



**Management of Subsidiaries and Associate Companies Policy
Millennium Group Corporation (Asia) Public Company Limited**

Management of Subsidiaries and Associate Companies Policy

In order to comply with the regulations and laws concerning securities and the Stock Exchange of Thailand, as well as the relevant regulations, announcements, orders, or provisions of the Stock Exchange of Thailand (the “SET”) and announcements issued by the Securities and Exchange Commission (SEC), the management proposes that the Board of Directors of Millennium Group Corporation (Asia) Public Company Limited (the “Company”) approve this policy governing the management of subsidiaries and associate companies. The Company, its subsidiaries, and its associates shall comply with the guidelines established in the SEC’s regulations and those of the SET to ensure that the Company has a robust governance framework for managing its subsidiaries and associates, both directly and indirectly, with control mechanisms in place to manage operations effectively. This will protect the Company's investment interests and ensure efficient monitoring of the subsidiaries' and associates' management activities. The Group Chief Executive Officer has the authority to implement this policy on the governance and management of subsidiaries and associate companies in line with the delegation of authority and operational procedures (Delegation of Authority).

This Policy on the Supervision and Management of Subsidiaries and Associated Companies has been established with the objective of enabling the Company to control, supervise, and take responsibility for the management and operations of its subsidiaries and associated companies as if they were part of the Company itself. The Policy also aims to ensure that the Company has effective mechanisms to oversee its subsidiaries and associated companies, both directly and indirectly, and to provide practical guidelines for the management of subsidiaries and associated companies to safeguard the Company’s investment interests. This Policy has been formulated in accordance with the criteria prescribed in the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Application for and Approval of Offering for Sale of Newly Issued Shares (as amended).

In this regard, the terms “Subsidiaries” and “Associated Companies” refer to subsidiaries or associated companies that engage in core business operations as specified in Clause 24, and whose combined size meets the criteria prescribed in Clause 23(2) of the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Application for and Approval of Offering for Sale of Newly Issued Shares (as amended), together with Clauses 2(11) and 2(13) of the Notification of the Securities and Exchange Commission No. KorJor. 17/2551 Re: Definition Provisions in Notifications relating to the Issuance and Offering of Securities (as amended).

In cases where this Policy requires that any transaction or action which is material or has a significant impact on the financial position or operating results of a subsidiary or an associated company be subject to the approval of the Company's Board of Directors or the Shareholders' Meeting (as the case may be), the directors of the Company shall be responsible for arranging a meeting of the Board of Directors and/or a Shareholders' Meeting of the Company to consider and approve such matter prior to the convening of the board meeting and/or shareholders' meeting of the relevant subsidiary or associated company to consider and approve such transaction or action. In this regard, the Company shall disclose information and comply fully and accurately with the relevant rules, conditions, procedures, and requirements applicable to such approval as prescribed under the Public Limited Companies Act, the Civil and Commercial Code, the Securities and Exchange Act, and other relevant laws, as well as the notifications, regulations, and requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET), mutatis mutandis, to the extent that they are not inconsistent or contradictory.

1. **In the following cases, directors of subsidiaries or associated companies (as the case may be) who serve as representatives of the Company shall obtain prior approval from the Company's Board of Directors before casting their votes at the board meetings of the relevant subsidiary or associated company (as the case may be) to enter into such transaction or to undertake such action.**

- 1.1 The appointment or nomination of people as directors and executives who serve as representatives of the Company in subsidiaries or associated companies shall be made at least in proportion to the Company's shareholding in such subsidiaries or associated companies.

Unless otherwise specified in this Policy or as determined by the Company's Board of Directors, directors and executives appointed or nominated by the Company shall exercise their discretion in voting at the board meetings of subsidiaries and associated companies on matters relating to general management and ordinary business operations of such entities as they deem appropriate for the best interests of the Company and the relevant subsidiary or associated company, as the case may be, except for matters that require prior approval from the Company's Board of Directors or the Shareholders' Meeting.

