

## Associated and Subsidiary company governance policy

### Thantawan Industry Public Company Limited

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Thantawan Industry Public Company Limited ("the Company") takes into account the returns of all stakeholders who will be invested with subsidiaries and associated companies in the future. In this policy, "Subsidiary Company" and "Associated Company" refer to subsidiaries or co-companies engaged in the core business as defined in Clause 24, whose combined size is as defined in Clause 23(2) of the Notification of the Board of Directors with the Capital Market No. 39/2016. Re: Permission and permission for the issuance of newly issued shares (as amended) together with Article 2(11) and Article 2(13) of the Securities and Exchange Commission Announcement No. 17/2008 Re: Definition of the Announcement on the Issuance and Offering of Securities (as amended).

The Company has focused on a key mechanism that leads to a good, transparent, auditable management system and can effectively determine the direction of management in which the Company invests or invests in the future, as if it were a division or entity in the company's organization. The Company has established a supervision section of its subsidiaries and associated companies as follows;

1. In the event that this policy requires any transaction or action which significantly or affects the financial position and performance of subsidiaries and associated companies, it shall be approved by the Board of Directors or the Annual General Meeting of Shareholders of the Company (depends on each cases), the Board of Directors shall be responsible for holding the Board of Directors' meetings and/or the Annual General Meeting of Shareholders of the Company for approval before the subsidiary and/or co-convened meeting of the Board of Directors. and/or its own AGM for approval prior to reporting or conducting such matter. In this regard, the Company discloses the information and complies with the conditions or procedures relating to the matters to be approved are as defined in public company law. Civil and Commercial Code Securities laws, other relevant laws as well as announcements, regulations and criteria of the Capital Regulatory Commission, the Securities and Exchange Commission and the Stock Exchange of Thailand are also fully and accurately (as far as they are not contradictory or controversial).
2. In the following cases, the subsidiary or associated company must be approved by the Board of Directors' meeting of the Company.
  - a) Appointment or nomination of director or executives in subsidiaries and/or associated companies at least in proportion to the Company's shareholding in subsidiaries and/or associated companies, with directors and executives nominated or appointed with discretion to consider voting at meetings of the Board of Directors of subsidiaries and/or associated companies in regards to general management and normal business operations of subsidiaries and/or associated companies as specified by the

Directors and executives of subsidiaries and/or associated company are deemed appropriate for the best interests of Subsidiaries and/or associated companies, unless subject to approval by the Board of Directors or the Annual General Meeting of Shareholders of the Company.

The nominated directors or executives shall have the qualifications, roles, duties and responsibilities, as well as the lack of trust characteristics as announced by the Securities and Exchange Commission on the untrustworthy preferences of directors. and the company's management.

- b) Approval of annual dividend payment and interim dividend (if any) of subsidiary company.
- c) Amendments to the Articles of Association of subsidiaries company, except amendments to the Articles of Association in significant matters in accordance with (3) (f).
- d) Approval of the annual budget of the subsidiary company.
- e) An Appointment of auditors of subsidiaries company, if the auditor is not affiliated with the audit office in the same company's auditor, it does not comply with the company's auditor's appointment guidelines, where the auditor of the subsidiary company must be affiliated with the audit office in the same the company's auditor.

Transactions from Clause (f) to Clause (n) are deemed to be important and, if the transaction is made, it will have a significant impact on the financial position and performance of subsidiary company. As a result, they must be approved by the Board of Directors. It must be the case that when calculating the size of the transactions that subsidiary company will make compared to the size of the Company (by applying the calculation criteria as defined in the Notification of the Capital Market Supervisory Board and the Board of Directors of the Stock Exchange of Thailand regarding the acquisition or disposition of assets and/or related transactions and/or amended notices that are currently in force (as the case may be) and shall be approved by the Board of Directors as follows;

- f) In the event, the subsidiary agrees to enter into transactions with the connected parties of the subsidiary or transactions relating to the acquisition or disposition of assets of the subsidiary.
- g) Transfer or waiver of benefits, including waiver of claims against those who cause damages to subsidiaries.
- h) The sale or transfer of the business of all or part of the subsidiary to another person.
- i) Acquisition or transfer of business of another company to a subsidiary company.
- j) Entering, amending, or termination of contracts regarding the leasing of all or part of a subsidiary's business by assigning other persons to manage the business of a subsidiary company or the merger of a subsidiary with another person.
- k) lease or lease of business or property of all subsidiaries or the essential parts of business.

