



TCM CORPORATION PUBLIC COMPANY LIMITED SUBSIDIARIES GOVERNANCE POLICY

TCM Corporation Public Company Limited recognizes the significance of corporate governance practices for itself, its subsidiaries, and associated entities. To this end, the company has established a comprehensive policy for the governance of subsidiaries and associates, outlining a framework and mechanisms for the direct and indirect oversight of their policies and operational activities. The policy includes measures for the rigorous monitoring of subsidiary performance, ensuring a level of scrutiny commensurate with safeguarding the company's investments. It also aligns with the company's established policies, relevant laws, and regulatory frameworks, thereby bolstering shareholder confidence.

This policy shall be implemented in a manner consistent with the Company's ownership rights and proportionate interests in its subsidiaries and associates, provided that such implementation does not contravene or conflict with any applicable laws or regulations governing those entities. Furthermore, the policy shall not operate to abrogate any benefits to which the Company's foreign subsidiaries and associates are entitled under the relevant laws of their jurisdictions with details as follows:

1. Definitions

- 1.1. "Company" refers to TCM Corporation Public Company Limited.
- 1.2. "Subsidiary" refers to a legal entity which the Company exercises control, as defined by any of the following criteria:
 - (a) Holding shares with voting rights exceeding fifty percent of the total voting rights in that company.
 - (b) Having the power to control the majority of votes in the shareholders' meeting of that company, directly or indirectly, or for any other reason.
 - (c) Having the power to control the appointment or removal of at least half of all directors, directly or indirectly.
 - (d) Including companies that are demonstrably under the control of the Company pursuant to criteria (a) through (c), established in a sequential manner.
- 1.3. "Associate" refers to a legal entity with which the Company or its subsidiary has the power to participate in, but not control, financial and operational policy decisions. An Associate is neither a subsidiary nor a joint venture of the Company.
- 1.4. "Business Group" refers to the operating business segments under TCM Corporation Public Company Limited, currently consisting of TCM Living group, TCM Surface group, and TCM Automotive group, and other groups that may be established in the future.
- 1.5. "Board of Directors" refers to the Board of Directors of TCM Corporation Public Company Limited.
- 1.6. "Subsidiary Board of Directors" refers to the Board of Directors of a subsidiary or associate of TCM Corporation Public Company Limited.



2. Appointment or Nomination of Directors or Executives in Subsidiaries and Associates

- 2.1 The Company adheres to a policy of overseeing its subsidiaries' operations in a manner consistent with its established governance practices. To achieve this, the Company designates representatives to serve on the boards of directors of both subsidiaries and associates. Regular meetings of subsidiary executive boards are convened to facilitate ongoing monitoring of operations and strategic adjustments as warranted by changing circumstances. Additionally, comprehensive performance reports are submitted to the Company's Board of Directors on a quarterly basis.
- 2.2 The Company will nominate individuals for appointment as directors or chief executives for each business group, tasked with the oversight and administration of the operations of subsidiaries and associates, subject to Board of Directors' approval. This measure aims to ensure that subsidiaries and associates effectively adhere to established policies, goals, visions, business plans, and the Company's growth strategies. The Company will appoint individuals as directors or executives in subsidiaries and associates commensurate with its proportionate shareholding interest. However, exceptions may be necessary in cases where limitations, applicable laws, or compliance with joint venture or shareholder agreements require alternative arrangements.
- 2.3 Candidates for appointment or nomination as directors or executives in subsidiaries and associates must possess the following qualifications:
- (a) Meet all applicable legal and regulatory qualifications and be free from any disqualifying characteristics as prescribed by law or relevant regulations.
 - (b) Possess relevant knowledge, skills, and experience for effective business conduct and fulfilling assigned responsibilities.
 - (c) Demonstrate strong leadership qualities and the ability to provide broad strategic perspectives to drive and achieve the subsidiary or associate's objectives.
 - (d) Make sound decisions aligned with the company's corporate governance and ethical principles. In addition to the above criteria, the Company will consider the specific characteristics and circumstances of each subsidiary and associate on a case-by-case basis when evaluating candidates for appointment. This may include factors such as:
 - The specific regulatory environment of each subsidiary and associate, particularly for those operating under complex or high-risk regulations, such as public limited companies listed on domestic and international stock exchanges.
 - The shareholding proportion in a joint venture, along with the terms of the joint venture agreement and shareholder agreement.
 - The legal requirements of the country where the subsidiary or associate operates or is established.

