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Effective Date: November 8, 2024

Related Party Transaction Policy

Policy on Preventing Conflicts of Interest and Reporting Interests

Related Party Transaction Policy

Objective

To ensure that transactions between North East Rubber Public Company Limited ("the Company"), major shareholders, directors, executives, or any related parties in the future are conducted in accordance with principles of good governance, ethical standards, and in compliance with relevant laws, regulations, and guidelines governing the business operations of the Company.

Definitions

"Related Party Transactions"	refers to	Transactions between North East Rubber Public Company Limited, as a listed company, and its related parties.
"Agreement to Enter into a Transaction"	refers to	Entering into or agreeing to enter into any contract or arrangement, whether directly or indirectly, to acquire or dispose of assets, lease or sublease assets, provide or receive services, provide or receive financial assistance, or issue new securities, as well as to create rights or waive rights in relation to such actions.
"Related Party"	refers to	Individuals with the power to control the decision-making of the listed company or its subsidiaries" includes the following individuals: (1) Executives, major shareholders, controlling persons, or individuals who are proposed to be executives or controlling

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persons of the listed company or its subsidiaries, including related parties and close relatives of such individuals.

- (2) Any legal entity whose major shareholders or controlling persons are individuals as specified in the preceding paragraph of the listed company or its subsidiaries.
 - a. Executive
 - b. Major Shareholder
 - c. Controlling Person
 - d. Persons to be proposed as executives or controlling persons.
 - e. Related persons and close relatives of the persons mentioned in (a) to (d).
- (3) Any person whose actions indicate that they act on behalf of or are under the influence of the individuals mentioned in (1) to (2) in making decisions regarding the management policy or significant operations, or any other person who the Stock Exchange of Thailand ('SET') considers to exhibit similar conduct.

The characteristics of related party transactions.

Related party transactions can be classified into two types as follows:

1. When the company or its subsidiaries enter into transactions with executives, major shareholders, related parties, or close relatives of executives or major shareholders.
2. When the company or its subsidiaries enter into transactions with any legal entity that has major shareholders, executives, controlling persons, or individuals who are proposed to be executives or controlling persons of the company, in its capacity as a listed company or subsidiary, including related parties or close relatives of those individuals.

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The types of related party transactions

The types of related party transactions are divided into 6 categories as follows:

- (1) Ordinary Course of Business Transactions
- (2) Supportive Ordinary Business Transactions
- (3) Lease or Sublease of Real Estate for a Period Not Exceeding 3 Years
- (4) Transactions Related to Assets or Services
- (5) Transactions Involving Providing or Receiving Financial Assistance
- (6) Other Related Party Transactions Beyond Items (1) to (5)

Criteria and Procedures for Related Party Transactions or Intercompany Transactions

The company acknowledges its duty to comply with the regulations related to intercompany transactions or related party transactions as stipulated by the Stock Exchange, the Securities and Exchange Commission (SEC), and the Capital Market Supervisory Board. Therefore, the company has established the following criteria and procedures for conducting intercompany or related party transactions:

- 1. Consideration of Related Party Transactions:** The company will apply the same pricing and commercial terms that are used with general customers. For transactions involving the provision or receipt of financial assistance, they must be necessary, reasonable, and conducted under fair terms and conditions that provide maximum benefit to the company and all stakeholders.
- 2. In cases where no such pricing criteria are available for reference,** the company will compare the price of goods or services with external market prices under similar or comparable conditions.
- 3. The company may utilize reports from independent evaluators appointed by the company** to compare prices for significant related party transactions to ensure that the prices are reasonable and serve the best interests of the group of companies.
- 4. A director, executive, or person with a business connection with the company or its subsidiaries may only enter into transactions if such transactions have been approved by a shareholders' meeting of the company,** unless the transaction is a commercial agreement that a reasonable person would make with an unrelated party under similar circumstances, based on bargaining power free from influence due to

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their status as a director, executive, or related person, as the case may be, and is an agreement that has been officially approved by the Board of Directors or in accordance with principles previously approved by the Board of Directors.

