

STC-CS-2566-19

March 21, 2023

Subject : Notice Convening the 2023 Annual General Meeting of Shareholders
To : Shareholders of Samart Telcoms Public Company Limited
Enclosure : 1. Copy of Minutes of the 2022 Annual General Meeting of Shareholders;
2. Details of the proposed directors and Audit Committee's member in replacement of those retired by rotation;
3. Qualifications of Independent Director;
4. Details of 2022 actual remuneration of Board of Directors and Committees;
5. Profile of the proposed auditors for 2023;
6. Company's Articles of Association relating to the Shareholders Meeting;
7. Proxy Form;
8. Details of the independent directors who may be appointed as proxy in the 2023 Annual General Meeting of Shareholders;
9. Process of Registration, Documents required for attending the meeting, Proxy and Voting;
10. Request form Annual Registration Statement / Annual Report 2022 (Form 56-1 One Report);
11. Venue map.

Notice is hereby given that the Board of Directors of Samart Telcoms Pcl. has resolved to convene the 2023 Annual General Meeting of Shareholders **at 01.00 p.m. on Thursday 20th April 2023, at Meeting Room, 16th Floor, Software Park Building, No. 99/20 Moo 4, Chaengwattana Rd., Klong Gluar, Pak-Kred, Nonthaburi 11120.** The agenda are as follows:

1. To consider and approve the Minutes of the 2022 Annual General Meeting of Shareholders.

Rationale

The Minutes of the 2022 Annual General Meeting of Shareholders which held on April 22, 2022 was submitted to the Stock Exchange of Thailand and Ministry of Commerce as well as posted on the Company's website (www.samtel.com) within 14 days after the meeting date and the copy is attached together with this notice of meeting (Enclosure 1). However, such minutes will be reposted together with any related documents to the 2023 Annual General Meeting of Shareholders on the Company's website from March 20, 2023 onward.

The Board's Opinion

The Minutes is correct and the shareholders should consider for approval.

Voting

The resolution of this agenda requires the majority of the total number of votes of the shareholders who attend the meeting and cast their votes.

2. To acknowledge the Company's operating results and Annual Report for the year 2022.

Rationale

The Company disclosed significant matters and operating result for 2022 in the Annual Registration Statement / Annual Report 2022 (Form 56-1 One Report) and posted on the Company's website at www.samtel.com since March 21, 2023 onwards. The Annual Registration Statement / Annual Report 2022 (Form 56-1 One Report) is also available online by scanning the following QR Code:



The Board's Opinion The Shareholders should acknowledge the Company's operating results and Annual Report for the year 2022.

Voting This agenda is for acknowledgement, therefore there is no vote casting.

3. To consider and approve the Company's financial statements for the year ended December 31, 2022.

Rationale According to Section 112 the Public Limited Companies Act, B.E. 2535 and Clause 43 in the Company's Articles of Association, the Company must prepare a balance sheet and a profit and loss account at the end of each fiscal year, which have been audited by an external auditor, and submit these to the shareholders' meeting for approval.

The Company's financial statements for the year ended December 31, 2022, were in The Annual Registration Statement / Annual Report 2022 (Form 56-1 One Report) under the Financial Statements section. The financial statements were audited by EY Office Limited, the Company's auditor, and been audited by the Audit Committee of the Company. The financial statements were also approved by the Board of Directors of the Company on February 23, 2023 and been posted on the Company's website at the same date. Financial highlights of the consolidated statement of financial position and statement of income are as follows:

| Item | Amount |
|--------------------|--------------------|
| Total Assets | 7,471 Million Baht |
| Total Liabilities | 3,908 Million Baht |
| Total Revenues | 5,267 Million Baht |
| Net Profit | 261 Million Baht |
| Earnings per share | 0.42 Baht |

The Board's Opinion The Shareholders should approve the Company's finance statements for the year ended December 31, 2022, which have been audited by the auditor and reviewed by the Audit Committee.

Voting The resolution of this agenda requires the majority of the total number of votes of the shareholders who attend the meeting and cast their votes.

4. To consider and approve the appropriation of legal reserve and dividend payment for 2022.

Rationale According to Section 116 the Public Limited Companies Act, B.E. 2535 and Clause 46 in the Company's Articles of Association, the Company is required to set aside as a statutory reserve at least 5 percent of its net earnings for the year after deducting retained loss brought forward (if any) until the reserve reaches 10 percent of the registered capital.

