



**POLICY OF RELATED PARTY AND CONNECTED TRANSACTIONS**

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**MR. D.I.Y. HOLDING (THAILAND) CO., LTD. AND ITS SUBSIDIARIES**

31 May 2023

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## POLICY OF RELATED PARTY AND CONNECTED TRANSACTIONS

### 1. INTRODUCTION

This Policy sets out the practice and guidelines for MR. D.I.Y. Holding (Thailand) Co., Ltd. (the “**Company**”) to conduct and enter into transactions with its related persons, with the aim of ensuring compliance with the Securities and Exchange Act, B.E. 2535 (1992), as amended (the “**SEC Act**”) and other relevant notifications and guidelines as issued by the Office of Securities and Exchange Commission (the “**SEC**”) and the Stock Exchange of Thailand (the “**SET**”).

In addition, this Policy is adopted to conform to the principles of good corporate governance and to create fairness and transparency for all shareholders and stakeholders.

### 2. DEFINED TERMS

Under this Policy, the following expressions have the following meanings:

“**Related Party Transaction**” means any transaction, business activity that is similar to, competes with the Group or has any relationship which could have a conflict of interest between the Group and a Conflicted Person.

“**Connected Transaction**” means any transaction between the Company (or its Subsidiary) and a Connected Person of the Company.

“**Conflicted Person**” means any of the following persons:

- (i) directors or Executives of the Company;
- (ii) Major Shareholders of the Company;
- (iii) Controlling Person of the Company;
- (iv) those persons who have relationship by blood, marriage or legal registration with any of the persons as specified in (i) – (iii), which are father, mother, spouse, sibling, child or spouse of child; and
- (v) any legal entity in which the person under (i), (ii), or (iii) holds shares or has controlling power or any other interest, whether directly or indirectly, in a significant manner.

“**Connected Person**” means any of the following persons:

- (i) directors, Executives, Major Shareholders, Controlling Person or persons to be nominated as an Executive or Controlling Person of the Company, including their Associates and Close Relatives;
- (ii) any legal entity that has its Major Shareholder or Controlling Person being any of the persons as specified in (i);

- (iii) any person whose behaviour can be indicated as an acting person or under the influence of any of the persons as specified in (i) or (ii) which materially affects his or her decision-making, policy determination, management or operations, or any other person that the SET views as having the same manner; and
- (iv) directors of the Company's Controlling Person;
- (v) spouses and children or adopted children who are minor, of the directors as specified in (iv);
- (vi) any legal entity over which any of the persons as specified in (iv) or (v) has Control; and
- (vii) any person with an understanding or agreement that if the Company has entered into a transaction that gives financial benefits to such person, any of the following persons will also gain such benefits (to the extent related to such transaction):
  - 1. directors of the Company;
  - 2. Executives of the Company;
  - 3. Controlling Person of the Company;
  - 4. directors of the Controlling Person of the Company;
  - 5. spouses and children or adopted children who are minor, of the persons as specified in 1,2, 3 or 4.

**"Group"** means the Company and/or its Subsidiaries.

**"CEO"** means the chief executive officer of the Company.

**"Board"** means the board of directors of the Company.

In addition, the terms **"Subsidiary"**, **"Executive"**, **"Major Shareholder"**, **"Associates"**, **"Close Relatives"**, **"Control"** and **"Controlling Person"** have the same meanings as in the SEC Notification on RPT and the SET Notification on RPT.

### **3. MEASURES AND PROCEDURES FOR RELATED PARTY TRANSACTIONS AND DISCLOSURE OF RELATED PARTY TRANSACTIONS**

The Group has the following measures and procedures in relation to Related Party Transactions:

- 3.1 The Group shall consider entering into Related Party Transactions in accordance with its Code of Business Ethics and Vendor Code of Conduct and undergo the audit process by the Audit and Risk Management Committee for the utmost benefit of the Group, whereby the Group will ensure that all Related Party Transactions entered into by the Group are in line with relevant notifications and guidelines as

issued by the SEC and the SET including accounting standards as determined by the Federation of Accounting Professions;

- 3.2 In approving any Related Party Transaction, the Group shall consider appropriateness and reasonableness of each transaction by using prices and conditions in line with those the Group uses with third parties and/or industry practices and/or market price, provided that such conditions are fair, reasonable and for the utmost benefit of the Group;
- 3.3 If a product or service that has standard price in the market with various vendors and buyers in the relevant market, the Group will conduct research on the practice and structure in relation to such price in the relevant market in order to consider the price for such Related Party Transaction;
- 3.4 If a product or service is unique or made to certain specifications, which the Group cannot compare with the market price as specified in paragraph 3.3, the Group should demonstrate that the gross profit that it will gain from and the commercial terms and conditions of such Related Party Transaction are not different from other transactions that it would have made with other persons operating in similar business, and have the same terms and conditions;
- 3.5 The Group may obtain independent professional advice/opinion in relation to such Related Party Transaction from a person with knowledge expertise (e.g. independent expert, auditor, or independent appraiser) who is on the list of SEC and is appointed by the Group to ensure that the price is reasonable and in the utmost benefit of the Group; and
- 3.6 None of the directors, Executives and other Conflicted Person will enter into a transaction with the Group without a prior approval from shareholders of the Company, unless: (i) it is made on an arm's length basis; and (ii) its commercial terms have been approved by the Board or in line with the guidelines as approved by the Board or the size of such transaction does not require an approval from the shareholders' meeting of the Company.
- 3.7 The Group shall report a summary of Related Party Transactions and Connected Transactions to the Audit and Risk Management Committee and the Board in every fiscal quarter in accordance with the SEC Act including relevant notifications and guidelines as issued by the SEC and the SET.
- 3.8 The Internal Audit Department shall: (i) review and audit Related Party Transactions and Connected Transactions in accordance with the Group's internal audit plan, which will be reported to the Audit and Risk Management Committee; and (ii) put in place measures to regulate, investigate and monitor the transactions on a random basis to check whether they were genuine and in accordance with relevant agreements and the Group's policies and requirements.
- 3.9 The Group shall disclose Related Party Transactions in annual registration statements / annual reports (Form 56-1 One Report) with notes to audited financial statements.