5. If the company has any related party transactions or other transactions that fall under the regulations of the Stock Exchange, the Securities and Exchange Commission (SEC), or the Capital Market Supervisory Board (CMSB), it must strictly comply with these regulations.
6. The company must disclose information regarding transactions that may involve a conflict of interest, related party transactions, or intercompany transactions in accordance with the regulations set by the Stock Exchange, the Securities and Exchange Commission (SEC), and the Capital Market Supervisory Board (CMSB). Such disclosures must be made in the annual report, annual financial statements, or any other relevant reports, as applicable. Additionally, related party transactions must be disclosed to the Stock Exchange in accordance with its regulations, along with related transactions in accordance with accounting standards.
7. There must be a review of related party transactions as per the audit plan. The internal audit department is required to report to the company's audit committee. Furthermore, there should be control measures, monitoring, and supervision to ensure random audits are conducted on the actual transactions to verify their accuracy, compliance with the contract, or adherence to the policies or conditions set forth.

Key Issues to Consider When Engaging in Related Party Transactions or Transactions Between Parties

1. Reasons and Necessity for Engaging in Transactions with Related Parties or Entities with Potential Conflicts of Interest
Reasonableness of Price and Commercial Terms Compared to Transactions with External Parties, and the Opinion of Independent Evaluators or Financial Advisors
2. Measures to Ensure Compliance with Regulations and Guidelines, and Updating of Shareholding, Directors, and Key Information of Subsidiaries (if applicable) and Affiliates

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Approval of Related Party Transactions or Intercompany Transactions

The company has established the following measures for conducting transactions that everyone must adhere to:

1. In the case of related party transactions or intercompany transactions of small, medium, and large sizes, which involve regular commercial agreements that have already been approved by the company's board of directors, management will be responsible for making the decision.
2. For small and medium-sized transactions that do not adhere to regular commercial agreements, the board of directors will be responsible for reviewing and making decisions.
3. For large transactions that do not adhere to regular commercial agreements, the shareholders' meeting will be responsible for reviewing and making decisions on the transaction, with the following criteria for determining the size of the transaction:
 - A small transaction refers to a transaction with a value of less than or equal to 1 million baht or less than or equal to 0.03% of the net tangible assets, whichever is higher.
 - A medium-sized transaction refers to a transaction with a value greater than 1 million baht but less than 20 million baht, or greater than 0.03% but less than 3% of the net tangible assets, whichever is higher.
 - A large-sized transaction refers to a transaction with a value of 20 million baht or more, or greater than 3% of the net tangible assets, whichever is higher.

Criteria for Considering Transactions that are in the Normal Course of Business

1. Is the nature of the transaction part of regular business operations?

If the related party transaction arises from normal business operations, it will be conducted following the same standard operational procedures applied to other transactions. The size of the transaction and the authority to approve it will be determined according to the company's Table of Authority. It will also be assessed whether the transaction is a regular business activity or a business-supporting transaction that is reasonable and aligns with the company's objectives to ensure the highest benefit for the company. The commercial terms of the transaction will be similar to those used in transactions with ordinary customers or external parties.

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2. Are the price and terms of the transaction fair?

When compared to transactions with unrelated third parties, are the price and terms of the transaction favorable, or would a better price or terms be achieved in a transaction with an external party?

General Considerations for Commercial Terms (According to Stock Exchange Regulations)

Transactions that Comply with General Commercial Terms refer to transactions where the terms, including price and conditions, are fair and do not result in the transfer of benefits by:

1. It refers to the price and terms that the company or its subsidiaries receive from or offer to third parties.
2. It refers to the price and terms that related parties offer to third parties.
3. It refers to the price and terms that the company can demonstrate are typically offered by businesses in a similar line of work to third parties.