On dividend payment, the Company has policy to pay dividend to the shareholders not less than 50% of its net profit after deduction of all reserves complied with the Company's Articles of Association and related laws. However, the dividend payment is subject to the Company's future investment plans and business expansion, including other necessity and suitability.

In addition, payment for dividend will derive from profits from disposal of investments or fixed assets of the Company or its subsidiaries. The management and the Board of Director will decide whether or not to pay dividend or amount to be paid by taking into account the Company's future investment plans and business expansion, including other necessity and suitability.

The subsidiaries' dividend payment policy will be the same as that of the Company.

In 2022, net profit of the Company were Baht 147.60 million or equivalent to Baht 0.24 per share. The Board of Directors has considered to pay dividend for the 2022 operation at Baht 0.21 per share or equivalent to 87.93% of separate company net profit which was higher than rate stipulated by the Company's dividend payment policy. The interim dividend at Baht 0.06 per share was paid to shareholders on September 9, 2022, thereby having a final dividend of Baht 0.15 per share. The dividend will be paid on May 12, 2023. No statutory reserve is required since the reserve has already reached 10% of the registered capital as required by related laws.



Details of dividend payment compared to the previous year are as follows:

| Details of dividend payment | 2022 | 2021 |
|---|-------------|-------------|
| 1. Net Profit (Million Baht) (Consolidated financial statements) | 260.56 | 61.38 |
| 2. Net Profit (Million Baht) (Separate financial statements) | 147.60 | 98.80 |
| 3. Number of shares | 618,000,000 | 618,000,000 |
| 4. Dividend payment for fiscal year (Baht/Share) | 0.21 | 0.05 |
| 5. Total Dividend amount (Million Baht) | 129.78 | 30.90 |
| 6. Dividend payout ratio (Consolidated financial statements) (%) | 49.81 | 50.34 |
| 7. Dividend payout ratio (Separate financial statements) (%) | 87.93 | 31.27 |

The Board's Opinion

The legal reserve of the Company has been provided up to 10% of the registered capital since in 2011, thus, no need to provide any additional reserve.

The shareholders should approve the dividend payment for fiscal year 2022 at Baht 0.21 per share. The balance dividend payment to be paid will be at Baht 0.15 per share. The Company has fixed the record date on March 14, 2023 (Record Date) for the eligible shareholders for dividend payment and the proposed payment date will be on May 12, 2023. However, the right to receive dividend payment is uncertain until it is approved by the 2023 Annual General Meeting of Shareholders.

Voting

The resolution of this agenda requires the majority of the total number of votes of the shareholders who attend the meeting and cast their votes.

5. To consider and approve the appointment of Company's directors to replace of those who will retire by rotation.

Rationale

According to Section 71 the Public Limited Companies Act, B.E. 2535 and Clause 17 in the Company's Articles of Association, one-third of all directors, or if their number is not a multiple of three, then the number nearest to one-third, must retire by rotation on the date of each annual meeting of shareholders. The three directors who will retire by rotation in 2023 are as follows:

1. General Sumpun Boonyanun Independent Director / Audit Committee Member
2. Mr. Vichai Pokasamrit Independent Director / Chairman of the Audit Committee
3. Miss Rapeepan Luangaramrut Independent Director / Audit Committee Member

The above directors are eligible to be re-elected for another term. The Nominating & Compensation Committee, without members having conflict of interests, had considered and elected the qualified persons thoroughly according to the Company's criteria for and selection methods of the directors nomination, pursuant to the applicable laws, the Company's Articles of Association, good corporate governance principle and qualification of candidates by considering qualifications, experience, knowledge, abilities beneficial to the Company and the necessary skills that are still lacking to achieve the Company's business strategy and operations. The Nomination & Compensation Committee agreed that such directors have qualification aforementioned, including knowledge, capabilities, experience, and good understanding in Company's business as well as satisfactory performance contributed to the Company during the time being the Company's directors.

In addition, such directors have Independent Directors and Audit Committee's member, who would retire this year, qualification as required by SEC and the Company's Independent Director and Audit Committee's member qualifications, and such directors could perform their duties and feel free to give opinions or report work performance as required by the Board of Directors of the Company, without any influence or control by management or major shareholders of the Company including any related person or relatives of such parties. Hence, the Nominating & Compensation Committee recommended the meeting to consider appointing General Sumpun Boonyanun, Mr. Vichai Pokasamrit, and Miss Rapeepan Luangaramrut to be the Company's Directors, Independent Directors and Audit Committee's member for another term (Details of the Directors are attached, Enclosure 2).



