

## ❖ Good Corporate Governance ❖

The Board of Directors understands the importance of implementing “Good Corporate Governance 2017” as announced by Stock Exchange of Thailand, and therefore, implemented such “Good Corporate Governance”<sup>5</sup> as a guideline to enable effective and transparent management which will ensure trust and confidence among shareholders, investors, stakeholders and all related parties. However, Good Corporate Governance can be divided into 5 sections as following details:

### Section 1: Rights of shareholders:

The Company supports rights practice as well as rights protection of all shareholders as follows:

#### 1. Rights of shareholders

- Rights of holding Company’s shares;
- Rights to acquire, dispose and transfer the shares;
- Rights to acknowledge complete information and news related to the Company;
- Rights to attend and vote in the shareholders’ meeting;
- Rights to appoint or dismiss the Company’s directors;
- Rights to receive dividend from the Company;
- Rights to take part in making decision and acknowledge the decision of the Company concerning changes of internal infrastructure which are
  - (1) Disposal or transfer as a whole or important part to other persons;
  - (2) Acquisition or receive business of other companies or private companies under ownership of the Company;
  - (3) Covenant, amend or terminate of agreements concerning all leasing business of the Company, as a whole or important part, delegate other person to operate the Company’s business, or consolidate with other person with intention to share the profit/ loss;
  - (4) Change details in memorandum of association or articles of association or other regulations of the same nature;
  - (5) Increase or reduce the Company’s capital;
  - (6) Merge or liquidation of the Company;
  - (7) Issue debenture;
  - (8) Execute other special transactions which are not normal transaction
- Rights to propose matter as the agenda in the general meeting of shareholders; **(Appendix 1)**
- Rights to propose a person as a director of the Company in the shareholders’ meeting. **(Appendix 2)**

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<sup>5</sup> - Approved by the meeting of the Board of Directors No. 2/2009 on 25 May 2009  
- Reviewed and approved by the meeting of the Board of Directors No. 6/2014 on 14 November 2014

## 2. The shareholder's meeting

Shareholders including institutional investors have rights to attend and vote in Shareholders' meeting with equal treatment. The Company shall refrain from any action that may limit the rights to access the Company's information or to attend the meeting. The Company undertakes procedures regarding each meeting as follows:

- The Company has implemented for quality in convening the Annual General Meeting through convenience meeting venue with various alternated transportations.
- The Company provides notice of meeting with all necessary information and timely manner such as date, time, location and an agenda of the meeting, including supporting documents for each agenda in prior to the meeting date to allow shareholders to study supporting information for their vote, without additional agenda other than specified in the notice of the meeting or changes of important information without prior notice to the shareholders.
- The Company publicizes invitation to the Annual General Meeting of Shareholders including relevant enclosures and make it available on the Company's website at [www.energyabsolute.co.th](http://www.energyabsolute.co.th) in both Thai and English version not less than 30 days prior to the meeting date and sent by registered mail in advance at least 7 days prior to the meeting which requires ordinary resolution and 14 days prior to the meeting which requires special resolution.
- Rules and regulations of the shareholder's meeting as well as voting procedure to be clearly stated in the notice of the meeting and inform to shareholder in the meeting.
- The Company allows shareholders to send their questions as well as name and contact details to the company prior to the meeting date through following methods:

**Energy Absolute Public Co., Ltd.**

Attention: Company Secretary

16<sup>th</sup> Floor, AIA Capital Center Building,

89 Ratchadaphisek Road, Dindaeng, Bangkok 10400

- The Company determines criteria and pattern to enable minor shareholders to propose a list of candidates for nomination of director position as well as to approve the list of proposed candidates. The proposal is opened for 3 months prior to the date of the shareholders' meeting when the Nomination Committee will consider the pattern for proposing list of candidates for director position.
- The shareholders can enquire, express their opinion and ask for clarification from the Board of Directors, committee or the Management in regard to meeting agenda, policy, operation result, annual audit result from the independent auditor, remuneration policy of the directors and executives or other related matters.
- In the event that the shareholder is unable to attend the meeting, he/she can use proxy. The shareholders to be allowed to appoint an independent director or other person as considered an appropriate as well as their proxy on which he/she can specify their vote. Appointment of the proxy must be clearly specified in invitation.

- Shareholders to be allowed to vote in election of qualified director to undertake responsibilities of maintaining benefit of the shareholders.
- The Company held meeting sinatimely manner, and support shareholders to fully express their opinion and ask for more information.
- The Company encourages directors, executives and auditors to attend the meeting for the advantage of answering questions of the shareholders.
- In the meeting date, the registration is performed through Barcode system to facilitate shareholders at best convenience.
- The Corporate Secretary provided minutes of meetings with accurate, complete and clear details and submitted to SET, SEC as well as disseminated through the Company website within 14 days after the date of meeting.

