

The Board of Directors and the Audit Committee placed importance and supported independence of the auditor with aims to be able to prevent and reduce business’s risks for the Company’s growth on sustainable basis.

**9.1.3 The Company’s Head of Internal Audit**

During the meeting of the Audit Committee No. 4/2021 on November 9, 2021, Mr. Suthep Siriwatcharawong has been appointed as the head of Internal Audit Unit of the Company because he possessed adequate and suitable knowledge, capability and working experiences to perform such duty. Mr. Suthep Siriwatcharawong has attended various courses relevant to internal audit operations, such as audit risk analysis, transfer pricing; taxes and duties both accounting systems and standards; in-depth knowledge on tax burden and business contract, etc. and during 2022, the Head of internal Audit has performed the following duties.

- Proposed 2022 audit plan to the Audit Committee for consideration and approval.
- Supervised operations of the internal auditor and reviewed on compliance with the standards.
- Provided guidance and recommendation on compliance with regulations, orders and internal control to the department being audited.
- Inspected and controled of the Company’s expenses disbursement, safekeeping of assets, storing document and Information to categories, supervised the performance of audit unit to compliance with the specified plans and determination of the employees’ duties and operations clearly.

In addition, the consideration on appointment, dismissal and transfer of the Head of internal Audit Unit shall always require to have an approval from the Audit Committee. Please see more details on qualifications of the head of internal auditors under topic “Curriculum Vitae of Head of Internal Audit” in attachment 3.

**9.2 Connected Transactions**

**9.2.1 Related transactions which might have conflicts of interest in Year 2022**

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
1. Vilailuck International Holdings Co., Ltd. (VIH) The major shareholder of Samart Corporation PCL (SC) with 14.78% stake owner.  <u>Related Directors</u> (Connected person) 1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck 4. Mr. Thananan Vilailuck	SC rented office space at Software Park Building via 30-year lease agreement for 11,926 sq. meters from VIH : The building owner. - Rental, Services charge for public utilities and land and building tax.  <b>Remark</b> : The rate of service fee will be increased 5% annually in accordance with the service conditions in the Services Agreement	44.171	Such rental and service charge complied with the Rental and Services Agreement dated May 1, 1999 (The lease agreement was approved by the Company’s shareholders in the meeting no. 1/1997 on August 24, 1997). The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.
	- Rental, Service charge for public utilities and land and building tax (11 <sup>th</sup> - 12 <sup>th</sup> floor, area 1,614 sq. Meters) for SC	12.144	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Rental, Service charge for public utilities and land and building tax (1 <sup>st</sup> floor, area 229.58 sq. Meters) for SC	1.727	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.
	- Rental, Service charge for public utilities and land and building tax (mezzanine floor, area 340 sq. Meters) for SC	2.558	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.
	- Rental, Service charge for public utilities and land and building tax (mezzanine floor, area 19.45 sq. Meters) for SC	0.024	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.
	- Rental, Service charge for public utilities and land and building tax (HOF, area 127.98 sq. meters) for SC	0.963	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.
	- Rental, Service charge for public utilities and land and building tax (16 <sup>th</sup> floor, area 1,366.86 sq.meters) for SC	10.284	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.
	- Rental, Service charge for public utilities and land and building tax (32 <sup>nd</sup> floor, area 39.55 sq.meters) for SC	0.073	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.
	- Miscellaneous expenses paid for entertain, parking lots, electricity, water supply and overtime air condition to VIH by SC. (Total outstanding as of December 31, 2022 was Baht 46,352)	0.487	It was the actual payment for normal business transaction.
	- Revenue for telephone preventive maintenance (Total outstanding as of December 31, 2022 was Baht 2,835)	0.004	It was the actual revenue for normal business, which was the same rate charged to other customers.
	Rental, service charge for public utilities and actual miscellaneous payments i.e. parking lots, electricity, water supply for subsidiaries of SC paid to VIH during January 1, 2022 - December 31, 2022 were as follows:		
	- Samart Engineering Co., Ltd. (Subsidiary of SC)	0.007	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.
	- Vision and Security System Co., Ltd. (Subsidiary of SC)	0.023	And it was the actual payment for normal business transaction.
	- Teda Co., Ltd. (Subsidiary of SC)	0.037	