Moreover, All 3 directors are the Company's Independent Directors and Audit Committee's member, more than 3 terms (9 years) and in accordance with the Company's Corporate Governance Principles, In case such directors shall be except getting a unanimous approval from the Nominating & Compensation Committee which the Nominating & Compensation Committee, to consider appointing General Sumpun Boonyanun, Mr. Vichai Pokasamrit and Miss Rapeepan Luangaramrut, without member who have conflict of interests, to be Independent Directors and Audit Committee's member for another term. (Details of the qualifications of Independent Director are attached, Enclosure 3).

The Board's Opinion

The Board of Directors, without members who have conflict of interest in this agenda, has considered in compliance with criteria and procedures regarding director nomination and agreed with the Nominating & Compensation Committee has agreed that such 3 directors, the Company's Directors have qualifications which comply to Public Company Act B.E. 2535, regulations of the Stock Exchange of Thailand (SET), and Securities and Exchange Commission (SEC) with knowledge, ability and experience as well as good understanding in Company's business with a satisfaction of outcome throughout the term, agreed to propose to the shareholders for consideration and approval as follows:

- Re-appoint Mr. Vichai Pokasamrit to be the Independent Director and Chairman of the Audit Committee; and
- Re-appoint General Sumpun Boonyanun and Miss Rapeepan Luangaramrut to be the Independent Directors and Audit Committee's member.

Voting

The resolution of this agenda requires the majority of the total number of votes of the shareholders who attend the meeting and cast their votes.

6. To consider and approve the remuneration of the Board of Directors and the Committees' members for 2023.

Rationale

According to Clause 33 in the Company's Articles of Association, the Directors are entitled to earn remunerations in terms of salaries, rewards, meeting fees, bonuses, special bonuses and other benefits as stipulated in the regulations or considered by the Shareholders' Meeting. The remunerations may be in fixed amount or based on criteria set in each period with perpetual effectiveness until further notice. In addition, the Board of Directors can receive allowances and benefits in accordance with Company's regulations.

In addition, the Company's policy to have remuneration for directors to be comparable to general practice in the industry and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of other Committees will be paid appropriately more in accordance with their extra work (Roles and Responsibilities of the Board of Directors and Committees were shown in the section "7. Corporate Governance Structure and Significant Information about the Board of Directors, the Committees, the Management, Employees and Others" in the Annual Registration Statement / Annual Report 2022 (Form 56-1 One Report)).

The approved remuneration for the Board of Directors and Committees for last year was not exceed Baht 6.5 million of which comprised meeting allowance and annual performance bonus (Details of actual directors' and committees' remuneration for 2022 are as Enclosure 4).

With comparable to general practice in the industry, the Nominating & Compensation Committee proposed the Board of Directors to resume remuneration for the Board of directors and the Committees for 2023 of which comprised meeting allowance and annual performance bonus without other benefits to be the same as previous year at the amount of not exceed Baht 6.5 million. Details of meeting allowance are as follows:

| | Meeting allowance (Baht/Meeting) | |
|-------------------------------------|----------------------------------|---------------|
| | <u>Chairman</u> | <u>Member</u> |
| Board of Directors | 30,000 | 15,000 |
| Audit Committee | 30,000 | 15,000 |
| Corporate Governance Committee | 20,000 | 15,000 |
| Nominating & Compensation Committee | 20,000 | 15,000 |

There is no consideration of meeting allowance for the Executive Committee, the Risk Management Committee and the Sustainable Development Committee since all members are the Company's managements.

The Board's Opinion

The Board of Directors to be in line with the Nominating & Compensation Committee, agreed that the shareholders should approve the remuneration for the Board of Directors and the Committees' members for 2023 at the same amount as previous year of not exceeding Baht 6.5 million, consists of meeting allowance for each meeting participated of the Board of Directors and Committees at the same amount as previous year, and bonus without other benefits as proposed by the Nominating and Compensation Committee.

Voting

The resolution of this agenda requires not less than two-thirds (2/3) of the total number of votes of the shareholders who attend the meeting and casting votes.

7. To consider and approve the appointment of Company's auditor and fix their remuneration for 2023.

Rationale

According to Section 120 the Public Limited Companies Act, B.E. 2535, the appointment of the Company's external auditors and the audit fees must be approved at the annual general meeting of shareholders. In addition, a notification from the Capital Market Supervisory Board limits the appointment of an individual external auditor of a listed company to not more than seven fiscal years (regardless of consecutiveness). After seven years, the auditor must be rotated although he/she can be reappointed after a break of five consecutive fiscal years.

