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Related Parties Transaction Policy

Conflict of Interest Prevention and Stakeholding Reporting Policy

Related Parties Transaction Policy

Objective

To properly enter into the related parties transactions of Northeast Rubber Public Company Limited (the “Company”), the Company’s major shareholders, directors, executives, or the related parties in the future according to the Good Governance, and Good Ethics Code, and according to the related rules and regulations of the Company’s business operations.

Definition

“Related Parties Transaction”	means	A transaction entered by and between Northeast Rubber Public Company Limited as a listed company or the Company’s subsidiary, and the related party of the Company; or a transaction entered by and between the subsidiary and the related parties of the subsidiary.
“Transaction Entering Agreement”	means	Entry into or agreeing to enter into any contracts or making any agreements either directly or indirectly to bring about acquisition or disposal of assets, letting or leasing assets, provision or receipt of services, provision or receipt of financial assistances, and issuance of new securities, as well as bring about the right or waiver of the right in the said act.
“Related Party”	means	A person who has authority to control decision-making of a listed company or a subsidiary includes the following persons.

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- (1) An executive, a major shareholder, a regulator or a nominee as executive or regulator of a listed company or a subsidiary, as well as a related party and a close relative of the said person.
- (2) Any juristic person whose major shareholder or regulator is the following person of the listed company or subsidiary
 - (ก) Executive;
 - (ข) Major shareholder;
 - (ค) Regulator;
 - (ง) Nominee as an executive or a regulator;
 - (จ) Related party and close relative of the persons pursuant to (a) to (b)
- (3) Any person by his/her circumstance indicating that he/she acts for or is under the influence of the persons pursuant to (1) to (2) toward the decision-making in formulating the significant management or operating policies, or other person deemed by the Stock Exchange of Thailand (the “SET”) that he/she has the similar circumstance.

Nature of the Related parties transactions

The related parties transactions may be classified into two natures as follows.

1. Upon an entry of the Company or its subsidiaries into the transaction with an executive, a major shareholder, a related party or a close relative of the executive or major shareholder.
2. Upon an entry of the Company or its subsidiaries into the transaction with any juristic person whose major shareholder or regulator is an executive, a major shareholder, a regulator, or a nominee as the Company’s executive or regulator as a listed company or a subsidiary, as well as a related party or a close relative of those persons.



Type of the Related Parties Transactions

The related parties transactions are classified into six types as follows.

1. Normal business transaction
2. Normal business support transaction
3. Immovable property leasing or letting transaction for not exceeding 3 years
4. Asset or service-related transaction
5. Financial assistance provision or receipt transaction
6. Related parties transaction other than the transactions pursuant to (1) to (5)

Rules and Procedures for Entering into the Related Parties Transactions

The Company realizes on the duties in complying with the rules relating to the connected transactions or related parties transaction as prescribed in the Notifications of the Stock Exchange of Thailand, the Capital Market Supervisory Board, and the Office of the Securities and Exchange Commission (the “Office of the SEC”). Therefore, the Company has prescribed the rules and procedures for entering into the connected transactions or related parties transactions as follows.

1. In considering the entry into the related parties transactions, the Company shall use the same criteria of price and trade agreement as what are used with the general customers. The financial provision or receipt transactions shall be in line with the necessity and reasonableness, have the fair agreements and conditions, and cause maximum benefits for the Company and all parties of stakeholders.

2. In the case where the said criteria of price is unavailable for using as reference, the Company shall consider comparing the price of product or service with the external price under the same or similar conditions.

3. The Company may utilize the report of the independent auditor appointed by the Company to compare the price for the important connected transactions to ensure that the said price is reasonable and taken place for maximum benefits of the Group of the Company.

4. The directors, executives, or persons are related to the transactions of the Company or its subsidiaries only when the said transactions are approved by the Shareholders’ Meeting of the Company, unless the said transactions are the trade agreement in the same nature as a person of



ordinary prudence will perform with the general contractual party in the same situation with the bargaining power which is free of influence on their status as the Company's directors, executives, or the related parties as the case may be; and are the agreements which are formal and approved by the Board of Directors, or according to the principle which has ever been approved by the Board of Directors.