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> <li>- Samart U-Trans Co., Ltd. (Subsidiary of SC)</li> <li>- Samart Telcoms PCL. (STC) (SC is a major shareholder)</li> <li>- Samart Communication Services Co., Ltd. (Subsidiary of STC)</li> <li>- Posnet Co., Ltd. (Subsidiary of STC)</li> <li>- Portalnet Co., Ltd. (Subsidiary of STC)</li> <li>- Thai Trade Net Co., Ltd. (Subsidiary of STC)</li> <li>- Samart Infonet Co., Ltd. (Subsidiary of STC)</li> <li>- Samart Comtech Co., Ltd. (Subsidiary of STC)</li> <li>- Smarterware Co., Ltd. (Subsidiary of STC)</li> <li>- Secureinfo Co., Ltd. (Subsidiary of STC)</li> <li>- Samart ed-Tech Co., Ltd. (Subsidiary of STC)</li> <li>- Samart Digital PCL. (SDC) (SC is a Major shareholder)</li> <li>- Samart Digital Media Co., Ltd. (Subsidiary of SDC)</li> <li>- I-Sport Co., Ltd. (Subsidiary of SDC)</li> <li>- Lucky Heng Heng Co., Ltd. (Subsidiary of SDC)</li> </ul> <p>(Total outstanding as of December 31, 2022 was Baht 3,750,328)</p>	<ul style="list-style-type: none"> <li>0.001</li> <li>5.640</li> <li>5.335</li> <li>0.047</li> <li>0.010</li> <li>0.097</li> <li>0.046</li> <li>11.740</li> <li>0.898</li> <li>10.064</li> <li>0.012</li> <li>0.006</li> <li>0.001</li> <li>2.627</li> <li>0.003</li> </ul>	
	Lucky Heng Heng Co., Ltd. provided horoscope services to VIH	0.020	It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.
2. Vilailuck Development Co., Ltd. (VLX) whose major shareholder of 42.38% is VIH and VIH is the major shareholder of SC.	Samart Corporation PCL. (SC) advance payment for miscellaneous expenses i.e. telephone and medical to VLX (Total outstanding as of December 31, 2022 was Baht 1,759)	-	Advance payment was the actual expenses for normal business transaction.
<p><u>Related Directors</u> (Connected person)</p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Thananan Vilailuck</p>	Smarterware Co., Ltd. (Subsidiary of STC) provided system development service to VLX (Total outstanding as of December 31, 2022 was Baht 100,537)	-	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	Paid for house cleaning services of Phuphatara by SC and its subsidiaries to VLX were as follows : - Samart Corporation PCL. (SC) - Samart Comtech Co., Ltd. (Subsidiary of STC) - Samart Digital PCL. (SDC) (SC is a Major shareholder)	0.157 0.157 0.056	It was a normal business transaction for service according to the market price and general trade conditions.
3. Phuphatara Co., Ltd. whose indirect shareholder of 42.38% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC.  Related Directors (Connected person) 1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck 4. Mr. Thananan Vilailuck	Paid for accommodation with meal for entertain customers by SC and its subsidiaries to Phuphatara Co., Ltd. were as follows : - Samart Corporation PCL. (SC) - Vision and Security System Co., Ltd. (Subsidiary of SC) - Samart Communication Services Co., Ltd. (Subsidiary of STC)  Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH satellite dish to Phuphatara Co., Ltd.	0.330 0.013 0.008 0.001	It was a normal business transaction for service according to the market price and general trade conditions.  It was a normal business transaction for purchase of goods according to the market price and general trade conditions.
4. Vilailuck Property Co., Ltd. (VPP) whose major shareholder of 12.50% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC.  Related Directors (Connected person) 1. Mrs. Siripen Vilailuck	Rental (Rangsit), service charge for public utilities, VPP paid to SE (Total outstanding as of December 31, 2022 was Baht 780,533)  Samart Corporation PCL. (SC) advance payment for miscellaneous expenses i.e. telephone, copy and training to VPP (Total outstanding as of December 31,2022 was Baht 383,876)	0.190  -	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters. And it was the actual payment for normal business transaction.  Advance payment was the actual expenses for normal business transaction.
5. Le Votel Khaoyai Co., Ltd. whose indirect shareholder of 21.02% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC.  Related Directors (Connected person) 1. Mr. Watchai Vilailuck	Samart Infonet Co., Ltd. (Subsidiary of STC) provided internet services to Le Votel Khaoyai Co., Ltd. (Total outstanding as of December 31,2022 was Baht 48,198)	0.540	It was a normal business transaction for service according to the market price and general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