3. Matters Requiring Approval from the Company's Board of Directors or Shareholders' Meeting Prior to Implementation

- 3.1 Directors and executives of subsidiaries or associates appointed or nominated by the Company have a duty to ensure that prior approval is obtained from the Company's Board of Directors or shareholders' meeting (as applicable) before proceeding with any significant transaction or action that could materially affect the financial status and operating results of the subsidiary or associate, as defined in the Delegation of Authority Matrix and articles of association of that subsidiary or



associate. In this regard, any transaction or action of a subsidiary in the following cases must be approved by the Company's Board of Directors:

- (a) Appointment or nomination of individuals as directors or chief executives of each business group.
 - (b) A subsidiary's capital increases through the issuance of new shares with allocation not proportional to existing shareholder holdings, reduction of the subsidiary's registered and/or paid-up capital where the reduction is not proportional to existing shareholder holdings, or any action that results in a decrease in the Company's shareholding and/or voting rights in the subsidiary's shareholders' meeting.
 - (c) The acquisition or disposal of assets and/or related party transactions require the Company's Board of Directors' approval if the transaction size, as determined by the criteria set forth in the Notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding asset acquisitions/disposals and related party transactions, meets or exceeds the threshold for such approval.
 - (d) Establishment or dissolution of a subsidiary.
 - (e) Amendments to the subsidiary's articles of association, specifically on material matters such as fiscal year changes.
 - (f) Borrowing, lending, extending credit, providing guarantees, or entering into any other financial commitments that would create a higher financial burden on the subsidiaries, or providing any form of financial supports to external parties, if the amounts are significant or fall outside the subsidiary's ordinary course of business.
 - (g) Consideration and approval of each business group's annual budget, and financial transactions exceeding 20% of the approved budget.
 - (h) Any other transaction undertaken by a subsidiary that falls outside its ordinary course of business and has a significant impact on its operations or financial condition.
- 3.2 The following instances necessitate approval from the Company's shareholders' meeting:
- (a) The acquisition or disposal of assets and/or related party transactions conducted by a subsidiary, if the transaction's magnitude, as determined by the criteria stipulated in the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand concerning the acquisition/disposal of assets and/or related party transactions, falls within the threshold mandating approval from the Company's shareholders' meeting.
 - (b) Any other transaction undertaken by a subsidiary that is mandated by law or relevant notification to be approved by the Company's shareholders' meeting prior to implementation.

4. Internal Control and Disclosure

- 4.1 Directors and executives of subsidiaries are obligated to disclose information regarding the financial status, operating results, related party transactions of the subsidiary, transactions that may involve conflicts of interest, as well as the acquisition or disposal of assets and/or material transactions to the Company in a complete, accurate, and timely manner, as determined by the Company.
- 4.2 Directors and executives of subsidiaries must refrain from engaging in transactions that could create significant conflicts of interest with the subsidiary. If a potential conflict of interest arises



due to a transaction, such information must be disclosed to the subsidiary's Board of Directors. In addition, the director who serves as the Company's representative on the subsidiary's board has a duty to inform the Company's Board of Directors within the timeframe established by the Company. This information will be considered in any decision-making or approval process, prioritizing the best interests of both the subsidiary and the Company.

In all cases, directors of the subsidiary are prohibited from participating in the approval of matters where they have a personal interest or a conflict of interest, whether directly or indirectly.

4.3 Company representatives on subsidiary and associate boards shall ensure the implementation of appropriate, effective, and comprehensive internal control, risk management, and anti-corruption systems. These systems must align subsidiary operations with the plans, budgets, and policies of the Company, as well as laws and regulations on corporate governance, including announcements, rules, and relevant guidelines of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. This safeguards against fraud, promotes transparency, and ensures Company directors and executives have access to subsidiary information. This includes monitoring subsidiaries' disclosure of financial status, operating results, related party transactions, asset acquisitions or disposals, potential conflicts of interest, and any other material transactions effectively. Additionally, mechanisms for auditing these systems within subsidiaries must be in place, with audit results reported to the Company's directors and executives to ensure consistent adherence to established procedures by subsidiaries.

5. Use of Insider Information of Subsidiaries

Directors, executives, employees, agents, or assignees of subsidiaries, inclusive of their spouses and minor children, are strictly prohibited from utilizing inside information of the Company or its subsidiaries for personal or to benefit a third party. This includes information acquired through their duties or any other means and encompasses information that has or could potentially have a material impact on the Company's stock price. The prohibition applies regardless of whether they directly or indirectly benefit or receive compensation.

6. Transactions by Directors, Executives, or Affiliated Parties of the Company

Directors, executives, or affiliated parties of the Company seeking to engage in transactions with a subsidiary must first obtain approval from the subsidiary's Board of Directors, the Company's Board of Directors, or the shareholders' meeting of either the subsidiary or the Company, as applicable, depending on the transaction's significance. The transaction size is determined by the criteria set forth in the relevant notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand. However, an exception exists for commercial agreements entered into on terms demonstrably comparable to those obtainable from an unaffiliated counterparty under similar circumstances. These agreements, as would ordinarily be executed by person of ordinary prudence dealing with general counterparties in similar situations, must be conducted at arm's length, free from any influence arising from the individual's position as a director, executive, or affiliated party. Furthermore, these customary commercial agreements must either receive explicit approval from the Company's Board of Directors or adhere to principles previously approved by said Board.

The practices of the boards of directors of subsidiaries and associates are outlined in the Corporate Governance Manual and the Business Ethics and Code of Conduct of TCM Corporation Public



Company Limited, and the Delegation of Authority Matrix approved by the Board of Directors for the current year.

Pursuant to a resolution of the Board of Directors' meeting on 3rd April 2024.

TCM Corporation Public Company Limited

A handwritten signature in blue ink, appearing to read "Pimol Srivikorn", is written over a horizontal line.

(Mr. Pimol Srivikorn)
Chairman