5. If the Company's other connected transactions or related parties transactions are within the scope of the requirements of the SET, the Capital Market Supervisory Board, and the Office of the SEC, the said requirements must be also strictly complied.

6. The Company must disclose the data of the entries into the transactions which may have conflict of interests or the related parties transactions or connected transactions according to the rules prescribed by the SET, the Capital Market Supervisory Board, and the Office of the SEC. The disclosure shall be carried out in Annual Registration Statement and Annual Report or any other report forms as the case may be, and the data of the related parties transactions shall be disclosed to the SET according to the rules of the SET, and the related transactions of the Company according to the rules of the accounting standards.

7. The entry into the related parties transactions shall be verified according to the audit plan, whereas the Internal Audit Unit shall report to the Company's Audit Committee and have a control, audit, and supervision measure to be randomly verified that the transactions are truly and properly entered according to the prescribed contracts or policies or conditions.

Key Issues which should be considered upon entry into the related parties transactions

1. The reason and necessity requiring the entry into the transactions with the related parties or work units or the work units with conflict of interests
2. The reasonableness in price and trade agreement when compared with the entry into the transactions with other persons; and the opinions of the independent director or financial consultant
3. Whether the Company establishes a measure for properly complying with the requirements and set of regulations, and whether and how the Company updates data relating to the shareholding proportion, the directors, and key data of the subsidiaries (if any), and the affiliated companies.



Approval on Entry into the Related Parties Transactions

The Company establishes a measure for entering into the transactions, requiring the compliance by every one as follows.

1. In the case of entering into the related parties transactions which are small, medium and large-sized and the transactions with normal trade agreements as previously approved by the Board of Directors, the decision-making shall be considered by the Management

2. In the case where the transactions are small and medium-sized, and not in line with the normal trade agreement, the decision-making shall be considered by the Board of Directors.

3. In the case where the transactions are large-sized, and not in line with the normal trade agreement, the decision-making on entry into the transactions shall be considered by the Shareholders' Meeting. The rules for considering the transaction size are as follows.

- Small-sized transaction is a transaction with the higher of value below or equal to 1 million Baht or below or equal to 0.03% of net tangible assets.
- Medium-sized transaction is a transaction with the higher of value more than than 1 million Baht, but below 20 million Baht or more than 0.03%, but below 3% of net tangible assets.
- Large-sized transaction is a transaction with the higher of value more than or equal to 20 million Baht or more than 3% of net tangible assets.

Rules for Considering the Transactions in Ordinary Course of Trade

1. Whether it is the nature of the transactions for normal business operations : if the connected transactions occur due to the normal operations, the procedures of the normal operations shall be complied same as what are performed with other parties by taking into account the transaction size and the approval authority for the transactions as appeared in the Table of Authority. The reasonableness of the entry into the said normal business transactions or normal business supporting transactions and objectives for maximum benefits of the Company shall be taken into account, provided that the trade agreement shall be indifferent from the entry into the transactions with the general customers or the third parties.

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2. Whether it is the fair price and condition of the entry into the transactions if compared with the entry into the transactions with the third parties which are not related, and whether the better price or condition will be acquired.

Consideration on General Trade Condition (pursuant to the Requirements of the SET)

The transactions according to the general trade condition is the trade condition with price and condition which are fair without cause of interest transfer, whereas

1. It is price and condition offered to the Company or its subsidiaries or offered by the Company or its subsidiaries to the general person;
2. It is price and condition offered by the related party to the general person;
3. It is price and condition which can be declared by the Company that it operates the business in the similar nature as the general person.