## **Section 2 Equal treatment to shareholders:**

All shareholders, investors, institutional investors both within the country and abroad, received equal treatment as specified in the Rights of Shareholder Section. The Company has stipulated the policy to protect rights of shareholders to ensure that everyone is being treated equally and fairly as follows:

### **1. Use of internal information for purchase and sale of the Company's securities**

The Board of Directors has set the protection of internal information and purchase and sale of the Company's securities to ensure equality and justice to all shareholders and to retrain directors and related executives from illegally sale and purchase of the securities for their own interest (Insider Trading).

- Use of Internal Information

The Company has implemented policy and protection approach for misuse of internal information for personal interest and securities sale-purchase as follows:

- 1) All directors, executives and employees including their spouse and minor child, including related person as per Section 258 are not allowed to use internal information which has not been disclosed to the public domain, to purchase, sale, transfer or receive securities of the Company.
- 2) Any purchase, sell, transfer or receive asset of the Company by directors, executive, including their spouse and minor child and related person as per Section 258 of the Securities and Stock Exchange B.E. 2535 must be report to the SEC and SET within 3 days from the date of transaction. The violation or failure to comply with the regulation issued in accordance with Section 275 of the Securities and stock Exchange B.E. 2535 is liable to a fine not exceeding Baht 500,000 and a further fine not exceeding Baht 10,000 for every day during which the contravention continues. A copy of transaction report must be submitted to the Company as evidence.
- 3) Directors, executives and employees of the Company who have access to the internal information shall not use such information prior to disclosure to the public, and shall not purchase, sell, transfer or receive securities of the Company within a period of one month prior to, and 1 day subsequent to the

quarterly and annual financial statement will be disclosed to the public. The materiality content of the information is prohibited be disclosed to any other parties.

4) Report shareholding of director to the Board of Directors quarterly.

▪ Control of internal information:

All directors, executives and employees are not allowed to use internal information which has not been disclosed to the public domain for interest of their own or others. In addition, any third party who is involved or may have access to the important internal information of the Company, must enter into the non-disclosure agreement to ensure that the particular person will use the information with full caution and keep such information as confidential in the same manner as the executives and employees would practice.

▪ Holding the Company's securities:

All directors, executives and employees have freedom to sale and purchase of securities of the Company. However, to prevent conflict of interest, directors, executives and employees including their spouse and minor child are prohibited to sale and purchase of securities of the Company during 1 month prior to the date of disclosure of the financial statement to the public. Any acquisition, disposition, transfer, or receipt of the Company's securities held in their account must be reported and disclosed to the related authority. The Company reports changes in securities holding of directors and executives in quarterly to Board of the Directors and also must be reported in the Annual report.

In this regard, if the executive and employee violate the use of internal information policy aforesaid, such person shall be deemed as violation of the Company's regulations. In addition, if such person is considered violation of Section 242<sup>6</sup> of the Securities and Exchange Act (No.5) B.E. 2559, such person shall be punished under the Securities and Exchange Act (No.5) B.E. 2559.

## 2. Conflict of interest policy

The Company operated business with honesty, integrity, transparency and fairness. Directors, executives and all employees are not allowed to engage in any business that competes with the Company or execute any business transaction which involves themselves or related person/ juristic person that may lead to conflict of interest. It is responsibilities of the Board of Directors to monitor and ensure that everyone strictly comply with the rules and regulations of disclosing related transaction as stipulated by law or relevant authorities.

In case it is necessary to enter into a connected transaction, such transaction must be under general trade conditions as approved by the Board, with transparency and

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<sup>6</sup> The main point of Section 242 is to prohibit any person, whether directly or indirectly, to purchase or sell, offer to purchase or sell or invite any other person to purchase, sell or offer to purchase or sell securities which are listed in the Securities Exchange or traded in an over-the-counter center in such a way as to take advantage of other persons by using information material to changes in the prices of securities which has not yet been disclosed to the public and to which information he has access by virtue of his office or position, and whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts.

fairness, and executed in a manner as if to external party and conduct for the full benefit of the Company. However, the connected transaction which is not based on the general trade conditions may lead to conflict of interest and must be reviewed and considered by the Audit Committee prior to being proposed to the Board or shareholders for approval.

#### **Prevention on the conflict of interest**

- The Company has structure of shareholding which is explicit, transparent without cross shareholding with major shareholders that may cause conflict of interest to a particular party. The structure of shareholding of the Company and subsidiaries is disclosed in the annual report with full details.
- The duties of the Board of Directors, executives and shareholders are clearly classified, therefore, there is no issue concerning intervening each other's duties.
- The Company determines that the directors and executives are responsible for providing report of stake holding as to review the related transactions.

