

## 6. Corporate Governance Policy

As a listed company in the Securities Exchange of Thailand, the Board of Directors of Stars Microelectronics (Thailand) Public Company Limited is determined to continuously develop good corporate governance and best practices in the hope that the organization is well-accepted in this regard, thereby creating confidence in shareholders and stakeholders as well as creating added value for the total benefit of shareholders.

The Company have describe the overall policy and guidelines under the Corporate Governance Code (CG Code) 2017 for listed companies and the business code of conduct specified in writing by the Company, to disclosure to the shareholder and stakeholders , employee & executive.

In year 2024, the Company have follow the policy and Code of Conduct by strictly and continuously.

This year 2024, have evaluated the action. The Company must develop level of CG by continuously.

## 6.1 Overview of the Policy and Guidelines

### 6.1.1 Policy and guidelines related to the Board of Directors

For support Policy and guidelines related to the Board of Directors under the Corporate Governance Code (CG Code). The Company have policy and Guidelines as follows,

#### Guidelines for Management compensation

The Nomination & Remuneration Committee considers the remuneration of directors and Chief Executive Officer, submitting the proposal to the Board of Directors for approval. Remuneration for the Board of Directors requires approval of the shareholders at a shareholders' meeting. The company's guidelines regarding management compensation are lay down as follows:

#### 1. Guidelines for Director

The company determines appropriate remuneration to attract and retain directors with suitable knowledge and capabilities for the company. Principal factors in the consideration include:

- the company's performance,
- responsibilities assigned to directors, and
- average remuneration rate of businesses in the same industry.

Directors' remuneration consists of an annual retainer fee and meeting attendance fee.

#### 2. Guidelines for high level executives

The Executive Committee will consider remuneration of high level executives including those in Chief positions, senior directors and directors of various departments to maintain pay at an appropriate level in order to attract and retain executives

with suitable knowledge and capabilities for the company. Principal factors in the consideration include:

- the company's performance
- the Key Performance Indicators - KPI when considering an increase in remuneration or annual salary raise
- average remuneration rate in the industry

In addition, the company may also seek consultation from experts in Human Resources Management at the company's expense.

#### Qualifications of Board of Directors

1. Possess the qualifications required by law (Public Company Act and Securities and Stock Exchange Act)
2. Be knowledgeable, capable, and experienced in matters beneficial to business operations, and be forthright and possess ethics in business operations
3. Have reliable discretion independent from management and any other interest groups
4. Be able to devote adequate time to the company and pay attention to fulfilling responsibilities

#### Qualifications of the Executive Committee

1. Have vision, initiative and integrity
2. Be knowledgeable, capable, and experienced in matters beneficial to the business operations, and be forthright and possess ethics in business operations
3. Able to devote adequate time to the company and pay attention to fulfilling responsibilities

#### Qualifications of Audit Committee

1. The Audit Committee comprises at least three independent directors.

2. The Audit Committee is appointed by the Board or the shareholders
3. The Audit Committee members must not be persons assigned by the Board to make decisions regarding the company, its parent company, subsidiaries, associate companies, affiliates or corporate bodies that might have conflicts.
4. The Audit Committee members must have adequate knowledge and experience to fulfill duties as Audit Committee members; it is noted that there must be at least one Audit Committee member who is knowledgeable and experienced enough to review the reliability of the financial statements.

#### Qualifications of Nomination & Remuneration Committee

1. The Nomination & Remuneration Committee must consist mainly of independent directors.
2. The Nomination & Remuneration Committee members must be knowledgeable, capable, and experienced as well as understand the qualities, duties, and responsibilities as a committee member considering remuneration.
3. The Nomination & Remuneration Committee members must be able to devote adequate time to fulfill the Nomination & Remuneration Committee's duties.

