



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

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Connected Transaction Policy

- English Translate Version -



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Connected Transaction Policy

1. Connected Transaction means a transaction between a listed company (“the Company”) or its subsidiaries and the Company’s connected persons.

The Company has set a connected transaction policy in accordance to the Securities and Exchange Commission’s (SEC) and the Stock Exchange of Thailand’s (SET) regulations in the regards of Rules on Connected Transactions.

- Securities and Exchange Act B.E. 2535 (Section 89/12)
- Notification of Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transactions
- Circular SEC.Chor. (Wor) 38/2551 Suggestion on procedures according to article 89/12 (1) of Securities and Exchange Act. (No.4) perusal of general commercial terms.
- Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003

Connected person means the following:

- (1) The directors, executives, major shareholders, controlling person, person to be nominated for directors, executive, or controlling person position, as well as their related persons and close relatives.
- (2) Any juristic person with major shareholders or controlling persons in (1).
- (3) Any person whose actions can be identified as proxy or under the influence of (1) and (2).
- (4) The director of a juristic person with controlling power.
- (5) The spouse, underage offspring or adopted child of the director in (4).
- (6) A juristic person under the controlling power of the person in (4) or (5).
- (7) Any person taking action under the perception or agreement that if such action is to bring the financial benefit to the person, the following person will also gain similar benefit:
 - (7.1) The company’s director
 - (7.2) The company’s executive



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- (7.3) The company's controlling person
- (7.4) The director of the person with controlling power over the company
- (7.5) The spouse, underage offspring or adopted child of the person described in 7.1 to 7.4

Remarks: **Management** means managing director or managers who are persons in the next top four executive levels below the managing director, or in similar positions, accounting or finance department manager or above

Controlling person means (1) holding of shares with voting right of a juristic person in an amount exceeding 50% of the total number of voting rights of such juristic person: or (2) having control of majority voting rights in the shareholders' meeting of any juristic person, whether directly or indirectly or any other reasons; or (3) having control over appointment or removal of at least half of all directors.

Close Relative means persons related by blood or registration under law such as father, mother, spouses, sibling, and children including spouse of the children.

2. Procedure on Connected Transactions

In the event that the Company or its subsidiaries carries out their businesses with the related person who may have a conflict of interest with the Company, the Audit Committee will express its opinion regarding the necessity of such transactions. The Audit Committee will ensure that terms and conditions of these transactions are consistent with market practice and prices charged for these transactions are evaluated and compared with market prices and non-benefit transfer. In the event that market price is not available, the Audit Committee must ensure that these prices are reasonable and the transactions are carried out in the best interest of the Company and its shareholders. If the Audit Committee is unable to evaluate connected transactions due to lack of expertise in certain areas, the Company will arrange an independent expert to evaluate and give opinion on such transactions. The Board of Directors or Audit Committee or the Company's shareholders, as the case may be, will use this opinion from the independent expert as a supplement to form their own conclusion. The Management of the Company can perform such implementation normally under the principles approved by the



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Company's Board of Directors and the Audit Committee and must prepare summary report to the Audit Committee quarterly. The Company will disclose such connected transactions in the notes of the reviewed/audited financial statement of the Company and in the Company's annual registration statement/annual report (Form 56-1 One Report) based on the prescribed regulation. In this connection, the consideration to approve such related transactions shall comply with laws concerning securities and exchange market, as well as regulations, notifications, orders, or provisions of the Stock Exchange of Thailand in which those directors who may have conflict of interest with the Company are prohibited from either voting or attending the meeting on matters regarding to the said connected transactions.

3. Types of Connected Transactions

3.1 Normal Business Transactions means trading transaction normally undertaken by the Company and its subsidiaries for the purpose of operating business.

3.1.1 With general trading condition

3.1.2 Without general trading condition

3.2 Supporting normal business transaction means trading transaction undertaken by the general business of similar nature of the Company and subsidiaries for the purpose of supporting normal business transaction of their own company.

3.2.1 With general trading condition

3.2.2 Without general trading condition

Remarks: General Trading Condition means trading conditions under which the price and the conditions are fair and do not cause misappropriation of benefits, including the trading conditions under which the price and the conditions are as follows:

- (1) being the price and conditions which the Company or its subsidiaries receive from or offers to general persons;
- (2) being the price and conditions which a connected person offers to general persons;
- (3) being the price and conditions which the Company can prove to be the price and conditions that an operator of similar business offers to general persons.



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3.3 Rental or lease of real estate (not exceeding 3 years) without any indication of general trading

3.4 Transactions relating to assets or services

3.5 Providing or receiving financial assistance means an offer or receipt of financial assistance whether by receiving or extending loan, guarantee, providing assets as collateral including other similar manners.

4. Transaction Approval as per SEC/SET' regulation

Type of Transaction	Value used for the calculation of the transaction size	Examples
1. Asset or service	Highest of transaction value, book value, or market value	The sale of land at agreed upon value of 200 million Baht, when its book value was at 150 million Baht and the appraisal value by independent appraiser was 198 million Baht, the value to be used to <u>calculate the transaction size would be 200 million Baht.</u>
2. Providing financial assistance	The principal and interested throughout the loan period, or the guarantee value in line with potential damages when the connected person becomes default	In case of 20-million-Baht loan for a period of two years, at 5% interest, the value to be used to <u>calculate the transaction size would be 22 million Baht as per this formula</u> $(20+(20 \times 5\% \times 2))$.
3. Receiving financial assistance ¹	The reward or benefit to be paid to connected persons through the period of the financial assistance	In case of 20-million-Baht loan for a period of two years, at 5% interest rate, the value to be used to <u>calculate the transaction size would be 2 million Baht as per this formula</u> $(20 \times 5\% \times 2)$.
4. Disposition of capital investment to	Total rewards to be gained including borrowed money (principal plus	In case the company has sold all of its investment in the subsidiary to the major