Method for Proposing the Entry into the Related Parties Transactions to the Audit Committee

1. The related parties transactions under the approval authority of the Management : in the case where it is an entry into the related parties transactions under the approval authority of the Management, the Management shall consider eliminating the related parties, such as Accounting and Finance Department, Sales Department, Procurement Division or the related executives with duties and responsibilities in considering the entry into the transactions according to the procedure for requesting the approval on the practices and based on the operating authority of the Company. After the Management's consideration and approval on the transactions, the Audit Committee shall be proposed to verify the reasonableness of transactions, and the entry into the transactions shall be disclosed in Annual Registration Statement and Annual Report of the Company. In addition, the stakeholders shall be managed to agree to enter into the related parties transactions without the meeting attendance and without voting right in the meeting.

2. Related parties transactions under the approval authority of the Board of Directors : in the case where it is an entry into the related parties transactions which are small and middle-sized transactions not according to the normal trade condition under the approval authority of the Board of Directors, the



origin party must present the details of necessity and reasonableness of the transactions to the Audit Committee for commenting about the said transactions prior to proposing to the Board of Directors in order to enter into the transactions as per the following operating procedures.

- a. An origin work unit shall summarize the details in entering into the transactions and prepare all related data and propose to the Company Secretary.
- b. The Company Secretary shall assign the Internal Audit Unit to audit and coordinate with the Audit Committee to prepare the meeting agenda.
- c. The Internal Audit Unit or Secretary of the Audit Committee in collaboration with the related work units shall prepare the meeting documentation containing the essential summary to the Audit Committee for consideration.
- d. Upon obtaining the resolution of the Audit Committee's Meeting, the Company Secretary shall gather the resolution and propose to the Board of Directors to further consider and approve the entry into the transactions. In this regard, the directors with interests must be managed to agree to enter into the related parties transactions without meeting attendance and without voting right in the meeting.
- e. Disclosure of the entry into the transactions in Annual Registration Statement and Annual Report of the Company, and disclosure of the resolutions of the Board of Directors' Meeting to the SET, having minimum information as specified by the SET

3. Related parties transactions under the approval authority of the shareholders : in the case where it is an entry into the related parties transactions under the approval authority of the shareholders, the origin party must present the details of necessity and reasonableness of transactions to request the Audit Committee's opinion prior to proposing to the Board of Directors to request for approval, and propose to the Shareholders' Meeting to consider approving the entry into the transactions as per the following operating procedures.

- a. An origin work unit shall summarize the details in entering into the transactions and prepare all related data and propose to the Company Secretary.
- b. The Company Secretary shall assign the Internal Audit Unit to audit and coordinate with the Audit Committee to prepare the meeting agenda.



- c. The Internal Audit Unit in collaboration with the related work units shall prepare the meeting documentation containing the essential summary to the Audit Committee for consideration.
- d. Upon obtaining the resolution of the Audit Committee's Meeting, the Company Secretary shall gather the resolution and propose to the Board of Directors for further considering and approving the entry into the said transactions. In this regard, the directors with interests must be managed to agree to enter into the related parties transactions without meeting attendance and without voting right in the meeting.
- e. Upon obtaining the resolution of the Board of Directors' Meeting, the Company Secretary shall prepare documents for holding the meeting and requesting the approval on the entry into the transactions from the shareholders. There shall be adequate supporting data for making decisions as specified in the rules of the SET, the Capital Market Supervisory Board, and the Office of the SEC. The name list, and number of shares of the related parties who are not entitled to vote must be declared. In this regard, the Company has duty to call the Shareholders' Meeting according to the methods, procedures, and rules as prescribed by the said compliance agencies for entering into the related parties transactions.
- f. Disclosure of the entry into the transactions in Annual Registration Statement and Annual Report of the Company, and disclosure of the information to the SET, having minimum information as specified by the SET for entering into the related parties transactions.

Conflict of Interest Prevention Policy

Definition

“Conflict of Interest” means any activity or circumstance in which a person has a personal interest or benefitting those related; this may hinder Company whether directly or indirectly, from gaining optimum benefits, or resulted from the Company suffering damages.

The Company mainly emphasizes on transparent consideration on the transactions for the Company's benefits. Therefore, the Company gives precedence to prevention of the transactions that

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may be conflict of interests, related parties transactions, or connected transactions of the Company. The said prevention shall be taken place for maximum benefits of the Company and its shareholders. Any act which may cause conflict of interests should be avoided under the following important principles.