#### Qualifications of Independent Directors

Independent Directors carry out duties assigned by the Board of Directors independently from major shareholders and the company's management and meet all the qualification requirements stipulated by the Office of the Securities and Exchange Commission (SEC). Independent directors shall form at least one-third of the total number of the directors but must be no less than three. Each director must have the following qualifications:

1. Must not hold shares in excess of 1% of the total voting shares of the Company, its parent company, subsidiaries, associate companies or corporate bodies that may have conflicts of interest. This also covers shareholding of persons associated with independent directors.
2. Must not be a board member, employee, staff, consultant earning regular salary or person with controlling interest, or a person with the authority to make decisions within the company, its subsidiaries, associate companies or corporate bodies that may have conflicts of interest, unless having been relieved of such conditions for no less than two years prior to the appointment.
3. Must not be a person who is related through kinship or legitimate registration as a father, mother, spouse, sibling, child or spouse of a child of a management executive or major shareholder, a person with controlling interest or person to be nominated as an executive or person with controlling interest of the Company or its subsidiaries.
4. Must not have a business relationship with a company, parent company, subsidiaries, associate companies or corporate bodies with possible conflicts that might impair independent judgment. Independent directors must not be major shareholders or persons with controlling interests under those with a business relationship with the company, its parent company, subsidiaries, associate companies or corporate bodies with possible conflicts unless having been relieved of such conditions for no less than two years prior to the appointment. Business relationship in the above paragraph includes any trading transactions in the ordinary course of business, granting and taking a lease of real property, any transaction relating to assets or services, the grant or acceptance of financial assistance worth from three percent of the net tangible assets or from 20 million baht over above, whichever is lower. Debts incurred during the year before the business relationship with the same person are also counted.
5. Must not be auditor of a company, its parent company, subsidiaries, associate companies or corporate bodies with

possible conflicts and must not be a major shareholder with the authority to control nor a partner of an audit firm that audits a company, its subsidiaries, associate companies or corporate bodies that might have conflicts unless having been relieved of such conditions for no less than two years prior to the appointment.

6. Must not be a person who provides any professional services, including legal counseling or financial consulting services, receives annual service fees over two million baht from the company, subsidiaries, associate companies or corporate bodies with possible conflicts and must not be a major shareholder with the authority to make decisions or a partner of an entity providing such professional services unless having been relieved of such conditions for no less than two years prior to the appointment.
7. Must not be a board member who is appointed to be a representative board member of the company, major shareholder, or shareholder who is associated with a major shareholder.
8. Must not have any other attributes that may prevent him/her from freely expressing opinions about the Company's operations.

### Company's Secretary

Appointed by the Board of Directors on 7 August 2009, the company's secretary has the major duties of organizing the Board of Directors' meetings and shareholders' meetings, ensuring that they run smoothly and according to the law. The secretary also prepares meeting reports, collects them and keeps the records for easy retrieval, prepares and sends letters of invitation to the meetings along with annual reports to shareholders and supervisory agencies as well as disseminates the information via the company's website. The secretary ensures that the company, its subsidiaries, directors and executives operate in accordance with the rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC). The secretary coordinates with said agencies, reporting information regarding

the company's directors and executives to the SET and SEC. In addition, the secretary provides recommendations and consultancy to new directors regarding assuming their positions. The secretary takes care of shareholders relations, acting as the liaison between shareholders and the Board of Directors and executives. The secretary also promotes knowledge and understanding regarding corporate governance providing related information and encouraging Board adherence. Additionally, the secretary ensures that there be a performance review conducted according to stated principles, and provides information and suggestions to directors and executives in preparing various reports as required by law and regulations for public disclosure to ensure transparency. This is information such as acknowledgement of duties regarding securities holding reports and supervision of the company's operations so that they comply with the rules and regulations of the company, the Stock Exchange of Thailand and related compliance units.

### Internal Auditor

The Internal Auditor of the Company reports direct to The Audit Committee. They have Independence to comment and perform in accordance with Internal Audit standard by audit, evaluate risk, assess adequacy of Internal Control for the efficiency of audit and achieve the audit plan objective.