- l) Giving, loans, guarantees or legally binding the subsidiary company to be liable for increased financial liability or other financial assistance to other persons and not the normal business of the subsidiary company.
  - m) Termination of the business of the subsidiary company.
  - n) Any other transaction that is not an ordinary business of the subsidiary company and is an item that will have a significant impact on the subsidiary company.
3. In the following cases, the subsidiary company must be approved by the Annual General Meeting of Shareholders of the Company.
- a) In the event, the subsidiary company agrees to enter into transactions with connected parties of the subsidiary or transactions relating to the acquisition or disposition of assets of the subsidiary. It must be the case that when calculating the size of the transactions that the subsidiary company will make compared to the size of the Company (by applying the criteria for calculating the transaction as defined in the relevant notices of the Capital Market Supervisory Board and the Stock Exchange of Thailand Board of Directors) and shall be approved by the Annual General Meeting of Shareholders of the Company.
  - b) Capital increase by issuance of newly issued shares of subsidiaries and allocation of shares, including decreasing registered capital which is not proportionate to shareholders' shareholdings, or any other actions that will result in a proportion of the voting rights of the Company, directly and/or indirectly. At the Annual General Meeting of Shareholders of any subsidiary, the Company shall be reduced to less than the proportion specified in the law which applies to the Company, resulting in the Company having no control over the subsidiary. Therefore, it must be the case that when calculating the size of the transactions that the subsidiary will make compared to the size of the Company, the criteria must be approved by the Annual General Meeting of Shareholders of the Company (by applying the criteria for calculating the size of the transaction as specified in the relevant notices of the Capital Market Supervisory Board and the Board of Directors of the Stock Exchange of Thailand).
  - c) Any other actions resulting in the proportion of voting rights of the Company directly and/or indirectly at the Annual General Meeting of Shareholders of the Subsidiary decreased by more than 10 percent of the total votes at the AGM of the subsidiary company, or as a result, the proportion of voting rights of the Company directly and/or indirectly at the AGM of the subsidiary company in any way decreased to less than fifty percent of the total votes at the AGM of the subsidiary in any other transaction that is not the normal business of the subsidiary.
  - d) In case of termination of the subsidiary' business, it must be the case that when calculating the size of the subsidiary business to be discontinued compared to the size of the Company (by applying the

- criteria for calculating the transaction as set out in the Notification of the Capital Market Supervisory Board and the Announcement of the Board of Directors regarding the acquisition or disposition of assets and/or the amended notices currently in force) and shall be approved by the Annual General Meeting of Shareholders of the Company.
- e) Any other transactions other than the normal business transactions of the subsidiary company and transactions that will have a significant impact on the subsidiary, it must be the case that when calculating the size of the transaction compared to the size of the Company (by applying the criteria for calculating the transaction as defined in the Notification of the Capital Market Supervisory Board and the Notification of the Board of Directors of the Stock Exchange of Thailand regarding the acquisition or disposition of assets and/or the amended notices currently in force) and shall be approved by the Annual General Meeting of Shareholders of the Company.
  - f) Amendments to the Articles of Association of subsidiary companies on matters that may significantly affect the financial position and performance of the subsidiary company, including but not limited to amendments to the Articles of Association of subsidiaries affecting the voting rights of the Company; At the Board of Directors' Meeting of the Subsidiary and/or the General Meeting of Shareholders of the Subsidiary or the Dividend Payment of the subsidiary company.
4. The Company will monitor directors and executives that are appointed by the Company in order to serve as a director and executive in subsidiaries and associated companies and comply with legal, Articles of Association and policies of the Company.
5. The Board of Directors shall provide the subsidiary and associated companies with internal control systems, risk management systems and anti-corruption systems as well as appropriate measures to monitor the performance of subsidiaries and associated companies, sufficient, efficiency and conciseness to ensure that the operations of subsidiaries and their subsidiaries are as planned. The Company's policies and regulations, including laws and announcements regarding good corporate governance of listed companies as well as announcements, regulations and relevant criteria of the Capital Market Supervisory Board, The Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) have truly followed up with subsidiaries and/or co-companies to disclose connected transaction information. The acquisition or disposition of significant assets and/or other significant items to the Company and to carry out any actions in accordance with the criteria for supervision and management of subsidiaries and associated companies as required can obtain information of subsidiaries to monitor their performance and financial position, related transactions, acquisition or disposition of significant assets and any other significant transactions of subsidiaries effectively.



