



## 2. Good Corporate Governance Framework and Internal Control Processes of the Company, including details of the implementation of frameworks and Processes.

### 2.1 Good Corporate Governance Framework and Internal Control Processes of the Company.

The Board of Directors of Thaire Life Public Company Limited is aware of its role and responsibility as leader of the organization and remains steadfast in conducting business under the corporate governance principles. The Company itself encourages the creation of innovation that can add value for shareholders, employees, customers, business partners and all groups of stakeholders. This is for the stakeholders to rest assured that the Company has the ability to compete and adapt to changes, while taking account of code of ethics and long-term social and environmental impacts to ultimately create sustainable value for the organization.

The Board of Directors has established the corporate governance policy for the directors, executives and employees to adhere to in performing their duties, as follows:

1. The Board of Directors plays a crucial role in defining objectives which could lead to sustainable value creation including business, customer, stakeholders, and sustainable society by setting the Company strategy and policies to attain the objectives and goals as well as monitoring, evaluating, and reporting on performance.
2. The Board of Directors perform dedicated and responsibility, independent and clearly define the roles and responsibilities of chairman and chief executive officer and monitor management's proper performance of its duties.
3. The Board of Directors, executives and employees must perform duties with commitment, responsibility and integrity by upholding the corporate governance principles and the code of ethics and conduct along with company regulations in their work.
4. The Board of Directors must put in place a nomination process to ensure that qualifications of nominated directors ,executives and employees are sufficient to drive the organization forward towards goals, as well as set an effective compensation structure and performance evaluation and provide skill and knowledge development for every departments in the company on a regular basis.
5. The Board of Directors should ensure that the company has risk management and internal control system and monitor conflicts of interest that might occur between the company and stakeholders. The board should also prevent the inappropriate use of corporate assets, information and opportunities
6. The Board of Directors must ensure the integrity of the company's financial reporting process to be timely, accurate disclosure and trustworthy information regarding to regulatory requirements, accounting standard and the company procedure.
7. The Board of Director must encourage shareholders' participation, ensure equitable treatment of shareholders and shareholders' rights to access information with appropriate channels of communication with the Company by providing the investor relations services to facilitate proper, equal and timely communication with shareholders and other stakeholders.



8. The Board of Directors, executives and employees must adhere to the anti-corruption policy. The Company has communicated this policy within the organization and the outsiders to ensure it is translated into practice.
9. The Board of Directors must encourage create a corporate innovation culture that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in order to support sustainable growth of the company.

Compliance with THREL's corporate governance policy is a key indicator to measure the business management performance of the Board of Directors and executives and to evaluate the performance of all employees.

The Company encourages compliance with the corporate governance principles and code of business ethics and communicates with the directors, executives and employees to ensure that they would realize and acknowledge the significance of corporate governance and ethics and that all employees have studied, familiarized themselves with, and signed to acknowledge the corporate governance and ethics as a guideline for their operation. Moreover, the Company has to maintain corporate governance policies on its website and regularly monitors the compliance program in general. An assigned working party must report all updates and progresses to the Board of Directors. For instance, the Audit Committee has been entrusted with duties to monitor issues concerning a conflict of interest, internal control and audit, and compliance with laws and regulations prescribed by relevant authorities, and to regularly report the Board of Directors on a quarterly basis. The Company secretary is responsible for reporting on securities holding by directors and executives and informing the results thereof to the Board of Directors on a quarterly basis; and so on.

#### Internal Control Processes of the Company

The Company has internal control and good corporate governance under enterprise risk management policies. Moreover, the company set risks appetite for total risks and top risks. Also, the risk appetite are applied appropriately for business's strategies, abilities to control risk and effectiveness to manage capital fund of company. Board of Directors define risk appetite of the company and top management specify top risks based on risk appetite in order to generate operating sections and enterprise risk management. The company also cover financial section and core business process which are product development, product pricing, Premium Collection, underwriting, claim handing and management, reinsurance, Investment in other businesses, valuation of assets and liabilities and payment process.

The company has strongly corporate governance to set check and balance system and to ensure assurance of internal control and enterprise risk management effectively and efficiently. Additionally, the company acculturates adequacy internal control and enterprise risk management to create awareness of all employees suitably.

The structure of governing the Company's risk management is based on the concept of Three Lines of Defense, of which the first line of defense is to deal with daily operation of each unit and is under the



supervision of Risk Management Sub-committee, comprising the executives of each unit. The second line of defense covers the sufficiency, efficiency and effectiveness of risk management, which is under the supervision of Risk Management Committee and is supported by Enterprise Risk Management Division. The third line of defense involves the building of confidence in effective risk management via audit mechanism and is supervised by Audit Committee, with the support of Internal Audit Division.

