




APPLIED DB PUBLIC COMPANY LIMITED

# Control and Supervisory of Subsidiaries and Associate Companies Policy

	<p style="text-align: center;">Type of Document: Charter</p> <p style="text-align: center;">Subject : Control and Supervisory of Subsidiaries and Associate Companies Policy</p>	<p>Document No.</p> <p style="text-align: center;">IA<sub>1</sub>-ADB-05</p>	<p>Effective Date</p> <p style="text-align: center;">16 August 2024</p>	<p>Edited</p> <p style="text-align: center;">02</p>	<p>Page</p> <p style="text-align: center;">1</p>
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## Control and Supervisory of Subsidiaries and Associate Companies Policy

### 1. Objective


Since investment is a channel to increase income and generate profit for Applied DB Public Company Limited ("the Company" or "ADB"), the Company takes into account the importance of investment because investment will affect the Company and shareholders. Therefore, it must be considered appropriately so that the investment will be of maximum benefit to the Company. Therefore, this policy on control and supervision of investment in subsidiaries and/or affiliates ("Control Policy") is established to be used as a guideline for control and supervision of the Company's investment to achieve its goals.

### 2. Investment policy and supervision of subsidiaries and affiliated companies

- 2.1 Investment must be consistent with the Company's objectives, focusing on developing the Company's income and profits. In order to protect the shareholders' interests, before each investment, the Company will carefully consider and analyze, with advice from investment experts, whether the investment will generate good returns when compared to the investment proportion, the proportion of investment money to expected income and profits, potential risks, the financial status of both the Company and the subsidiaries or associated companies to be invested, including other considerations in the context at the time of each investment.
- 2.2 Investment in subsidiaries and/or associates, the Company must submit an application for approval in accordance with the Notification of the Capital Market Supervisory Board on Criteria for Material Transactions Considered as Acquisition or Disposal of Assets and the Notification of the Stock Exchange of Thailand on Disclosure of Information and Operations of Listed Companies in Acquisition or Disposal of Assets B.E. 2547, and such investment shall be considered and approved by the meeting of the Board of Directors and the meeting of shareholders in accordance with the Company's regulations or as required by law.
- 2.3 Establish a policy for controlling and a mechanism for supervising the businesses in which the Company invests, in accordance with the guidelines of the Capital Market Supervisory Board announcement, together with the principles of good governance of the Stock Exchange of Thailand and the SEC, and stipulate that the Company's subsidiaries must accept the said mechanism (policy for controlling, etc.) through the Board of Directors Charter of each subsidiary or associated company in order to build confidence among all stakeholders that the companies in which the Company invests have transparent management systems that can be directly or indirectly audited, for business continuity and sustainable growth. The Company can control the management, finances and investments of those companies, and the Company will always appoint its representatives to act as directors of the subsidiaries and/or associated companies in which the Company has invested. This is so that the Company can participate in or control the operations of the subsidiaries and/or associated companies to comply with the standards set by the Company's policies.

### 3. Scope

To ensure that the control policy complies with the principles of supervision of the operations of subsidiaries and/or associated companies as announced by the Capital Market Supervisory Board as currently in force and to be amended in the future, including the principles of good corporate governance of the Stock Exchange of Thailand as currently in force and to be amended in the future.

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#### 4. Definition


Definition	Meaning
Subsidiary Company	A company in which the Company holds more than 50 percent of the total number of voting shares of that company, or ADB holds more than 50 percent of the total number of voting shares of that company, or a company in which shares are held in succession, where the shareholding in each succession exceeds 50 percent of the total number of voting shares of the company in which shares are held, including shares held by related persons.
Associated company	A company in which ADB or its subsidiaries hold an aggregate of more than 20 percent but not more than 50 percent of the total voting shares of such company, or in which ADB or its subsidiaries have the power to participate in decision-making on financial and operating policies but not to the extent of controlling such policies, and is not deemed to be a subsidiary or joint venture, including shareholding by related persons.
Affiliated company	Any existing and future subsidiaries and/or associates under the control, management and supervision of ADB, <u>and together with such subsidiaries and associates, are collectively referred to as ADB's subsidiaries.</u>

#### 5. Guidelines for the supervision and control of subsidiaries and affiliated companies

The Company has established guidelines for controlling and supervising the management of subsidiaries and/or associated companies in which the Company has invested, with the following main details:

