



CONNECTED TRANSACTION PROCEDURE

Neo Corporate Public Company Limited

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Connected Transaction Procedure

Neo Corporate Public Company Limited (“**Company**”) has established this Connected Transaction Procedure to ensure that a clear guideline for entering into connected transactions is in place and to ensure that the entering into such transactions by the Company or its subsidiary company is transparent, does not cause any conflict of interest, and is for the best interest of the Company and all shareholders.

The Connected Transaction Procedure is as detailed below.

1. Objectives

The Company prescribes this Connected Transaction Procedure as a key tool and mechanism to ensure the Company’s corporate governance and ensure that all connected transactions of the Company and its subsidiary company are conducted transparently for the best interest of the Company and all shareholders with no conflict of interest. It is also to ensure that all the connected transactions are approved by the relevant persons (the management, the Board of Directors, or the shareholders’ meeting, as applicable) and are disclosed accurately and completely.

2. Definitions

“**Connected Transaction**” means a connected transaction as prescribed under the relevant Notification of the Capital Market Supervisory Board and the relevant Notification of the Board of Governors of the Stock Exchange of Thailand, as may be further amended and supplemented.

“**Decision to enter into a transaction**” means an entering into or decision to enter into any contract or agreement, whether directly or indirectly, to cause an acquisition or disposal of assets, renting or leasing of assets, provision or receipt of services, provision or acceptance of financial assistances, and issuance of new securities, including to create any rights or waivers of rights with respect to such actions as prescribed under the relevant Notification of the Capital Market Supervisory Board and the relevant Notification of the Board of Governors of the Stock Exchange of Thailand, as may be further amended and supplemented.

“**Connected Persons**” means connected persons as prescribed under the relevant Notification of the Capital Market Supervisory Board and the relevant Notification of the Board of Governors of the Stock Exchange of Thailand, as may be further amended and supplemented, and includes related persons under Section 89/1 of the Securities and Exchange Act, B.E. 2535 (1992) (as amended) (“**SEC Act**”). Connected Persons comprise the following persons:

- (1) Connected persons under the 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, B.E. 2546 (2003) (as amended) which are:
 - (1.1) the executives, the major shareholders, the controlling persons, or the persons to be nominated as executive or controlling person of the Company or its subsidiary company, including related persons and close relatives of such persons;

- (1.2) any juristic person of which major shareholder or controlling person is the following person of the Company or its subsidiary company:
 - (a) executive;
 - (b) major shareholder;
 - (c) controlling person;
 - (d) person to be nominated as executive or controlling person;
 - (e) related persons and close relative of the persons under (a) to (e);
- (1.3) any persons indicated by the circumstance/behaviors to be a representative or subject to a significant influence of the persons under (1.1) to (1.2) on the decision making, determination of strategies, management, or operations or other persons that the Stock of Exchange of Thailand (“SET”) considers to have similar behaviors.
- (2) Related persons under Section 89/1 of the SEC Act being:
 - (2.1) controlling persons of the Company and including, if such a person is a juristic person, directors of such juristic person;
 - (2.2) spouse, children or adopted children who have not yet reached the legal age, of directors, executives or persons under (2.1);
 - (2.3) other juristic persons over which a person under (2.1) or (2.2) has control;
 - (2.4) other juristic persons having the characteristics prescribed by the Capital Market Supervisory Board.

When any person conducts any actions with the understanding or agreement that if the Company makes any transaction which provides a financial benefit to such person, the directors, executives, or persons under (2.1) or (2.2) will also gain the financial benefit, such person will be considered a related person with respect to such transaction.

“Subsidiary Company” means a company with any of the following characteristics:

- (1) a private limited company or public limited company which the Company has control over its business;
- (2) a private limited company or public limited company which the subsidiary company under (1) has control over its business;
- (3) a private limited company or public limited company under the chain of control, starting from being under the control of the subsidiary under (2).

“Control” or **“control over business”** means having any of the following relationships:

- (1) holding shares carrying voting rights in a juristic person of more than 50 percent of the total voting rights of such juristic person;
- (2) having the control over a majority of the votes of the shareholders’ meeting of a juristic person, whether directly or indirectly, or for any other reason;
- (3) having control over the appointment or removal of at least half of all directors, whether directly or indirectly.

“Executive” means a manager, or a person holding the first four top-ranking executives after the manager position or a person holding a position comparable to the fourth ranking executive, and a person holding an executive position in the accounting or finance department from the level of manager of department upwards or a comparable position. Executives includes directors of the Company.