<p>6. CSV Asset Co., Ltd. (CSV) whose major shareholder of 99.97% is VIH and VIH is the major shareholder of SC.</p> <p><u>Related Directors</u> (Connected person)</p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck</p>	<p>Samart Corporation PCL. (SC) paid for space rental, service charge for public utilities and actual miscellaneous payments i.e. electricity, water supply to CSV (Total outstanding as of December 31, 2022 was Baht 11,946)</p> <p>Rental space, services charge for public utilities and actual miscellaneous payments i.e. electricity and water supply by subsidiaries of SC paid to CSV during January 1, 2022 - December 31, 2022 were as follows :</p> <ul style="list-style-type: none"> <li>- Teda Co., Ltd. (Subsidiary of SC)</li> <li>- Samart Communication Services Co., Ltd. (Subsidiary of STC)</li> <li>- Posnet Co., Ltd. (Subsidiary of STC)</li> <li>- Samart Digital PCL. (SDC) (SC is a Major shareholder)</li> </ul> <p>(Total outstanding as of December 31, 2022 was Baht 189,805)</p>	<p>3.465</p> <p>0.027</p> <p>2.064</p> <p>0.686</p> <p>2.514</p>	<p>The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters. And it was the actual payment for normal business transaction.</p> <p>The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters. And it was the actual payment for normal business transaction.</p>
<p>7. I.Q Wine Co., Ltd. has Executive Director of SC is a related person.</p> <p><u>Related Directors</u> (Connected person)</p> <p>1. Mr. Thananan Vilailuck</p>	<p>SC and its subsidiaries paid for beverage (wine) to I.Q. Wine Co., Ltd. during January 1,2022 - December 31,2022. Actual payments were as follows :</p> <ul style="list-style-type: none"> <li>- Samart Corporation PCL. (SC)</li> <li>- Vision and Security System Co., Ltd. (Subsidiary of SC)</li> <li>- Samart Telcoms PCL. (STC) (SC is a major shareholder)</li> <li>- Samart Comtech Co., Ltd. (Subsidiary of STC)</li> <li>- Samart Communication Services Co., Ltd. (Subsidiary of STC)</li> <li>- Samart Digital PCL. (SDC) (SC is a major shareholder)</li> </ul> <p>(Total outstanding of the Company and its subsidiaries as of December 31,2022 was Baht 354,046)</p> <p>Samart Engineering Co., Ltd. (Subsidiary of SC) rental of storage space (area 530 sq. meters) service charge for public utilities and actual miscellaneous expenses i.e. electricity to I.Q. Wine Co., Ltd. (Total outstanding as of December 31,2022 was Baht 106,106)</p> <p>Samart Infonet Co., Ltd. (Subsidiary of STC) provided internet service to I.Q. Wine Co., Ltd. (Total outstanding as of December 31, 2022 was Baht 23,005)</p>	<p>1.117</p> <p>0.337</p> <p>0.182</p> <p>0.165</p> <p>0.645</p> <p>0.092</p> <p>1.271</p> <p>0.258</p>	<p>It was a normal business transaction for purchase of goods according to the market price and general trade conditions.</p> <p>The rental was reasonable compared to market price in nearby area and the same price compared with other renters.</p> <p>It was a normal business transaction for service according to the market price and general trade conditions.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
8. Win Performance Co., Ltd. has Executive Director of SC is a related person.	Samart Digital PCL. (SDC) (SC is a major shareholder) Sold Asset to Win Performance Co., Ltd.	0.300	It was a normal business transaction for sale of asset according to the market price and general trade conditions.
<u>Related Directors</u> (Connected person) 1. Mr. Watchai Vilailuck	Samart Digital PCL. (SDC) (SC is a major shareholder) provided all the network peripheral maintenance services to Win Performance Co., Ltd.	0.065	It was a normal business transaction for service according to the market price and general trade conditions.
	Samart Digital Media Co., Ltd. (Subsidiary of SDC) provided for bulk SMS to Win Performance Co., Ltd.	3.852	It was a normal business transaction for service according to the market price and general trade conditions.
9. S39 Fish Market Co., Ltd. has Executive Director of SC is a related person.	SC and its subsidiaries paid for food and beverages for entertain customers to S39 Fish Market Co., Ltd. during January 1, 2022 - December 31, 2022 were as follows:		
<u>Related Person</u> (Connected person) 1. Mr. Watchai Vilailuck	- Samart Corporation PCL. (SC) - Vision and Security System Co., Ltd. (Subsidiary of SC)	0.613 0.117	It was a normal business transaction for service according to the market price and general trade conditions.
	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	0.065	
	- Portalnet Co., Ltd. (Subsidiary of STC)	0.025	
10. Lim Fun Co.,Ltd. whose major shareholder of 99.99% is VIH and VIH is the major shareholder of SC.	SC and its subsidiaries paid for food and beverages for entertain customers to Limfun Co., Ltd. during January 1,2022 - December 31, 2022 were as follows:		
<u>Related Directors</u> (connected person) 1. Mr.Watchai Vilailuck	- Samart Corporation PCL. (SC) - Vision and Security System Co., Ltd. (Subsidiary of SC)	0.192 0.006	It was a normal business transaction for service according to the market price and general trade conditions.
	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	0.170	
	- Samart Comtech Co., Ltd. (Subsidiary of STC)	0.055	
	- Samart Communication Services Co., Ltd. (Subsidiary of STC)	0.014	
	- Portalnet Co., Ltd. (Subsidiary of STC)	0.021	
	- Samart Digital PCL. (SDC) (SC is a major shareholder) (Total outstanding as of December 31,2022 was Baht 149,919)	0.010	
	SC provided for telephone preventive maintenance to Lim Fun Co.,Ltd. (Total outstanding as of December 31,2022 was Baht 121)	0.001	

