

## **Policy for Supervision of Subsidiary Companies and Joint Ventures Supporting the Core Business**

### **GMM Grammy Public Company Limited**

GMM Grammy Public Company Limited ("the Company"), has diversified its investments by holding shares in other companies (Holding Company). The focus is on the Integrated Entertainment business. For the Integrated Entertainment business, the Company has a policy to invest in subsidiary companies and/or joint venture companies that support the Company's business operations. Additionally, the Company invests in companies that align with the goals, vision, and growth strategy of the Company, aiming to increase the Company's revenue or profits. The Company also invests in businesses that provide synergy to the Company and its subsidiaries or affiliated companies, enhancing the competitive capabilities of the Company. This is in line with the Company's objective to become a leading player in its core business. In addition, subsidiary companies and/or joint venture companies may consider investing in other businesses if they have the potential for growth or can contribute to business expansion, providing benefits to the group of companies. Such investments aim to generate a good return on investment.

In this regard, the company has established a policy for overseeing subsidiary companies and joint venture companies that contribute to the core business. The company has outlined measures and mechanisms, both direct and indirect, to enable effective supervision and management of the operations of subsidiary and joint venture companies, leading to a well-structured and transparent management system. This includes the ability to assess and define the operational direction of various subsidiary companies that the company invests in, or may invest in, in the future efficiently. Additionally, it allows the tracking of the management and operations of invested subsidiary companies to ensure the maintenance and enhancement of the company's investment benefits. This approach makes these subsidiary companies seem like integral units or departments within the organization. The measures and mechanisms for overseeing these business activities serve to add value and confidence for stakeholders, assuring them that the subsidiary and joint venture companies in which the company invests will operate continuously and sustainably. In addition, the company has implemented the aforementioned measures for overseeing subsidiary and joint venture companies in accordance with the criteria related to the supervision of the operations of subsidiary and joint venture companies, as outlined in the Securities and Exchange Commission's Announcement No. 39/2559 regarding the application for and approval of the issuance of new shares (including amendments). The terms 'Subsidiary Company' and 'Joint Venture Company' refer to companies that engage in the core business, as defined in the aforementioned announcement.

However, this policy is enforced only to the extent that it does not violate or conflict with any laws or regulations of any foreign jurisdiction applicable to the aforementioned subsidiary and joint venture companies. It is also implemented in a manner that does not compromise any rights or benefits that the subsidiary and joint

venture companies in foreign jurisdictions of the company may be entitled to under applicable foreign laws.

The details of the measures and/or mechanisms for supervision and oversight are as follows:

1. The company shall oversee and require approval for any transactions or operations of subsidiary and/or joint venture companies in the following cases: such matters must receive approval from the Board of Directors' meeting of the company, the executive committee meeting of the company, and/or the shareholders' meeting of the company (as the case may be) before the subsidiary and/or joint venture companies can consider approval or proceed with such matters.

- (1) **Regarding matters that require approval from the Group Management Committee (Group Ex.com) meeting of the company before being presented to the Board of Directors' meeting of the company for acknowledgment:**

The appointment or nomination of individuals as directors in subsidiary and/or joint venture companies, who are listed in the roster present at the meeting of the company's Board of Directors, must be approved at the Board of Directors' meeting and not less than the proportion of shareholding of the company.

In addition, the directors of the subsidiary and/or joint venture companies proposed or appointed by the company shall exercise their discretion in voting at the meetings of the Board of Directors of the subsidiary and/or joint venture companies, within the scope of authority, duties, and responsibilities approved by the company's Board of Directors. This should be done with a consideration for the maximum benefit of the company, subsidiary companies, and/or joint venture companies (as the case may be). If any director has a vested interest, directly or indirectly, in any matter, that director shall abstain from voting.

- (2) **Regarding matters that require approval from the Group Management Committee (Group Excom) meeting of the company before being presented to the Board of Directors' meeting of the company for approval:**

- (a) The appointment or nomination of individuals as directors in subsidiary and/or joint venture companies, who are not listed in the roster present at the meeting of the company's Board of Directors, but for whom the Board of Directors has approved, or the company has limitations or necessities preventing the inclusion of certain individuals as directors in the subsidiary or joint venture companies. However, the company can demonstrate a mechanism that ensures confidence that it can oversee the management or decision-making in matters significantly affecting the operations and financial status of the subsidiary and/or joint venture companies, based on their respective shareholding proportions.

