

## Connected Transaction Policy

The Company's Board of Directors has established a policy on connected transactions to conduct transactions correctly, and appropriately, comply with relevant laws and regulations, including (1) Securities and Exchange Act B.E. 2535 (and its amendments) (2) Notification of the Capital Market Supervisory Board TorJor. 21/2551, Rules for making connected transactions dated August 31, 2008, ("Connected Transaction Notifications") and (3) Notification of the Board of Governors of the Stock Exchange of Thailand. Re: Disclosure of information and operations of listed companies on connected transactions B.E. 2546 dated November 10, 2003, (including amendments or supersedes) ("Announcement of Stock Exchange of Thailand Bor.Jor/Por. 22-01") (collectively referred to as the "Related Party Transactions"). As well as laws, regulations, announcements or orders that are strictly related to setting a framework for the Company's connected transactions to be in accordance with general commercial terms in the same way that a reasonable person would do with a general contractual party in the same situation, use commercial bargaining power without influence in which the other party is in a position that may have conflicts and there is no transfer of benefits between companies and persons who may have conflicts.

### Objective

To be a tool or mechanism that enables the Company and its subsidiaries to have good corporate governance and ensure that all connected transactions are transparent. There is no conflict of interest and has been approved by the management, the Board of Directors or the shareholders' meeting.

### Definitions

- "Connected Transaction "** refers to a transaction between a listed company or a subsidiary and an individual associated with the listed company, or a transaction between a subsidiary and an individual associated with the subsidiary.<sup>1</sup>
- "Entering into a Transaction"** refers to engaging or agreeing to enter into a contract or make any agreement, whether directly or indirectly, to acquire or dispose of assets, leasing or renting assets, providing or receiving services, providing or receiving financial assistance, and issuing new securities, including the creation or waiver of rights in such actions.
- "Business Control Power"** refers to a relationship of any of the following types:
- (1) Holding shares with voting rights in a legal entity more than 50% of the total voting rights of that entity.
  - (2) Having the power to control the majority of votes at a shareholders' meeting of a legal entity, whether directly, indirectly, or for any other reason.
  - (3) Having the power to control the appointment or removal of at least half of the total directors, whether directly or indirectly.

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<sup>1</sup> According to the notification of the Securities and Exchange Commission, No. ThorJor. 21/2551, it has been determined that the said notification does not apply to transactions between a subsidiary and persons related to the subsidiary.

**“Related Persons”**

refers to the following individuals:

- (1) Directors of a legal entity that controls the business operations of a listed company.
- (2) A spouse, child, or legally adopted child who has not reached the legal age, of the director as per item (1).
- (3) A legal entity in which persons as per items (1) or (2) have control over the business operations.
- (4) Any person who acts with the understanding or agreement that if the listed company conducts a transaction that financially benefits such a person, the following individuals will also benefit financially from such a transaction:
  - (a) Directors and executives of the listed company.
  - (b) Persons who control the operations of the listed company.
  - (c) Directors of the entity that controls the listed company.
  - (d) A spouse, child, or legally adopted child who has not reached the legal age, of the persons as per items (a), (b), or (c).
- (5) Related persons according to the notification of the of the Stock Exchange of Thailand, BorJor./Por 22-01, which includes:
  - (a) Executives, major shareholders<sup>2</sup>, those with control power, or persons who will be proposed as executives or those with control power of the listed company or subsidiary, including those related or closely relative of such persons.
  - (b) Any legal entity having major shareholders or persons with control power as the following persons of the listed company:
    - 1) Executives
    - 2) Major shareholders
    - 3) Person with control power
    - 4) Persons who will be proposed as executives or those with control power
    - 5) Related person and person closely related to persons under items 1) to 4)
  - (c) Any persons who, by circumstances, indicate they are acting on behalf or under the influence of the persons according to (a) and (b) in decision-making, policy setting, management, or significant operation.

**“Subsidiary”**

refers to a company of any one of the following characteristics:

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<sup>2</sup> “Major Shareholder” means a person holding shares, either directly or indirectly, in any legal entity exceeding 10 percent of the total voting rights of that legal entity, including the number of shares held by persons related to them.

(a) A company that the securities issuer has the power to control its operation.

(b) A company that a company according to (a) has the power to control its operation.

(c) A company that is under the control of a company according to (b) and so on, starting from being under the control of the operation of a company according to (b).

The details of the Company's policy on connected transactions are as follows:

- (1) Making connected transactions, the Company must comply with the rules for entering into connected transactions including relevant laws and regulations. In the event that there is a connected transaction that is subject to approval from the Board of Directors and/or approval from the shareholders' meeting. The Board of Directors must consider responsibly, cautiously and honestly where stakeholders do not participate in decision-making.
- (2) Connected transactions must take into account the benefits of the Company as if making transactions with third parties. It is a transaction in which the Company takes into account the best interests of the Company and every shareholder.
- (3) There is a monitoring and inspection system that ensures that connected transactions are made in accordance with the correct procedures.