Moreover, such appointed or nominated directors and executives must possess the qualifications, roles, duties, and responsibilities as prescribed by the relevant laws and shall not have any prohibited characteristics under the Notification of the Securities and Exchange Commission concerning the Determination of Untrustworthy Characteristics of Directors and Executives of a Company.

- 1.2 Any capital increase through the issuance of new shares or allocation of shares, as well as any reduction of registered capital of a subsidiary or an associated company, that is not in proportion to the existing shareholding structure, or any other action which results in a reduction of the Company's direct and/or indirect voting rights in the shareholders' meeting of such subsidiary or associated company by more than 10 percent of the total voting rights of such entity, or a decrease in shareholding that constitutes a disposal of assets requiring approval from the Company's Board of Directors (by applying, mutatis mutandis, the calculation criteria prescribed under the relevant Notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand concerning the Acquisition or Disposal of Assets), shall require prior approval from the Company's Board of Directors. However, this shall not apply to cases where such transactions are conducted in

accordance with the business plan or annual budget of the subsidiary or associated company that has already been approved by the Company's Board of Directors.

- 1.3 The consideration and approval of annual dividend payments and interim dividends (if any) by a subsidiary or an associated company shall require prior approval from the Company's Board of Directors, except in cases where such dividend payments are made in accordance with the dividend payment policy already established for that subsidiary or associated company.
- 1.4 Any amendment to the Articles of Association of a subsidiary or an associated company shall require prior approval from the Company's Board of Directors, except for amendments relating to material matters as specified in Clause 2.5, which must be approved by the Shareholders' Meeting of the Company.
- 1.5 The consideration and approval of the annual budget of a subsidiary shall require prior approval from the Company's Board of Directors, except where such approval authority is delegated under the subsidiary's Line of Authority that has already been approved by the Company's Board of Directors.

The transactions specified in Clauses 1.6 to 1.9 below are deemed to be material transactions which, if undertaken, would have a significant impact on the financial position and operating results of a subsidiary. Therefore, such transactions should require prior approval from the Company's Board of Directors. In this regard, the requirement shall apply only in cases where the transaction size of the subsidiary, when calculated in comparison with the size of the Company (by applying, *mutatis mutandis*, the calculation criteria prescribed under the relevant Notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand concerning Connected Transactions or Acquisition or Disposal of Assets, as the case may be), falls within the threshold that requires approval from the Company's Board of Directors. The material transactions are as follows:

- 1.6 In cases where a subsidiary enters a transaction with a related party of the Company or any subsidiary, or a transaction relating to the acquisition or disposal of assets of the subsidiary, including but not limited to the following cases:
 - (1) The transfer or waiver of rights or benefits, including the waiver of any claim against any person who has caused damage to the subsidiary.
 - (2) The sale or transfer of all or a significant part of the subsidiary's business to another person.
 - (3) The acquisition or acceptance of the transfer of another company's business to become part of the subsidiary.
 - (4) The execution, amendment, or termination of an agreement relating to the lease of all or a significant part of the subsidiary's business, the assignment of the management of the subsidiary's business to another person, or the merger of the subsidiary with another person.
 - (5) The lease or hire-purchase of all or a material part of the subsidiary's business or assets.
 - (6) The borrowing or lending of money, granting of credit facilities, provision of guarantees, execution of legal transactions that bind the subsidiary to additional financial obligations, or the provision of any other form of financial assistance to any person in a material amount and which is not in the ordinary course of business of the subsidiary, shall require prior approval from the Company's Board of Directors, except for borrowing transactions between the Company and its subsidiaries.