### **3. Report on the interest of directors and related persons**

It is the responsibility of directors and executives to report interest of directors and related persons regarding the management of the Company as regulations and conditions set forth by the SEC. The Corporate Secretary is responsible for collecting and submitting report of interest to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 days from the date of receiving report.

## **Section 3 Roles of stakeholders:**

The Company supports to conduct of business based on fairness and shared benefit between the Company and stakeholders. All related policies and measures are set forth as follows:

### **1. Treatment to stakeholders Policy:**

Stakeholders of the Company are categorized as follows:

- **Shareholders:** The Company determines to create quality and stable business growth for the full and sustainable benefit of the shareholders based on the effective work performance, excellent turnover, equal access to necessary information, disclosure of actual information, conducting business with honesty, integrity, transparency and fairness.
- **Customers:** The Company provides excellent service system to ensure that all customers receive appropriate response and complete, accurate information as required. The Company also has survey forms to take customers feedback as a guideline for continual improvement and development.
- **Supplier:** The Company continues to treat its supplier whom deemed as business partner with equity and based on the mutual benefit, develop and maintain long-term relationship with supplier, while creating trust between each other. The Company has complied with the procurement regulations which the procedures and practice guides are clearly stated.

- **Creditors:** The Company strictly adheres to the creditor's conditions, controls the payment of the load and interest to all types of debtors, fully meets the term and conditions of the load agreement in full.

In case of having a dispute or can not perform to the conditions, the Company will inform and negotiate with the creditors in advance to find a preliminary solution together.

- **Employees:** The Company treats its employees with fairness and appropriate manner in term of opportunity and compensation, appointment, transfer, skill development and safe working conditions as well as taking care of work environment to be safe to life and property of employees. The Company welcomes any opinion and suggestions from employees and treats everyone with fairness and equality.
- **Competitors:** The Company determines to conduct business under fair competition environment, not seeking competitor's confidential information dishonestly or inappropriately, not executing any action that violates their intellectual property.
- **Community, Society, Environment, Health and Safety:** The Company maintains its participation in society by complying with the law and/or approved regulations, coordinates with government authorities, ensures that business operation will not cause any damage to community, society and environment, supports and develop society in terms of life quality development, education development, energy saving and environmental care.

## 2. Risk Management Policy

- 1) Risk management is under the responsibility of all directors, management and all level of employees. The awareness toward risks adhered to business conduction and work under their responsibly. With emphasis on risk management in various fields to ensure risk management tis at an adequate and appropriate level. This includes risk of corruption.
- 2) Enterprise risk management is conducted appropriately and correspondingly to the international good practice guidance for minimizing the risk that might effect to the operations and developing the risk management across the entire organization in the same direction. Taking risk management to be as a part of strategic planning and decision making including focusing on risk management to achieve the objectives, target, vision, mission and strategy in order to create success and confidence to stakeholders.
- 3) To define the prevention practice, minimize risks from business operation in order to avoid damage, loss, or corruption as well as to monitor and conduct the assessment of risk management result regularly.

## 3. Safety, Occupational Health and Working Environment Policy

The Company realizes that safety occupational health and working environment management is the basic responsibility of organization and is an important and necessary factor for our business operation. To become an excellent organization, all



departments are constantly supported and developed under safety occupational health and working environment policy as follows:

- 1) Prevent accidents, injuries and sickness which may be incur from operation under strict compliance of everyone, as well as limit and control work that exposes to harmful risk.
- 2) Quickly, effectively and carefully coordinate with government authorities and private companies to minimize emergency cases or accidents incur from work.
- 3) Strictly comply with applicable laws, regulations and provisions regarding safety, and implement safety standard to business operation.
- 4) Provide tools, safety and protective equipment to keep employees safe from accidents on the job that might be the cause of health issues in the workplace or during works as well as providing emergency and response plan to minimize damage and loss.
- 5) Arrange for the regulations, action plan and training course to educate employees at all levels appropriately. In order to have knowledge and understanding and receive adequate information about work safety to prevent potential hazards from work and various diseases.
- 6) Arrange for the safety of employees and related parties by providing a safe and hygienic working environment.
- 7) Provide the adequate personal protective equipment for employees who are in compliance with adequate risks, use, organize provide training, rehearsal and control for proper use.
- 8) Review safety policy and regularly conduct assessment.

#### **4. Society and Environment Policy**

The Company realizes the importance of taking part in society and environment to be in good quality and conducts various activities to support and promote the sustainable development of society and environment by following policies:

- 1) Operate business by taking into account the impact to society and environment;
- 2) Aim to reduce and prevent pollution;
- 3) Strictly comply with the applicable laws, regulations and related practices;
- 4) Continuously develop and improve work standards to be in compliance with environmental standards.