In this context, the directors of the subsidiary and/or joint venture companies proposed or appointed by the company shall exercise their discretion in voting at the meetings of the Board of Directors of the subsidiary and/or joint venture companies, within the scope of authority, duties, and responsibilities approved by the company's Board of Directors. This should be done with consideration for the maximum benefit of the company, subsidiary companies, and/or joint venture companies (as the case may be). If any director has a vested interest, directly or indirectly, in any matter, that director shall abstain from voting, both directly and indirectly.

- (b) The consideration and approval of annual dividends and interim dividends (if any) of subsidiary companies will be subject to the condition that the subsidiary companies shall pay dividends in an aggregate amount not less than the amount specified in the annual consolidated budget of each subsidiary company or in accordance with the dividend payment policy of each subsidiary company. This policy must be approved at the meeting of the Board of Directors of the respective subsidiary companies, if applicable.
- (c) The amendment of the subsidiary's regulations, except for amendments required to comply with applicable laws, must be approved by the shareholders' meeting of the Company if the amendment concerns significant matters as specified under Clause 1(4)(a).
- (d) The consideration and approval of the annual consolidated budget of all subsidiary companies, except for cases where it has been stipulated in the Corporate Authority Index approved at the Board of Directors' meeting of the company.
- (e) The appointment of an auditor for subsidiary companies is specific to cases where the appointed auditor is not affiliated with the office of accountancy that is a Full Member of the same network as the auditor of the company, contrary to the policy that requires the appointed auditor for subsidiary companies to be affiliated with the same network office as the auditor of the company.

(3) **Matters that require approval from the Board of Directors' meeting of the company and/or the shareholders' meeting of the company before the subsidiary company can consider approval or proceed with, depending on the scale of the transaction in comparison to the size of the company, based on the criteria regarding the acquisition or disposal of assets and/or related transactions (as the case may be) of the Securities and Exchange Commission and the Stock Exchange of Thailand, subject to any exemptions.**

- (a) The increase of capital in the subsidiary company, allocation of shares, as well as the reduction of registered capital and/or changes in fully paid-up capital of the subsidiary company, which do not adhere to the original shareholding proportions of the

shareholders, resulting in a change in the original shareholding proportions of the subsidiary company or a decrease in the shareholding proportions of the subsidiary company.

- (b) In cases where the subsidiary company agrees to engage in a transaction with related parties of the company or subsidiary companies, or transactions related to the acquisition or disposal of assets of the subsidiary company, including but not limited to the following situations:
  - (1) Transferring or relinquishing rights, including waiving claims, held by the subsidiary company against parties causing damage to the subsidiary company.
  - (2) Selling or transferring the entire or significant part of the business of the subsidiary company to entities other than the company or subsidiaries within the group of the company.
  - (3) Purchasing or receiving the transfer of the business of other companies not affiliated with the company, and/or subsidiaries within the group of the company, by the subsidiary company.
  - (4) Entering into, amending, or terminating agreements related to leasing the entire or significant part of the business of the subsidiary company, appointing others to manage the subsidiary company's business, or merging the business of the subsidiary company with entities other than the company or subsidiaries within the group of the company, with the objective of sharing profits or losses.
  - (5) Leasing, lease-purchasing, or lease-selling the entire business or significant parts thereof, or assets of the subsidiary company, or the parts with significant liabilities.
- (c) Take out a loan, lending money, providing credit, guarantees, engaging in transactions that financially burden the subsidiary company, or providing financial assistance to others, except for loans between the company and the subsidiary company or among subsidiaries within the group of the company.
- (d) Ending the operations of the subsidiary company.
- (e) Any other items that are not part of the subsidiary company's normal business and have a significant impact on the company or the subsidiary company.