“Major shareholder” means a person holding, directly or indirectly, the shares in any juristic person in an amount of more than 10 percent of total shares carrying voting rights of such juristic person. In this regard, the amount of shares held by the related persons must also be included in the calculation of such shareholding.

“Related person” means a person or juristic person having the relationship with the connected person as prescribed under Section 258(1) – (7) of the Securities and Exchange Act, B.E. 2535 (1992) before the amendment, being:

- (1) spouse of such person;
- (2) children under the legal age of such person;
- (3) ordinary partnership which such person or a person under (1) or (2) is a partner;
- (4) limited partnership which such person or a person under (1) or (2) is a partner with unlimited liability or a partner with limited liability whose total aggregate shares is more than 30 percent of the total shares in the limited partnership;
- (5) private limited company or public limited company of which more than an aggregate of 30 percent of the total issued shares are held by such person or a person under (1) or (2) or a partnership under (3) or (4);
- (6) private limited company or public limited company of which more than an aggregate of 30 percent of the total issued shares are held by such person or a person under (1) or (2) or a partnership under (3) or (4) or a company under (5);
- (7) juristic person which such person is able to control the management as a representative of the juristic person.

“Close relatives” means any person related by blood or legal registration, being parents, father, mother, spouse, siblings, children, including the spouses of children.

“General commercial conditions” means commercial conditions with fair prices and conditions which do not cause a transfer of benefits, including the following commercial conditions and prices:

- (1) prices and conditions that the Company or its subsidiary company receives from or offers to general persons;
- (2) prices and conditions that connected persons offer to general persons;
- (3) prices and conditions that the Company can prove that they are the prices and conditions that operators of similar businesses offer to general persons.

3. Policy on Connected Transactions

In entering into connected transactions, the Company will mainly consider the interest of the Company and all shareholders and will comply with the law on securities and exchange including applicable regulations, notifications, orders, or requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of

Thailand (“**Rules on Connected Transactions**”). With respect to a connected transaction, any persons having interest in the transaction may not participate in the consideration and approval of the transaction.

4. Connected Transactions

The Company’s connected transactions can be categorized into five categories as set out below:

4.1 Ordinary business transactions refer to commercial transactions that the Company or its subsidiary company conducts in its ordinary course to operate its business, such as sales of products, purchases of raw materials, etc. This type of transactions can be categorized into two sub-categories as follows:

- (1) Ordinary business transactions with general commercial conditions;
- (2) Ordinary business transactions without general commercial conditions.

4.2 Ordinary business support transactions refer to commercial transactions that general businesses in the same nature with the Company or its subsidiary company conduct to support their ordinary business transactions, such as hiring for goods shipping and hiring for advertisement services, etc. This type of transactions can be categorized into three sub-categories as follows:

- (1) Ordinary business support transactions with general commercial conditions whose value of consideration can be calculated based on assets or underlying value;
- (2) Ordinary business support transactions with commercial conditions whose value of consideration cannot be calculated based on assets or underlying value;
- (3) Ordinary business support transactions without general commercial conditions.

4.3 Short-term rentals or lease of immovable property refer to transactions for renting or leasing immovable property with a contract term of not exceeding three years and without any indication that it is based on general commercial conditions.

4.4 Transactions relating to assets or services refer to acquisitions or disposals of assets and/or rights to acquire or dispose of assets, long-term rental or lease of assets, and provision or receiving of services, such as machinery purchase, etc.

This type of transactions is different from ordinary business transactions and ordinary business support transactions. There are several issues to be considered for this type of transactions, including the necessity and appropriateness of such transactions, the appropriateness of the entering into such transactions with connected persons, as well as the benefits that the Company will receive compared to conducting the transactions with independent third parties.

4.5 Transactions of granting or receipt of financial assistance refers to granting or receiving financial assistance to/from connected persons, including receiving or granting loans, guarantees, providing assets as security of debts, including other similar behaviors, etc.

5. Transactions that are exempt from the rules on Connected Transactions

5.1 A transaction that is a commercial agreement in the same manner that a reasonable person would do with a general counterparty in the same situation with the

commercial bargaining power that is free from the influence of one's status as director, executive, or related person, as applicable, and that is a commercial agreement approved by the Board of Directors or in accordance with the principles approved by the Board of Directors.