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- 1.7 The dissolution of a subsidiary.
 - 1.8 Any other transaction that is not a normal business transaction of the subsidiary and has a significant impact on the subsidiary.
 2. **Before a subsidiary enters any of the following transactions, approval must be obtained from the Shareholders' Meeting of the Company.**
 - 2.1 In the case where a subsidiary agrees to enter into a transaction with a related party of the Company or any subsidiary, or a transaction relating to the acquisition or disposal of assets of the subsidiary, including but not limited to the types of transactions specified in Clause 1.6 (1)–(5), such transaction shall require approval from the Shareholders' Meeting of the Company, provided that when calculating the transaction size of the subsidiary in comparison with the size of the Company (by applying, *mutatis mutandis*, the calculation criteria prescribed in the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding Connected Transactions or Acquisition or Disposal of Assets, as the case may be), the transaction size falls within the threshold requiring approval from the Shareholders' Meeting of the Company.
 - 2.2 The capital increase through the issuance of new shares of a subsidiary and the allocation of such shares, including the reduction of registered capital of a subsidiary which is not in proportion to the existing shareholding structure of the shareholders, or any other action that results in the reduction of the Company's direct or indirect voting rights in the shareholders' meeting of the subsidiary, at any level, to a level lower than that prescribed by the law applicable to the subsidiary, which causes the Company to lose its controlling power over such subsidiary. In such cases, when calculating the transaction size in comparison with the size of the Company (by applying, *mutatis mutandis*, the calculation criteria prescribed in the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding the Acquisition or Disposal of Assets), if the transaction size falls within the threshold requiring approval from the Shareholders' Meeting of the Company, such transaction shall be subject to approval from the Shareholders' Meeting of the Company.
 - 2.3 In the case where a subsidiary agrees to enter into a transaction with a related party of the Company or any subsidiary, or a transaction relating to the acquisition or disposal of assets of the subsidiary, including but not limited to the types of transactions specified in Clause 1.6 (1)–(5), such transaction shall require approval from the Shareholders' Meeting of the Company, provided that when calculating the transaction size of the subsidiary in comparison with the size of the Company (by applying, *mutatis mutandis*, the calculation criteria prescribed in the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding Connected Transactions or Acquisition or Disposal of Assets, as the case may be), the transaction size falls within the threshold requiring approval from the Shareholders' Meeting of the Company.
 - 2.4 Any other transaction that is not a normal business transaction of the subsidiary and that will have a significant impact on the subsidiary. In this regard, it shall apply only in cases where, when calculating the transaction size of the subsidiary in comparison with the size of the Company (by applying, *mutatis mutandis*, the calculation criteria prescribed in the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding the Acquisition or Disposal of Assets), the transaction size falls within the threshold requiring approval from the Shareholders' Meeting of the Company.

- 2.5 The amendment of the Articles of Association of a subsidiary on matters that may have a significant impact on the financial position and operating results of the subsidiary, including but not limited to the amendment of the subsidiary's Articles of Association that affects the Company's voting rights in the meetings of the board of directors of the subsidiary and/or the meetings of shareholders of the subsidiary, or the dividend payment of the subsidiary, etc.
3. The Company shall monitor and ensure that the directors and executives of subsidiaries and associated companies who are nominated or appointed by the Company perform their duties and responsibilities in accordance with the laws, articles of association, and the policies of the Company.
4. The Board of Directors of the Company shall continuously monitor the performance of the subsidiaries to ensure that their operations are in line with the approved plans, and shall also monitor that the subsidiaries disclose information on their financial position and performance, connected transactions, acquisition or disposal of assets, and any other significant transactions relating to the Company, as well as ensure that all such operations are carried out in accordance with the rules governing the supervision and management of subsidiaries and associated companies, completely and accurately, pursuant to the relevant notifications of the Capital Market Supervisory Board and the notifications of the Stock Exchange of Thailand, as the case may be.
5. Directors and executives of subsidiaries and associated companies who are nominated or appointed by the Company shall have the following duties:
 - 5.1 To disclose information relating to the financial position and operating results, connected transactions, as well as the acquisition or disposal of significant assets of the subsidiary, to the Board of Directors and executives of the Company completely, accurately, and within an appropriate period as specified by the Company.
 - 5.2 To disclose and submit information concerning their own interests and those of related people to the Board of Directors of the Company, informing the Board of any relationships or transactions with the Company or its subsidiaries that may give rise to a conflict of interest. They shall report such matters to the Board of Directors of the Company within an appropriate period as specified by the Company, for the Board's consideration and decision-making or approval, considering primarily the overall interests of the Company or its subsidiaries.

In this regard, directors and executives of subsidiaries shall not participate in the approval of any matter in which they have a direct or indirect interest or conflict of interest.