## 9.2.2 Summary of guidelines for considering on the related transactions which might have conflicts of interest.

### 9.2.2.1 Necessity and Rationale of transactions

The Audit Committee had the opinion that the inter-company transactions above were reasonable and necessary for the Company's operations. The conditions were set according to the general trade conditions.

### 9.2.2.2 Measures and Steps of Approval for Connected Transactions

The connected transactions were verified by the Audit Committee to protect and avoid conflict of interest then proposed for consideration and approval in the Board of Directors' and shareholders' meetings respectively depended on conditions and values of transactions according to the SET's regulation. Meanwhile, the directors, management and the stakeholders who had conflict of interest would not participate in the such connected transactions. The approval on the connected transaction would be complied with the regulations and notifications of the Stock Exchange of Thailand (SET).

Principles on entering into the normal business transactions with general trading conditions and without general trading conditions are as follows :

- **Normal business transaction with general trading conditions**

Related transaction which is normal business transaction with general trading conditions is required to have an approval in principle from the Board of Directors. The management can approve such transaction if it has the same trading conditions as those an ordinary person would agree with any unrelated counterparty under the same circumstances on the basis of bargaining power which is without any dependent interest resulted from the status of the director, executive or related person.

Additionally, the Company shall summarize such transactions and report at the meeting of the Audit Committee and the meeting of the Board of Directors on quarterly basis.

- **Normal business transaction without general trading conditions**

Normal business transaction without general trading conditions is required to be considered and have an opinion form the Audit Committee before it can be proposed to the Board of Directors and/or the shareholders' meeting for further consideration. In addition, it must be complied with the laws on securities and stock exchange as well as regulations, notifications, orders and requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand including the regulations on disclosure of information concerning the connected transactions.

In the case where the Audit Committee does not have expertise in considering any of the related transaction to be incurred, the Company shall appoint the independent expert or the Company's auditor to express opinion on it. Such opinion shall be taken into account by the Audit Committee and/or the Board of the Directors and/or the shareholders, as the case may be, when making decision. The reasons are to ensure that such transaction is necessary and reasonable by taking into consideration the best interest of the Company. Moreover, the Company shall disclose the related transactions in an annual information disclosure form and in notes to the financial statement which has been audited/ reviewed by the Company's auditor.

## 9.3 Policy and Trend in Future Connected Transactions

The Company may have any connected transaction as appropriate based on normal business conditions and can be referred the same transaction made with outside parties with the necessity and the maximized benefit to the Company. However, the Company will strictly comply with SET's regulations and notifications. In case of any conflict of interest transaction occurred in the future, opinion from the Audit Committee on its necessity and appropriateness will be required and disclosed in the Company's audited noted of financial statement.