#### 4. POLICY ON RELATED PARTY TRANSACTIONS

##### 4.1 *In case of Related Party Transactions that are within the ambit of the management (Arm's Length Transactions)*

The management will have the authority to approve Related Party Transactions with arm's length terms (i.e., normal business and supporting normal business transactions) (as defined in the SEC Act and other guidelines as issued by the SEC) that are approved by the Board or within the principles as approved by the Board. With respect to such transactions, the management will:

- 4.1.1 determine the responsible persons for considering the Related Party Transactions (e.g., head of accounting department, relevant managers, etc.) in accordance with the delegation of authority matrix and policies of the Group;
- 4.1.2 prepare a quarterly report of all Related Party Transactions as approved by it and submit such report to the Audit and Risk Management Committee in every fiscal quarter to opine and consider; and
- 4.1.3 ensure that a person who has a conflict of interest with the relevant Related Party Transaction will not participate in any approval or voting process.

##### 4.2 *In case of Related Party Transactions that are within the ambit of the Board (Non-Arm's Length Transactions)*

The Board will have the authority to approve Related Party Transactions apart from the transactions as specified in paragraph 4.1, with the value that requires a Board's approval (but not shareholder approval) in accordance with relevant notifications and guidelines as issued by the SEC and the SET. With respect to such transactions, the steps for approval are as follows:

- 4.2.1 The relevant department will summarise all the details of such Related Party Transaction, accompanied by supporting information and documents (including the necessity and reasonableness of such Related Party Transaction), and submit them to the CEO;
- 4.2.2 The CEO will delegate the Internal Audit Department and the relevant department to prepare supporting documents with a summary of key points for the Audit and Risk Management Committee's meeting to opine and consider; and
- 4.2.3 Upon the Audit and Risk Management Committee's consideration, the Company secretary will collect all the information and documents and propose to the Board to approve the Related Party Transaction thereafter, provided that a conflicted Board member will not be allowed to attend and vote in the meeting;

4.3 *In case of Related Party Transactions that are within the ambit of the shareholders (Non-Arm's Length Transactions)*

The Board will have the authority to approve Related Party Transactions apart from the transactions as specified in paragraph 4.1, with the value that requires a shareholder approval in accordance with relevant notifications and guidelines as issued by the SEC and the SET. With respect to such transactions, the steps for approval are as follows:

- 4.3.1 The relevant department will summarise all the details of such Related Party Transaction, accompanied by supporting information and documents (including the necessity and reasonableness of such Related Party Transaction), and submit them to the CEO;
- 4.3.2 The CEO will delegate the Internal Audit Department and the relevant department to prepare supporting documents with a summary of key points for the Audit and Risk Management Committee's meeting to opine and consider;
- 4.3.3 Upon the Audit and Risk Management Committee's approval, the Company secretary will collect all the information and documents and propose to the Board to approve the Related Party Transaction thereafter, provided that a conflicted Board member will not be allowed to attend and vote in the meeting; and
- 4.3.4 Upon the Board's approval, the Company secretary will collect all the information and documents and propose to the shareholders to approve the Related Party Transaction thereafter, provided that:
  - (a) the proposed matter will be accompanied by adequate information (including the necessity and reasonableness of such Related Party Transaction) for the shareholders to make a decision to vote in accordance with the SET's requirements; and
  - (b) a conflicted shareholder will not be allowed to attend and vote in the shareholders' meeting.

**5. POLICY ON FUTURE RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS**

Once the Company has conducted an initial public offering and been listed on the SET, the Group shall enter into Related Party Transactions and Connected Transactions in accordance with the following principles:

- 5.1 The Group shall comply with its policies and relevant notifications and guidelines on connected transactions as issued by the SEC and the SET as well as other applicable laws and regulations, provided that an entry into such transaction will be made for the utmost benefit of the Group and the Company's shareholders;

- 5.2 The management shall prepare reports in relation to those Related Party Transactions and Connected Transactions that are normal business transactions and supporting normal business transactions to the Board in every fiscal quarter for preparing annual registration statements / annual reports (Form 56-1 One Report); and
- 5.3 The Group shall disclose Related Party Transactions and Connected Transactions in accordance with relevant notifications and guidelines on connected transactions as issued by the SEC and the SET and relevant accounting standards as determined by the Federation of Accounting Professions.

## 6. REVIEW OF POLICY

This Policy shall be reviewed at least once a year by the Internal Audit Department. If there is any proposed modification required to be made to this Policy, it shall escalate to the Board for consideration.

This Policy shall be effective from 31 May 2023 by approval of the Company's Board meeting No. 4/2023.



(Mr. Ong Chu Jin Adrian)

Chairman of the Board of Directors  
MR. D.I.Y. Holding (Thailand) Co., Ltd.