

PROEN Corp Public Company Limited

Policy on Control and Supervision of Subsidiaries and Associated Companies

PROEN Corp Public Company Limited (the “Company”) has a policy to invest in other related businesses or the business that benefits the main business of the Company. Such business shall have potential and is foreseeable that it can generate profits for the Company in the long term. The Company will closely control and supervise the management of the subsidiary and associated company in order to continuously and sustainably maintain benefits of the Company's investment, as well as to create added value and confidence for the stakeholders of the Company. Therefore, the Company has set out a policy on control and supervision of subsidiaries and associated companies in which the Company invests with the following details.

1. The Company shall send a person with qualifications and experience suitable for the business operation of subsidiaries and associated companies to be a representative in management, joint in set a policy and control the business operations of subsidiaries and associated companies.
 - 1.1 The Company shall send a person who approved by resolutions of the Board of Directors’ Meeting of the Company to serve as directors and executives in the subsidiaries in accordance with the proportion of the shareholding of the Company in the subsidiary or in accordance with the mutual agreement in order to supervise and establish management policies. The number of persons to be positioned as director of a subsidiary for investing in associates, the Company shall assign a representative to be a director in associated company in accordance with the proportion of the shareholding and/or as deem appropriate, depends mainly on mutual agreement.
 - 1.2 The Company has set the scope of duties and responsibilities of directors and executives in subsidiaries and associated companies as follows:
 - Closely follow up on the operations of the subsidiaries and associated companies to ensure that it meets the goals set by the Company.
 - Perform duties as specified by the subsidiary and associated company's Board of Directors and/or the meeting of shareholders of that subsidiary or associated company.
 - Consider and cast a vote in the Board of Directors' meetings of the subsidiary and associated companies in matters relating to the general operations of the subsidiary and associated companies as the directors and executives of the subsidiary and associated companies see fit and appropriate. For the utmost interest and benefits of the Company, subsidiaries, associates, except the consideration and voting on the following matters shall be approved by the company’s Board of Directors and/or the shareholders' meeting on a case-by-case basis.



- (a) Transactions of subsidiary companies according to the announcement of the Connected Transactions and the announcement of the Acquisition and Disposition.
 - (b) Transactions which may have a significant impact on the financial position and results of operations of subsidiaries, i.e.
 - Sale or transfer of all or parts of significant business of a subsidiary to other.
 - Purchase or acceptance of transfer of business of other companies to subsidiaries.
 - Dissolution of subsidiaries
 - Transferal or waiver of benefits and claims that are significant to the damage of subsidiaries.
 - Taking loan, loaning-out, guarantees, incurring of contingent liabilities, or provision of financial assistance to other companies that has a significant effect on the subsidiary's financial status.
 - Amendment of the articles of association of the subsidiary company.
 - Increase of capital, allocation of newly issued shares and the reduction of registered capital of a subsidiary.
2. Directors and executives of the subsidiaries including any person relating to the said directors and executives shall undertake the duty to notify the board of subsidiaries of the relationship and transactions with subsidiaries in a manner that may cause conflict of interest and avoid any transaction that may cause conflict of interest with the said subsidiary company. The Board of Directors of the subsidiary company is responsible for informing the said matter to the Company. Directors and executives of subsidiaries shall not approve any matter in which they have vested interests or conflicts of interest.
 3. The subsidiary company shall report to the Company any business plan, investment project, joint investment with other operators through monthly performance report of the subsidiary company. The subsidiary company shall submit information or documents relating to the operations of the Company once requested properly. In case that the Company detects any significant issues, the Company may request the subsidiary company to clarify and/or deliver documents for the Company's further and additional consideration.



This Policy on Control and Supervision of Subsidiaries and Associated Companies has been approved by the Board of Directors at the Board of Directors Meeting No. 5/2019 on 14 August 2019. It will be effective from 15 August 2019 onwards.

Mr. Kittipan Sri-bua-iam
Chief Executive Officer



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