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Investment and Supervision of Subsidiaries and Associated
Companies Policy of Thai Credit Bank Public Company Limited
for the Year 2024

1. Objective

Thai Credit Bank Public Company Limited ("The Bank") has established Policies on Investment in, and Governance of, Operations of Subsidiaries and Associates. The objective is to outline measures and mechanisms, both direct and indirect, to enable The Bank to monitor and supervise the management of its subsidiary and/or associate. This includes monitoring compliance with the prescribed measures and mechanisms in accordance with The Bank's policies, as well as relevant laws, notifications, regulations, and rules of The Bank, the Office of the SEC, the SET, and other relevant regulatory bodies. The aim is to safeguard the investment interests of The Bank in its subsidiary and associate.

2. Definitions

"Subsidiary" means a company that has one of the following characteristics:

- a) a company over which The Bank has Control;
- b) a company over which the company under (a) has Control;
- c) any tier of companies under the Control of company under (b).

"Associate" means a company in which The Bank or its subsidiary has the authority to participate in decision-making regarding the financial policies and operations, but does not have control over such policies, and company that is not treated as a subsidiary or joint venture.

Unless proven otherwise, The Bank or its subsidiary is presumed to have the authority to participate in decision-making if The Bank or its subsidiary holds, either directly or indirectly, between 20% and 50% percent of total voting rights of the company.

"Control" means any of the following relationships:

- a) the ownership of shares carrying voting rights in a company that exceeds 50% of the total number of voting rights of the company;
- b) the control over the majority of voting rights at the company's general meeting, either directly or indirectly, or due to any other cause; or
- c) the control over the appointment or removal of at least half of all directors, either directly or indirectly.

3. Investment policy in subsidiary and associate

The Bank has implemented an investment policy targeting companies that support its business operations and are aligned with its objectives, vision, and strategic plans for sustainable growth. This policy aims to enhance The Bank's financial performance and profitability, and to invest in synergistic businesses that augment The Bank's competitive capabilities. The goal is for The Bank to establish itself as a leading operator in its core business. The Bank, along with its subsidiary and/or associate, may evaluate potential investments in other businesses that demonstrate growth potential, business expansion opportunities, or synergies with the group's operations, aiming to achieve favourable investment returns. In evaluating investments by the Bank, its subsidiary, and/or associate, The Bank will analyse the feasibility and assess the potential of the investment, including investment ratios, anticipated profits, and investment risk factors. This will be done through appropriate investment analysis procedures, subject to approval and/or endorsement by The Bank's Board of Directors and/or the general meeting (as applicable).

The shareholding structure of the Bank, its subsidiaries, and its associates' investments must comply with the Securities and Exchange Commission (SEC) Notification No. Tor Jor. 39/2016 regarding the application for permission and approval for the offering of newly issued shares (Consolidated Version), which includes the following criteria:

1. It should clearly reflect the control and interests of the shareholders.
2. No individual who may have a conflict of interest with the Bank shall hold more than 10% of the total voting shares in any subsidiary or associate's investment, unless it is demonstrated that the structure of the shareholding in such subsidiary or associate is for the best interests of the Bank.

Additionally, the Bank's investments in its subsidiaries and/or associates must comply with the guidelines set forth in the relevant notifications issued by the Bank of Thailand, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

4. Operational governance policy

4.1 Governance practices to supervise operations of Subsidiary and Associate

- (1) The Bank will appoint individuals as its representatives to serve as directors and/or executives in each subsidiary and/or associate, in proportion to The Bank's shareholding in those companies, to the extent permissible. Unless The Bank's Board of Directors determines that the composition of the board and management team, with individuals serving as directors and/or executives, is not proportionate to The Bank's shareholding in the companies, it will not impede The Bank's authority to establish policies and undertake actions on matters of significance or that impact the financial position and operational performance of the respective company, or where there is an appropriate balance of power within the company.

The Bank's Board of Directors' meeting will consider and approve the appointment of individuals to represent The Bank as directors and/or executives in each subsidiary and associate. The suitability of

each company will be considered, except for small subsidiary or associate that have no significant impact on The Bank's financial position and operating results. The Bank's Board of Directors may assign the Chief Executive Officer or Managing Director to consider and appoint a representative of The Bank as a director and/or executive in these companies. The objective is for these individuals to oversee the operations of subsidiary and/or associate to comply with the law, Good Corporate Governance Policy, and other relevant policies. This will enable The Bank to be informed about and monitor the activities of its subsidiary and/or associate to the extent permitted by law and under the relevant policies.

