

CK Power Public Company Limited and Subsidiaries

Re: Guidelines for Connected Transactions

Effective as of November 21, 2019

1. Objective

As a listed company in the Stock Exchange of Thailand, CKPower takes into consideration the interests of all stakeholders equitably and recognizes that transactions between a listed company and a connected person may create a conflict of interest and lead to transfer of benefits. Thus, to ensure transparency, reasonability, independence, and fairness to all stakeholders, the Company has prescribed a transparent process whereby directors and executives shall execute such transactions with prudence and integrity and take into account the interests of the Company as with transactions with an external party. In addition, transaction tracing and verification systems have been put in place to ensure that such transactions are executed correctly according to the prescribed process; in compliance with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, including the rules and regulations on disclosure of information and other acts of a listed company concerning connected transactions and the acquisition or disposition of assets; and in adherence to the financial reporting standards issued by the Federation of Accounting Professions.

2. Definitions

“**Company**” refers to CK Power Public Company Limited.

“**Subsidiary**” refers to a company in which the Company directly and/or indirectly holds over 50% of the total voting shares.

“**Board of Directors**” refers to the Board of Directors of CK Power Public Company Limited.

“**Director**” refers to a director of CK Power Public Company Limited.

“**Executive**” refers to the Managing Director or any of the first four top-ranking executive positions after the Managing Director and every person holding an position equivalent to the fourth executive position, including every person holding an executive position in Accounting or Finance Departments whose rank is not higher or equivalent to departmental manager, of CK Power Public Company Limited.

“**Connected transaction**” refers to a transaction between the Company or its subsidiaries and a person with connection to the Company.

“**Connected person**” refers to a controlling person of the Company or its subsidiaries, such as executives or major shareholders, including persons closely related to such persons, such as spouses and children; or juristic persons in which such persons are major shareholders or have a controlling power; or other persons with characteristics as defined by the Capital Market Supervisory Board.

“**Controlling person**” refers a person with the controlling power over the business, i.e. a person who:

- holds over 50% of the total voting shares of a juristic person;
- controls the majority voting rights in the shareholder’s meeting, either directly or indirectly;

- controls the appointment or removal at least half of all directors, either directly or indirectly.

“Related person” refers to a person related to the connected person, as stipulated in Section 258 (1)-(7) in the Securities and Exchange Act B.E. 2535, namely:

(1) The spouse

(2) A minor child

(3) An ordinary partnership where such a person or the persons under (1) or (2) are partners

(4) A limited partnership where such a person or the persons under (1) or (2) are partners with unlimited liability or with limited liability provided that their holdings exceed 30%

(5) A limited company or a public limited company where such a person or the persons under (1) or (2) or (3) or (4) collectively hold over 30% of the total shares

(6) A limited company or a public limited company where such a person or the persons under (1) or (2) or (3) or (4) or

(5) collectively hold over 30% of the total shares

(7) A juristic person referred to in Sections 246 and 247 (of the Securities and Exchange Act) that has the power of management as a representative of a juristic person

“Close relatives” refers to persons related by blood or registration under the law, such as spouses, father, mother, siblings, children, and spouses of the children.

“Net tangible assets” refers to the total assets deducted by intangible assets, such as goodwill and deferred costs, and by liabilities and minority interests.

3. Justification for connected transactions

To ensure that a connected transaction between the Company or its subsidiaries and a connected company or person has general commercial conditions in a manner that persons of ordinary prudence might enter into with ordinary parties under the same circumstances, through commercial negotiation without exercising influence in their capacity as persons with a possible conflict of interest (an arm's length basis) and without transfer of benefit between the Company and persons with a possible conflict of interest, and in the best interest of the Company, in accordance with the Notification on Connected Transactions.

4. Types of connected transactions

4.1 Transactions in the ordinary course of business are regular commercial transactions that the Company or its subsidiaries enter into to operate business under general commercial terms, such as selling goods, purchasing raw materials, and providing services.

4.2 Transactions in support of the ordinary course of business are transactions made in support of transactions in the ordinary course of business under general commercial terms, such as a hire for goods shipment, advertisement production, management contracts, and receiving technical assistance.

4.3 Short-term real estate rental transactions are rental transactions with contract periods not exceeding three years and without proof of general commercial terms, such as renting a building as office and renting a building or land for warehousing.

4.4 Transactions related to assets or services are transactions concerning the acquisition or disposition of assets or the right to get or receive services, such as purchasing machinery, purchasing a capital investment, selling a building, selling land leasehold rights, or acquiring a concession.

4.5 Transactions concerning offer or receipt of financial assistance are transactions in which the Company or its subsidiaries receive financial assistance from or offer financial assistance to a connected person. Examples of financial assistance provision are offering loans or guarantee, and examples of receipt of financial assistance are securing a loan, paying fees incurred from the use of a connected person's credit line, paying fees to a connected person who serves as a guarantor.

5. Procedure

5.1 The type of the transaction and whether the transaction is carried out between the Company or its subsidiaries and a company/person with potential conflict of interest as stipulated by the SEC shall be determined.

5.2 In case of a connected transaction, the value of such transaction shall be calculated and compared against the Company's net tangible assets to determine the size and type of the transaction as stipulated by the SEC.

5.3 In case of a transaction in the ordinary course of business and in support of the ordinary course of business, the Board of Directors shall approve such transaction in principle and define a framework by which the management considers executing such transaction, provided that such transaction is subject to general commercial terms, namely commercial

terms with reasonable and fair price, without transfer of benefit. Transactions approved by the management shall be reported to the Audit Committee and the Board of Directors for acknowledgment.

5.4 For other types of connected transactions, the transaction size of each category and the power to execute the transaction shall be considered in accordance with the stipulations of the SEC. The justifiability of the execution of all such transactions shall be subject to consideration by the management and the Audit Committee, taking into account the best interests of the Company as with any ordinary transaction with an external party (an arm's length basis) in order to ensure transparency, absence of conflicts of interest, and the utmost benefit of the Company and all shareholders. Such transactions shall be proposed to the Board of Directors and shareholders in accordance with the nature and size of transactions in each category. Directors with possible conflict of interest in the execution of such connected transactions shall not be eligible to approve nor vote on such matters in which they have interests.

5.5 In the event that the Audit Committee does not have the expertise to consider a connected transaction that has been executed, the Company may provide an independent expert or its auditor to give opinions on such transaction to inform the decision making of the Board of Directors and/or the Audit Committee or shareholders on a case by case basis.

Please be informed and comply accordingly.

(Mr. Thanawat Trivisvavet)

Managing Director