



Investment Policy and Governance and Management Policy for Subsidiary, Associate Company or Joint Venture

IFS Capital (Thailand) Public Company Limited (the "Company") has established an Investment Policy and Governance and Management Policy for Subsidiary, Associate Company, or Joint Venture (the "Policy") to comply with the principles of Good Corporate Governance. This Policy provides guidelines for considering investments in other businesses and ensuring the efficiency of operations.

1. Definitions

The following terms are used in this Policy with the meanings specified:

- **"Company"** means IFS Capital (Thailand) Public Company Limited.
- **"Subsidiary"** means a juristic person over which the Company has control, having any of the following characteristics:
 - (a) A juristic person over which the company has control;
 - (b) A juristic person over which the juristic person under (a) has control;
 - (c) A juristic person that is under the chain of control of the juristic person under (b) beginning with being under the control of the juristic person under (b).
- **"Controlling Power"** means any of the following relationships:
 - (a) Holding of shares with voting rights of a company in an amount exceeding 50 percent of the total number of voting rights of such juristic person;
 - (b) Having control of the majority voting rights in the shareholders meeting of the juristic person, either directly or indirectly, or for any other reasons;
 - (c) having direct or indirect control over the appointment or removal of at least half of the total number of directors.
- **"Associate"** means a limited company or a public limited company in which the Company or its subsidiary has the power to involve in the financial and operating policy decisions, but not to the extent of having control over such policies and is not considered a subsidiary or joint venture.

If the Company or its subsidiary holds shares directly or indirectly, in an aggregate amount of 20 percent but not exceeding 50 percent of the total number of voting rights of such juristic person, it shall be assumed that the Company or a subsidiary has the authority to participate in decision-making unless it is proven otherwise.

- **"Joint Venture"** may be defined as a group of persons (natural and/or juristic) agreeing to carry on a business together and share a portion of the business's profits or losses or based on investment proportions.



- **Investment Policy in Subsidiary, Associate Company, or Joint Venture**

The Company has established an investment policy to consider investment in a subsidiary, associate company, or joint venture appropriate to business operations and investment in businesses or industries that provide support or benefits to the Company's business or have growth potential. The Company prioritizes the return on investment for shareholders' benefits. The Company's representatives will be assigned as Directors to supervise or co-manage the subsidiary, associate company, or joint venture. The investment shall be approved by the Board of Directors and/or shareholders' meeting. In addition, for entering into a related party transaction and/or a transaction involving the acquisition or disposal of assets, the transaction shall also be proposed for the Audit Committee's consideration and approval under relevant regulations.

- **Governance and Management Policy for Subsidiary, Associate Company, or Joint Venture**

The Company has established a Governance and Management Policy for a subsidiary, associate company, or joint venture (the "Policy") to maintain the Company's investment interests to be more efficient and maximize shareholders' and all stakeholders' benefits. Furthermore, the Company aims to govern and manage the operation of a subsidiary, associate company, or joint venture in line with the Company's policies, the Public Limited Companies Act, the Civil and Commercial Code, the Securities and Exchange Act, as well as related notifications, regulations, rules, and applicable laws.

2. Guidelines for the Governance and Management for a Subsidiary, Associate Company, or Joint Venture

1. The Company shall nominate or appoint representatives to serve as directors and/or executives in a subsidiary, associate company, or joint venture based on respective shareholding proportions in each company or as mainly agreed upon. Such a person must possess full qualifications and have no prohibited characteristics as specified in the relevant laws or regulations. In addition, he/she must have knowledge, ability, and experience appropriate to each company's business and requires approval from the Board of Directors.
2. The Company determines the scope of duties and responsibilities of representatives as follows:
 - 2.1 Regularly monitor and supervise the operation of a subsidiary, associate company, or joint venture in line with investment objectives and goals.
 - 2.2 Perform duties as assigned by the Board of Directors or the shareholders' meeting of the subsidiary, associate company, or joint venture, as well as regulations of the subsidiary, associate company, or joint venture and relevant laws.
 - 2.3 Have the discretion to cast a vote at the board of directors' meetings of the subsidiary, associate company, or joint ventures on matters regarding its general management and normal business operations of each company as deemed appropriate by the directors and/or executives, for the utmost benefit of the subsidiary, associate company, or joint venture, except for the matters listed below that require approval from the Company's Board of Directors and/or from the shareholders' meeting of the Company (as the case may be) before implementation:
 - Entry of related-party transactions and/or significant transactions involving the acquisition or disposal of assets: If the size of a transaction is calculated based on the criteria specified in the notifications of the Capital Market Supervisory Board and the Board of Governors



of the Stock Exchange of Thailand regarding related-party transactions and/or significant transactions involving the acquisition or disposal of assets.

