Thar Gems Co., Ltd (Chairman)</li> <li>• Chan Thar City Investment and Development Co., Ltd (Chairman)</li> </ul>
Non-Executive Director	Daw Khin Hnin Lwin	<p>Daw Khin Hnin Lwin holds a directorship in the following companies:</p> <ul style="list-style-type: none"> <li>• Tah Moe Hnye Group Investment &amp; Development Co., Ltd (Non-Executive Director)</li> <li>• Tah Moe Hnye Chan Thar Wood Based Industry Co., Ltd (Non-Executive Director)</li> <li>• Tah Moe Hnye Chan Thar Mining Co., Ltd (Non-Executive Director)</li> </ul>
Managing Director	U Thiha Lwin	<p>U Thiha Lwin holds a directorship in the following companies:</p> <ul style="list-style-type: none"> <li>• Tah Moe Hnye Group Investment &amp; Development Co., Ltd (Deputy Managing Director)</li> <li>• Tah Moe Hnye Chan Thar Wood Based Industry Co., Ltd (Director)</li> <li>• Tah Moe Hnye Chan Thar Mining Co., Ltd (Director)</li> </ul>

		<ul style="list-style-type: none"> <li>Tah Moe Hnye Chan Thar Nay Pyi Taw Hotel Co., Ltd (Director)</li> <li>Chan Thar Gems Co., Ltd (Director)</li> <li>Tea Art Co., Ltd (Managing Director)</li> <li>Myanmar GT Broadband Service Co., Ltd (Director)</li> </ul>
Non-Executive Director	U Kyaw Swar Lwin	<p>U Kyaw Swar Lwin holds a directorship in the following companies:</p> <ul style="list-style-type: none"> <li>Tah Moe Hnye Group Investment &amp; Development Co., Ltd</li> <li>Tah Moe Hnye Chan Thar Wood Based Industry Co., Ltd (Director)</li> <li>Tah Moe Hnye Chan Thar Mining Co., Ltd (Managing Director)</li> <li>Tah Moe Hnye Chan Thar Nay Pyi Taw Hotel Co., Ltd (Director)</li> <li>Chan Thar Gems Co., Ltd (Director)</li> </ul>
Non-Executive Director	Daw Ohnmar Lwin	<p>Daw Ohnmar Lwin holds a directorship in the following companies:</p> <ul style="list-style-type: none"> <li>Tah Moe Hnye Group Investment &amp; Development Co., Ltd (Director)</li> <li>Tah Moe Hnye Chan Thar Wood Based Industry Co., Ltd (Director)</li> <li>Chan Thar Gems Co., Ltd (Director)</li> <li>Tea Art Co., Ltd (Director)</li> </ul>
Executive Director	Daw Thu Zar	<p>Daw Thu Zar holds a directorship in the following companies:</p> <ul style="list-style-type: none"> <li>Mandalay Mass Co., Ltd (Director)</li> </ul>

3. Information of Members of Specialized Committees ( Fiscal Year 2023-2024)

**Audit, Compliance and Corporate Governance Committee (ACCG Committee)**

Position	Name
Chairman	U Thein Zaw (Independent Director)
Member	Daw Tin May Oo (Independent Director)
Member	Daw Khin Hnin Lwin(Non-Executive Director)

**Nomination Committee**

Position	Name
Chairman	Daw Tin May Oo(Independent Director)
Member	U Thein Zaw (Independent Director)
Member	Dr. Nang Lai Yi Soe (Executive Director)

**Remuneration Committee**

Position	Name
Chairman	U Aung Than (Independent Director)
Member	U Kyaw Swar Lwin (Non-executive Director)
Member	Daw Ohnmar Lwin (Non-executive Director)

**4. Information of Meetings of the Board and Specialized Committees**

(1) The number of meetings of the Board and specialized committees in Fiscal Year (2022-2023)

Meetings of the Board	12 times
Audit, Compliance and Corporate Governance Committee	6 times
Nomination Committee	1 times
Remuneration Committee	1 time

(2) Attendance at meetings of the Board and specialized committees in FY 2022-2023:

Position	Name	Attendance ("—" means the director doesn't belong to the committee)			
		Meeting of the Board	ACCG Committee	Remuneration Committee	Nomination Committee
Chairman	U Myint Lwin	12/12times, 100%	—	—	—
Non-Executive Director	Daw Khin Hnin Lwin	12/12times, 100%	—	—	—
Managing Director	U Thiha Lwin	12/12times,	6/6times,	—	—

		100%	100%		
Non-Executive Director	U Kyaw Swar Lwin	12/12times, 100%	—	1/1times, 100%	1/1times, 100%
Executive Director	Dr. Nang Lai Yi Soe	12/12times, 100%	—	—	
Executive Director	Daw Thu Zar	12/12times, 100%	—	—	—
Non-Executive Director	Daw Ohnmar Lwin	12/12times, 100%	—	1/1times, 100%	1/1times, 100%
Independent Director	U Thein Zaw	12/12times, 100%	6/6times, 100%	—	
Independent Director	U Aung Than	12/12times, 100%	6/6times, 100%	1/1times, 100%	1/1times, 100%
Independent Director	Daw Tin May Oo	-	-	-	-

## 5. Process of Selections, Appointments and Re-appointments of the Directors

The General Meeting of the shareholders elects the members of the Board of Directors according to the company's constitution and Myanmar Company's law.

A nomination or recommendation to the General Meeting of shareholders for a candidate for the Board of Directors shall state:

- a. the candidate's age,
- b. his/her profession,
- c. the amount and nature of his/her ownership in the Company,
- d. any convictions for any crimes involving dishonesty, fraud or breach of trust,
- e. the positions he/she holds or has held in the past five years (including memberships on any supervisory bodies or management team) and
- f. any other information relevant to an assessment of his/her suitability as a member of the Board of Directors.

The recommendation or nomination for appointment or reappointment shall state the reasons for the nomination or recommendation. Any nomination or recommendation by the Board of Directors for appointment or reappointment of a Board member must be in accordance with criteria mentioned above.

Reappointment – Before recommending a member of the Board of Directors for reappointment, the Board of Directors must carefully consider his past performance on the Board of Directors.

Vacancies – Should a vacant Board seat materialize between General Meetings, the Board may elect a Board member to fill the vacancy until the next General Meeting. Their election should be based on the same process as described above.

**6. Remuneration of the Directors**

**(1) Remuneration policies and procedure for setting remuneration**

The remuneration committee is responsible for reviewing all matters relating to remuneration, including the principles, parameters and governance framework of the Company’s remuneration policy (as applicable to all employees), and the remuneration of executive Board members and other senior executives.

**Senior management remuneration and evaluation of the CEO and members of the senior management**

The remuneration package shall be based on various components, including fixed salary plus defined performance incentive bonuses. The executive remuneration policy shall be approved by the Board each year and disclosed to the shareholders and in the annual report. The Board shall evaluate the performance of the CEO or the lead executive and determine compensation in light of the goals and objectives of the remuneration policy. The CEO and the Board together shall assess the performance of the other executive officers and determine their compensation based on initial recommendations from the CEO or the lead executive.

The Board should define the remuneration scheme based on the following key underlying principles: that the level of remuneration ensures alignment of executives’ incentives with the long-term interests of the Company and its shareholders; and (ii) that the remuneration of executives is of sufficient order so as to attract, motivate, and retain the managerial talent it needs.

**(2) Outline of Remuneration**

Remuneration of Directors for fiscal year (2022-2023)

Total Amount	
Base / Fixed Salary	Ks.53,760,000
Variable or Performance-related Income	N/A
Benefits in Kind	N/A
Stock Options	N/A
Number of Directors	3



### III. Implementation of Measures for Shareholders

#### 1. Status of Efforts to facilitate the exercise of Voting Right by Shareholders

The notice of shareholders meetings shall be sent to the shareholders 21 days before the meetings and announcement shall be made on the company website and disclosed it on Yangon Stock Exchange website at the same times before 21 days to facilitate the exercise of voting rights. TMH prepares the shareholders meeting notices in both English and Myanmar versions.

The meeting notices are sent in advance 21 day before holding the meeting and it is announced on both company's website and YSX website. Moreover, the invitation letter will be sent to each of the shareholders by post mail according to the registered address.