(4) A matter requiring approval from the shareholders' meeting of the company with a vote of no less than three out of four (3/4) of the total votes of the shareholders present at the meeting and entitled to vote.

- (a) The amendment of subsidiary company regulations in matters that may have a significant negative impact on the financial status, operational results of the subsidiary, or the governance and management of the subsidiary, due to entering into a transaction

involving the acquisition or disposal of the subsidiary's assets with a transaction size that requires approval from the shareholders' meeting of the Company in accordance with the regulations on acquisition or disposal of assets set forth by the Capital Market Supervisory Board and the Stock Exchange of Thailand.

In cases where this policy stipulates that any transaction or operation must obtain approval from the company's board of directors and/or the shareholder meeting of the company (as the case may be), the company's directors are responsible for organizing board meetings and/or shareholder meetings to consider approval before the subsidiary company convenes its own board meeting and/or shareholder meeting to seek approval or undertake such transactions. The company is also required to disclose information, including compliance with criteria, conditions, and procedures related to the requested approval, as specified in laws governing public limited companies, commercial and securities laws, relevant regulations, and guidelines of the Securities and Exchange Commission, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, while complying with applicable laws and regulations.

2. The company will oversee its subsidiary to ensure that it has internal control systems, risk management systems, anti-corruption systems, and other necessary and appropriate systems in place that are sufficiently tight and effective. This includes specifying measures to monitor the subsidiary's operations that are suitable, efficient, and sufficiently stringent. Additionally, the company will establish mechanisms for auditing these systems within the subsidiary, providing direct access to information for the internal audit team, directors, and executives of the company. There will be reporting of the results of the audit of these systems to the board of directors and executives of the company to ensure confidence that the subsidiary operates consistently with the established systems on a regular basis.
3. The company will oversee that the directors proposed or appointed by the company and the executives of the subsidiary representing the company must be individuals listed in the Securities and Exchange Commission's whitelist of directors and executives of the company, including possessing the qualifications, roles, duties, and responsibilities as per the relevant criteria and laws. Additionally, they must not exhibit characteristics of untrustworthiness as defined in the announcements of the Securities and Exchange Commission and the Stock Exchange of Thailand regarding the determination of the untrustworthy characteristics of directors and executives of the company.
4. The board of directors of the company will oversee that the directors of the subsidiary and/or joint ventures proposed or appointed by the company have the following responsibilities:

- (1) Oversee the subsidiary and/or joint ventures to ensure compliance with laws, regulations, rules, and relevant regulations, as well as effective management practices in accordance with the company's policies.
- (2) Disclose information regarding the financial status and operational results, interconnected transactions, potentially conflicting transactions, significant acquisitions or disposals of substantial assets, and/or any other significant items of the subsidiary to the company in a complete, accurate, and timely manner as specified by the company.
- (3) Disclose and report information related to their personal interests and relationships, as well as transactions with the company and/or its subsidiaries that may result in conflicts of interest. Board members of the subsidiary are responsible for notifying the company's board within the specified timeframe set by the company. The purpose is to provide comprehensive information for consideration and approval, taking into account the overall benefits of both the company and its subsidiary.

In addition, the directors and executives of the subsidiary must not participate in the approval of matters in which they have a direct or indirect financial interest or a conflict of interest, whether directly or indirectly.

- (4) Report business development plans, business expansion, large-scale investment projects approved by the company, business downsizing, business cessation, cessation of unit operations, as well as participation in investments with other entrepreneurs, to the company through monthly or quarterly performance reports. Provide explanations and/or submit supporting documents for consideration in cases where the company requests.
- (5) Provide explanations and/or submit information or documents related to operations to the company upon request and as deemed appropriate.
- (6) Provide explanations and/or submit information or documents related to any significant issues identified by the company during its inspections.

Furthermore, the company will regularly review the subsidiary and joint venture governance policies to ensure their alignment with the company's situation and business operations. This includes compliance with legal requirements, regulations, rules, and various practices that may be amended.