##### 5.1 Management control policy of subsidiaries and/or affiliated companies

- 5.1.1 In supervising subsidiaries and/or affiliated companies, the Company will send persons approved by the Board of Directors to serve as directors and executives in subsidiaries and/or affiliated companies. The Board of Directors of the Company will jointly consider the qualifications and experience appropriate for the type of business to represent the Company in holding directorship positions in those subsidiaries and/or affiliated companies in order to set important policies and control the operations of the subsidiaries and affiliated companies.
- 5.1.2 Persons approved by the Company to be directors of subsidiaries or associated companies have the duty to monitor the operations of the subsidiaries and associated companies that they are responsible for to ensure that they are in line with the goals, operating plans, strategies and budgets set by the Company. They must exercise their discretion in accordance with the resolutions of the board of directors' meetings or shareholders' meetings approving important matters of the subsidiaries or associated companies in order to create the greatest benefit for the Company.
- 5.1.3 Persons who have been approved by the Company to be directors in subsidiaries or associated companies shall have the right to vote for meetings of the board of directors of the subsidiaries or associated companies on matters relating to the general operations of the subsidiaries or associated companies in accordance with the normal course of business of the subsidiaries or associated companies as the directors and executives of the subsidiaries and associated companies deem

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appropriate for the greatest benefit of the subsidiaries and associated companies, except for consideration and voting as specified in Section 5.1.4.

5.1.4 Persons who have been approved by the Company to be directors of a subsidiary or affiliated company shall not vote for the meeting of the board of directors of the subsidiary or affiliated company on the following matters, unless they have received approval from the board of directors and/or the shareholders' meeting, as the case may be, before starting the operation:

5.1.4.1 Transactions of subsidiaries in accordance with the announcement of the Securities and Exchange Commission No. 21/2008 on criteria for related party transactions and the announcement of the Securities and Exchange Commission No. 20/2008 on criteria for significant transactions that are considered as acquisition or disposal of assets.

5.1.4.2 Any transaction that affects the financial position and operating results of the subsidiary company, including:


- (1) Sale or transfer of all or part of the business of a subsidiary to another person, including the transfer or waiver of any rights, benefits, or claims that are material to the damages of the subsidiary.
- (2) Borrowing money, lending money, guaranteeing, incurring obligations or providing financial assistance to other companies.
- (3) Capital increase, allocation of additional shares and reduction of registered capital of subsidiaries, as well as any other action that results in the proportion of direct or indirect shareholding of the Company in any subsidiary in any way.

5.1.5 Persons who have been approved by the Company to be directors and executives in subsidiaries or associated companies, including related persons of such directors and executives, have a duty to inform the board of directors of the subsidiary of their relationship and transactions with the subsidiary company in a manner that may cause a conflict of interest with the subsidiary company. The board of directors of the subsidiary company has a duty to inform the Company of such matters. However, such persons must not participate in approving transactions in which they have an interest or a conflict of interest.

## **5.2 Financial control policies of subsidiaries and/or affiliated companies**

5.2.1 Subsidiaries and/or associated companies have a duty to submit monthly operating results and quarterly financial statements reviewed by a certified public accountant, as well as information supporting the financial operations of the subsidiary or associated company, to ADB and agree that the Company may use such information to support its consolidated financial management or report the Company's quarterly or annual operating results, as the case may be.

5.2.2 Subsidiaries and/or affiliates are responsible for preparing performance estimates and summarizing and comparing performance results according to the plan with actual operations on a quarterly basis, including monitoring performance results to ensure they are in line with the plan in order to report to the parent company.

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5.2.3 Subsidiaries and/or associated companies have a duty to report any financial issues that are material to the Company when they are discovered or when the Company requests an investigation and report.

### **5.3 Policy on controlling and supervising investment plans of subsidiaries and/or affiliated companies**

5.3.1 Subsidiaries and/or affiliated companies must prepare investment plans, budgets and operational plans, setting the framework for various operational goals in the annual budgeting cycle, presenting them to the board of directors of the subsidiary and/or affiliated companies and the top executives of the subsidiary and/or affiliated companies, and presenting them to the board of directors for further consideration.

5.3.2 Subsidiaries and/or associates are responsible for monitoring the performance of investment projects and summarizing the comparison between actual performance and the set goals.

5.3.3 Each subsidiary and/or associated company has a duty to report on the operational plan, performance results, and compare actual results with the Company's set goals to regularly consider the performance results and to revise, improve or develop the operational plans and goals.

5.3.4 The Company requires that the Company's directors and/or executives who have been appointed as directors and/or executives in subsidiaries and/or associated companies have the duty to report the progress of each project and business operations to be aware of any issues or operations that are significant to the Company.