5.2 Lending according to the employee welfare regulations.

5.3 A transaction to which the Company's counterparty or both parties are:

(1) a subsidiary company of which at least 90 percent of the total issued shares are held by the Company; or

(2) a subsidiary company in which directors, executives, or related persons hold shares or have interest, whether directly or indirectly, not exceeding the limit, rate, or in accordance with the characteristics prescribed by the Capital Market Supervisory Board.

5.4 A transaction between the Company and its subsidiary company of which no more than 10 percent of the total shares carrying voting rights are held by connected persons. In this regard, the shares held by related persons must be included in the calculation of such shareholding, whereby such connected persons must not connect with the Company and the subsidiary company in other natures.

5.5 A transaction between subsidiary companies of which no more than 10 percent of the total shares carrying voting rights are held by the Company and connected persons. In this regard, the shares held by related persons must be included in the calculation of such shareholding, whereby such connected persons must not connect with the subsidiary company in other natures.

5.6 The Company or its subsidiary company's issuance of new securities to connected persons in any of the following manners:

(1) To transfer to other persons who are not a related person of the Company or its subsidiary company in accordance with the resolution of the shareholders' meeting which authorizes the board of directors of such company, where the price of newly issued securities must not be lower than the market price of the securities minus the costs of such securities issuance and the proportion of interests of connected persons must not increase.

(2) The connected persons receive securities according to their rights and shareholding (Right Offering).

(3) A connected person is an underwriter or sub-underwriter of the Company or its subsidiary company with firm commitment;

(4) The securities are allocated under an employee stock ownership plan (ESOP) approved by the Office of Securities and Exchange Commission;

(5) A transaction that the Company or its subsidiary company makes with a connected person which is a juristic person which the Company or its subsidiary company sent a controlling person to oversee and control such juristic person whereby the Company or its subsidiary company and such juristic person are not connected in any other way.

5.7 A transaction that can be proven to be fair and does not cause a transfer of benefits.

6. Calculation of transaction size

In the calculation of transaction size, the value of the net tangible assets will be calculated and then compared with the value of the connected transaction as set out below:

Net Tangible Assets (“NTA”) means total assets less intangible assets, total liabilities, and non-controlling shareholders’ equity (if any).

(Intangible assets are such as goodwill, deferred expenses, etc. An exception is that intangible assets that generate primary incomes, such as concession, patent permit, etc., must not be deducted.)

In this regard, in the calculation of transaction size, NTA will be calculated from the latest consolidated financial statements audited or reviewed by the auditor. If any transactions arise after the date specified in the in the financial statements, the Stock Exchange of Thailand may allow the Company to use the financial statements with adjusted figures based on such transaction which the figures have been reviewed by the auditor.

Thereafter, the value of the connected transaction must be compared with the NTA to consider if the size is small, medium, or large according to the types of transactions set out below:

6.1 Ordinary business transactions

- (1) Ordinary business transactions with general commercial conditions.

This type of transactions may be conducted in accordance with the normal procedures without transaction size calculation.

- (2) Ordinary business transactions that are not on general commercial conditions.

Small	Medium (BoD)	Large (Shareholders)
1 million Baht or 0.03% of NTA (whichever is higher)	20 million Baht or 3% of NTA (whichever is higher)	

6.2 Ordinary business support transactions

- (1) Ordinary business support transactions with general commercial conditions whose the consideration can be calculated based on assets or underlying value.

This type of transactions may be conducted in accordance with the normal procedures without transaction size calculation.

- (2) Ordinary business support transactions without general commercial conditions whose the consideration cannot be calculated based on assets or underlying value.

Small	Medium (Disclosure)	Large (BoD)
1 million Baht or 0.03% of NTA (whichever is higher)	20 million Baht or 3% of NTA (whichever is higher)	

- (3) Ordinary business support transactions without general commercial conditions.

Small	Medium (BoD)	Large (Shareholders)
1 million Baht or 0.03% of NTA (whichever is higher)	20 million Baht or 3% of NTA (whichever is higher)	

6.3 Short-term rentals or lease of immovable assets

Small	Medium (Disclosure)	Large (BoD)
1 million Baht or 0.03% of NTA (whichever is higher)	20 million Baht or 3% of NTA (whichever is higher)	

6.4 Transactions relating to assets or services

Small	Medium (BoD)	Large (Shareholders)
1 million Baht or 0.03% of NTA (whichever is higher)	20 million Baht or 3% of NTA (whichever is higher)	

6.5 Transactions of granting or receiving financial assistance

Financial assistance transactions can be categorized into two categories as follows:

- (1) Granting financial assistance to a connected person who is an individual or a company which the connected persons hold more shares than the Company.