The governance policies for subsidiaries and joint ventures in this main business conduct policy were considered and approved by the board of directors' meeting no. 3/2024, on May 31, 2024. These policies will be effective from May 31, 2024, onward

(Mr. Paiboon Damrongchaitham)

Chairman of the Board

GMM Grammy Public Company Limited

**Scope of Power, Duties, and Responsibilities of  
GMM Grammy's Representatives in Subsidiaries'  
and/or Associates Operating Core Businesses**

GMM Grammy Public Company Limited

## **Scope of Power, Duties, and Responsibilities of GMM Grammy's Representatives in Subsidiaries' and/or Associates Operating Core Businesses**

GMM Grammy Public Company Limited ("Company") has specified the scope of power, duties, and responsibilities of directors / executives of subsidiaries and/or associates operating core businesses who have been nominated and appointed as the Company's Representatives (collectively referred to as the "Company's Representatives") with the aim to implement mechanisms for the Company to supervise and take responsibility for the management and operations of subsidiaries and/or associates operating core businesses via monitoring measures. Also, the Company has ensured the Company's Representatives in those entities act in accordance with their scope of power, duties, and responsibilities mentioned herein.

"Subsidiaries" and "Associates" refer to subsidiaries or associates operating core businesses as defined by the Capital Market Supervisory Board's Notification TorJor. 39/2559, which governs the applications and approval for the offerings of new shares (including any amendment) except specified otherwise herein.

The scope of power, duties, and responsibilities of the Company's Representatives in subsidiaries and/or associates is as follows:

1. The Company's Representatives shall arrange for the Company's Board of Directors and/or shareholders' meeting(s) to review and approve a planned transaction of a subsidiary when the said transaction requires prior approval so as to comply with the Company's Policy for Supervision of Subsidiaries and Associates Operating Core Businesses.
2. The Company's Representatives shall disclose information on subsidiaries' financial position and operating results, connected transactions, transactions with potential conflict of interest, significant acquisitions, or disposals of material assets, and/or any other material transactions to the Company in a complete and accurate manner within a reasonable timeframe set by the Company.

3. The Company's Representatives shall declare information on their personal interests and related persons as well as transactions that may cause a conflict of interest to the Board of Directors within the timeframe set by the Company, and refrain from any transaction that may pose a conflict of interest. The declaration is required as an assurance that relevant information shall be used in decision-making or review/approval process done in the interest of the Company and/or subsidiaries.

Any of the following actions shall be considered a material conflict of interest, when it gives the Company's Representatives or related persons financial benefits that are not normally received or cause damage to subsidiaries or the Company:

- (1) A transaction between a subsidiary and the Company's Representative or related person that is not in line with the criteria applicable to connected transactions.
- (2) The use of the Company's or subsidiaries' non-public information; and
- (3) The use of the Company's or subsidiaries' assets or business opportunities in breach of the Capital Market Supervisory Board's criteria or guidelines.

4. The Company's Representatives shall report business development plans, business expansion, large-scale investment projects approved by the Company, business downsizing, business cessation, cessation of the operations of any unit, as well as joint investments with other entrepreneurs to the Company, and/or upon the Company's request submit supporting documents.

5. The Company's Representatives shall explain and/or submit information / documents related to subsidiaries' operations to the Company upon request and as deemed appropriate, or upon the detection of a material issue.

6. The Company's Representatives shall ensure that subsidiaries under their supervision have adequate, strict, proper and efficient internal control system, risk management system, and anti-corruption system to guarantee full compliance with the Company's policies, laws, regulations on listed companies' corporate governance, as well as notifications, rules and requirements set by the Capital Market Supervisory

Board, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

7. The Company's Representatives, their spouse or underage children shall not use the Company's or its group's inside information, acquired during their execution of their duties or any other means, in a way that may materially affect subsidiaries, associates, and/or the Company for their or others' benefits, either directly or indirectly, and regardless of whether they are paid in whatever form to do so or not.

The scope of power, duties, and responsibilities of the Company's Representatives in subsidiaries and/or associates operating core businesses stated herein was considered and approved by the Company's Board of Directors at its meeting No. 4/2023 on 14 November 2023 with immediate effect.

(Mr. Paiboon Damrongchaitham)  
Chairman of the Board  
GMM Grammy Public Company Limited