



**POLICY ON SUPERVISION OF OPERATIONS OF SUBSIDIARIES AND
ASSOCIATED COMPANIES THAT OPERATE THE CORE BUSINESS**

**MR. D.I.Y. HOLDING (THAILAND) PUBLIC COMPANY LIMITED AND ITS
SUBSIDIARIES**

27 November 2023

**POLICY ON SUPERVISION OF OPERATIONS OF SUBSIDIARIES AND
ASSOCIATED COMPANIES THAT OPERATE THE CORE BUSINESS**

1. PURPOSE

MR. D.I.Y. Holding (Thailand) Public Company Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), has implemented this Policy as a significant mechanism to govern and oversee the operations of the Company’s subsidiaries or associated companies (if any), and to monitor their operating results at an appropriate level to ensure the effective management of the Group’s benefits from investments. This is also for the purpose of compliance with the Group’s policies as well as applicable laws on public limited company, securities and exchange and other rules and regulations as issued by the Office of Securities and Exchange Commission (the “**SEC**”) and the Stock Exchange of Thailand (the “**SET**”) in order to protect interest of the Company in investment of the subsidiaries or associated companies (if any).

The terms “**subsidiary**” or “**associated company**” used herein shall refer to the subsidiary or associated company operating the core business (as the case may be) as described under Clause 24 of the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Application for Approval and Granting of Approval of Offering of Newly Issued Shares (as amended) in conjunction with the Notification of the Securities and Exchange Commission KorJor. 17/2551 Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (as amended).

The “**Board**” means the board of directors of the Company.

2. THE APPOINTMENT OF DIRECTORS IN A SUBSIDIARY OR AN ASSOCIATED COMPANY

2.1 The Company shall appoint or nominate the directors in a subsidiary or an associated company at least on a pro-rata basis according to the Company’s shareholding in such subsidiary or associated company with responsibility, prudence and honesty in the best interest of the Group. The eligible person to be appointed or nominated as a director of a subsidiary or an associated company shall have qualifications as follows:

2.1.1 the person must have all required qualifications, and must have no forbidden characteristics, as prescribed in relevant laws or provisions;

2.1.2 the name of the person must be on the database of directors and executives of issuing companies under the SEC’s notification concerning rules for showing persons’ names on the database of directors and executives of securities issuing companies (Whitelist);

2.1.3 the person must have knowledge, ability, and experience beneficial for business operations and suitable for the performance of his or her duty;

- 2.1.4 the person must have leadership, and must be able to offer extensive viewpoints and ideas that are necessary to drive and fulfill the objectives of that subsidiary or an associated company; and
 - 2.1.5 the person must make appropriate decisions, in accordance with the Group's policies.
- 2.2 To appoint a person, in addition to the requirements above, the specific characteristics or other conditions of each subsidiary or an associated company must be taken into consideration, including:
 - 2.2.1 its existence under complicated or high-risk principles or regulations, such as being a public limited company listed on domestic and foreign securities markets;
 - 2.2.2 the Company's shareholding in the subsidiary or associated company, if there is a joint venture partner, as the terms and conditions of the joint venture agreement must be taken into consideration; and
 - 2.2.3 statutory provisions of the country in which the subsidiary or the associated company is incorporated or operated.
- 2.3 The Board may not appoint or nominate the directors in the subsidiary or the associated company on a pro-rata basis in accordance with Clause 2.1 if: (i) the Board is inevitably unable to appoint or nominate the directors in a subsidiary or an associated company on a pro-rata basis according to the Company's shareholding; and (ii) the Company can ensure its supervision and management of the subsidiary or the associated company or its ability to make decisions on the matters which can materially affect the financial position and operating results of the subsidiary and/or the associated company, in accordance with the Company's shareholding proportion.

3. DUTY OF THE DIRECTORS IN A SUBSIDIARY OR AN ASSOCIATED COMPANY

The Company supervises the directors of a subsidiary or an associated company, who are appointed or nominated by the Company, to ensure that their performance of duties and responsibilities are in accordance with applicable laws, rules, regulations, and the Group's policies.