The Audit Committee has considered and proposed to the Board of Directors for the appointment of auditors from EY Office Limited to be the Company's Auditors for year 2023. EY Office Limited, as an international standard firm, has been the Company's audit firm since 2000. The audit team not only has an excellent performance but they also have no relation or conflict of interest in the Company, subsidiaries, management, major shareholders or related persons. They can audit and provide opinions on financial statement of the Company independently. Moreover, this Company is also accepted at national and international levels including has highly qualified standard and experienced audit team or auditing financial statement of the Company. (Details of the proposed auditors profile are attached, Enclosure 5). The Company's auditors for consideration will comprise of:

1. Miss Siriwan Suratepin CPA No. 4604, and/or
(Has been the Company's auditor with signatory to the Company's Financial Statements for 6 years in 2010-2011, 2014-2015, and 2021-2022)
2. Mrs. Sarinda Hirunprasurtwutti CPA No. 4799, and/or
(Has been the Company's auditor with signatory to the Company's Financial Statements for 5 years in 2016-2020.)
3. Mr. Piya Chairuckmalakarn CPA No. 7544
(Has never been the Company's auditor with signatory to the Company's Financial Statements.)

In the event those auditors are unable to perform their duties, EY Office Limited is authorized to assign another of its auditors to perform the audit and express an opinion on the Company's financial statements in their place.

In addition, the Audit Committee had considered the audit fee for the year 2023 proposed the Board of Directors and shareholders to fix the remuneration for the auditors of not exceed Baht 2940,000 per annum increase by Baht 140,000 from 2022 because amount of audit work increases due to business growth and remuneration for the auditor has not been increased since 2020. (excluding any miscellaneous expenses such as traveling and photo copy expenses etc.). For 2022, there was Non-Audit Fee for the Company's auditors, other persons or firm that related to the auditors and audit firm.



Comparison of the audit fee for the past year is as follow:

(Unit: Baht)

| Remuneration for the Auditors | Proposed for 2023 | Actual for 2022 |
|--|-------------------|------------------|
| The Company | | |
| - Audit Fee of the Company | 2,940,000 | 2,800,000 |
| - For the review of compliance conditions stipulated in the Universal Service Obligation (USO) | 40,000 | 40,000 |
| Subsidiaries | | |
| - Audit Fee for Subsidiaries * | 5,180,000 | 5,120,000 |
| - Other Service Fee ** | 100,000 | 100,000 |
| - For the review of compliance conditions stipulated in the Universal Service Obligation (USO) | 40,000 | 40,000 |
| Total | 8,300,000 | 8,100,000 |

* Audit Fee for 12 subsidiaries in 2022 and 2023.

** Professional fees for the review of compliance with conditions stipulated in the investment promotion certificate submitted to BOI.

The Board's Opinion

The Board of Directors to be in line with the Audit Committee has agreed that the shareholders should approve the appointment of the Company's auditor any one of the following auditors from EY Office Limited to be the Company's auditor for 2022. The auditors for consideration will comprise of:

1. Miss Siriwan Suratepin CPA No. 4604, and/or
2. Mrs. Sarinda Hirunprasurtwutti CPA No. 4799, and/or
3. Mr. Piya Chaipruckmalakam CPA No. 7544

In the event that those auditors are unable to perform their duties, EY Office Limited is authorized to assign another of its auditors to perform the audit and express an opinion on the Company's financial statements in their place, and fix their remuneration for 2023 of Baht 2,940,000 which is an increase by Baht 140,000 from 2022 (excluding any miscellaneous expenses such as traveling and photo copy expenses etc.). If there is a substantial increase in business activities of the Company in the year, then the audit fee may be reviewed.

Voting

The resolution of this agenda requires the majority of the total number of votes of the shareholders who attend the meeting and cast their votes.

8. Other Matters (If any).

All Shareholders are cordially invited to attend the 2023 Annual General Meeting of Shareholder at the date, time and venue as stated above. Registration will open at 12.00 p.m.

In case any shareholders wish to appoint a proxy to attend and vote at the meeting, please fill and sign in the Proxy Form in Enclosure 7. In addition, shareholders may appoint an Independent Director detailed in Enclosure 8. As proxy to attend and vote at the meeting. Please see procedures on appointment of a proxy in Enclosure 9.

The Company has fixed the record date on March 14, 2023 for the eligible shareholders for dividend payment and to attend the meeting. However, there was not any proposal from the shareholders to be added in the agenda of the upcoming AGM 2023.

By resolution of the Board of Directors,



(Mr. Jong Diloksombat)
President

Corporate Secretary Division
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