- (2) The Bank will oversee individuals representing it in each subsidiary and/or associate to ensure compliance with laws, objectives, articles of association, resolutions of the Board of Directors, and resolutions of the general meeting of shareholders, as well as the Good Corporate Governance Policy, the Business Code of Conduct, emphasizing honesty, integrity, vigilance, responsibility, and ethical behaviour. The Bank will also monitor and provide guidance to ensure that the operations of subsidiary and/or associate align with the defined goals and effectively address any obstacles or issues that may arise in a timely and appropriately.
- (3) The Bank will undertake necessary measures to ensure that its subsidiary and/or associate disclose information regarding their financial position and operational performance. This includes transactions that may involve conflicts of interest and material information that is relevant to The Bank. Complete disclosure of all relevant information to the respective regulatory and governmental authorities will also be ensured.
- (4) The Bank will closely monitor the performance and operations of its subsidiary and/or associated companies. They will also provide feedback and recommendations to The Bank's Board of Directors and the respective boards of directors of these subsidiary and/or associate (to the extent feasible). This input will be considered in order to enhance and foster the continuous development and growth of the businesses of its subsidiary and/or associate.
- (5) Directors of subsidiary and/or associate who represent The Bank must consider and monitor, as well as provide necessary guidance to the subsidiary and/or associate, to establish a clear and efficient working system that is effective in operating businesses.

4.2 Additional governance practices to supervise subsidiary operations

- (1) If a subsidiary engages in a transaction that falls within the scope of being an acquisition or disposal of assets or connected transactions, as defined in the notifications of the Capital Market Supervisory Board and the SET, The Bank must obtain approval for the transaction from The Bank's Board of Directors' meeting and/or the general meeting of shareholders (as applicable) and/or any relevant authorities as required by law before proceeding with the transaction. The subsidiary may proceed with the transaction only after receiving approval from The Bank's Board of Directors' meeting and/or the general meeting of shareholders and/or the relevant agencies (as applicable).

- (2) The directors and/or executives representing The Bank must immediately notify The Bank of a subsidiary's plans to enter into a transaction or an event that is to occur, which requires The Bank to disclose information to comply with the notifications, regulations, and articles of association, regulations of the relevant regulatory authority, as well as the obligations under the regulations of the SET, including rules, conditions and procedures governing the disclosure of information and other acts of a listed companies.
- (3) The Bank implements a policy to ensure that its subsidiary maintain an effective risk management system and internal control system that are suitable and comprehensive. The subsidiary must provide adequate staffing to efficiently operate the systems, preventing the risk of misconduct within the subsidiary. The Bank also establishes an internal control system to oversee and supervise the subsidiary's operations, safeguarding the subsidiary's assets from unauthorised or improper use by directors or executives. This includes transactions involving individuals with potential conflicts of interest and Connected Persons. The Bank's internal audit department monitors activities to enable the Board of Directors and executives to effectively monitor the subsidiary's performance, financial status, related party transactions, and material transactions. Additionally, The Bank designates an internal auditor and member of Audit Committee to directly access the internal information of The Bank's subsidiary and report audit findings to The Bank's Board of Directors. This ensures strict compliance with established operational systems by the subsidiary.
- (4) Directors of the subsidiary, acting as The Bank representatives, must propose the annual budget of the subsidiary to The Bank's Board of Directors' meeting for approval before the subsidiary could convene its own board of directors' meeting to approve the annual budget, unless the subsidiary's approved Delegation of Authority specifies otherwise, as authorised by The Bank's Board of Directors' meeting.

5. Review of Policies on Investment in, and Governance of, Operations of Subsidiaries and Associates

The Bank reviews its Policies on Investment in, and Governance of, Operations of Subsidiaries and Associates at least once a year, including when there are any changes relating to practice, rules, regulation and business operation. The Bank's Board of Directors considers and approves the updated Policies on Investment in, and Governance of, Operations of Subsidiaries and Associates, after the review and necessary amendments, for future enforcement.