

Governance and Management Policy of Subsidiaries and Associates

1. Introduction

STECON Group Public Company Limited (the "**Company**") decides to invest through subsidiaries and/or associates, including in investing in various businesses, in order to take into account the return of all stakeholders that will be received from investing in such businesses. In addition, the company has established a policy for the supervision and management of subsidiaries or associates engaged in its core business ("**Subsidiaries engaged in its core business**") that excludes subsidiaries or associates that are not engaged in the main business in accordance with the rule on the supervision of the operation of subsidiaries according to the Notification of the Capital Market Supervisory Board Tor Jor. 39/2016 Re: Application for Permission and Permission to offer for sale of newly issued shares (including amendments). The Regulations of the Stock Exchange of Thailand on the acceptance of ordinary shares or preferred shares as listed in Securities B.E. 2558 (2015) (as amended) as well as the Guidelines for Good Corporate Governance of the Stock Exchange of Thailand as a guideline

2. Objective

To determine the measure and mechanism, both direct and indirect, that the company can enable to supervise and manage the business of the company's main business, including its subsidiaries and associates, as well as to monitor and supervise the company's engagement in such core business, in order to comply with the measure and mechanism, which are set forth as if they were one of the company's own entities and in accordance with the company's policy, law as well as announcement, regulation, and rule of the Capital Market Supervisory Board. The Securities and Exchange Commission and the Stock Exchange of Thailand.

3. Implementation Guideline

In case this policy requires any transaction or operation of a subsidiary and/or associated company, it must be approved by the Board of Directors and/or the company's shareholders' meeting (as the case may be). The Chairman of the Board of Directors is responsible for organizing the company's Board of Directors and/or the company's shareholders' meeting to consider and approve the matter before the subsidiaries and/or associates hold the Board of Directors' meeting and/or the shareholders' meeting (as the case may be). It is to consider and approve the transaction or proceed with the matter. In this regard, the company must disclose information with comply to the rules, conditions, and procedures related to the transaction or operation of subsidiaries and associated companies in such matters as prescribed in relevant law with fully and accurately.

In the case of a subsidiary that is engaged in the main business

1. A transaction or any operation in the following case that was approved by the Board of Directors and/or the company's shareholders' meeting (as the case may be) must be obtained before entering into the transaction:

1.1 Matter that requires approval from the Board of Directors

- 1) Appointment or nomination of a person as a director in a subsidiary that is engaged in its core business at least in proportion to the shareholding of the subsidiaries engaged in the core business, except in cases where the company has limitations or necessary reasons that prevent the company from appointing a person as a director of the company in proportion to its shareholding, and the company can demonstrate a mechanism in order to ensure that the company can supervise the management or make decisions that are significant to the company's operation and financial position in proportion to its shareholding.

The directors who are nominated or appointed by the company have the discretion to consider and vote during the meeting of the Board of Directors of the subsidiary engaged in the principal business on matters relating to the general management and normal business operation of the subsidiary engaged in the principal business, except for matters in which the director has a special interest in such matters. However, this does not include matters that require approval from the Board of Directors of the company or the company's shareholders' meeting (as the case may be). In addition, in case that the director has a special interest in any matter, they do not have the right to vote on the said agenda.

In addition, the appointed directors or executives under the above paragraph must have qualifications, roles, duties, and responsibilities, as well as not have the characteristic of lacking trustworthiness in accordance with the notification of the Securities and Exchange Commission on the Determination of Untrustworthiness of Directors and Executives of the Company.

- 2) Consideration and approval of annual dividend payments (if any).
- 3) Amendment to the article of association, except for amendment to the regulation in significant matters under Clause 1.2.
- 4) Consideration and approval of the annual total budget
- 5) Increasing capital by issuing new shares of a subsidiary engaged in its core business, including a reduction in the registered capital of the subsidiary in which results in a change in the proportion of existing shareholders, or any other action that will directly and/or indirectly affect the company's shareholding ratio and/or the exercise of voting rights of the company during the shareholders' meeting of the company. In case that the decrease exceeds 10% of the registered capital of the subsidiary engaged in the principal business or the total number

of votes of the subsidiary (as the case may be), except in the case of the business plan or annual budget of the subsidiary engaged in the principal business in which has been approved by the Board of Directors of the company.