#### **5. Whistleblowing Policy**

In order to encourage both internal and external stakeholders to participate in Good Corporate Governance process, the company therefore has set a policy in the event that various groups of stakeholders have questions or see actions suspected of violation or non-compliance with laws, regulations, or business ethics, or suspicions that may lead to corruption can report clues or complaints together with sending evidence and details to the Chairman of the Audit Committee of the Company.

For the receiving a complaint process and whistleblowing channels appear in the section of “Anti-Corruption policy”

#### **6. Rights Protection for employees, contractors or temporary staff**

The Company refrains from any unfair treatment toward its employees, contractors or temporary staffs such as change of position, work scope, or place of work, suspend work, threatening, disturbing, dismissal or any other action defined as unfair treatment based on the ground that:

- 1) Such person provides information, coordination or assistance whatsoever to directors, executives, government or related authorities in the event that those people reasonably believed that there is a violation or incompliance with the law, regulation, or good corporate governance policy. This includes the violation of the anti-corruption practice.
- 2) Giving statement, submitting evidence document or assistance whatsoever to the director, executive, government or related authorities in support of consideration or examination on violation of incompliance with the laws, regulations, provisions or good corporate governance. This includes the violation of the anti-corruption practice.

### **Section 4 Information disclosure and transparency:**

#### **1. Information disclosure**

The Board of Directors places attention on disclosure of reliable, accurate, complete, transparent and timely released information for financial and nonfinancial matters to investors and all stakeholders to have reliable and sufficient information for decision. The Office of Company Secretary and the Department of Corporate Communication are responsible for communicate and disseminate information necessary for individual investors, corporate investors, analyst and individuals within the country and abroad different channels i.e. notify through the SET Community Portal and the Company’s website, announcement of quarterly results, business operation plan. Important information being disclosed to the public are such as annual statement (form 56-1), annual report (form 56-2), financial information, information related to major shareholders and rights of voting, information related to directors and committee, information disclosed to SET, corporate governance policy, business ethic, activities and operative plan etc.

#### **Disclosure of financial and non-financial information accurately, completely and in timely manner**

The information appeared in the financial report is accurate in accordance with generally accepted accounting standards and reviewed by independent certified public auditors.

- The Company provides Report of the Board’s Responsibility in the Financial Statements and encloses with the auditor’s report in the Annual Report.
- Management Discussion and Analysis or MD&A has been provided to support disclosure of quarterly financial statement to ensure that investors acknowledge



and understand well of any changes in relation to financial status and quarterly operation result besides the numbers shown in the financial statement.

- Disclose audit fee and other service fees related to the auditors in the Annual Report.
- Disclose roles and duties of the Board of Directors and sets of sub-committees, a number of meeting held and number of attendance of each director during the previous year in the annual report, under “Corporate Governance Sub-committees”.
- The Company has determined the policy on which directors and executives have to report their interest as well as related persons who involve with stake holding of business management of the Company or its subsidiaries. The criteria and method of report is as follow:
  - ❖ Report after first undertaking director or executive position;
  - ❖ Report for any changes related to stake holding.

## **2. Auditor and quality of financial reports**

The financial statements of the Company and its subsidiaries are reviewed and audited by an independent auditor who has been agreed by the office of the Securities and Exchange Commission who is an independently. knowledgeable, expertise and qualities to give confidence to the Board of Directors and shareholders, that the financial statements of the Company and the subsidiaries can show the financial position and operating results of the Company.

Nevertheless, the Company has policy to change the auditors if the auditor has been appointed for 7 consecutive fiscal years, and the Company can appoint a new auditor that is affiliated with the former audit firm of the former auditor. From the execution of duties due to the auditor, the Company’s auditor can be re-appointed after pass the appointment period at least two fiscal years since the date of such auditor passed the duty.<sup>7</sup>

The Board of Directors places importance and responsibility on the financial statement of the Company and its subsidiaries based on general accounting standards, with full caution, accuracy and completeness to reflect actual operative result of the Company. The Board of Directors provided operative result and information disclosure with transparency and sufficiency to related authorities such as SEC and SET regularly by taking into account the benefit of shareholders and investors. Furthermore, the Audit Committee is appointed by the Board of Directors to verify and examine reliability and accuracy of the financial report and internal control system.

## **Section 5 Responsibilities of the Board of Directors:**

### **1. Structure of the Board of Directors**

- The Board of Directors consists of at least 5 directors but not more than 15 directors, and at least half of the directors must have residence in Thailand.

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<sup>7</sup> Norpor. 5/2561 Re: Guidelines on Auditor Rotation in Capital Market and Relaxation on Auditor Rotation in Capital Market.

- The Board of Directors consists of at least one-third (1/3) of total numbers of directors on board and/ or contain at least 3 independent directors.
- The Chairman of the Board of Directors and the Chief Executive Officers must not be the same person for segregation of duties and responsibilities and balance of the power.