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Type of Transaction	Value used for the calculation of the transaction size	Examples
the extent that the subsidiary or affiliate no longer exists	interest), the guarantee, or other liabilities that the listed company or its subsidiary has to be responsible for.	shareholder at 100 million Baht, when the subsidiary has 50 million Baht liability (loan plus interest) accrued to the listed company, the value to be used to <u>calculate the transaction size would be</u> 150 million Baht

- ¹The interest rate or compensation must take into account the financial cost (loan interest rate), opportunity Cost (deposit interest rate) and risks of connected persons who give a financial assistance, to set reward and benefit appropriately. The Company therefore sets a framework for determining the interest rate/reward which can be divided into 2 cases as follows:

- In the case that a connected person has financial costs from providing financial assistance to the Company. The Company determines the interest rate/reward not more than the financial cost of the financial assistance provider +2.00% (loan interest + 2.00%).
- In the case that a connected person has an opportunity cost, such as interest on deposits, etc., the Company determines the interest/reward, not more than the maximum 24-month fixed deposit interest rate (refer to the announcement on the Bank of Thailand website) +3.00% (fix account interest rate- 24mths + 3.00%)

However, in the case of necessity at interest rate/reward higher than the above-mentioned framework to be presented to the Board of Directors to consider the new suitable and appropriate interest rates/reward.

- Multiple connected transactions can be included into one if the transactions have been intentionally separated to avoid the rules. An inclusion should be for all other transactions made six months prior to an agreement to do the transaction by the same person, his/her related person or close relatives. Nevertheless, this would not include the connected transactions approved by the shareholders.
- The company should measure the size of transaction to prepare for the case of any possible connected transactions and how to handle them. The company should compare the transaction value against the higher one between the two references as per the latest financial statement



5. Size of each type of transactions as per SEC/SET' regulation

Type of Transaction	Small	Medium	Large
1. Normal business transactions			
1.1 general condition	Approved by Management	Approved by Management	Approved by Management
1.2 without general condition	Approved by Management	Approved by Board and Information disclosure to SET	Shareholders
2. Normal business-support			
2.1 general condition	Approved by Management	Approved by Management	Approved by Management
2.2 without general condition	Approved by Management	Approved by Board and Information disclosure to SET	Shareholders
3. Rental or rented real estate for not longer than 3-year period, and under no general commercial conditions	Approved by Management	Approved by Board and Information disclosure to SET	Shareholders
4. Transactions relating to products or services	Approved by Management	Approved by Board and Information disclosure to SET	Shareholders
5. Transactions on offering or receiving financial assistance	Approved by Management	Approved by Board and Information disclosure to SET	Shareholders

6. Transaction Value

6.1 Small size transaction means a transaction is not over 1 million Baht ($X \leq 1 \text{ MB}$) or not over 0.03% of Net tangible assets ($X \leq 0.03\% \text{NTA}$), whichever is higher.

6.2 Medium size transaction means a transaction is over 1 million Bath and less than 20 million Baht ($1 \text{ MB} < X < 20 \text{ MB}$) or over 0.03% of Net tangible assets and less than 3% of Net tangible assets ($0.03\% < X < 3\% \text{ of NTA}$), whichever is higher.



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6.3 Large size transaction means a transaction is equal/over 20 million Baht ($X \geq 20$ MB) or equal/over 3% of Net tangible assets ($X \geq 3\%$ of NTA), whichever is higher.

Remarks: NTA = Net tangible assets (Total assets – Intangible assets – Total liabilities – Minority shareholders' Interest (if any))

(In case of consolidated financial statements, NTA value from the consolidated financial statements will be used)

Intangible assets are, for example, the goodwill and deferred charges. Exceptions are for intangible assets that generate major income such as the concession and patent permit.

7. Policies or Trends for Connected Transactions in the Future

In the future, if the Company and its subsidiaries carried out a connected transactions with a person who may have conflict of interest with the Company, the Company will set out conditions based on normal trade characteristics and as market prices which could be comparatively referred to conditions or prices incurring with the similar business that the Company does with any third party. In addition, the Company will have the Audit Committee provide opinions regarding price, compensation rate, as well as necessity and appropriation of such connected transactions. In the event that the Audit Committee is unable to evaluate connected transactions due to lack of expertise in certain areas, the Audit Committee may arrange an independent expert, such as independent appraiser, to evaluate and give opinion on the transactions. The opinion of the Audit Committee or the independent expert will be used by the Company's Board of Directors or shareholders, as the case may be, for making a decision to ensure that these connected transactions are fair and best interest of all shareholders.

Moreover, the Company will ensure that such transactions are carried out in compliance with the SEC Act, Rules, Notifications and Regulations of the Capital Market Supervisory Board, the SEC and the SET. In this regard, for any future connected transactions the directors, executive, and management must comply with regulations determined and must not approve any transactions related to themselves or any persons who may have conflict of interest of any kind with the Company and must also comply with the disclosure rules related to connected transactions and the Company's policy. The Company will disclose future connected transactions in



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the notes of the reviewed/audited financial statement of the Company and in the Company's annual registration statement/annual report (Form 56-1 One Report) based on the prescribed regulation.

Effective date November 12, 2021

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Mr.Narong Thareratanavibool

Chairman

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