Subsidiary governance mechanism

The company's board of directors is involved in defining policies and practices for management, allowing management to have establish strategic management plans according to the company's objectives and missions, as well as those of its subsidiaries, in order to seek approval from the board of directors.

For subsidiaries where the company holds more than 90% of the shares, it is required to have a corporate governance structure similar to that of the company, including internal audits, risk management, Nominations and determination of directors' compensation for subsidiaries, company regulations, and other relevant laws pertaining to business operations.

For subsidiaries in which the company holds less than 90% of the shares, the company will have a role in overseeing and participating in various decisions according to the proportion of shares it holds, which includes:

1. Appoints directors and executives (the President and the Chief Financial Officer) or those with control authority according to the shareholding proportion.
2. Defines the scope of authority, duties, and responsibilities of directors and executives representing the company in formulating important policies.
3. Discloses financial status, performance results, budgets, and power of authority matrix.
4. Engages in transactions between the company and related parties, as well as other significant transactions such as the acquisition or disposal of assets.
5. Assesses the sufficiency of internal control systems of subsidiaries.

The subsidiaries are also required to have governance mechanisms similar to those of the company, such as internal audits, risk management, determination of directors' compensation for subsidiaries, company regulations, and other relevant laws pertaining to business operations.