The followings provide duties and responsibilities of the directors in a subsidiary or an associated company, as appointed or nominated by the Company:

- 3.1 to ensure that the subsidiary or associated company complies with relevant laws, rules, regulations, objectives, articles of association, and resolutions of the Board of Directors and shareholders' meeting including the Group's policies with effective management;
- 3.2 to consider and cast vote, unless otherwise specified in paragraph 4 or 5 or having an interest in relevant matter, at board of directors' meetings of the subsidiary or

the associated company at their discretion in matters regarding the general management and ordinary course of business of the subsidiary or the associated company, as they deem appropriate for the Group's best interests;

- 3.3 to ensure the effectiveness of the systems on internal control, risk management, anti-corruption practices and other systems required for the subsidiary or the associated company;
- 3.4 to determine certain measures to monitor operating results of a subsidiary in an effective manner to ensure that such subsidiary will operate their businesses in accordance with the Company's policies, objectives, articles of association, and resolutions of the Board of Directors and shareholders' meeting including applicable laws and regulations on corporate governance and other rules and regulations as issued by the SEC and the SET.
- 3.5 to ensure that the Company's subsidiaries have put in place a system that allows them to disclose their financial positions, operating results, connected transactions, related party transactions, asset disposals, asset acquisitions and material transactions in accordance with rules and regulations as issued by the SEC and the SET in an accurate and comprehensive manner, coupled with channels that directors and executives can be informed of subsidiaries' information for monitoring their performance and operations in an effective manner, provided that internal auditors and directors of the Company shall have direct access to such system, whereby internal auditors shall make system audit reports in relation to such system's performance to directors and executives of the Company to ensure that the subsidiaries comply with the system on a regular basis.
- 3.6 to make a monthly or quarterly report to the Board on the subsidiary or associated company's performance and operations in accordance with the business plans, investment plans or any other significant plans as approved the Board including downsizing, cessation, suspension of any business unit in such company and investment with other business operators;
- 3.7 to make a report to the Board if there is any significant issue or event taking place; and
- 3.8 to provide clarification and/or information or documents relating to the subsidiary or associated company's performance and operations to the Company if reasonably requested.

4. MATTERS TO BE APPROVED BY THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY

In the following matters, the subsidiary and/or associated company (as the case maybe) must obtain the prior approval from the Board's meeting:

- 4.1 the appointment and nomination of a person as the director of the subsidiary or the associated company unless such person is in the list as approved by the Board allowing the nomination and appointment of such person in the subsidiary or the

associated company; The directors of the subsidiary or the associated company appointed or nominated by the Company shall have the discretion to consider and vote at the Board of Directors' meetings of the subsidiary and/or the associated company on matters relating to the general management and normal business operation of the subsidiary and/or the associated company as such directors deem appropriate for the best interests of the subsidiary and/or the associated company, except for important matters otherwise specified in this policy or matters in which such director has an interest or conflict of interest, directly and/or indirectly;

- 4.2 the approval of annual and interim dividend payment of the subsidiary, except that the total dividend payment per year is equal to or more than the amount specified in the annual budget or the dividend payment policy of each subsidiary which have been prior approved by the Board;
- 4.3 an amendment to the subsidiary's Articles of Association, except for amendment to the Articles of Association on significant matters in accordance with Clause 5.1 which must obtain approval from the Company's meeting of shareholders.
- 4.4 the subsidiary's annual budget, except in the case where it is within the scope of the Delegation of Authority which have been prior approved by the Board;
- 4.5 an appointment of the auditor of the subsidiary which is not in line with the Company's auditor appointment policy requiring that the subsidiary's auditor must be appointed from an audit firm in the same auditing firm group as the Company;
- 4.6 an increase in the registered capital and the allocation of shares of the subsidiary, or the reduction in registered capital that will affect the current shareholding proportion of the shareholders, or any other action that will, directly or indirectly:
 - 4.6.1 dilute the shareholding proportion and/or proportion of exercising the voting right of the Company in the shareholders' meeting of any subsidiary, at any tier, to less than 10 percent of the registered capital or total voting rights of the subsidiary (as the case maybe); and/or
 - 4.6.2 dilute the shareholding proportion and/or proportion of exercising the voting right of the Company in the shareholders' meeting of any subsidiary, which is considered as an asset disposal which requires an approval of the Board (whereby, in such case, rules and regulations as issued by the SEC and the SET shall apply *mutatis mutandis* with respect to criteria for calculating the transaction size),

except for matters that are included in the business plan or annual budget plan of the subsidiary as approved by the Board;