## 2. Qualifications of directors

- Qualified, not being prohibited to run Public Company, law and regulation of Securities and Stock Exchange, including other applicable laws and good corporate governance of the Company.
- Having competent knowledge and good professional background, independent, performing duties' honest, moral, ethical and regularly attend the meetings.
- Having one or more specific knowledge in a particular field which will generate benefit to the Company which are:
  - (1) Production and distribution of biodiesel oil
  - (2) Production and distribution of alternative energy
  - (3) Have specialized knowledge useful for the Company to support the business expansion according to the strategic plan to achieve goals, such as, accountings, finances, laws, strategy and business plan Management, Information Technology, etc.
  - (4) Good corporate governance
- Holding position as a director in the maximum of 4 listed companies, and not hold any position in the entity deemed as the Company's competitor.
- The board determines CEO can hold director position in 1) other companies but not the listed company 2) nonprofit organization. However, holding such position should not effect the CEO's exercise of its duties and responsibilities and not give rise to conflicts of interest.
- Qualifications of Independent Directors<sup>8</sup> are as follows:
  - (5) Holding no more than 0.8 percent of total voting shares of the Company, parent company, subsidiaries, associate company, major shareholder or controlling person of the Company, including shares held by the connected persons<sup>9</sup> of such independent director.
  - (6) Not being or having been an executive director <sup>10</sup> employee, staff, advisor earning regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary <sup>11</sup>, major shareholder or controlling person, unless the foregoing status has ended for at least two years prior appointment. In this regard, such

<sup>8</sup> The Company specifies the independent director's qualification according to Clause 17(2) of the Notification of the Capital Market Supervisory Board No. Tor/Or. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issue Shares which is more stringent than as defined in the SEC and SET's regulations.

<sup>9</sup> The "Connected persons" means the persons according to Section 258 of the Securities and Exchange Act.

<sup>10</sup> "Executive Director" means a director holding an executive position, a director responsible for any action deemed to be taken by an executive, and shall include a director authorized to bind a company unless it can be demonstrated that it is a joint authorization with other directors for a transaction that has been approved by the board of directors.

<sup>11</sup> "Same level subsidiary company" means two or more subsidiary companies under the same parent company regardless of being in which level.

prohibited characteristics shall exclude the case where an independent director used to be a government official or advisor of a governmental agency, which is a major shareholder or the controlling person of the Company.

- (7) Not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, other directors, executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
- (8) Not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder, director who is not independent director or the executive having a business relationship<sup>12</sup> with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least two years prior appointment.
- (9) Not being or having been an auditor of the applicant, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the applicant, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than two years prior appointment.
- (10) Not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the applicant, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than two years prior appointment.
- (11) Not being a director who is appointed as the representative of directors of the applicant, major shareholder, or shareholder who is a connected person of a majority shareholder.
- (12) Not undertaking any business of the same nature and in significant competition with the business of the applicant or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than one (1) percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the applicant or its subsidiary.

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<sup>12</sup> The "business relationship" according to the definition of Circular KorLorTor.Kor.(Wor) 11/2552 Re: Amendment of the Regulation regarding the independent directors.

- (13) Not having any other characteristics that cause the inability to express independent opinions on the business operation of the applicant.

### **3. Term of directors and termination**

At the Annual General Meeting of Shareholders (AGM), one-third of all directors shall resign by rotation. In case the number of resigned directors cannot be proceeding, the similar amount to one third shall be applied. The resigning directors may be re-elected.

In addition to due term of office, the directors may vacate the position upon following situation:

- Death
- Resign
- Unqualified or having prohibited character as stipulated by the Public Limited Company Act or the Securities and Exchange Act
- By resolution of the shareholders' meeting
- By the court's order

### **4. Meeting of the Board of Directors**

- 1) The meeting of the Board of Directors is held at least 3 months for a meeting, with advance schedule of total meeting per annum. Meeting with special agenda may be held as necessary.
- 2) Not less than half (1/2) of the total directors attending the meeting shall constitute the quorum.
- 3) To call for the Board of Directors meeting, the Chairman or the person assigned to do so shall send the notice of the meeting and meeting document to all directors not less than (7) days prior the meeting date. (except for the urgent case and in order to protect the interest of the Company, the notification by other methods and set the meeting date earlier than that shall be allowed)
- 4) The Chairman of the Board of Directors should allocate appropriate time to enable directors to discuss important matters in each agenda.
- 5) The meeting of the Board of Directors will be held at least once a year with no executive or management members attending the meeting in order to open the opportunity to discuss various issues concerning the business operation of the Company or the subject in the interest. The Chief Executive Officer will be reported for acknowledgement of the meeting result.