The transactions from (6) to (14) are only in cases where the size of the transaction to be entered into by the company is only in cases where the size of the transaction to be entered into by the company is compared with the size of the company (by applying the criteria for calculating the transaction as stipulated in the notification of the Capital Market Supervisory Board and the Stock Exchange Board of Thailand regarding the acquisition or disposal of assets and/or related transactions and/or the amended announcement in force at that time (as the case may be) and is subjected to the approval of the Board of Directors of the company as follows:

- 6) Entering into a transaction with a connected person of the company or a transaction related to the acquisition or disposal of assets of subsidiaries.
 - 7) Transfer or waiver of benefit, including waiver of claim against those who cause significant damage to the subsidiary.
 - 8) Sell or transfer of all or a significant part of the business of a subsidiary to another person.
 - 9) The purchase or transfer of business from another company to a subsidiary company.
 - 10) Entering, amending, or terminating the lease agreement related to the lease of all or some of the subsidiaries' businesses, assigning another person to manage the business of the subsidiary, or combining the subsidiaries with other persons with the purpose of dividing profit and loss.
 - 11) Leasing or lease acquisition of all or material assets of subsidiaries or a significant portion.
 - 12) Borrowing, lending loan, providing guarantee, entering into a legal act that binds the subsidiary to bear an increased financial burden, or providing financial assistance in any other way to another person that is not the normal business of the subsidiary.
 - 13) Dissolution of a subsidiary except for the dissolution of the business under Clause 1.2.
 - 14) Any other transaction that is not a normal business transaction of the subsidiary and which will have a significant impact on the subsidiary.
- 1.2 Any matter that requires approval from the company's shareholders' meeting with the vote of not less than three-quarters of the shareholders presented at the meeting and has the right to vote before the subsidiary enters into the transaction.
- 1) Amendment to the Article of Association of the subsidiary on matters that may have a significant impact on the company's position. This includes, but is not limited to, amendments to the article of association of the subsidiary that affect the company's voting rights at the

Board of Directors meeting of the subsidiary and/or the shareholder's meeting of the subsidiary, or the dividend payment of the subsidiary, etc.

The transaction from (2) to (11) is only in cases where the nature of the transaction is considered, such as the size of the transaction to be entered into by the subsidiary when compared with the size of the company and the person entering into the transaction as prescribed in the announcement of the Capital Market Supervisory Board and the Board of Governors. Acquisition or disposal of assets and/or connected transactions and/or amended notices in force at that time (as the case may be) are subject to consideration and approval from the company's shareholders' meeting, in which is the following transaction

- 2) In case that a subsidiary agrees to enter into a transaction with a connected person of the company or a transaction related to the acquisition or disposal of an asset by a subsidiary.
- 3) Transfer or waiver of benefit, including waiver of claim against those who cause damage to the subsidiary.
- 4) Sell or transfer all or a significant part of the business of the subsidiary to another person.
- 5) Purchase or transfer of business from another company to a subsidiary company.
- 6) Entering, amending, or terminating the lease of the business of the subsidiary in whole or in part, assigning another person to manage the business of the subsidiary, or combining the business of the subsidiary with another person.
- 7) Lease or lease acquisition of all or material assets of subsidiaries or a significant portion.
- 8) Borrowing, lending a loan or providing guarantee, or the legal act of binding the subsidiary to bear an increased financial burden or providing financial assistance in any other way to another person, and is not the normal business of the subsidiary.
- 9) Capital Increasing by issuing new shares of the subsidiary and allotment of shares, including the reduction of the registered capital of the subsidiary, which is not in accordance with the proportion of the existing shareholding of the shareholders, or any other action that will result in the proportion of the company's shareholding and/or the exercise of the company's voting rights either directly and/or indirectly. At the shareholders' meeting of the subsidiary, the proportion of shareholders of any subsidiary shall be reduced to less than the proportion specified in the law applicable to the subsidiary. As a result, the company does not have the power to control the business of the subsidiaries.
- 10) Dissolution of Subsidiaries
- 11) Any other transaction that is not an ordinary business transaction of the subsidiary and transaction that will have a significant impact on the subsidiary.