1. The directors and executives must notify the Company for acknowledgement about their relationships or related parties transactions in the undertakings which may cause conflict of interests.

2. The entry into the related parties transactions with the directors, executives, or related parties that may cause conflict of interests with the Company shall be avoided. In the case where it is necessary for entering into the transactions, the related parties transactions shall be proposed to the Audit Committee through the Company Secretary to firstly consider and comment prior to proposing to request for the approval of the Board of Directors and/or the Shareholders' Meeting of the Company (as the case may be) according to the rules for entering into the related parties transactions prescribed by the SET, the Capital Market Supervisory Board, and the Office of the SEC, and according to the Corporate Governance Code.

3. The executives and employees must comply with the Company's Articles of Association, and business ethics which are regarded as important and requiring the strict observance to ensure that the Company is reliable and trusted by all parties of stakeholders, and dissemination of the data and understanding on the observance of the employees all over the Company.

Stakeholding Reporting Policy

To prescribe the rules, conditions, and methods for reporting the stakeholding of the directors, executives, and related parties pursuant to Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) which has been amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008), the directors and executives are required to report to the Company for acknowledgement their or their related parties' stakeholding in relation to the Company's management.

Therefore, to be line with the related laws, the Company has prescribed this rule together with the Stakeholding Report of the Directors and Executives Form to determine the stakeholding reporting method and to ensure that the Company has necessary data in monitoring the stakeholding, and the



transactions of which the Company's directors and executives may have conflict of interests as per the following details.

Interest and Profile Requiring the Disclosure

1. The directors and executives must disclose their and their related parties' interests in case of interests relating to the management of the Company or its subsidiaries upon agreement on entry into any transactions with the Company and its affiliated companies.
2. The directors and executives must disclose and report their and their related parties' securities holding every time of buying, selling or transferring the securities to the SEC pursuant to Section 59 of the Securities and Exchange Act.

Practice and Reporting

1. The directors and executives who are newly appointed shall prepare their Stakeholding Report and profiles using the Stakeholding Report of the Directors and Executives Form pursuant to Section 89/14 (Attachment of the Stakeholding Report of the Board of Directors and Executives Form), and send to the Company Secretary within 7 (seven) working days from the appointment date. Upon newly occurrence of interest transactions or change in any data during the year, the Stakeholding Report Form shall be used and sent to the Company Secretary within 3 (three) days from the changing date of the data, specifying transaction entry date and notifying Change No.
2. After the Company Secretary's receipt of the report, the copy of the Stakeholding Report shall be sent to the Chairman of the Board, and the Chairman of the Audit Committee within 7 (seven) working days from the date of which the Company has received the said Report, and report to the Board of Directors for acknowledgement in the following meeting.
3. In every year-end, the Company Secretary shall prepare the Stakeholding Report and sent to the directors and executives to affirm the accuracy of the data to be used for disclosure in Annual Report Form (Form 56-2), and Annual Registration Statement Form (Form 56-1).

However, the directors, executives, and related parties have duty to yearly report the Company for acknowledgement about the stakeholding, and yearly update data. The said data shall be retained



บริษัท นอร์ทอีสท์ รับเบอร์ จำกัด (มหาชน)
NORTHEAST RUBBER PUBLIC COMPANY LIMITED
เลขประจำตัวผู้เสียภาษี (TAX ID) : 0107561000242



for using inside the Company only, and the Company Secretary shall store the documents according to the Notification of the Capital Market Supervisory Board No. Thor.Jor. 2/2552 Re: Reporting the Stakeholding of the Directors, Executives, and Related Parties.

This policy has been approved by the Board of Directors' Meeting No. 7/2022 on 8 December 2022 to be effective from 8 December 2022 onwards.

- *Mr. Chanitr Charnchainarong* -

(Mr. Chanitr Charnchainarong)

Chairman of the Board of Directors

- *Mr. Ronachit Jinadit* -

(Mr. Ronachit Jinadit)

Chairman of the Audit Committee

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