

8.4 PERFORMANCE REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee (CGC Committee) has performed in conformity to the corporate governance code to ensure that that Company's management is efficient, transparent and fair, with the Business Code of Conduct to “**create sustainable value to the business,**” and to ensure that it is accepted by all stakeholders. In year 2020, the CGC Committee had four meetings to consider different matters, which are outlined below:

(1) Improving the Good Corporate Governance Handbook to ensure it is in line with the **Corporate Governance Code (CG Code)** for listed companies, 2017 based on the Notification by the Securities and Exchange Commission (SEC) and improving best practices and the Business Code of Conduct, which were publicized on the Company's intranet and website.

(2) Monitoring and ensuring the compliance with the Good Corporate Governance Handbook and the Business Code of Conduct to develop into cooperate culture by incorporating good corporate governance and the Business Code of Conduct as part of employee training and disseminating them to employees.

(3) Reviewing the performance self-assessment of the Committee on a panel and individual basis at least once a year using the self-assessment form of the IOD and the Stock Exchange of Thailand as the guidelines for tailoring the Assessment Form to the Company's needs. The performance self-assessment is required for the Board of Directors and committees on a panel and individual basis, as well as the Chief Executive Officer. Its objectives are as follows:

(A) To be informed of problems and obstacles resulting in failure to achieve the operational objectives in the previous years.

(B) To optimize the scope of work of the Board of Directors as directors are clearly aware of their own roles and responsibilities.

(C) To help improve the relationship between the Board of Directors and the management.

(4) Completing the Self-assessment Form on a panel and individual basis at least once a year to be informed of problems and obstacles resulting in the failure to achieve operational objectives in the previous year as respective members are clearly aware of their own roles and responsibilities; and helping to provide efficient performance monitoring and evaluation against the targets approved by the Board of Directors.

(5) The results of performance self-assessment of the Board of Directors committees on a panel and individual basis for the year 2020 ranged between 91.2 and 99.5 percent. The CGC Committee provided useful suggestions for improving the performance of individual committee members, which was useful for the Company.

(6) **Awards of Pride** In year 2020: The Company received eight awards in the categories: Good corporate governance and Sustainability, which were awards of pride (see details on page 5 under topic “Awards of Pride”).

(7) Development training in year 2020: The Company sent out members of the CGC Committee to attend the course entitled “Financial Statements for Directors” (FSD 43/2020), which was held by the Thai Institute of Directors (IOD). This allowed them to understand the basic concepts and key principles of accounting, read and understand financial statements, as well as make better inquiries and provide better opinions in the view of the Committee about the accounting transactions shown in financial statements.

(8) Guidelines for the improvement of corporate governance in 2021:

(A) Monitoring, reviewing, and improving the Company's corporate governance code in line with the Good Corporate Governance Handbook.

(B) Disseminating good corporate governance within the organization to establish undersatnding directors, executives and employees at all levels and make it effective so that this becomes corporate culture.

In year 2020, the CGC Committee carried out corporate governance activities based on its work plan and will be committed to developing good corporate governance to allow the corporate to have efficient and transparent management, which will create confidence and acceptance by all stakeholders.

January 25, 2021

On behalf of the CGC Committee



Mr. Thanit Pulivekin

Chairman of the CGC Committee

8.5 PERFORMANCE REPORT OF THE PRODUCTION TECHNOLOGY AND INNOVATION COMMITTEE

The Production Technology and Innovation Committee (PTI Committee) has introduced technology and innovations into the manufacturing process to improve production efficiency, reduce production costs, and increase competitiveness so that it is accepted by all groups of stakeholders. In year 2020, the PTI Committee had a total of 12 meetings to consider different investment projects, which are outlined below:

(1) **Non-A Project:** This aimed to improve machines for producing non-asbestos tiles and support the abolition of the use of asbestos in roof tiles within five years in accordance with the Draft Resolution of the National Health Assembly to present to the Cabinet on July 14, 2020 by improving the NT6 Production Line to serve as the prototype for manufacturing and monitoring of the quality of Non-A tiles, which was completed in December 2020.

(2) **FC3-FC6 Energy Efficiency and Warehouse Project:** Its objective was to reduce energy consumption by replacing electric light bulbs with LED bulbs, which reduced power consumption by 194,832 kWh per year and reduce 113 tons of CO₂. This project was completed in October 2020.

(3) **Robotics and Automation Innovation Projects** – The projects included (1) NT11 Project, (2) Robot CL5 Project, (3) Robopack No.4 Project, (4) Robopack No.5 Project, (5) Packing Machine No.6 Project, (6) Solar Rooftop CT-KK Project, (7) Smart Factory Project (8) CL4 Improvement Project, (9) NT8 Automatic Wood Splitter Project, (10) Calander Station NT11 Project, and (11) Automatic Marking Machine for Jeranai Tile Project. (see details on page 45 under topic “Innovation and Technology Development”).

(4) **Study trips, research and relevant activities** – In year 2020, the PTI Committee carried out activities, as follows:

(A) Joining the competition “**Thailand Kaizen Award 2020**,” organized by the Thailand-Japan Technology Promotion Association (TJTPA). The PTI Committee presented “**The Project on the Optimization of Wooden Fence Picket Smoothing Machine.**” The competition was joined by 369 projects from 112 organizations were. The Company received a Bronze Award in the category “Genba Kaizen”.

(B) Studying the development of pigmented colors on Adamas concrete tiles to improve the color quality and fastness. This was completed for three colors in year 2020, and there is a plan for additional colors in year 2021.

(C) Studying the introduction of **Robotic Process Automation (RPA)** for time-consuming, repetitive tasks to reduce the wastage of work and to increase accuracy and speed. In the work system, RPA can be applied in accounting and finance, manufacturing and logistics, and customer service.

(D) Asking the Supply Chain Innovation Working Group to study rail transport through loading freight into the containers, pallet development, as well as the development of the packing process with time constraints in rail transport in the future.