### 6.1.2 Policy and guidelines related to shareholders and stakeholders

In 2024, the company followed corporate good governance practices related to shareholders and stakeholders as follows:

#### 1. Rights of Shareholders and Shareholders Meeting

The company has a policy of encouraging all shareholders to attend the company's annual shareholder meeting. The Company has carried out various matters to promote and

facilitate the exercise of rights of all groups of shareholders. Including institutional investors in shareholder meetings as follows:

- Set the date, time and place of the shareholder meeting. Taking into account the convenience of shareholders Mass transit system accessible ready to arrange personnel to advise on registration procedures, vote counting and results, and voting technology. So that the meeting can be carried out quickly accurate, transparent, and verifiable
- Deliver Invitation Letter and meeting documents, which specifies the objectives, reason, and opinions of the committee in every agenda. To give shareholders and opportunity to study the information completely before the shareholder meeting date according to the period specified by law. Both Thai and English versions are available on the company's website
- The Company has set meeting times so that shareholders have equal opportunities and rights to inspect the Company's operations, ask questions, and express opinions and suggestions fully. The Company has a channel for shareholders to send questions they would like answered at the meeting in advance via email to the Company's investor relations. or by the company's fax.

In 2024, the Board of Directors has considered It was resolved to hold the 2024 Annual General Meeting of Shareholders in a physical Meeting as follows:

<p><b>The Company's 2024 Annual General Meeting was held on Thursday, 25 April 2024 at 14.00 p.m.</b> (within four months from the company's fiscal year end). Record date shareholders were determined and the list of shareholders was settled on according to Section 225 of the Securities and Exchange Act, B.E. 2535.</p>	<p>The Company designated Thailand Securities Depository Co., Ltd., its registrar, to send an invitation letter both in Thai and English for the shareholders' meeting, along with the annual report in CD-ROM format to shareholders 14 days in advance of the meeting date. The meeting date was also publicized in newspapers for three consecutive days, no less than three days before the meeting date.</p> <p>This was to ensure that shareholders had enough time to consider the meeting information. The invitation letter specified in detail the meeting agenda and whether each item on the agenda was for acknowledgment, approval, or consideration. It also contained directors' opinions for each item and the adequate and complete meeting documents required.</p>
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Shareholders were also requested to provide necessary documents or evidence to identify themselves in order to exercise their right to attend the meeting.

Shareholders were entitled to attend the shareholders' meeting and to vote by proxy by attaching a letter of authorization form (as stipulated by the Department of Business and Trade Development, the Ministry of Commerce). The company allowed the meeting registration no less than one hour before the meeting's scheduled time using a barcode system. Ballots for each agenda item were printed for shareholders. Those arriving at the meeting after it had started could also vote on agenda items for which a resolution had not yet been passed.

In the 2024 shareholders' annual general meeting, 7 out of 7 of the company's directors attended the meeting (Accounted for 100%). Also present were the company's executives and those involved in particular agenda items such as the company's senior director of finance and accounting, auditors, financial advisors, and independent legal advisors. They provided opinions and answered shareholders' questions at the meeting. Representatives of Thailand Securities Depository Co., Ltd. examined the shareholders' registration and counted the votes with the company's independent legal advisors. The meeting was run according to the agendas without adding any agendas.

The company provided details regarding quorum, the number of meeting participants both in person and by proxy, voting procedures and the vote-counting methods as follows:

- (1) Shareholders are entitled to one vote per share held. Each shareholder thus has as many votes as the number of the shares held or represented by proxy.
- (2) Shareholders having a conflict of interest regarding a particular agenda item are not entitled to cast a vote on that item.
- (3) The person conducting the meeting shall ask in regard to every agenda item if there is any person who wants to vote against the item or abstain from voting. If so, the person is advised to express his wish in the vote ballot. Other than that, it is considered that the agenda item gets a vote of approval. The company then deducts the number of votes against and the abstained votes from the total number of votes of the meeting attendees to get the final voting results for that particular agenda item.
- (4) In accordance with the Securities Exchange of Thailand's corporate good governance policy, in considering the agenda item regarding the selection of directors to replace those who have completed their term, and company has proposed that shareholders vote individually, This is to allow shareholders have right to select to be true. Shareholders are required to vote in the ballot no matter whether they wish to vote for, against or abstain.