If entering into a transaction or occurrence of certain events of the subsidiary, associate company, or joint venture obligates the Company to disclose information as required by the Stock Exchange of Thailand, the directors of the respective subsidiary, associate company, or joint venture shall immediately inform the Company's Management that the subsidiary, associate company, or joint venture has plans to enter into a transaction or such event will take place.

- Transactions that may have a significant impact on the financial position and performance of the subsidiary, associate company, or joint venture including:
 - Sale or transfer of the subsidiary, associate company, or joint venture's business, in whole or material part, to another party.
 - Purchase or acceptance of the transfer of another company's business for ownership of the subsidiary, associate company, or joint venture.
 - Transfer or waiver of rights or claims that are material, causing damage to the subsidiary, associate company, or joint venture.
 - Borrowing money, lending money, providing guarantees, creating obligations, or providing financial assistance to other companies or individuals which will significantly affect the financial position of the subsidiary, associate company, or joint venture.
 - Establishment or dissolution of a subsidiary, associate company, or joint venture.
 - Amendments to the articles of association and the memorandum of association of the subsidiary, associate company, or joint venture.
 - Capital increase, allocation of newly issued shares, and capital decrease of the subsidiary, associate company, or joint venture, including any action that decreases the shareholding percentage of the Company in the subsidiary, associate company, or joint venture by 10 percent of the paid-up capital of the subsidiary, associate company, or joint venture, or drops to less than 50 percent of the paid-up capital of the subsidiary.
 - Approval of the budget for material items of the subsidiary and/or approval of significant investments unless specified otherwise in the Delegation of Authority of the subsidiary, associate company, or joint venture.
 - Any other transactions of the subsidiary, associate company, or joint venture that are mandated by regulatory notifications to be approved by the Company's Board of Directors and/or the shareholders' meeting before implementation.
- 3. The Company requires the directors, executives, and related persons of the subsidiary, associate company, or joint venture to disclose and submit their interests or those of related persons to understand relationships and transactions executed with the subsidiary, associate company, or joint venture that involve interests related to the management of the Company's operations or those of the subsidiary, associate company, or joint venture. In addition, this aims to receive information for considering related-party transactions that may lead to conflicts of interest and transfer of benefits of the Company, the subsidiary, associate company, or joint venture.



4. The subsidiary, associate company, or joint venture must provide adequate and appropriate internal control systems, efficient risk management, and management structures in line with and in the same direction as the Company such as accounting standards, financial policies, corporate governance policy, including internal checks and balances. Furthermore, each company shall have a data management system and personnel to ensure reliable and transparent information disclosures.
5. The subsidiary, associate company, or joint venture must have mechanisms for auditing work systems in which an internal auditor and the Company's Audit Committee can access information directly. In addition, they must report the audit results to the Company's directors and executives to ensure that the subsidiary, associate company, or joint venture performs under efficient internal control systems.
6. The Company monitors the subsidiary, associate company, or joint venture to disclose financial position and performance, related-party transactions and potential conflicts of interest transactions, significant asset acquisitions or disposals of assets, and other material transactions. These implementations shall comply with the guidelines for the governance and management of the subsidiary, associate company, or joint venture and be complete and correct under the relevant notifications of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission (as amended) (as the case may be).
7. The Company requires the subsidiary, associate company, or joint venture to present operational plans, investment projects, business expansion, and joint ventures with other entrepreneurs through monthly or quarterly performance reports. This aims to review and determine policies or boost continuous growth and development of the business of the subsidiary, associate company, or joint venture. In addition, relevant operational information or documents shall be submitted to the Company upon request as appropriate. If the Company finds significant issues, the Company can ask the subsidiary, associate company, or joint venture to clarify and/or submit supporting documents for consideration.

3. Review of Policy

This Policy shall be reviewed and updated regularly to reflect any change in the business environment or legal requirements.

(Mr. Randy Sim Cheng Leong)
Chairman of the Board of Directors