- 4.7 entry into a transaction with a connected person of the Company, or a transaction concerning the acquisition or disposition of the subsidiary's assets, including but not limited to the followings;

- 4.7.1 the transfer or waiver of benefits, including the waiver of claims against the person causing damage to the subsidiary;
 - 4.7.2 the sale or transfer of the subsidiary's business, in whole or in material part, to a third person;
 - 4.7.3 the subsidiary's purchase or acceptance of the transfer of the business of a third person; and
 - 4.7.4 the entry into, amendment to, or termination of a lease agreement of the subsidiary's business or asset, in whole or in material part, assignment to a third party to manage the subsidiary's business, or merger or amalgamation of the subsidiary's business with a third party, with an objective to share profit and loss.
- 4.8 borrowing money, lending money, provision of credit, provision of guarantee, entering into a juristic act to bind the subsidiary with additional financial burden, or provision of any financial assistance to a third person which is not in the subsidiary's normal business, except for intragroup loans made within the Group;
- 4.9 dissolution of the subsidiary; or
- 4.10 any other transaction which is not in the ordinary course of the subsidiary's business and significantly affects the subsidiary or the Company.

For paragraphs 4.7 to 4.10, the approval from the Board is required provided that the size of the transaction to be entered into by the subsidiary, as calculated and compared to the size of the Company, meets the criteria that requires approval from the Board. In this regard, the criteria prescribed under the rules and regulations as issued by the SEC and the SET on asset acquisitions and disposals as well as connected transactions will apply *mutatis mutandis*.

5. MATTERS TO BE APPROVED BY THE MEETING OF SHAREHOLDERS OF THE COMPANY

In the following matters, the subsidiary must obtain the approval from the Company's shareholders' meeting:

- 5.1 amendment to the subsidiary's Articles of Association that may materially affect the subsidiary's financial position and operating results, including but not limited to an amendment that will affect the Company's rights in nominating or appointing persons to be the subsidiary's director, voting rights of the subsidiary's directors appointed or nominated by the Company at the subsidiary's board of directors meeting, voting right (directly and/or indirectly) of the Company in the subsidiary's shareholders meeting, or the subsidiary's dividend payment, etc.;
- 5.2 the subsidiary's entry into a transaction with a connected person of the Company or a transaction concerning the acquisition or disposition of the subsidiary's assets, including but not limited to the following;

- 5.2.1 the transfer or waiver of benefits, including the waiver of claims against the person causing damage to the subsidiary;
 - 5.2.2 the sale or transfer of the subsidiary's business, in whole or in material part, to a third person;
 - 5.2.3 the subsidiary's purchase or acceptance of the transfer of the business of a third person; and
 - 5.2.4 Entry into, amendment to, or termination of a lease agreement of the subsidiary's business or asset, in whole or in material part, assignment of another party to manage the subsidiary's business, or merger of the subsidiary's business with a third person, with an objective to share profit and loss.
- 5.3 an increase in the registered capital and the allocation of shares of the subsidiary, or the reduction in registered capital that will affect the current shareholding proportion of the shareholders, or any other action that will, directly or indirectly:
- 5.3.1 dilute the shareholding proportion and/or proportion of exercising the voting right of the Company in the shareholders' meeting of any subsidiary, at any tier, to the extent that such subsidiary no longer holds its status as a 'subsidiary' of the Company; and/or
 - 5.3.2 dilute the shareholding proportion and/or proportion of exercising the voting right of the Company in the shareholders' meeting of any subsidiary, which is considered as an asset disposal which requires a shareholder approval (whereby, in such case, rules and regulations as issued by the SEC and the SET shall apply *mutatis mutandis* with respect to criteria for calculating the transaction size).
- 5.4 borrowing money, lending money, provision of credit, provision of guarantee, entering into a juristic act to bind the subsidiary with additional financial burden, or provision of any financial assistance to a third person which is not in the subsidiary's normal business, except for intragroup loans made within the Group;
- 5.5 dissolution of the subsidiary; or
- 5.6 any other transaction which is not in the ordinary course of the subsidiary's business and significantly affects the subsidiary.