The company takes minutes detailing completely and accurately the meeting agenda, meeting content, voting results for each agenda item, shareholders meeting's resolutions, issues raised, opinions, and directors and executives' clarifications. The report of the shareholders' meeting are completed within seven days of the shareholders' meeting and kept properly for shareholders' review and investigation.

In addition to the rights to vote at the meeting of shareholders, The shareholders still are entitled fundamental rights more, including a share of the earnings/Dividends are equally, the rights to be treated equally in the purchase of shares by the company etc, which are fundamental rights scheduled to law already.

## 2. Equitable Treatment of Shareholders

The Board of Directors places importance on shareholders' rights and equitable treatment of shareholders no matter whether they are small, large or foreign shareholders. This is reflected in the practices below.

- (1) The company always conducts the shareholders' meeting according to the agenda detailed in the invitation letter. No item shall be added without advance notice unless it is totally necessary. This is especially true in cases regarding important agenda items where shareholders need time to study the information before making decisions.
- (2) At least one independent director is nominated as a proxy alternative for shareholders. Shareholders are also informed of the interests each director has in a particular agenda item, for example, the appointment of directors to replace those who have completed their term.
- (3) Shareholders are encouraged to use a ballot for each agenda item. Separate ballots are provided for separate agenda items for shareholders to cast accordingly.
- (4) The chairperson of the meeting allocates time for shareholders to express their opinions. In the 2024 meeting, the company gave shareholders the opportunity to express their views and ask questions regarding the

company. Questions could be posed in advance via email to [ir@starsmicro.com](mailto:ir@starsmicro.com) or by fax no. 035-258-914. Details were also available at the Investor Relations, Tel. No. 035-258-555 ext. 301. However, in 2024, no shareholders made any contact to ask questions or express their views.

- (5) The Board of Directors ensures that the company abides by the law, rules and regulations, announcements, and orders of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC), including regarding those items pertaining to disclosure of information about connected transactions, and acquisition or disposition of the company's subsidiaries' major assets. The company shall also abide by the accounting standards set by the Federation of Accounting Professions.
- (6) The Board of Directors monitors related transactions. In cases where the company's or its subsidiaries' related transactions involve those who might have current or future interests or conflicts of interests outside normal business conditions, the company shall disclose such related transactions in the notes to financial statements reviewed by the company's auditors.
- (7) Regulations require that directors and executives disclose information regarding their personal interest in any transaction that might impact the company via the interests reporting form. The company's secretary shall receive the interest information disclosure form and then submit it to the Chairman of the Board and the Chairman of the Audit Committee. In 2024, the company had each of its directors and executives disclose their interests and it was found that there were no actions taken that violated the regulations regarding connected transactions.
- (8) The company sets policies for company directors and executives have a duty to report the buying and selling of shares/holding of the company's securities. When assuming the position and report changes in securities holdings to the company secretary at least 1 day in advance before making the transaction to report to the Company's Board of Directors for acknowledgment. and submit a

report to the SEC Office within 3 business days from the date the securities are bought, sold, transferred, or received transfer through electronic media channels as specified by the SEC Office for the Company's Secretary to report further to the Board of Directors meeting. and disclose information in the annual information statement.

## 3. Rights of Stakeholders

The company recognizes the rights of each group of stakeholders as described below.

**Shareholders :** The company has a policy to treats all shareholders equally and fairly and does not take any actions that may violate or reduce the rights of shareholders.

