

Internal Control and Related Transactions

Pricing policy for related business

It is in compliance with normal trade condition which is the market price and the same price as dealt with other persons.

Description	Remuneration Policy
Acquisition of the trademark	Cost of trademark registration plus interest cost incurred by the buyer since the acquisition year.
Immovable property rental income / expense	Depending on the market price by consideration on the location, condition and benefits generated by the use of property.
Royalty income	At percentage of net factory sales compared to market price.
Royalty expense	At percentage of net company sales compared to market price.
Consultancy income / expense	Depending on complexity level of such service provided.
Inventory management fee	Number of item pick-up, registering record and number of boxes in transporting goods and goods return.
Transportation charge	Depending on the volume or number and distance of Goods transported, compared with other transportation companies' charge.
Interior design & installation expense	Depending on the design, area, size, construction materials and interior design technique, through bidding process.
Advertising expense	Depending on market price and the service charge must not be higher than the rate set by advertising business.
Display equipment	} Depending on market price.
Computer expense	
Packaging, purchase of computers and give-away items	
Training expense	According to the training course and proficiency of resource person.
Service fee of sales personnel provider at special sales events	At percentage of wage rate per day compared to market price and other contractors.

Related transactions in 2020

1. At the Board of Directors' Meeting # 6/2563 held on January 15, 2021 and Meeting # 2/2564 held on June 11, 2021, attended by 4 members of the Audit Committee, resolutions were passed as follows:

1.1 To allow the Company to provide an extension of one-year guarantee facilities starting from January 31, 2021 to January 31, 2022 for Toyobo Saha Safety Weave Co., Ltd. with regard to credit lines from Sumitomo Mitsui Banking Corporation, Mizuho Bank and the Bank of Ayudhya in proportion to investment in Toyobo Saha Safety Weave Co., Ltd. with ICC's share of the joint guarantee at 7.00% amounting to THB 12,600,000.-.

1.2 To allow the Company to provide an extension of two-year guarantee facilities starting from June 30, 2021 to June 30, 2023 for Toyobo Saha Safety Weave Co., Ltd. in the latter's credit lines extended by Sumitomo Mitsui Banking Corporation, Mizuho Bank and the Bank of Ayudhya, Toyobo Saha Safety Weave Co., Ltd. has gradually paid back 108 Million Baht for the long-term loan which leaves the long-term loan amounting THB 900 Million, with ICC's share of the joint guarantee at 7.00% amounting to THB 63,000,000.-.

To agenda 1.1 - 1.2, Director(s) with conflict of interest or being related parties who neither attended nor voted at the meeting :
- None -

2. At the Board of Directors' Meeting # 2/2564 held on June 11, 2021 and Meeting # 7/2564 held on October 8, 2021, attended by 4 members of the Audit Committee, resolutions were passed as follows:

2.1 To allow the Company to provide a joint guarantee for Transcosmos (Thailand) Co., Ltd. in the latter's credit lines from Transcosmos Inc. (Japan) in the amount of THB 80 million for a period of 3 years [This, in addition to existing credit lines from Transcosmos Inc. (Japan) in the amount of THB 151 million, for a total loan guarantee of THB 231 million.] in proportion to its investment in Transcosmos (Thailand) Co., Ltd. Resulting in ICC's share of the joint guarantee at 9.00% of the credit line of THB 80 million, amounting to THB 7,200,000.- (For a total joint loan guarantee of THB 20,790,000.- in proportion to its investment.)

2.2 To allow the Company to provide a joint guarantee for Transcosmos (Thailand) Co., Ltd. in the latter's credit lines from Transcosmos Inc. (Japan) in the amount of THB 80 million, for a period of 2 years [This, in addition to existing credit lines from Transcosmos Inc. (Japan) in the amount of THB 231 million, for a total loan guarantee of THB 311 million.] in proportion to its investment in Transcosmos (Thailand) Co., Ltd. Resulting in ICC's share of the joint guarantee at 9.00% of the credit line of THB 80 million, amounting to THB 7,200,000.- (For a total joint loan guarantee of THB 27,990,000.- in proportion to its investment.)

To agenda 2.1 - 2.2, Mr. Thamarat Chokwatana, director with conflict of interest or being related parties, neither attended nor voted at the meeting.

3. At the Board of Directors' Meeting # 1/2564 held on May 21, 2021 attended by 4 members of the Audit Committee, resolutions were passed to allow the Company to provide an extension of one-year guarantee facilities, starting from May 31, 2021 to May 31, 2022 for Tokyu Corporation (Japan) to the Bank of Ayudhya Plc. for the Credit Line of Saha Tokyu Corporation Co., Ltd. The credit limit provided by the bank totaled THB 100,000,000.- of which ICC's share of the joint guarantee at 12.00%, amounting to THB 12,000,000.-.

To this agenda, Director(s) with conflict of interest or being related parties who neither attended nor voted at the meeting : - None -

Purpose of transaction in items 1-3:

1. To provide business support to the JV company.
2. To comply with obligations of the joint venture agreement.

4. At the Board of Directors' Meeting # 5/2564 held on August 20, 2021 attended by 4 members of the Audit Committee, resolutions were passed to approve the Company's utilization of 16,863.10 sq.m. space of Tiger Suvarnabhumi Distribution Center from Sahapat Real Estate Co., Ltd. for product storage and centralization of ICC's distribution centers. The duration of the agreement is four months, from September 1, 2021 to December 31, 2021. Service rate for storage space and common charge, including excess space service fee, is THB 2,322,856.30 / month, or THB 9,291,425.20 in total.