The method of presenting to the Audit Committee regarding related party transactions

1. **Transactions Within Management's Approval Authority:** In cases where related party transactions fall within the scope of management's approval authority, management is responsible for reviewing and approving the transactions. Relevant personnel, such as those from the accounting and finance department, sales department, procurement department, or other involved executives, shall evaluate and process the transactions in accordance with the company's approval procedures and operational authority. Once the management has approved the transactions, the Audit Committee must review the reasonableness of the transactions. Additionally, the transactions must be disclosed in the company's Annual Registration Statement (Form 56-1) and Annual Report. Furthermore, stakeholders involved in the related party transactions must refrain from attending the meetings and are prohibited from voting on the matter during such meetings.
2. **Related Party Transactions Under the Authority of the Board of Directors:** In cases involving related party transactions categorized as small or medium-sized transactions that do not conform to normal commercial terms and fall under the approval authority of the Board of Directors, the responsible department must present the details, necessity, and rationale of the transactions to the Audit Committee

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for their opinion before submitting the matter to the Board of Directors for approval. The process for such transactions is as follows:

- a) The initiating department summarizes the details of the transaction and prepares all relevant information to present to the Company Secretary.
- b) The Company Secretary assigns the Internal Audit Department to coordinate with the Audit Committee and prepare the agenda for the meeting.
- c) The Internal Audit Department or the Audit Committee Secretary, in collaboration with relevant departments, prepares supporting documents for the meeting, including a summary of key points for the Audit Committee's consideration.
- d) Once a resolution is obtained from the Audit Committee meeting, the Company Secretary gathers the necessary information to present to the Board of Directors for further approval of the transaction. In this process, directors with a conflict of interest in the related party transaction must not participate in the meeting and are not allowed to vote on the matter.
- e) Disclose the transaction in the company's Annual Registration Statement (Form 56-1) and Annual Report, as well as the resolution of the Board of Directors' meeting to the Stock Exchange of Thailand, ensuring that the disclosed information meets the minimum requirements set by the Stock Exchange.

3. **Related Party Transactions Under the Authority of Shareholders:** In cases where related party transactions fall under the approval authority of the shareholders, the initiating department must present the details, necessity, and rationale of the transactions to seek the opinion of the Audit Committee. Afterward, the matter is submitted to the Board of Directors for their endorsement and subsequently to the shareholders' meeting for approval. The process is as follows:

- a) The initiating department summarizes the details of the transaction and prepares all relevant information to present to the Company Secretary.
- b) The Company Secretary assigns the Internal Audit Department to coordinate with the Audit Committee and prepare the agenda for the meeting.
- c) The Internal Audit Department, in collaboration with the relevant departments, prepares supporting documents for the meeting, including a summary of key points for the Audit Committee's consideration.

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- d) Once a resolution is obtained from the Audit Committee meeting, the Company Secretary compiles the necessary information to present to the Board of Directors for approval of the transaction. In this process, directors with a conflict of interest in the related party transaction must not participate in the meeting and are not allowed to vote on the matter.
- e) Once a resolution is obtained from the Board of Directors, the Company Secretary prepares the necessary documents to call for a shareholders' meeting and seek approval for the transaction. The documents must include sufficient information to facilitate decision-making, as specified by the Stock Exchange, the Securities and Exchange Commission (SEC), and other relevant regulatory bodies. The list of related parties and the number of shares they hold, who are not entitled to vote, must also be disclosed. The company is responsible for convening the shareholders' meeting in accordance with the procedures, steps, and criteria set by the regulatory authorities for related party transactions.
- f) Disclose the transaction in the company's Annual Registration Statement (Form 56-1) and Annual Report, as well as disclose relevant information to the Stock Exchange of Thailand, ensuring that the information meets the minimum requirements set by the Stock Exchange for related party transactions.

Conflict of Interest Prevention Policy

Definitions

“Conflict of Interest” refers to A conflict between the personal interests of the company's directors, executives, or related parties and the interests of the company, whether direct or indirect, in seeking benefits for themselves or others through any actions involving the company, which creates a conflict or impact on the company's interests.