Furthermore, any act that results in directors or executives of a subsidiary, or related persons of such directors or executives, receiving financial benefits beyond what is normally due to them, or causes damage to the Company or the subsidiary, shall be presumed to constitute an act that significantly conflicts with the interests of the subsidiary.

- (1) Entering transactions between the Company or its subsidiaries and directors or executives of the subsidiary, or related persons of such directors or executives of the subsidiary, without complying with the criteria for connected transactions, including any amendments thereto.
- (2) The use of information of the Company or its subsidiaries that has been obtained, except for information that has already been disclosed to the public.

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- (3) The use of assets or business opportunities of the Company or its subsidiaries in a manner that violates the criteria or general practices as prescribed by the notifications of the Capital Market Supervisory Board.
- 5.3 To report the business operation plan, business expansion, major investment projects as approved by the Company, business downsizing, business dissolution, suspension of operations of any unit, as well as participation in joint investments with other operators, to the Company through monthly or quarterly performance reports, and to provide clarification or submit supporting documents for consideration in such cases upon the Company's request.
- 5.4 To provide clarification and/or submit information or documents related to operations to the Company upon appropriate request.
- 5.5 To provide clarification and/or submit relevant documents to the Company in the event that the Company detects any significant matter.
6. In the event that a subsidiary or an associated company considers the appointment of an auditor, director, or executive, the directors or executives of the subsidiary or associated company who are nominated or appointed by the Company should inform the subsidiary or associated company that the auditor to be appointed should belong to the audit firm which is a full member of the same network as the Company's auditor.
7. The Board of Directors of the Company shall be responsible for ensuring that the subsidiaries have appropriate and sufficient internal control systems, risk management systems, and anti-corruption systems to prevent possible fraud against the Company, as well as other necessary systems. The Company shall also establish clear operational systems to demonstrate that the Company has sufficient mechanisms for continuous and reliable disclosure of information and for conducting material transactions in accordance with the prescribed criteria. Furthermore, there shall be channels for the Company's directors and executives to obtain information from subsidiaries to effectively monitor and oversee their operational performance, financial position, connected transactions, significant acquisitions or disposals of assets, and other material transactions. In addition, there shall be mechanisms for reviewing such systems in subsidiaries, allowing the Company's internal audit function and independent directors to directly access the information. The results of such system reviews shall be reported to the Company's directors and executives to ensure that subsidiaries consistently comply with the established operational systems.
8. Directors, executives, employees, staff, or persons assigned by the Company or its subsidiaries, including the spouses and minor children of such persons, are prohibited from using inside information of the Company or its subsidiaries, whether obtained through the performance of duties or by any other means, which has or may have a material impact on the Company or its subsidiaries, for their own or others' benefit, whether directly or indirectly, and regardless of whether any compensation is received.
9. The Company shall ensure that the directors in subsidiaries or associated companies who are appointed by the Company attend meetings and vote in accordance with the Company's instructions at the meetings of the boards of directors of such subsidiaries or associated companies, when considering matters that are material to their business operations, unless there is a force majeure event preventing such directors from attending.

10. Directors, executives, or persons related to the Company or its subsidiaries may enter into transactions with the Company or its subsidiaries (as the case may be) only upon receiving approval from the Board of Directors or the Shareholders' Meeting of the Company or the subsidiary, as appropriate, depending on the transaction size (by applying, mutatis mutandis, the calculation criteria prescribed in the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding Connected Transactions). However, this shall not apply to transactions that are commercial agreements entered into under the same terms as those made with general counterparties under similar circumstances, conducted on an arm's length basis, without the influence of their status as directors, executives, or related persons, as the case may be, and such commercial agreements have been approved by the Company's Board of Directors or are in accordance with the principles previously approved by the Board of Directors.

Management of Subsidiaries and Associate Companies Policy was approved by the Board of Directors at its Meeting No. 1/2022 held on 20 June 2022 and has been effective from 20 June 2022 onwards.

- Signed -

(Mr. Pachara Yutidhamdamrong)
Chairman of the Board of Directors