6. The Company shall conduct the appointment of directors appointed by the Company to serve as directors in subsidiary companies, attend meetings and vote as specified by the Company at the Meeting of the Board of Directors of subsidiary company in order to consider a substantial agenda for the business operations of the subsidiary at all times.
7. Directors and executives of subsidiaries who are nominated or appointed by the Company has the duties as follow;
  - a) Disclosure of information about financial position and performance, the acquisition or disposition of significant assets of the subsidiary company to the Board of Directors and executives of the Company in full, accurate and within the appropriate deadline as specified by the Company.
  - b) Disclose and submit the stakeholders related to the Board of Directors to know the relationship and transaction with the subsidiary company or the Company in a manner that may cause conflicts of interest, and the Board of Directors of the subsidiary company is obliged to notify the Board of Directors within the deadline set by the Company for any consideration or approval which will take into account the overall benefits of the subsidiary company and the Company.

Therefore, directors and executives of subsidiary companies must not participate in the approval of their interests or conflicts of interest, either directly or indirectly.
  - c) The following actions, which result in damages to directors or executives of subsidiary companies or related parties of the Company, are presumed to be acts that significantly conflict with the interests of the subsidiary company.
    - Transactions between the Company and/or the Company with directors or executives of subsidiary company or related parties of directors or executives of subsidiary company, it does not comply with the related transaction criteria.
    - Using information of the Company or its subsidiary company unless it is published.
    - Use of assets or business opportunities of the Company and/or its subsidiary company in a manner that violates general rules or practices as announced by the Capital Market Supervisory Board.
  - d) Report on business plans, business expansion, large-scale investment projects as approved by the Company, business reduction, business termination, suspension of operations of the agency, and participation in investments with other entrepreneurs to the Company through monthly performance reports, and clarification and/or submission of supporting documents for consideration in the event of the Company's request.
  - e) To clarify and/or submit information or documents relating to the Company when it is requested as appropriate.



- f) To clarify and/or submit relevant information or documents to the Company in case of detecting any significant issues.
8. Director, executives or related parties of the Company and/or its subsidiary company shall conduct transactions with the Company and/or its subsidiaries only if such transaction is approved by the Board of Directors of the Company and/or the Board of Directors of the subsidiary company and/or the Annual General Meeting of Shareholders of the Company and/or the Annual General Meeting of Shareholders of the subsidiary company (as the case may be) according to the calculated transaction size (using the current criteria for calculating the size of the transaction as defined) unless the transaction has agreement that ordinary person shall be made to the general parties in the same situation and it is a trade agreement approved by the Board of Directors or in accordance with the principles approved by the Board of Directors.
  9. To control the finances of subsidiaries and associated companies, the Company has a policy for its subsidiaries and associated companies to implement the following policies;
    - a) Subsidiary companies and associated companies are responsible for submitting monthly operating results and financial statements reviewed by quarterly auditors (if any), as well as information on the preparation of such financial statements of subsidiaries and associated companies to the Company, and consenting to the Company's such information is used to prepare consolidated financial statements or report the Company's financial results for the quarter or annual basis, as the case may be.
    - b) Subsidiary and co-operating companies are responsible for budgeting their performance and comparing operating results according to the actual operating plan on a quarterly basis, as well as monitoring the performance according to the plan to report to the Company.
  10. The subsidiary company is responsible for reporting significant operational and financial problems to the Company. When a request is detected or requested by the Company, the relevant information or documents are submitted as appropriated.
  11. Directors and executives of the Company and/or its subsidiaries, employees or trustees of the Company and/or its subsidiaries are prohibited from acting in accordance with their duties or in any other way that has or may have significant implications for the Company and/or its subsidiaries for the benefit of themselves or others, directly or indirectly, and whether they receive returns or not.
  12. The Company will closely monitor the performance and operations of such subsidiaries and associated companies and present the results of the analysis as well as comments or recommendations to the Board of Directors and the Board of Directors of the subsidiary or associated company for consideration, policy



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determination or improvement to encourage the business of the subsidiary and its subsidiaries to develop and grow continuously.

This subsidiary and associated company policy will be effective from February 16, 2021 onwards

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