### **5.4 Governance Policy of Subsidiaries and/or Associated Companies**

5.4.1 Subsidiaries and/or affiliated companies have duties to comply with the Company's corporate governance policy, including other related policies as established by the Company (details in Attachment 1) to be announced to affiliated companies.


5.4.2 Affiliates and/or subsidiaries have a duty to comply with the Company's Code of Conduct, including other related codes of conduct as established by the Company for use in affiliated companies.

5.4.3 Subsidiaries and/or associated companies have duties to comply with all policies and practices set by the parent company, to apply international standards related to various products to be appropriate for the business, the needs of customers and/or stakeholders, and to conduct business risk assessments and to assess corruption risks towards private and government agencies with which the company conducts transactions in accordance with the specified policy framework or practices.

5.4.4 The Company shall require directors and/or executives appointed to hold positions in subsidiaries and/or affiliated companies to comply with the Company's policies, ethics and various practices in order to comply with the Company's policies and management guidelines to the extent that they do not conflict with or contradict the policies and operating guidelines of the subsidiaries.

## **6. Review of the control policy and corporate governance mechanism and the charter of the board of directors of subsidiaries**

The review of the control and supervision policy and the mechanism for advising subsidiaries and/or affiliates, including the charter of the board of directors of subsidiaries, must be approved by the board of directors' meeting. The board of directors of the subsidiaries will resolve to approve the charter of the board of directors of subsidiaries

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as approved by the board of directors. This control and supervision policy is required to be reviewed regularly at least once every two years or as appropriate to ensure that it is appropriate, current and in line with the corporate governance criteria of the Stock Exchange of Thailand and the SEC, as well as other regulatory agencies that are regularly updated. In addition, the control and supervision policy of subsidiaries and affiliates has been disclosed on the company's website with the intention of communicating the firm intention and operations that adhere to the principles of good governance in the management of the companies in which it invests in a concrete, transparent and verifiable manner.


This Subsidiary and Associated Company Control and Governance Policy has been approved by the Board of Directors' Meeting No. 4/2024 on 9 August 2024 and will be effective from 16 August 2024 onwards.

Therefore, this is announced for general information.



(Mr.Pawat Wongtangtrakul)

Chairman of the Board

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**Attachment 1**


**Policies and practices that subsidiaries and/or affiliates must comply with**

**Policy**

1. Good Corporate Governance Policy (Revised version according to CG2017 standards)
2. Code of Ethics and Work Practices
3. Human resource management and development policy
4. Accounting, Finance, Budget and Tax Policy
5. Policy on control and supervision of subsidiaries and affiliated companies
6. Insider Trading Policy
7. Anti-corruption Policy
8. Policy on reporting wrongdoing
9. Policy on measures to prevent conflicts of interest
10. Partner Code of Conduct
11. Human rights policy
12. Guidelines for recruitment and compensation consideration
13. Dividend payment policy of the Company and its subsidiaries
14. Related Transaction Policy
15. Policy on acquisition or disposal of assets
16. Alcohol and Drug Policy
17. Social responsibility policy
18. Executive approval authority policy
19. Privacy Policy
20. Waste and Recycling Management Policy
21. Security Policy
22. Political Activities Policy
23. Charitable Donations Policy
24. Sponsorship Policy
25. Information System Security Policy
26. Business Gifts and Entertainment Policy
27. Environmental and Social Policy
28. Human Rights Policy
29. Business Secrets and Intellectual Property Policy
30. Sustainability Management Policy

**Guidelines**

1. Disclosure Manual
2. Approval/Operation Authority

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3. Anti-Corruption Practice
4. Practice Guidelines on Important Document Management
5. Practice Guidelines on Organizational Risk Management
6. Practice Guidelines on Crisis Continuity Management Plan
7. Practice Guidelines on Personal Data Protection
8. Practice Guidelines on Whistleblowing and Complaints
9. Practice Guidelines on Comprehensive Human Rights Investigation
10. Practice Guidelines on Organizational Unit Operations in Compliance with Laws, Regulations and Rules
11. Privacy Statement: Customer, Partner and Visitors' Personal Data Protection Policy
12. Privacy Statement: CCTV Camera Usage Policy
13. Privacy Statement: Job Applicant and Employee Personal Data Protection Policy
14. Personal Data Owner's Rights Request Form

#### Reference to policy and practice documents

The Company's corporate governance policy, including other related policies as prepared by the Company, is published at <http://knowledge.adb.com>, where all personnel of the Company and its subsidiaries can study the policies and practices. If there are any amendments, additions or changes to the policies and practices, the subsidiaries are required to comply with the guidelines, policies and practices as determined by the parent company.