### **5. The Board of Directors' Duties and Responsibilities (Duty of Care, Duty of Obedience, Duty of Loyalty and Duty of Disclosure)**

- To perform their duties under applicable laws, objectives, regulations of the Company and resolutions of shareholders' meetings with duty of loyalty, duty of care, respect the laws and regulations of the Company (Duty of Obedience) and disclose information to shareholders accurately, completely, transparently,

timely (Duty of Disclosure) accountability, be respective to the law and regulations of the Company, as well as full benefit of all shareholders.

- To determine vision, strategy, policy and business direction of the Company, control and monitor whether the management's performance is effectively and efficiently conducted in line with regulations and policies in order to maximize economic value to the shareholders and achieve the sustainable growth.
- To determine policy and regulate the Company to prepare guidelines for supporting anti-corruption measures to ensure that management aware of the importance of this anti-corruption and cultivate to be an organizational culture.
- The Board of Directors is responsible in considering important subjects such as policies and business plans, big investment projects, corporate acquisition, management authority and other subjects prescribed by the law.
- The Board of Directors is responsible to evaluate and determination of remuneration for CEO annually.
- The Board of Directors is responsible business performance and management practices to carefully and cautiously perform.
- The Board of Directors is responsible for setting an accounting system, financial reports and reliable accounting audit as well as overseeing the process of assessment on the suitability of internal controls and the efficient and effective internal audit, risk management, financial reports and follow-ups.
- The Board of Directors is responsible to prevent the conflicts of interest between the stakeholders of the Company.
- The Board of Directors is responsible for reporting the responsibilities of the Board of Directors in preparing financial reports along with the auditor report in the Annual Report as well as covering important issues in accordance with the good practice for the directors of the listed company under the Stock Exchange of Thailand.
- To disclose information to shareholders, investors and all groups of stakeholders with accuracy, standard, transparency and in timely manner.
- To provide efficient internal control and internal audit.
- To provide efficient risk management and regularly follow up.
- To implement good corporate governance and regularly follow up the result.
- To appoint the Company Secretary to be responsible for arranging activities of the Board of Directors and to support the Board of Directors and the Company to comply with the law and related regulations.
- To implement business ethics for directors, executives and employees as a standard of work within the organization.
- It is duty of the independent directors to review the strategy, operating management, application of resource, appointment of directors and to determine standards of business conduct with their independent discreet, as well as to oppose the action of management or other directors in regard to the conflict which impact equality of all shareholders.

- The Board of Directors may seek for professional opinion in regard to business operation, from external advisor at own cost of the Company.

However, The Board of Directors may delegate or assign on or more directors or any other person to act on behalf of the Board. such delegation shall not be the delegation or sub-delegation which enables the Board of Directors or the attorney of the Board to approve any particular which him/herself or person who may have conflict, gain or loss or any conflict of interest in any other manner or conflict with the interests of the Company or its subsidiaries (if any), except for the resolution for the particular according to the policy and the criteria that the shareholders' meeting has approved.

### **Roles and Responsibilities of the Chairman of the Board**

- The Chairman of the Board is responsible for overseeing the use of policies and strategic operational uidelines of the management including providing advice and supporting the business operations of the management but not participate in the routine management of the Company.
- The Chairman of the Board acts as the Chairman of the Board of Directors' meeting and the shareholders' meeting and to encourage all directors to participate in the meeting as well as overseeing that the Board of Directors and shareholders' meetings are conducted effectively and successfully.
- Responsible as the leader of the Board of Directors in monitoring, supervising the Executive Committee and other sub-committees to achieve the objectives.
- Being the Chairman of the Board of Directors' Meeting and being the Chairman of the shareholders' meeting.
- Being a casting vote in the event that there are two equal votes in the Board of Directors' meeting.

### **Board approval authority**

- To approve and review the vision, mission and policy of the Company.
- To approve short-term and long-term strategic plans including the annual action plan, budget and manpower accordance with the strategic plan.
- To approve the work that is beneficial to the Company, shareholders, stakeholders and monitor the performance of the management and jointly consider and provide the suggestions to solve problems appropriately.
- To approve the sub-committees charter.
- To approve the organization structure of the Company.
- To elect and appoint director(s), in the event that the director terminate during the year.
- To approve investment in business expansion and the investment.
- To appoint, withdraw and change sub-committee members.
- To approval of interim dividend payment.
- To approve the adjustment of remuneration for the Chief Executive Officer.



- To approve the succession plan for the position of Chief Executive Officer and Executive Levels.
- To approve accounting policies, additional investment, write-offs or the disposal of the company's assets.
- To appoint the corporate secretary.
- To approve agenda for shareholders' meeting approval as follows:
  1. Entering into the connected transactions, the acquisition, the disposal of assets of the Company according to the laws and regulations of SEC.
  2. Disposal or transfer of all or part of the core Company's business.
  3. Acquisition or accepting the transfer of other companies' businesses to the Company.
  4. Modification of the Memorandum of Association and the article of association of the Company.
  5. Increase / decrease of registered capital.
  6. Issuing of any securities other than the ordinary shares.
  7. Dissolution of the Company / merging with other company.
  8. Determine the date of the shareholders' meeting and the annual meeting agenda.
  9. Annual dividend declaration.
  10. Any other business that required by law or the article of association of the Company to obtain the approval from the shareholders' meeting.