2. The Board of Directors must monitor and supervise the directors and executives of subsidiaries who are engaged in the main business and associate companies, nominated or appointed by the company, to comply with the duties and responsibilities according to the law, articles of association, and policy.
3. The Board of Directors must continuously monitor the performance of subsidiaries engaged in core business in accordance with the plan and budget, monitor the disclosure of financial position and operating results by subsidiaries engaged in core business, as well as monitor transactions that may have a conflict of interest and/or the acquisition or disposal of significant assets and/or any other significant transaction to the company and other operations to be in accordance with the rule for supervision and management of subsidiaries as stipulated in the company's policies and articles of association in a complete and accurate manner.
4. Directors and executives of subsidiaries engaged in the main business nominated or appointed by the company must perform the following duties:
 - 4.1 Disclose information about the financial position and operating results. The Board of Directors of the Company or its subsidiaries considers entering into a related party transaction in a comprehensive and accurate manner and within a reasonable time limit as prescribed by the Company. Acquisition or disposal of significant assets of the company or its subsidiaries engaged in its principal business by applying the Notice of Connected Transactions or Announcement of Acquisition of Assets to be allowed.
 - 4.2 Disclose and transmit information on their interest and their related person in connection with any transaction in other businesses that may be expected to cause any conflict of interest with the company and/or its subsidiaries engaged in its core business to the board of directors of the subsidiary that is engaged in the main business or the director of the subsidiary that is engaged in the main business. The Board of Directors of the subsidiary who operates the main business is responsible for notifying the Board of Directors of the matter. The company must be informed within the time limit specified by the company for the purpose of making any decision or approval which will take into account the overall interests of the company and its subsidiaries engaged in its core business.

Directors and executives of subsidiaries must not participate in approving matters in which they have a benefit or a conflict of interest.

In addition, the following action as a result of the executives of subsidiaries engaged in the core business or connected person of directors or executives of subsidiaries engaged in the principal business receiving financial benefit other than those normally to be desirable, or causing damage to the subsidiary operating the core business or the company. It must be presumed that the act is significantly contrary to or contradictory to the interests of the subsidiary operating the core business.

- 1) A transaction between subsidiaries engaged in the core business and directors or executives of subsidiaries engaged in the core business, or a connected person of directors or executives of subsidiaries engaged in the principal business that is not in accordance with the rule of connected transactions.
 - 2) Use of information about the company or its subsidiaries engaged in its main business that has been known to the public, except for information that has been disclosed to the public.
 - 3) Use of an asset or business opportunity of the company and/or its subsidiaries engaged in its core business that is in a manner that violates the rule or general practice as announced by the Capital Market Supervisory Board.
- 4.3 Report on the business plan, business expansion, large-scale investment projects, as well as investment with other entrepreneurs to the company through a monthly or quarterly performance report and clarify or submit supporting documents for consideration of such cases in case of the company's request.
- 4.4 Clarify and/or submit information or documents related to operations or any documents to the company as appropriate requested.
- 4.5 Take responsibility for the company that is engaged in the main business, subsidiaries, and/or associates (as the case may be) to have internal control systems, a risk management system, an anti-fraud system, and other necessary systems, as well as require measures to monitor the performance of the company engaged in the core business, subsidiaries, and/or associates as appropriate, effective, and concise enough to ensure that the actions of the subsidiaries are in accordance with the company's policy plan, law, announcement, regulation, and other relevant rules of the Capital Market Supervisory Board. The Securities and Exchange Commission and the Stock Exchange of Thailand are truly and continuously providing a clear work system. This is to show that the subsidiary has an adequate system to disclose significant transaction information in accordance with the prescribed criteria continuously and reliably and to be able to receive information from subsidiaries engaged in the main business of monitoring the operating performance and financial position and transactions between subsidiaries and directors and executives of subsidiaries engaged in core business and significant transactions of subsidiaries engaged in core business effectively. In addition, a mechanism must be provided to audit the system in subsidiaries engaged in the core business by having a team of internal auditors and independent directors of the company. The result of the audit system must be reported to the audit committee, the board of directors, and the company's executives to ensure that the subsidiaries operate in accordance with the system provided on a regular basis.
5. Prohibit directors and executives of subsidiaries engaged in the main business nominated or appointed by the company, employees or assignees of subsidiaries engaged in the main business, including spouses or persons living with their spouses and minor children, to use the company's and

its subsidiaries' core business information, whether derived from the performance of their duty or in any other way that has or may have a significant impact on the subsidiaries and/or the company, in order to get benefit for themselves or others, directly or indirectly, and whether or not receiving in returns.

6. The company must ensure that directors in its subsidiaries and associates who are appointed by the company to attend the meeting and vote in accordance with the company directives at the meeting of the Board of Directors of the subsidiary operating in the main business, along with the agenda that is material to the business operation of the subsidiaries that are engaged in the main business every time.