Small (BoD)	Large (Shareholders)
100 million Baht or 3% of NTA (whichever is lower)	

- (2) Granting financial assistance to a company which connected persons hold less shares than the Company or any other transaction of providing or receiving financial transaction other than Article 6.5(1)

Small	Medium (BoD)	Large (Shareholders)
1 million Baht or 0.03% of NTA (whichever is higher)	20 million Baht or 3% of NTA (whichever is higher)	

7. The Company's actions upon Connected Transactions

Type of Connected Transactions	Transaction Size	Company's Actions		
		Disclosure to SET	Request for Board of Directors' Approval	Request for Approval from Shareholders' Meeting
1. Ordinary business transactions				
1.1 Ordinary business transactions with general commercial conditions	Unlimited	-	-	-
1.2 Ordinary business transactions without general commercial conditions	Small	-	-	-
	Medium	/	/	-
	Large	/	/	/ ¹
2. Ordinary business support transactions				

2.1 Ordinary business support transactions with general commercial conditions whose the consideration can be calculated based on assets or underlying value	Unlimited	-	-	-
2.2 Ordinary business support transactions with general commercial conditions whose the consideration cannot be calculated based on assets or underlying value	Small	-	-	-
	Medium	/	-	-
	Large	/	/	-
2.3 Ordinary business support transactions without general commercial conditions	Small	-	-	-
	Medium	/	/	-
	Large	/	/	/ ¹
3. Short-term rentals or lease of immovable property without any indication that it is based on general commercial conditions	Small	-	-	-
	Medium	/	-	-
	Large	/	/	-
4. Transactions relating to assets or services	Small	-	-	-

	Medium	/	/	-
	Large	/	/	/ ¹
5. Transactions of granting or receiving financial assistance				
5.1 <u>Granting</u> financial assistance to the following connected person:				
<ul style="list-style-type: none"> • who is an individual; • which is a juristic person which the connected persons hold more shares than the Company. 	Small	/	/	-
	Large	/	/	/ ^{1,2}
5.2 <u>Granting</u> or <u>receiving</u> financial assistance as follows:	Small	-	-	-
<ul style="list-style-type: none"> • Granting financial assistance to a company which connected persons hold less shares than the Company; • any other transactions of granting or receiving financial assistance. 	Medium	/	/	-
	Large	/	/	/ ^{1,2}

/1 The requested approval from the shareholders' meeting must be approved by a vote of three-quarters of the shareholders who attend the meeting and have the rights to vote, excluding the shareholders who have interest in the transaction. An independent financial advisor must be appointed to provide opinions to the shareholders.

/2 In case of a transaction which the Company or its subsidiary company and a connected person jointly provide financial assistance to a juristic person that the Company or its subsidiary company and the connected person are shareholders in accordance with the proportion of their interest in such juristic person under general or better commercial conditions, the Company will be exempted from requirement to obtain the approval from the shareholders' meeting for such transaction.

8. Connected transaction approval procedure

8.1 Connected transactions which are ordinary business transactions or ordinary business support transactions with general commercial conditions.

With respect to the entering into a connected transaction which is an ordinary business transaction or an ordinary business support transaction with general commercial conditions, once the Board of Directors has approved the transaction framework as general principles, the Company may enter into such a transaction without obtaining a specific approval from the Board of Directors or the shareholders for entering into the transaction. Such transaction must contain commercial conditions that are in the same manner that a reasonable person would make with a general contracting party in the same situation with a commercial bargaining power that is free from the influence of one's status as director, executive, or connected person (as applicable).

In this regard, the transaction framework that is the general principles for ordinary business transactions or ordinary business support transactions on general commercial conditions must be that approved by the Board of Directors' Meeting No. 1/2566 (2023) of Neo Corporate Public Company Limited, which was held on 31 August 2023.