#### Reporting Monitoring and Evaluation

The Company usually monitors and evaluates internal control processes in order to maintain standard of internal control on each department of the company. Internal auditors set up the annual audit plan which get approval by audit committee then follow-up report quarterly. Audit committee report directly board of director.

Furthermore, the company responses and take action to the findings reported by external auditors, internal auditors, audit committee and OIC. Within 1 year after finding, internal audit is responsible to review and follow up the progresses and evaluate residual risks (if any) to ensure efficiency of internal control processes regularly.

In case of the audit committee have found frauds and corruptions that significantly affected to company's finance and performance, the audit committee have to report to board of director and solve them in appropriate time.

#### Major Changes and Developments in Corporate Governance Policy, Practices and Systems in 2021

In 2023, the Company has developed important operations regarding corporate governance both as policies and practices with summary as follows:

The newly revised Assessment Criteria of Corporate Governance Report (CGR) in 2023 has been reviewed to ensure that the development and preparation for the corporate governance of the Company are appropriate and in accordance with the modified guidelines for corporate governance, such as the review of the Board Charter on the policy about diversity in the Board Structure, terms and duties in the meetings of independent directors, etc.

Reviewed and approved policies related to the good corporate governance of the company for the year 2023, including human rights policy, conflict of interest policy, Insider information management policy, Supplier Code of Conduct and Corporate Governance Handbook which has been improved to be suitable for business operations and comply with the company's practices.

The Board Performance Assessment in 2022 has been discussed from the observations to actions, the problems, and obstacles, which arose during the practices of the Board of Directors, in order to enable them to perform their duties more completely. Additionally, the review of the suitability of the current committee structures has found that the structures are still suitable and sufficient for the business goals. At the same time, the Secretary of the Company has prepared and selected courses for individual Training



Needs based on necessity for critical development in order to be the tools to develop knowledge, skills, and experiences that are helpful in the corporate governance.

Consideration and approval of the criteria for proposing an agenda for the shareholders' meetings by the shareholders of the Company according to the Notification of the SEC in order to allow minority shareholders to be able to propose agenda items and nominate candidates for the election of directors ahead of the Annual General Meeting of Shareholders, whereby the aforementioned criteria have been announced to shareholders through the channels of SET and the website of the Company.

In addition, human resources development is important to drive the organization according to the strategies of the Company. In 2023, the Board of Directors assigned the Nomination and Remuneration Committee to implement Human Resources Management System (HRMS), which covers Succession Plan of the senior management and critical positions of the Company, and the development of Organization chart under scope of work and responsibilities of the senior management. In this regard, the Nomination and Remuneration Committee held meetings to discuss and follow up on the progress of the issues regularly every quarter.

The Board of Directors has adhered to the announcement on good corporate governance of life insurance companies, issued by the Office of the Insurance Commission, and the Corporate Governance Code B.E.2560 (2017), or CG Code, issued by the Securities and Exchange Commission, in order to apply in the context of the Company and has reviewed the Company's policies relating to good corporate governance in accordance with such principles at least once a year. However, there are still some parts that the Company has performs differently from aforementioned the good corporate governance principles.

In 2023, the Company received awards related to the compliance with its principle of good corporate governance and sustainability as follows:

- Thaire Life has been assessed as a Thailand Sustainability Investment or SET ESG Ratings, 1 out of 193 companies, continuously for the third year, reflecting the company's excellent corporate governance, taking into consideration shareholders and stakeholders and strive to create sustainability for both business, society, and the environment from the Stock Exchange of Thailand.
- Thaire Life also received an "Excellent" rating for its 2023 assessment in Thailand's Corporate Governance Report (CGR) by the Thai Institute of Directors Association (IOD), marking its 8th consecutive year for this recognition since 2016.
- Thaire Life obtained the quality assessment of the 2023 Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association. Association of listed companies and the Office of the Securities and Exchange Commission for the year 2023 with 97-100 points, which is in the level of "Excellent" continuing its achievement record since 2017.



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In addition, the Company encourages compliance with good corporate governance and business ethics, communicates with all directors, executives and employees to recognize and acknowledge the importance of good corporate governance and business ethics by having all employees study, understand and sign acknowledgement in order to adhere to operational practices. It also publishes good corporate governance policies on the Company's website and follows up on the overall compliance with the corporate governance policy by assigning relevant parties to take action and report to the Board. For example, it has appointed the Audit Committee to oversee conflicts of interest, internal control and audit, compliance with the laws and regulations of the relevant authorities, and report the results to the Board on a quarterly basis; it has designated the Company Secretary to oversee the reports of securities holdings of directors and management and report the results to the Board on a quarterly basis, etc.