

Policy for the Investment in and Corporate Governance of Subsidiaries and Associate Companies

Sri Trang Gloves (Thailand) Public Company Limited (the ‘Company’) has a policy to invest in and exercise corporate governance over its subsidiaries and/or associate companies. Details of the policy are as follows:

1. Policy for the investment in subsidiaries and associate companies

The Company has a policy to invest in companies in accordance with its goals, visions and strategy on growth in order to enhance operating results or profitability. The Company intends to invest in the synergy for the enhanced competitiveness of the Company, and to enable achievement of the goal of becoming a leader in the core business of the Company. The Company, its subsidiaries and/or associate companies may consider an investment in additional businesses that have the potential growth and scalability or will be beneficial for the business of the Group with good return on investment. The Company will carry out feasibility of the investment including potentials and risk factors associated with the investment. The Company will follow an appropriate procedure for the investment, which shall be consented and/or approved by the meeting of the Executive Committee, the Board of Directors or the general meeting of shareholders (as the case may be). The approval for the investment in subsidiaries and/or associate companies shall be in accordance with the relevant notifications of the Capital Market Supervisory Board and Board of Governors of the Stock Exchange of Thailand.

2. Corporate Governance of Subsidiaries and Associate Companies

The Company sets out a policy for the corporate governance of its subsidiaries and associate companies with the aim to determine both direct and indirect measures and mechanisms to allow the Company to monitor and manage businesses of its subsidiaries and associate companies, and to ensure that subsidiaries and associate companies comply with the defined measures and mechanisms as if they are a work unit of the Company. This includes ensuring that, in order to safeguard the investments of the Company in subsidiaries and associate companies, these subsidiaries and associate companies comply with policies of the Company, the Public Limited Company Act, the Civil and Commercial Code, securities law and relevant laws and notifications, rules and regulations of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Board of Governors of Stock Exchange of Thailand. Details of these measures and mechanisms are as follows:

- 2.1 The Company will nominate its representatives for appointment as directors in each of its subsidiaries and/or associate companies in proportion to the shareholding percentage of the Company in each of the subsidiaries and/or associate companies. These representatives will perform the duties of supervising and ensuring that the relevant subsidiaries and/or associate companies comply with the law, the policy of good corporate governance including such other policies of the Company. However, sending representatives for directorship in each of the subsidiaries and/or associate companies shall be considered and approved by the Board of Directors’ meeting first taking into consideration the suitability of each company.
- 2.2 If any entry into transactions or actions by the subsidiaries falls within the criteria of being an acquisition or disposal of assets for the purpose of the notification on acquisition or disposal of assets, or a connected transaction for the purpose of the notification on connected transaction thereby resulting in the Company having the duty to seek prior approval from the Board of Directors’ meeting and/or the general meeting of shareholders or from the relevant regulatory authorities, the subsidiary may only proceed with such transactions or actions when the prior

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approval has already been obtained from the Board of Directors' meeting and/or the general meeting of shareholders and/or the relevant regulatory agency (as the case may be).

In addition, if any entry into transactions or occurrence of certain events by the subsidiaries triggers the obligation of the Company to make a public disclosure to the Stock Exchange of Thailand in accordance with relevant requirements under the notifications of the Stock Exchange of Thailand, representative directors in the relevant subsidiaries shall have the duty to immediately report to the management of the Company as soon as they are aware of the plan of the subsidiary to enter into the transaction or upon occurrence of the event.

- 2.3 The Board of Directors and executives of each of the subsidiaries and/or associate companies shall have the scope of powers, duties and responsibilities under the applicable laws such as the obligation to make disclosure about financial position and operating results to the Company. Provisions under the relevant notifications of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand shall be applied *mutatis mutandis*. This also includes the requirements for each member of the Board of Directors and executives of subsidiaries and/or associate companies to disclose and report to the Board of Directors of the Company information about the interests that they and their related persons may have including details about relationship and transactions entered into with the Company, its subsidiaries and/or associate companies which may give rise to a possible conflict of interests. Transaction with possible conflict of interests shall also be avoided.
- 2.4 The Company will determine necessary work plan and actions to ensure that its subsidiaries and/or associate companies disclose the information in relation to its operating results and financial status to the parent company as well as put in place a sufficient and appropriate disclosure and internal control system.

In addition, the Company will closely monitor operating results of each of its subsidiaries and/or associate companies. The Company will report any analysis including opinions and recommendations to the Board of Directors of the Company and of its subsidiaries and/or associate company to assist with policy making or for the improvement of businesses of its subsidiaries and/or associate companies with the aim to achieve continuous development and growth.

The Board of Directors considered and approved this Policy for the Investment in and Corporate Governance of Subsidiaries and Associate Companies in the Board of Directors meeting No. 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