In the event that a normal business transaction or a normal business supporting transaction of the Company and/or its subsidiaries is a transaction that may continue in the future. The Company has the policy to set a framework for such transactions, which must have commercial agreements in the same way that a reasonable person would do with a general counterparty in the same situation with commercial bargaining power without the influence of their status as a Director, Executive or related person and does not cause a transfer of benefits and if the Board of Directors of the Company has the resolution to approve the above transaction framework, the Company's management will be able to carry out transactions that are in accordance with the specified framework immediately without having to bring such transactions to seek approval from the Board of Directors again. This is in accordance with the law on securities and exchange, regulations, announcements, orders, or requirements of the Capital Market Supervisory Board, The Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand

#### **Rules and Procedures for Conducting Connected Transactions**

If there is a connected transaction within the meaning of the rules for entering into connected transactions, the Company will comply with the rules for entering connected transactions, including all related regulations, and the management must closely monitor and supervise. In the case that a connected transaction must be approved by the Board of Directors, Directors who do not have conflicts of interest will make decisions regarding such connected transactions. In addition, before entering into the connected transaction, the Company always seeks advice from the Stock Exchange of Thailand or The Office of the Securities and Exchange Commission first.

The Company arranges for the disclosure of information on connected transactions in accordance with the rules prescribed by The Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in the annual information disclosure form and annual report or any other form of a report, depending on the case.

**Items that are commercial agreements with general commercial condition**

If it is a transaction with general commercial conditions, some prices and terms are commercial agreements in the same way that a reasonable person should act with the contracting parties in general in the same situation as approved in the principle of trade agreements with general trading conditions. In transactions between the Company and its subsidiaries and directors, executives or related persons, the management has the authority to proceed, according to the Securities and Exchange Act B.E. 2535 (and its amendments) section 89/12, a summary report must be prepared for the Audit Committee every quarter.

**Items that are trade agreements that are not general trading conditions**

Transactions that are trade agreements that are not general trading conditions must be considered and commented on by the Audit Committee on the appropriateness of the price, including the reasonableness of such transactions before presenting them to the Board of Directors and/or the shareholders' meeting (depending on the case) for consideration and approval.

In the event that the Audit Committee does not have expertise in considering connected transactions that occur, the Company will arrange for a person with special expertise such as an auditor or an independent property appraiser to provide an opinion on the connected transaction for the consideration of the Board of Directors of the Company or shareholders of the Company depending on the case, to ensure that entering into such transactions will not be a relocation or a transfer of the Company's interests, but it is a transaction that takes into account the best interests of the Company and every shareholder is important.

In this regard, the Company has set the procedures for making connected transactions as follows:

- (1) The management must consider whether the Company's transactions are connected transactions according to the connected transaction rules or relevant rules or not by checking the information of connected persons from the report on the interest of the Directors and Executives. Including the information of the controlling person, major shareholders, related people and close relatives.
- (2) To comply with good corporate governance principles, the Company will let the management of the Company which is responsible for making connected transactions prepare a detailed summary of the item, together with supporting information that the price of such transaction is in reference to the market price and has general trading conditions and presented such information to the internal audit department to review whether such connected transactions were in accordance with the framework set by the Board of Directors of the Company. In addition, the management of the Company together with the internal audit department presents a summary of the details of such transactions to the Audit Committee for acknowledgement quarterly to ensure that such transactions are reasonable and in the best interest of the Company. In the event that the Audit Committee finds that the operation is not in accordance with the framework set by the Board of Directors, the Audit Committee will report to the

Board of Directors to make improvements within the period that the Audit Committee deems appropriate. If the Board of Directors or the management fails to make improvements within a reasonable time, any member of the Audit Committee may report such transactions or actions to The Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

- (3) The Company has assigned a person to approve the transaction by using the criteria for determining the size of the transaction and the conditions specified in the notifications on connected transactions. If the Company has a connected transaction that falls within the scope of the notifications on connected transactions must strictly comply with the said requirements as follows:
- (a) Small Items: Approved by the Chief Executive officer who has no interest in that transaction, if it is a transaction that the Chief Executive officer has an interest in then approved by the Executive Committee and report to the Audit Committee at the next Board of Directors' meeting that there has been a connected transaction.
  - (b) Medium and Large Items: The Company will allow the Audit Committee to give opinions on the necessity and suitability of such transactions. In the event that the Audit Committee does not have expertise in considering connected transactions that may occur, the Company will assign an independent expert or the Company's auditor to review the connected transactions to give opinions on such connected transactions to propose to the Board of Directors for approval or if a shareholder's approval is required, the Board of Directors considers and gives opinions and prepares a shareholders' meeting for further approval and appoints an independent financial advisor to provide opinions to the shareholders.
- (4) The Company must disclose information about connected transactions or transactions that may lead to conflicts of interest or related transactions. According to the rules prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, disclosing in the annual information disclosure form and annual report or other forms of reports depend on the case and disclose information on connected transactions to the Stock Exchange of Thailand according to the rules of the Stock Exchange of Thailand as well as disclose connected transactions and related transactions in the Company's financial statements as required by accounting standards.