

Policy for Related Party Transactions and Connected Transactions

Sri Trang Gloves (Thailand) Public Company Limited (the ‘Company’) determines its policy for related party transactions and connected transactions for the Company and its subsidiaries to ensure transparency and fairness. Details of the policy are as follows:

1. Definition

Related party transactions, connected transactions, persons with possible conflict of interests and other definitions shall be as prescribed under the notifications of the Securities and Exchange Commission, the notifications of the Stock Exchange of Thailand and/or relevant notifications of the Capital Market Supervisory Board.

2. Measures, approval procedures and policy for related party transactions and connected transactions

In entering into related party transactions and connected transactions of the Company and its subsidiaries, the Company will comply with the requirements under the Securities and Exchange Act, B.E. 2535 (as amended), the Company’s Articles of Association, notifications, orders and relevant requirements of the Capital Market Supervisory Board and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand including the disclosure requirements on related party transactions in the notes to financial statements audited by auditors of the Company and its subsidiaries and the annual statement Form 56-1.

2.1 Measures and approval procedures for related party transactions and connected transactions

1) The Board of Directors will put in place a consideration procedure for related party transactions and connected transactions in accordance with the work procedures of the Company and its subsidiaries subject to the framework of ethics and scrutiny of the Audit Committee taking into consideration the interests of the Company and its shareholders. The Board of Directors will ensure compliance with the Company’s Articles of Association, relevant notifications, orders and requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand. The Board of Directors will also ensure that the disclosure requirements on related party transactions and connected transactions are complied with to ensure accurate and complete public disclosure of information.

2) Price suitability and reasonableness of transactions will be taken into consideration in approving the transactions. Conditions of the transactions shall be in line with the normal business within relevant industry and/or will be compared with prices offered by third parties and/or market price and/or shall be comparable to the prices or conditions offered by third parties and/or shall demonstrate reasonable or fair price or conditions. The Company will also monitor transactions that are entered into.

3) In approving related party transactions or connected transactions with major shareholders, directors, executives or persons with possible conflict of interests or connected persons of the Company, it is prohibited for interested directors and/or directors who are connected persons to attend the meeting and to have the rights to vote on the approval for the transactions. This is to ensure that the transactions will not amount to the relocation or siphon of interests of the Company but will be entered into for the best interests of the Company and its shareholders.

Policy for Related Party Transactions and Connected Transactions

4) The Company or its subsidiaries will enter into related party transactions or connected transactions with directors, executives or connected persons once the transactions are approved in accordance with the requirements of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission. Such transactions shall have the characteristics as prescribed under the Company's policy except for transactions with arms' length terms and conditions without the negotiating power or influence of such directors, executives or connected persons, as the case may be and shall have the terms and conditions that have already been approved in principle by the Board of Directors.

5) The Company may arrange for experts or specialists such as independent specialists, auditors or independent price valuers to express their opinion on the related party transactions or connected transactions in order to assist on the consideration of the Audit Committee and/or the Board of Directors and/or the general meetings of shareholders, as the case may be.

6) The Company will prepare a report to summarize related party transactions and connected transactions for reporting at the quarterly meetings of the Audit Committee and the Board of Directors in order to comply with the law on securities and exchange, the Company's Articles of Association, relevant notifications, orders or requirements of the Office of the Securities and Exchange, the Capital Market Supervisory Board and the Stock Exchange of Thailand.

7) The Company by the department of internal audit will carry out audits of related party transactions or connected transactions in accordance with the Company's audit plan and will report to the Audit Committee. There will be measures for the control and audit to allow random check on the transactions to ensure that they are correct and in accordance with the agreements or the defined policies.

2.2 Policy for related party transactions and connected transactions

In entering into transactions containing general commercial terms and transactions which do not have general commercial terms, the following principles shall be complied with:

Transactions with general commercial terms

The management may approve related party transactions or connected transactions which contain general commercial terms or transactions which support normal business of the Company including recurring transactions in the future if such transactions contain general commercial terms with directors, executives, connected persons or persons with possible conflict of interests in accordance with the requirements of the Stock Exchange of Thailand, the Capital Market Supervisory Board and the Office of the Securities and Exchange Commission, and such business terms are on an arms' length basis without the negotiating power or influence of directors, executives, connected persons or persons with possible conflict of interests (as the case may be), and will not result in the siphon of benefits and/or could demonstrate reasonable or fair prices or conditions which have already been approved in principle by the Board of Directors or are in accordance with the principles approved by the Board of Directors.

Transactions without general commercial terms

Related party transactions or connected transactions without general commercial terms may be entered into subject to consideration and approval from the Audit Committee who shall approve based on the necessity of such transactions and the appropriateness of the pricing of the transactions, taking into consideration conditions that are in line with the normal course of business within the industry and/or will be compared with prices offered by third parties and/or market price and/or shall be comparable to the prices or conditions offered by third parties and/or shall demonstrate reasonable or fair price or conditions. The transactions shall be proposed to the Board of Directors for consideration and approval. However, if the transaction size is considered material in accordance with the

Policy for Related Party Transactions and Connected Transactions

requirements of the Stock Exchange of Thailand, the Capital Market Supervisory Board and the Office of the Securities and Exchange Commission, after the transactions have been approved by the Board of Directors, they shall be further proposed to the general meeting of shareholders for approval.

3. Policy for future related party transactions and connected transactions

When the Company has completed its public offering of shares and has become a listed company on the Stock Exchange of Thailand, its related party transactions and connected transactions shall be in accordance with the following principles:

1) The Company will comply with its policy, the law on securities and exchange, the Company's Articles of Association, relevant notifications, orders or requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange and/or the Stock Exchange of Thailand. Such related party transactions or connected transactions shall not amount to the relocation or siphon of benefits between the Company or its shareholders but shall be for the best interests of the Company and all shareholders.

2) If transactions are entered into in the normal course of business or for the support of the normal business of the Company and are expected to be regularly recurring in the future, the Company will comply with the relevant requirements and guidelines with respect to transactions with general commercial terms. Pricing and conditions of the transactions shall be appropriate, fair, reasonable and transparent. The transactions shall be entered into based on the principles for transactions with general commercial terms that have already been approved by the Board of Directors of the Company. For this purpose, the management shall prepare reports to summarize details of such transactions to be submitted to the quarterly meetings of the Audit Committee in preparation for the annual statement Form 56-1.

3) Disclosures on related party transactions or connected transactions of the Company shall be in accordance with the law and regulations prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and the accounting standards relating to the Company or its related persons as prescribed by the Federation of Accounting Professions.

The Board of Directors considered and approved this Policy for Related Party Transactions and Connected Transactions in the Board of Directors' meeting on 4/2019, which was held on 24 July 2019. The policy shall come into force as from 24 July 2019.



(Mr. Prakob Visitkitjakarn)
Chairman

Sri Trang Gloves (Thailand) Public Company Limited