The company places great importance on the transparent consideration of various transactions, ensuring they are beneficial to the company. Therefore, the company prioritizes the prevention of transactions that may lead to conflicts of interest. Related party transactions or transactions between the company and its affiliates must be conducted in the best interest of the company and its shareholders, and any actions that could lead to conflicts of interest should be avoided. The following key principles apply:

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1. The company's directors and executives must inform the company of any relationships or related transactions in their business activities that may give rise to a conflict of interest.
2. Avoid conducting related party transactions with the company's directors, executives, or related parties that may lead to a conflict of interest with the company. In cases where such transactions are necessary, the related transactions must be presented to the Audit Committee through the Company Secretary for review and opinion before being submitted for approval to the Board of Directors and/or the shareholders' meeting (as applicable), in accordance with the criteria for related party transactions set by the Stock Exchange, the Securities and Exchange Commission (SEC), and other regulatory bodies, as well as in line with the principles of good corporate governance.
3. Executives and employees must adhere to the company's regulations and business ethics, which are considered crucial to be followed strictly. This ensures that the company remains trustworthy and reliable to all stakeholders and guarantees the dissemination of information to ensure employees' understanding and compliance throughout the entire organization.

Conflict of Interest Disclosure Policy

To establish the criteria, conditions, and procedures for reporting the interests of the company's Board of Directors, executives, and related parties in accordance with Section 89/14 of the Securities and Exchange Act B.E. 2535 (as amended by the Securities and Exchange Act (No. 4) B.E. 2551), which requires directors and executives to report to the company any interests of themselves or related parties that are associated with the management and operation of the company.

This ensures compliance with the regulations and promotes transparency and accountability in the management of the company's affairs. Directors and executives must disclose any situation where their personal interests or the interests of related parties could potentially influence their decision-making or actions in relation to the company's operations.

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Disclosures of Interests and Relevant Information

1. Directors and executives must disclose and report their own interests, as well as the interests of related parties, in cases where such interests are related to the management and operations of the company or its subsidiaries, whenever they agree to engage in any transactions with the company or its affiliates.
2. Directors and executives must disclose and report their own securities holdings, as well as those of related parties, whenever there is a purchase, sale, or transfer of securities, to the Securities and Exchange Commission (SEC) in accordance with Section 59 of the Securities and Exchange Act.

Procedures and Reporting Requirements

1. New directors and executives must prepare a report on their interests and background information using the "Director and Executive Interest Disclosure Form" in accordance with Section 89/14 (attached form for reporting the interests of directors and executives). This report must be submitted to the company secretary within **7 business days** from the date of their appointment. If any new interest arises or there are any changes to the information during the year, the updated interest report must be submitted to the company secretary within **3 days** from the date of the change. The report should specify the date the transaction took place and indicate which update it represents (e.g., first change, second change, etc.).
2. Upon receiving the report, the company secretary shall send a copy of the interest disclosure report to the board of directors and the chairman of the audit committee within **7 business days** from the date the company receives the report. Additionally, the company secretary must report the disclosure to the board of directors at the next board meeting.

At the end of each year, the company secretary shall prepare the interest disclosure form and send it to the board of directors and executives to confirm the accuracy of the information for disclosure in the **Annual Report Form (Form 56-2)** and the **Annual Information Disclosure Form (Form 56-1)**.

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Directors, executives, and related parties are required to report their interests to the company on an annual basis and to update the information every year. This information will be kept for internal use within the company only, with the company secretary responsible for maintaining the records. This is in compliance with the Capital Market Supervisory Board Announcement No. TorJor. 2/2552 regarding the disclosure of interests of directors, executives, and related parties.

The policy on related party transactions, conflict of interest prevention, and interest reporting has been approved by the Board of Directors at the meeting No. 8/2024 on November 7, 2024. This policy will be effective from November 8, 2024, onwards.

(Mr. Ronachit Jinadit)

Chairman of the Audit Committee

(Mr. Chanitr Chanchainarong)

Chairman of the Board of Directors

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