#### **Scope of duties and responsibilities of the Chief Executive Officer**

- Manage the business of the Company to be in accordance with laws, objectives, regulations and resolutions of the shareholders' meeting as well as policies, rules, regulations and resolutions of the Board of Directors.
- Perform duties with integrity and careful to protect the interests of the Company.
- Arrange the business plan, annual budget and operational goals including revising such plans during the year if deemed necessary in order to be consistent with the changing situation and propose to the Board of Directors for approval.
- Implement policies, business plans and budgets as approved by the Board of Directors to achieve the goals.
- Propose reports on the Company's performance and financial status for quarterly and annual including other reports that deem important to the Company's operations to the Board of Directors for consideration, acknowledgment or approval.
- Prepare or improve the organizational structure (Organization Chart) including the authority and responsibility of the executives under supervision, and propose to the Board of Directors for approval.
- Supervising the general administration of the Company to be effective including supervising the employees of the Company to strictly comply with the policies, rules, regulations, orders and resolutions of the Board of Directors and supporting anti-corruption policy by communicating to employee and related persons

including review the process and measures to be in accordance with laws and regulations and up to date.

- To have authority to approve or take any action which the Board of Directors has already approved the use of such approval authority cannot be done in the event that a person may have a conflict. (As defined in the Notification of the Securities and Exchange Commission) has an interest or may have conflicts of interest with the Company Or subsidiary Except for approval of normal business transactions with general trading conditions and the Board of Directors has already approved in principle under the Securities and Exchange Act.
- Perform other duties as assigned by the Board of Directors.

The authority of the Chief Executive Officer as well as the authorizing other persons that the Chief Executive Officer deems appropriate will not include the authority or delegation of authority to approve any transactions that he or the person concerned may have conflicts or have interest or have any conflict of interest in any other manner or there is a conflict with the interests of the Company or subsidiary (if any) or items that are not under normal business operations of the Company. The approval of such transactions must be proposed to the Board of Directors and / or the shareholders' meeting of the Company to consider and approve according to the regulations of the Company or related laws.

### **The Corporate Secretary and Secretary of the Board of Directors**

The Board of Directors appointed the Corporate Secretary pursuant to Section 89/15 of the Securities and Exchange Act. B.E. 2535 and the amendment, to prepare and maintain important documents of the Company which are Registration of the Board of Directors, Invitation to the Board of Directors' meeting, minutes of the Board of Directors' meeting, Company's Annual Reports, Invitation to the shareholders' meeting, minutes of the shareholders' meeting, report on interest submitted by the directors or executives, including any other matters as notified by the Capital Market Supervisory Board regarding the applicable law of Securities and Exchange Act.

### **The Control of the subsidiaries and associates**

- 1) Mechanism to control and manage work performance of the subsidiaries and associates to control and oversee work operation of the subsidiaries, the Company sends its representative to undertake different position such as director, executive or controlling party in the subsidiaries and associates at least in proportion of shareholding. The duty of such representatives is to ensure the best performance of the subsidiaries and associates. Moreover, the representatives must ensure the subsidiaries and associates has regulations of connected transactions or acquisition or disposal of the assets or any significant transaction to be accurate, apply criteria related to information disclosure and transaction mentioned above to be in line with the regulations of the Company, to ensure the information storage and accounting record of the subsidiaries can be reviewed and collected to enable delivering financial statement in timely manner.

- 2) The agreement between the Company and other shareholders in management of subsidiaries and associates (shareholder's agreement): The Company has no agreement with other shareholders in management of subsidiaries and associates.

## **6. Appointment of Sub-Committees**

The Board of Directors appointed sub-committees to oversee and filter important issues and to regularly report to the Board. Sub-Committees are as follows:

- The Executive Committee
- The Audit Committee
- The Nomination and Remuneration Committee
- The Risk Management Committee
- The Corporate Governance and Sustainability Committee
- The Strategic Planning Committee

The details of Sub-Committees are as follows:

- **The Executive Committee**

The Executive Committee must be the Company's Director and/or the Company's Executive appointed by the Board of Directors based on the number of directors that the Board deemed appropriate and the Board of Directors will appoint one of executive committee member as the Chairman of the Executive Committee.

