

### **Connected Transaction Policy**

The Board of Directors of Thai Reinsurance Public Company Limited has established the connected transaction policy to make certain that the transactions are carried out properly and in conformity with the applicable laws and regulations, including (1) the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and (2) the Notification of the Board of Governors of the Stock Exchange of Thailand (SET) Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transaction B.E. 2546.

#### **Details of the Company's connected transaction policy are as follows:**

1. The Company must abide by the applicable laws and regulations. In case where there is any connected transaction which is subject to prior approval from the Board of Directors and/or the shareholders' meeting, the Board of Directors shall make a decision with due care, responsibility and integrity and any person having interest therein shall not participate in such decision-making.
2. A connected transaction shall be made in the Company's interest in the same way as the transaction made with a third party.
3. A monitoring and examination system shall be in place to ensure that a connected transaction conforms to the right procedures.

#### **Procedures for entering into a connected transaction**

If there is any connected transaction, as defined by the SET, taking place, the Company as a listed entity shall comply in all respects with the regulations of the SET. The management shall make a close examination and supervision in case where it must seek approval for the connected transaction from the Board of Directors. The board decision on the connected transaction shall rest with the non-interest directors. The Company shall always seek advice from the SET before entering into any connected transaction.

For all types of connected transactions, including those under the management's authority, the Company shall disclose a summary report on the connected transactions and their total value, classified by type, in its annual report and annual registration statement.

If it is a transaction under general commercial terms with price and conditions that are the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances according to the approved principle for commercial agreements with general commercial terms for transactions made by the Company and its subsidiaries with the directors, executives or related persons, the management shall then have the authority to enter into such transaction pursuant to the Securities and

Exchange Act, Section 89/12, and must submit a summary report thereon to the Audit Committee on a quarterly basis.

The Company has established the procedures for entering into the connected transactions as follows:

1. The management shall consider as to whether the transaction is a connected transaction as defined by the SET by checking with the information on connected persons from the reports on interest of the directors and executives and the information on controlling persons, major shareholders, related persons and close relatives.
2. The management shall compare the connected transactions with the transactions executed with third parties under the same or similar conditions as a basis for deciding to enter into the transactions for the utmost benefit of the Company.
3. The Company has designated persons with power to approve the transactions based on the criteria for consideration of transaction size and conditions as specified in the Notification of the SET Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transaction B.E. 2546. If the Company enters into the connected transactions that fall within the purview of the SET's regulations, it shall strictly comply with such regulations as follows:
  - 3.1 Small-sized transaction Approval rests with the Chief Executive Officer having no interest in any such transaction. The transaction in which the Chief Executive Officer has interest shall be subject to the approval of the Board Chairman and shall be reported to the Audit Committee at the next meeting held after the entering into such connected transaction.
  - 3.2 Medium-sized and large-sized transaction The Company shall arrange for the Audit Committee to express opinion regarding the necessity and appropriateness of the transaction. In case where the Audit Committee has no expertise in the consideration of any potential connected transaction, the Company shall arrange for an independent expert or its auditor to provide opinion on such transaction for proposing to the Board of Directors for consideration and approval. Where an approval is required from the shareholders, the Board of Directors shall provide opinion on the transaction and convene a shareholders' meeting for further consideration and approval of the transaction.
4. The Company must disclose information on the transactions that may involve a conflict of interest or the connected transactions or the related party transactions according to the regulations set forth by the Office of the Securities and Exchange Commission in its annual registration statement and annual report or any other form of report, as the case may be. The Company must also disclose information on the connected transactions to the SET pursuant to the SET's regulations, as well as the transactions related to the Company in accordance with the accounting standards.

The related party transactions shall be disclosed in notes to the financial statements that have been duly audited by the Company's auditor.

5. The internal auditor shall examine the connected transactions and report to the Audit Committee by implementing measures for control, monitoring and random review on the transactions to ensure they have been carried out correctly in accordance with the agreement, policy, price or conditions specified.

Guideline for proposing the connected transactions to the Audit Committee and the Board of Directors

1. Connected transactions that are under approval authority of the Board of Directors

In entering into a medium-sized connected transaction which is inconsistent with the general commercial terms and, hence, requires the approval of the Board of Directors, the management must provide details about the necessity and reasonableness of the transaction to seek an approval from the Audit Committee before proposing the matter to the Board of Directors for consideration and final approval according to the following procedures:

- 1.1 The Company's secretariat and concerned units prepare and submit a summary of the transaction and all other relevant information to the Chief Executive Officer.
- 1.2 The Chief Executive Officer advises the secretary to the Audit Committee to coordinate with the Audit Committee in preparing a meeting agenda.
- 1.3 The Internal Audit Department coordinates with the concerned units in preparing supporting papers for the meeting, together with an executive summary, for the Audit Committee's consideration.
- 1.4 After a resolution has been passed at the Audit Committee's meeting, the Company's secretariat puts forward the matter to the Board of Directors for consideration and approval of the entering into such transaction.
- 1.5 Details of the transaction are disclosed in the Company's annual registration statement and annual report.

2. Connected transactions that are under approval authority of the shareholders

If the connected transaction requires the approval of the shareholders, the management must provide details about the necessity and reasonableness of the transaction to seek an approval from the Audit Committee before proposing the matter to the Board of Directors for approval and then proposing to the shareholders' meeting for consideration and final approval according to the following procedures:

- 2.1 The Company's secretariat and concerned units prepare and submit a summary of the transaction and all other relevant information to the Chief Executive Officer.

- 2.2 The Chief Executive Officer advises the secretary to the Audit Committee to coordinate with the Audit Committee in preparing a meeting agenda.
- 2.3 The Internal Audit Department coordinates with the concerned units in preparing supporting papers for the meeting, together with an executive summary, for the Audit Committee's consideration.
- 2.4 After a resolution has been passed at the Audit Committee's meeting, the Company's secretariat puts forward the matter to the Board of Directors for consideration and approval of the entering into such transaction. An independent financial advisor shall be appointed to provide opinion to the shareholders.
- 2.5 After a resolution has been passed at the Board of Directors' meeting, the Company's secretariat prepares papers for holding a shareholders' meeting and seeking the shareholders' approval of the entering into the transaction. The relevant information provided must be sufficient for the shareholders to make a decision. Names and number of shares held by the connected persons who are not entitled to cast votes must also be revealed.
- 2.6 Details of the transaction are disclosed in the Company's annual registration statement and annual report.