**Employees :** The company treats all employees equally and fairly with appropriate compensation.

**Trading partners and creditors :** The company has a policy to treats trading partners and creditors fairly according to trade conditions and/or joint agreements. If there is the case that is not in line with the agreed conditions, the company will inform the creditor in advance to resolve the situation together.

**Customers :** The company provides quality service and responds to customers' needs while also considering safety by setting the criteria to select the customers and consider the credit limit of the old and new customers who must have a good financial status and good payment record.

**Competitors :** The company has a policy to plays by the rules of competition and avoids dishonest means to gain advantage over competitors.

**Society and environment :** The company has a policy to always supports the useful activities and supports the quality of society and environment in general. In recognizing the stakeholders' rights, the company follows the related rules and regulations. The company set the policy of social responsibility to ensure that the company's business operations realize the social

and environmental factors needed for sustainable development.

The company will act in line with the related laws, rules and regulations to justly protect the right of the stakeholders. The Board of Directors have the channels for receiving complaints from all of the stakeholders which can cause problems with the Board of Directors.

**Contact the Board , Independent Director pass the Company's Secretary**

**e-mail:** yunyong-s@starsmicro.com  
**Fax:** 035-258-914

Or by closed letter to  
**Company's Secretary**

**Address:** Stars Microelectronics (Thailand) Company Limited.  
605-606 Bang Pa-In Industrial , Moo 2 , Tambol Klongjig,  
Amphur Bang Pa-In, Ayutthaya 13160.

As for 2024 performance, the company arranged investor and analyst.

- Analyst Meeting
- Press Conference

Moreover, it always arranged company visits for those interested the shareholders who participated in the meet. Also have the opportunity to exchange ideas with each other.

In 2024, the company followed the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC) regarding information disclosure completely and on time.

## 6.2 Business code of conduct

The company have disclosure Business code of conduct to the employee and Executive Director for known and strictly follow include the orientation new employee. For the company can success the vision, objectives, goals or strategy which leads to creation of values in the organization, by continue and sustainable.

Year 2024, shareholders, investors and interested persons can read the detail in Attachment 5 in 56-1 one report of the company.

## 6.3 Major changes and developments regarding policy, guidelines and corporate governance system in the preceding year

Implementation of the Principles of Good Corporate Governance for Listed Companies for the year 2024

### 6.3.1 Majors changes and developments related to the review on the policy, guidelines and Corporate Governance Policy

The company has reviewed the Corporate Governance Policy, based on the Principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand, and the Corporate Governance Code for Listed Companies 2017 of the Office of Securities and Exchange Commission. The company has adopted those principles for implementation and has proposed to the meeting of the Board of Directors No. 1/2025 on 20 February 2025 for acknowledgement. The Board of Directors has considered and reviewed the Corporate Governance Code by means that are suitable to the company's business. The company is in the process of reviewing and updating the principles of Good Corporate Governance to cover and keep up with rapid development of Good Corporate Governance and to raise the standard and practice.

### 6.3.2 Implementing the CG Code for listed companies in any matter,

In year 2024, the company have review the Authorities of Board of Director, Authorities of the Audit Committee, Authorities of Executive Committee , Charter of Nomination & Remuneration Committee, Charter of Risk Committee and find that suitable and accordant with CG Code. However, the company have plans to develop and revise CG Policy of the company , for sure that will excellent in the CG and change & develop to cover and keep up with rapid development of Good Corporate Governance and to raise the standard and practice of good corporate governance.

### 6.3.3 Other matters in accordance with the corporate governance principles in preparation for assessments Corporate Governance.

In year 2024, the company have disclosure the practice follow the Corporate Governance by get receive evaluation the AGM Meeting from Thai Investors Association and The Institute of Directors in the CGR 2024 and receive in "Very Good" CG scoring. The Company is the Listed Company so the company has continued to implement action plans that reinforce its compliance with the good corporate governance.