In the case of subsidiaries that are not engaged in the main business.

1. The company will appoint a person to be the company's representative as a director in each subsidiary that is not engaged in the main business unless otherwise stipulated in this policy or by the Board of Directors of the company. This is responsible for supervising subsidiaries that are not engaged in the core business to operate in accordance with the law, the good corporate governance policy, and other policies of the company. However, the appointment of a representative of the company as a director in each subsidiary that is not engaged in the core business must be the authority of the Executive Committee meeting to take into account the suitability of each company.
2. If in entering into a transaction or any operation of a subsidiary that is not engaged in the core business of the acquisition or disposal of assets under the Announcement of the Acquisition or Disposal of Assets or connected transaction under the Announcement of the Related Connected Transaction will result in the company being obliged to seek approval at the Board of Directors meeting of the company and/or the company's shareholders' meeting or to obtain approval from the relevant authority in accordance with the law before entering into the transaction. Subsidiaries that are not engaged in the core business may enter into such transaction or conduct such transactions only after the approval of the Board of Directors of the company and/or the shareholders' meeting of the company and/or related agencies (as the case may be).

In addition, if there is a transaction or the occurrence of certain incidents of subsidiaries that are not engaged in the main business, this makes the company obliged to disclose information to the SET in accordance with the rule set forth in the relevant announcement of the SET Board. The representative directors of subsidiaries that are not engaged in such core business are obliged to notify the company's management as soon as it becomes known that the subsidiary that was not engaged in the main business is planning to enter into a transaction or that such an incident has occurred.

3. The company must require the board of directors and executives of subsidiaries that are not engaged in the core business of each company to have important areas of authority, duty, and responsibility in accordance with relevant law, such as disclosing information about financial position and operating

results to the company. The Company must apply the relevant announcements of the Capital Market Supervisory Board and the Notification of the Stock Exchange Board of Directors by submitting information on their interests and related persons to the Board of Directors of the Company to inform them of their relationship and transactions with the Company and/or its subsidiaries that are not engaged in their core business in a manner that may cause a conflict of interest, as well as to avoid transactions that may cause a conflict of interest.

4. The company must formulate a plan and take the necessary action to ensure that the non-core business subsidiary is not engaged in the main business. The company must take the necessary steps and monitor the subsidiaries that are not engaged in the main business to have an adequate and appropriate system for information disclosure and internal control systems in place for business operation and the financial report and financial statement that have been reviewed/audited by the auditor, as well as the supporting information for the preparation of such financial statement to the Company for the preparation of the consolidated financial statements or the Company's operating results.
5. In the case of a sell or transfer of the business of a subsidiary that does not engage in all or part of its main business to another person, and/or the purchase or transfer of the business of another company to a subsidiary that is not engaged in its core business, and/or any other transaction that is not a normal business transaction of a subsidiary that does not engage in its core business and which will have a significant impact on the subsidiary that does not engage in its core business, it must be considered and approved by the Board of Directors of the company before entering into such a transaction. In addition, the company must arrange for approval from the company's shareholders' meeting. In the case of calculated transaction size (by applying the criteria for calculating the size of transactions as stipulated in the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange Board regarding the acquisition or disposal of assets or connected transactions and the amended Announcement in force at that time). As a result, the company is obliged to seek approval at the company's shareholders' meeting. Anyway, in supervising the operation of subsidiaries that are not engaged in the core business. The scope of authority and responsibilities of the Board of Directors includes: (1) overseeing the operation of subsidiaries in accordance with the law, objectives, and regulation resolutions of the Board of Directors and shareholders' meetings. (2) Supervise the management and operation of the subsidiaries in accordance with the company's policy. The position of the directors of the subsidiary is at least proportional to the shareholding in the subsidiary, including (4) the determination of a clear framework for the exercise of discretion to vote at the meeting of the board of directors of the subsidiary on important matters that must be approved by the board of directors first in order to have administrative control in accordance with the company's policies and transactions legally.

This Governance and Management Policy of Subsidiaries and Associates was approved by the Board of Directors Meeting No. 2/2024 on February 27th, 2024, and will be effective from February 27th, 2024, onwards.

Promulgated on 27th February 2024

(Mr. Vallop Rungkijvorasathien)

Chairman of the Board of Directors

Stecon Group Public Company Limited