8.2 Connected transactions for which the Board of Directors' approval is required.

In case of a connected transaction for which the Board of Directors' approval is required before entering into the transaction, the executive of the relevant department, such as the Sales Department, the Marketing Department, the Accounting Department, the Operations Department, or other relevant department, must present the details, nature of transaction, necessity and reason of the transaction to request for the approval from the Audit Committee and present the same to the Board of Directors' meeting for consideration and approval for entering to the transaction. The steps for the said actions are as follows:

- (1) The relevant department proposes details, nature of transaction, necessity and reason of the transaction, and prepare and propose all relevant documents, evidence and information, to the Chief Executive Officer.
- (2) The Chief Executive Office assigns the secretary of the Audit Committee to coordinate with the Audit Committee to prepare the meeting agenda.
- (3) The secretary to the Audit Committee coordinates with the relevant department to prepare supporting documents for the meeting agenda with the key information being summarized for the Audit Committee's consideration and approval.
- (4) The Audit Committee's meeting is held. The secretary of the Audit Committee prepares the minutes of the Audit Committee's meeting and coordinates with the Company's secretary in preparing the meeting agenda to propose opinions from the Audit Committee's meeting to the

Board of Directors for further consideration and approval on the entering into the transaction.

- (5) Once the Audit Committee's meeting has resolved to approve, the Company's secretary must, together with the relevant department, prepare supporting documents for the meeting agenda with the key information being summarized for the Board of Directors' consideration and approval.
- (6) The Board of Directors' meeting is held where the directors who have interest may not attend and participate in the consideration and approval and have no right to vote on the entering into such transaction. The Company's secretary prepares the minutes of the Board of Directors' meeting. At least the minimum information required by the SET must be disclosed to the SET.

8.3 Connected transactions for which the shareholders' approval is required.

In case of a connected transaction for which the shareholders' approval is required before entering into the transaction, the executive of the relevant department, such as the Sales Department, the Marketing Department, the Accounting Department, the Operations Department, or other relevant department, must present the details, nature of transaction, necessity and reason of the transaction to request for the approval from the Audit Committee and the Board of Directors, and present the same to the shareholders' meeting for consideration and approval for entering to the transaction. The steps for the said actions are as follows:

- (1) The relevant department proposes details, nature of transaction, necessity and reason of the transaction, and prepare and propose all relevant documents, evidence and information, to the Chief Executive Officer.
- (2) The Chief Executive Office assigns the secretary of the Audit Committee to coordinate with the Audit Committee to prepare the meeting agenda.
- (3) The secretary to the Audit Committee coordinates with the relevant department to prepare supporting documents for the meeting agenda with the key information being summarized for the Audit Committee's consideration and approval.
- (4) The Audit Committee's meeting is held. The secretary of the Audit Committee prepares the minutes of the Audit Committee's meeting and coordinates with the Company's secretary in preparing the meeting agenda to propose opinions from the Audit Committee's meeting to the Board of Directors for further consideration and approval.
- (5) Once the Audit Committee's meeting has resolved to approve, the Company's secretary must, together with the relevant department, prepare supporting documents for the meeting agenda with the key information being summarized for the Board of Directors' consideration and approval.
- (6) The Board of Directors' meeting is held where the directors who have interest may not attend and participate in the consideration and approval

and have no right to vote on the entering into such transaction. The Company's secretary prepares the minutes of the Board of Directors' meeting. At least the minimum information required by the SET must be disclosed to the SET.

- (7) Once the Board of Directors' meeting has resolved to approve, the Company's secretary must, together with the relevant department, prepare supporting documents for the shareholders' meeting agenda and request for the independent financial advisor's opinion for further requesting for the shareholders' approval in the entering into the transaction. Sufficient supporting information for making an informed decision must be provided pursuant to the Rules on Connected Transactions together with the list of names and number of shares of the connected person who have no right to vote.
- (8) The shareholders' meeting is held in accordance with the procedure, steps, and rules prescribed in the Rules on Connected Transactions whereby the Company's secretary must prepare the minutes of meeting.

9. Disclosure of information

The Company must disclose the information on connected transactions in accordance with the rules prescribed by the Office of the Securities and Exchange Commission and the SET in the annual registration statement/annual report (Form 56-1 One Report) of the Company or any other reports. It must also disclose the agreements to enter into connected transactions to the SET in accordance with the Rules on Connected Transactions as well as disclosing connected transactions in the Company's financial statements as prescribed by the accounting standards.

10. Amendment of connected transaction procedure

The Board of Directors authorizes the Executive Committee to consider and review the Connected Transaction Procedure for further amendments. However, the amendments must not contradict, and must comply with, the Connected Transaction Policy of the Company and the Rules on Connected Transactions. In this regard, if the Executive Committee makes any material amendment to the Connected Transaction Procedure, the Executive Committee will report such amendments to the next meeting of the Board of Directors for acknowledgment.

This Connected Transaction Procedure is effective from 31 August 2023 onwards.

(Mr. Virapan Pulges)

Chairman of the Board of Directors
Neo Corporate Public Company Limited