

Policy on investment and supervisory of operations in subsidiaries and/or associate companies

Grandline Innovation Company Limited or (“the Company”) has established the policy on investment and supervisory of operations in subsidiaries and/or associate companies by which the policy is scheduled for reviewal at least every one year. The policy incorporates 2 parts as follows:

1. Investment policy in subsidiaries and/or associate companies

The Company has the policy to investing in companies which are in alignment with the goal, vision and strategic plan for the growth of its conglomerate's corporate group to generate additional revenue streams or profitability, or to investing in businesses that form synergy in which increase the competitiveness of the Company to achieving its goal in becoming the leading firm in the Company's core business. In this regard, the Company's subsidiaries and/or its associate companies may consider investing in other businesses in case that the businesses show high growth potentials, business expansion capability, or are beneficial to its conglomerate's corporate group in which provide good returns on investment. The consideration to any investments of the Company, its subsidiaries, or associate companies are based on investment feasibility, potentiality of the targeted firm, and associated risk factor of such investments by using the proper due diligence procedures. Any investment decisions must obtain a resolution from the Company's board of directors for approving the investments and shall be presented to shareholders at the shareholders' meeting of the Company. At any rate, an application for approval to investing in the targeted subsidiaries and/or associate companies shall be in conformity with the announcements of the Capital Market Supervisory Board and relevant notices from the Securities and Exchange Commission Board of Thailand.

2. Supervisory policy in subsidiaries and/or associate companies

The Company has established a policy for the supervisory and management of its subsidiaries and/or associated companies, with the purpose of determining measures and mechanisms, directly and indirectly, in a way that the Company is able to regulate and manage the business of its subsidiaries and/or associate company. This includes monitoring its subsidiaries and/or associate companies for their conformities to the stipulated measures and mechanisms, similar to the Company's function, and shall be in accordance with the Company's policy, including but not limited to, Public Limited Company Act, Civil and Commercial Code, Law on security and Stock Exchange, in addition to relevant laws, criteria, and regulations. For the purpose to safeguard the Company's investment in subsidiaries and/or associate companies, the policy details are as follows:

- 1) The Company will appoint its representatives to serve as a director in each subsidiary and/or associate company, in the proportion of its shareholding in each company, to perform supervisory duties to ensure that the subsidiaries and/or associate companies are operating in accordance

with the regulatory guidelines for good corporate governance in addition to other policies of the Company. In any case, the appointment of representatives to each subsidiary and/or associate company must be approved and resolved by the Board of Directors' meeting, considering the appropriateness of each company

- 2) The Company must receive a business plan, business expansion project including investment proposal in other businesses from its subsidiaries and/or associate companies through a quarterly performance report. The Company is entitled to call its subsidiaries and/or associate companies for clarification or the submission of additional supporting documents for the consideration by which its subsidiaries and/or associate companies must strictly follow this regulation.
- 3) Whenever its subsidiaries and/or associate companies are entering into any relevant transactions or operations which are considered as the Acquisition or Disposition of assets in pursuant to the Notification of the Capital Market Supervisory Board concerning connected transactions and the Company is correspondingly obliged to seek approval from the Board of Directors meeting, from the shareholders meeting, or any relevant legal authorities prior to entering into the transactions, the subsidiaries and/or associate companies shall proceed with the transactions only upon being permitted by the Company's Board of Directors and/or shareholders meeting and/or relevant agencies (as the case may be).

Besides, when the entering into any transactions or the occurrence of certain incidents of its subsidiaries and/or associate companies require the Company to disclose such transactions or occurrences to the Stock Exchange of Thailand with respect to the specified rules, the director of subsidiaries and/or associate companies is obliged to notify the Chief Executive Officer of the Company immediately that the subsidiaries and/or associate companies are about to enter into the transactions or the said occurrences.

- 4) The Company has a policy for its subsidiaries and/or associate companies to implement an internal control system that is suitable and sufficiently circumspect to prevent fraud that may occur in the subsidiary and/or associate companies. This internal control system is a channel that allows the directors and executives of the Company to obtain information of the subsidiaries and/or associate companies for the purpose to effectively monitoring their operating results and financial status, transactions, or significant transactions between the subsidiaries and/or associate companies with other parties.

Additionally, the company shall arrange an audit mechanism to supervise the said work systems for its subsidiaries and/or associate companies by which the internal audit department and independent directors of the Company can access information directly and report the audit results

to the directors and executive of the Company. This is to ensure that the subsidiaries and/or associated companies are consistently operating in compliance with the stipulated work system.

- 5) The Company has a policy for the directors and executives of its subsidiaries and/or associate companies to disclose and deliver information regarding their personal interests and interests of their related parties to the Board of Directors of the Company in regard to any relationships and corporate transactions which might raise conflict of interest to avoid such ambiguous transactions. The directors of the subsidiaries and/or associate companies are responsible for notifying the matter to the Company's Board of Directors within the time specified for consideration for any decisions or approvals. The consideration shall significantly take into account an overall benefit of the Company or the subsidiaries and/or associate companies. At any rate, the directors of the subsidiaries and/or associate companies must not involve in the approval of matters of which they have personal interests or conflicts of interest, both directly and indirectly.

In any case, the following actions of which may lead the directors, executives, or related persons of the subsidiaries and/or associate companies to other financial benefits than those that would normally be received or cause the Company or its subsidiaries and/or associate companies damages. It is assumed that the act is subjected to the conflict of interest of the subsidiaries and/or associate companies significantly:

- a. Transactions between the subsidiaries and/or associate companies and their directors, executives or related persons that are not in compliance with principle regarding connected transactions
 - b. Use of known Information of the Company or the subsidiaries and/or associates, except information which has been publicly disclosed
 - c. Use of assets or business opportunities of the Company or the subsidiaries and/or associate companies in a way that violates the rules or general practice as prescribed by the notification of the Capital Market Supervisory Board.
- 6) The Company must receive information or documents relating to the operations of the subsidiaries and/or associate companies upon appropriate request.

In the event that the Company finds any material issues, it may request the subsidiaries and/or associate companies for clarification and/or submission of documents for consideration.

¹Subsidiary means a) a company in which the listed company holds more than 50% of the total voting shares of such company; b) a company in which the company as per (a) holds more than 50% of the total voting shares of the company; c) a company to which the shares are held in succession, consequent to the shareholding of the

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company as per (b), in the company in which the shares are held; by holding all voting shares of the company in which the shares are held; d) a company in which the listed company or the company as per (a), (b) or (c) holds shares, directly or indirectly, in aggregate more than 50 % of the total number of voting shares of the company in which the shares are held; e) a company in which the listed company or the company as per (a), (b), (c) or (d) has control over financial and operating policies to receiving benefits from the activities of such company. Shareholding of the listed company or the company as per (a), (b), (c), or (d) shall incorporate the shares held by related persons.

¹ Associate company refer to a) a company in which the listed company or its subsidiaries hold shares in aggregate of 20% but not exceeding 50% of the total number of voting shares of the company in which the shares are held; b) a company in which the listed company or its subsidiaries have significant influence to participate in decision-making in regard to the financial and operating policies of the company but not to the extent to control such policies and is not considered a subsidiary or joint venture. Shareholding of the listed company or its subsidiaries shall incorporate the shares held by related persons.

This policy becomes effective from 11 December 2020 onwards.

(Mr. Ormsin Chivapruck)

Chairman of the Board

Grandline Innovation Company Limited