- Criteria used to determine the value of consideration : Calculated from area size and use comparable to market rate.

Purpose of transaction :

1. To lessen the burden of area acquisition and warehouse administration.
2. To be able to effectively administrate the Company's distribution center within Supply Chain system with Saha Group's manufacturer and distributor companies.

To this agenda, Mr. Thamarat Chokwatana and Mrs. Chailada Tantivejakul, the directors with conflict of interest or being related parties, neither attended nor voted at the meeting.

5. At the Board of Directors' Meeting # 8/2563 held on March 12, 2021 which was attended by 4 members of the Audit Committee, resolutions were passed on the following matters:

- To allow the Company to lease immovable properties for no more than 3 years, as well as executing transactions relating to the assets and services of related parties. For details of the said parties and their relationship to the Company, please refer to Business-related Companies on pages of this Annual Registration Statement /Annual Report 2021 (Form 56-1 One Report).

Such leasing of property and transactions relating to the assets and services had a total value of less than THB 811 million (less than 3% of NTA as at December 31, 2020).

1. Rental income (immovable property), with one-year lease, the actual amount in 2021 =	18,912,378		Baht
2. Rental expense (immovable property), with one-year lease, the actual amount in 2021 =	-		Baht
3. Royalty income with three-year agreement period starting from 2019 to 2021, the actual amount in 2021 =	1,234,542		Baht
4. Royalty payment with five-year agreement period starting from 2018 to 2022, the actual amount in 2021 =	11,859,158		Baht
5. Actual expenses in 2021	Total =	27,892,325	Baht
- Interior design and fixtures			
- Business and legal consultancy fees			
- Construction and renovation of existing building			
- Training expenses			
- Service fee for sales personnel at events			

To this agenda, Mr. Boonkiet Chokwatana, Mr. Thamarat Chokwatana, Mr. Nophorn Bhongsvej, Mr. Manu Leelanuwatana, Mrs. Kobsuk Sangsawad, Ms. Munchusa Terapongpipat and Surat Wongrattanapassorn Ph.D., the directors with conflict of interest or being related parties, neither attended nor voted at the meeting.

Note : Related transactions, which occurred in the past 3 years are available on the company's website (<http://www.icc.co.th>).

Criteria for Approval of Related Transaction

1. All related transactions (loan, guarantee, investment, rental or leasing of immovable properties not exceeding 3 years and transactions involving assets or services) must be approved by all the following boards and committee:

1. The Audit Committee
2. The Executive Board
3. The Board of Directors

In every instance, the Audit Committee must audit, scrutinize and make a summary of any conflict of interest in each transaction for submission to the Executive Board and the Board of Directors for the judgment in terms of business risk. In the Board of Directors' Meeting, directors who stood to gain or lose were not entitled to vote, and thus had neither participated in the meeting, nor given any approval to the transaction.

2. The Board of Directors has approved in principle to allow the management to manage all normal business transactions or the transactions that should support normal business terms and conditions under a trade agreement generally made between normal counterparties having no undue bargaining power influenced by being in the capacity of director, executive or related persons.

Approval in principle shall be conducted annually and the report on related transactions arising during the year shall be presented to the Audit Committee and the Board of Directors to ensure such related transactions are of sound reason and in the best interest of the Company, together with disclosure of relevant details, types and value of related transactions in the remarks of financial statement on a quarterly basis.

Criteria for Approval

1. Potential benefits to the company and/or affiliated companies in terms of interest, dividend, trade activity and transaction, including ongoing trade.
2. Security that the company should hold or receive from the said transaction.
3. The borrower's strength, as well as the ability to pay back the capital and interest in due time.
4. Business prospective of the borrowing, guaranteeing and investing company.
5. The capability of the CEO of the borrowing, guaranteeing and investing company.
6. Criteria in monitoring and checking transaction as well as access to statistical reports in the borrowing, guaranteeing and investing company to perceive its status.

The necessity and rationale for entering into transactions with parties with possible conflict of interests

To sustain the company's operations under the prevailing severe competitive situation, the company needed to secure the support of business partners and business alliance network from upstream to downstream industries, further contributing to its competitiveness and business potentials, and leading to its further development and sustainable growth in the future.

While its business partners and business alliance members might be parties with possible conflict of interests, nevertheless, the Board of Directors might find it reasonable and necessary to enter into agreement or transaction with said parties, bearing in mind the best interests of the shareholders and the Company. In such case, the transaction price would be based on normal business terms, without harboring any intention to engage in unjust transfer of company asset or interest to such parties with possible conflict of interests.

Furthermore, the Company has the measure to control the related transaction and limit financial assistance for non-subsidiary companies by requiring that giving loan or guarantee shall be done according to the share-owning proportion in compliance with the joint venture agreement.

The Company is committed to further improving on its effective standard in assessing the value of related transactions, as well as monitoring, evaluating and reporting on the related transaction with more clarity, thoroughness, accuracy and speed.

Future Trend in Related Transactions

The Board of Directors duly recognized their responsibilities as the directors of a public company in carrying out their duties toward the shareholders, employees, and all stakeholders, in accordance with good corporate governance practices. The prospect of related transactions being undertaken as a normal feature in regular trade, based on the trading principle of price mechanisms in the market, is very likely, provided said transactions are fair and do not serve to transfer the interests relating to price mechanisms between the Company and business or other relevant persons, and disclosure of all relevant information is duly carried out in accordance with the Notification of the Capital Market Supervisory Board, regarding "rules on connected transactions".