For Clauses 5.2 to 5.6, the approval from the shareholders' meeting of the Company is required provided that the size of the transaction to be entered into by the subsidiary, as calculated and compared to the size of the Company, meets the criteria that requires approval from the Company's shareholders. In this regard, the criteria prescribed under the rules and regulations as issued by the SEC and the SET on asset acquisitions and disposals as well as connected transactions will apply *mutatis mutandis*.

6. DISCLOSURE OF INFORMATION

6.1 The subsidiary shall disclose complete and accurate information, financial position, operating results, connected transactions, transactions which may cause conflict of interests, acquisitions and disposals of the material assets, and significant transaction in a timely manner as prescribed by the Company, whereby in considering such transactions, relevant rules and regulations as issued by the SEC and the SET will apply *mutatis mutandis*.

6.2 Directors and executives of the subsidiary shall avoid being involved in any transaction that would significantly conflict with the subsidiary's interests. If such transaction occurs, they have the duty to inform the subsidiary's board of directors, and the subsidiary's board of directors has the duty to inform the Board within the timeframe as imposed by the Company, so as to support the consideration or approval in which general benefit of the subsidiary and the Company will be taken into consideration. The directors of the subsidiary shall not, whether directly or indirectly, take part in approving any matter in which they have interest or conflict of interest.

The following actions which result in the subsidiary's directors or related parties receiving financial benefits other than those they are normally entitled to, or cause damage to the subsidiary or the Company, shall be assumed as actions significantly cause a conflict of interest with the Company's interest:

6.2.1 transactions made between the subsidiary and a director or related party which are not in accordance with the criteria of the notifications regarding connected transactions and/or relevant notifications for the time being in force;

6.2.2 the use of inside information in relation to the Group, unless it has been disclosed to the public; or

6.2.3 the use of the assets or business opportunities of the Group in the same manner as that of the Company, which violates the rules or general practices designated by the SEC.

6.3 The subsidiary shall make a monthly or quarterly report to the Board on its performance and operations in accordance with the business plans, investment plans or any other plans as approved by the Board.

6.4 The subsidiary must give clarification and/or information or documents relating to its operations to the Company if reasonably requested.

6.5 The subsidiary must give clarification and/or relevant information or documents to the Company, if the Company detects any significant issue.

7. USE OF INSIDE INFORMATION

None of the subsidiaries' directors, executives, officers, employees, workers of, or persons designated by the Company or its subsidiary, as well as their related persons (including

parents, children, siblings and spouses) is allowed to use the inside information in relation to the Group obtained through their performance of duty or otherwise that has or might have significant effects on the Company's securities price, for the benefits of themselves or others, directly or indirectly, regardless of whether any return is received. In addition, the Company will ensure that such persons will comply with the Company's policies in relation to inside information.

8. TRANSACTIONS BY A DIRECTOR, AN EXECUTIVE, OR A RELATED PARTY OF THE SUBSIDIARY AND THE COMPANY

Directors, executives, or related parties of the subsidiary and the Company can enter into transactions with the subsidiary only when such transactions have been approved by the Board and/or the subsidiary's board of directors, and/or the shareholders' meeting of the Company and/or the subsidiary (as the case may be), based on the transaction size calculated (using the criteria prescribed under the rules and regulations as issued by the SEC and the SET on asset acquisitions and disposals as well as connected transactions, which will apply *mutatis mutandis*), unless the transaction is made on an arm's length basis as approved by the Board or in accordance with the principles approved by the Board.

This Policy shall be reviewed at least once a year. If there is any proposed modification required to be made to this Policy, it shall escalate to the Board for consideration.

This Policy shall be effective from 27 November 2023 by approval of the Extraordinary General Meeting of Shareholders No. 3/2023.

(Mr. Ong Chu Jin Adrian)

Chairman of the Board of Directors

MR. D.I.Y. Holding (Thailand) Public Company Limited