#### 2. Status of IR Activities

The company established a department, which is the department of securities affairs to handle all the company's IR activities. It discloses all the material information and investment related information publicly and timely for the purpose of investor review. Further, the company's website is updated timely.

### IV. Status of Internal Control System

#### 1. Basic Policy on Internal Control System

To comply with laws, regulations and compliance and ethics, the company has framed with corporate governance framework, code of conducts, that's cover both employee and Board members. Further, internal auditor is reported timely as needed to Audit, Compliance and Corporate Governance Committee. The company is appointed the compliance officer for the purpose of covering all the BOD members and employees to comply with laws, rules and regulations.

#### 2. Status of Constructing Internal Control System

##### Audit & control environment

Risk management and internal control – The Company places great importance on maintaining a sound risk management and internal control framework. The Board of the Company, via the Audit, Compliance and Corporate Governance Committee, is tasked with ensuring that appropriate risk management and internal systems are established and working effectively.

Among other things, the Board

- i. Approves risk management procedures and ensures compliance with such procedures;
- ii. Analyses, evaluates, and improves the effectiveness of the internal risk management and internal control procedures on a regular basis;

- iii. Develops adequate incentives for executive bodies, departments and employees to apply internal control systems; and
- iv. Ensures that the Company complies with legislation and with provisions of its articles of association. To this end, the Company shall have a Risk Management function that is responsible for ensuring the risk management of the Company is working effectively.

**Internal Auditor** – The Company shall likewise have an internal audit function that is staffed by qualified person(s) with appropriate levels of authority in the organization, and is given necessary training and resources to carry out its duties effectively. The internal audit function shall report to the audit committee functionally and to the CEO administratively. The Board shall ensure the internal audit function is independent from management to ensure objective analysis and reporting.

**External Auditor** – The Company shall engage a publicly recognized, independent auditing firm fully independent from the Company, the Company's management and major shareholders. The external auditor shall be appointed by the AGM and submitted for the necessary approvals from relevant regulatory agencies. The remuneration of the auditor shall be disclosed to shareholders. The external auditor should rotate its lead engagement partner at least once every five (5) years to help ensure objectivity, and the Company shall replace its external auditors, or the audit partner-in-charge, at least once every five years or such other period as may be prescribed by the regulations.

**Company Secretary** – The Company Secretary assists the Board of Directors.

**General access** – All Board of Directors members may go to the Company Secretary for advice or to use his/her services on matters related to this Charter.

**Responsibilities** – The Company Secretary shall monitor and assist the Board in following the correct procedures and shall ensure that the Board of Directors complies with its obligations under the law, the Company's Constitution and this Charter. The Company Secretary shall assist the Chairperson of the Board of Directors in organizing the Board of Directors' activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs). The Company Secretary is the secretary of the Board of Directors.

## V. Related Party Transaction

### 1. Related Party transaction Policy

A Board of Directors member does not take part in any discussion or decision-making regarding any subject or transaction in which he has a conflict of interest with the Company.

All transactions in which there are conflicts of interest with Board of Directors members are agreed on terms that are customary for arm's-length transactions in the Company's business. Decisions to enter into transactions in which there are conflicts of interest with Board of Directors members require the approval of the Board of Directors. The approval of the Board of Directors is required for:

- a. the allocation of duties of the Management team to individual members of the Management team
- b. all material transactions between the Company and natural or legal persons who hold at least 20% ownership in the Company
- c. a resolution on the operational and financial aims of the Company, the strategy designed to achieve the aims, and any parameters to be used in relation to the strategy
- d. all material transactions in which there are conflicts of interest
- e. the appointment and removal of the Company Secretary
- f. the compensation policy for senior Management team in general.
- g. the annual capital investment budget, all acquisitions and disposals of business activities whose sales exceed 10% of Total Assets of the Company in the year prior to the acquisitions or disposal
- h. All financial statements
- i. all other acts that require the approval by law, the Company's Constitution, the Board Policy.

### **2. Outline of Related Party Transactions**

There are no related party transactions in the fiscal year 2022-2023.