



Policy on Operation Supervision of the Subsidiaries and Associated Companies

Chotiwat Manufacturing Public Company Limited (“the Company has strongly believed that good supervision procedures will facilitate an effective business operation of the Company while strengthening its business plan to be more transparent and verifiable. This in turn, can create the confidence of the investors, shareholders, stakeholders, including other relevant parties. Therefore, the Company has established the policy on operation supervision of the subsidiaries and associated companies to be employed as a guideline and framework in supervising the business operation of its subsidiaries and associated companies to be in line with the corporate governance principle.

Policy on Operation Supervision of the Subsidiaries and Associated Companies

The Company has established the policy on operation supervision of the subsidiaries and associated companies in order to set measures and mechanisms, both directly and indirectly, as well as to enable the Company to supervise the business management of its subsidiaries and associated companies to be efficient and in compliance with the established measures and mechanisms as if such subsidiaries and associated companies are the Company’s own agencies as well as to ensure their compliance with the laws regarding Public Company Limited, civil and commercial code, the Securities and Exchange law, including other related laws, notifications, specifications and criteria pertaining to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in order to safeguard the Company’s investment in such subsidiaries and associated companies that in turn, will enhance the confidence of the Company’s shareholders. Details are as follows:

- (a) The Company shall appoint a representative to hold a directorship or executive position in the subsidiaries and associated companies. The number of the representatives holding the directorship position of such subsidiaries or associated companies shall reflect the Company’s shareholding ratio in such subsidiaries or associated companies and/or shall be in accordance with the agreement made between the Company and the subsidiaries or associated companies in order to ensure that the business operation of such subsidiaries and associated companies shall conform to the Company’s policies effectively and efficiently while being in compliance with the Company’s established regulations, policies and business plans.
- (b) The Company shall regularly supervise and monitor the operation of the subsidiaries and associated companies in which it has made investment as well as ensure the preparation, collection of information, recording of accounting of the subsidiaries and associated companies. Besides, the Company shall disclose the financial status and operating results, transactions made between the subsidiaries and any related persons, acquisitions or sales of assets and any other transactions to ensure the completeness by employing the criteria of information disclosure and transactions of a similar nature with the Company’s criteria on any information disclosures and transactions that must be in line with the criteria and procedures stipulated by laws regarding securities and the Stock Exchange of Thailand, regulations, notifications, orders or specifications of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as disclose such information to the Company.
- (c) The Company shall establish the internal control system of the subsidiaries which are appropriate and sufficiently concise. Every transaction must be in accordance with relevant laws and regulations.



(d) The directors and executives acting as a representative in the subsidiary must supervise any persons with potential stakes in any matters or with the conflicts of interest with the subsidiary, whether directly or indirectly, to refrain from giving an approval on such matter.

(e) The Company shall consider the performance report of the subsidiaries and associated companies on a regular basis in order to establish the operation plans and goals accordingly.

Nonetheless, to ensure that the corporate governance policy of its subsidiaries and associated companies are appropriate and relevant to changing situations, business conditions or rules and regulations, the Company; therefore, must review this Policy on an annual basis.