**Scope of duties and responsibilities of the Executive Committee:**

- 1) To consider and review direction of business operation, business plan and strategy for approval of the Board of Directors.
- 2) To control the business operation of the Company to ensure the compliance with strategic business plan and the budget approved by the Board of Directors and to report result to the Board of Directors for consideration.
- 3) Establish a promotion and supporting system of the anti-corruption policy to communicate with all employees and related parties including reviewing the suitability of various processes and measures to comply with business changes, regulations, and legal requirements.
- 4) To review the code of conduct, handbooks for different departments to ensure compliance with the regulations stipulated by related government authority.
- 5) To set efficient internal control system and risk management system as well as monitoring system and to ensure work procedures are completed in line with law, regulations and good corporate governance.
- 6) To consider and propose accounting policy, investment, removal of bad debt, or removal of asset disposal to the Board of Directors for further consideration and approval.
- 7) To consider and approve work procedures as assigned by the Board of Directors.

- 8) To perform or act as a representative of the Board of Directors on behalf of the Company in coordination with government authorities such as SEC and SET, etc.
- 9) To consider and approve budget for normal transaction of the Company, which maximum value is 250 Million Baht.
- 10) To consider and approve employment, shifts, dismissal, approve Remuneration of the executives, as well as to determine punishment, indemnification, and approve on executive's resignation.
- 11) The meeting shall be held on a monthly basis where at least half of the directors attending the meeting shall constitute the quorum.

Nonetheless, the authority of the Executive Committee including authorization to other person as considered appropriate by the Executive Committee shall not constitute the authority to approve transactions that there is potentially conflicted persons may involve or any involvement causing conflicts of interest to the Company or any conflict with the Company or its subsidiaries (if any) or the transaction which is not under normal business transaction of the Company. To approve such transaction, the matter must be proposed to the meeting of the Board of Directors and/or shareholders for consideration and approval as stipulated by the regulations of the Company or related law.

- **The Audit Committee**

The Audit Committee appointed by the Board of Directors are qualified in accordance with the Securities and Exchange Act including notification, rules and/or regulations prescribed by the SET that the Board of Directors appoints the Audit Committee, consisting of at least 3 Independent Directors, and at least 1 Independent Director has sufficiently knowledgeable and experienced to review the reliability of financial statements.

### **Audit Committee Qualification**

- 1) Not being a director assigned by the Board of Directors to decide on the business operation of the Company, its parent company, subsidiaries, joint ventures, subsidiaries in the same level, major shareholders or the person authorizing and controlling the Company; and
- 2) Not being director of the parent company, subsidiaries or subsidiaries in the same level, particularly at listed companies;
- 3) Have sufficient knowledge and experience to be able to act as a member of the Audit Committee. There must be at least one member of the Audit Committee who has sufficient knowledge and experience to be able to review the reliability of the financial statements.
- 4) Have the same duties as prescribed in the Notification of the Stock Exchange of Thailand regarding qualifications and scope of work of the Audit Committee.

### **Duties and responsibilities of the Audit Committee are:**

- 1) Financial Reports
  - To review a financial report and consider the completeness of the information acknowledged and to assess the appropriate of accounting principles applied to the financial report;
  - To review accounting matters and significant financial report, including complicated or irregular transactions and the transaction which requires discretion;
  - To enquire management and auditors in regard to auditing result of the important risk concerning financial report and plan to reduce such risk;
  - To review efficiency of the internal control in regard to procedure of creating financial statement.
  - After the Audit Committee has been informed of a suspicious activity, in which the Auditor suspects that a Director or any person responsible for the Company's operations has committed an offence under the laws and regulations of the Stock Exchange of Thailand concerning his/her duties and responsibilities, the Audit Committee shall conduct an audit and report preliminary findings to the Office of the Securities and Exchange Commission and the Auditor within thirty (30) days from the date the Auditor notifies the Audit Committee.
- 2) Internal control
  - To review to ensure that the Management has set the internal control system as well as internal control of the proper technology implemented, communication guidelines, important of the internal control and risk management through the whole organization;
  - To review to ensure that the advice regarding internal control suggested by the internal audit and auditor has been amended and improved.

- 3) Internal Audit
  - Review and approve annual internal audit plan, as well as personnel and resources required;
  - Review activities and performance of the Internal Audit Department to ensure independency as well as approve the appointment, transfer, employment termination of the Head of Internal Audit or any function responsible for internal audit;
  - Review efficiency of the Internal Audit performance to ensure that the internal audit standard has been implemented.
  - Review the effectiveness of Anti-Corruption guidelines as well as to consider and audit follows the Whistle Blowing policy to ensure that the Company performs with a concise and suitable operation and in accordance with international standards and able to prevent any form of corruptions.
- 4) Control the compliance with law and regulations
  - Consider changes of law, regulations proposed by the Internal Audit which have impact to the business operation of the Company regularly;
  - Review the facts found by controlling authority, follow up, improve, as well as report to the Board of Directors;
  - Review efficiency of system which implemented to monitor compliance with the law, regulations, as well as correct in case the matter has not been followed.
- 5) Consider the connected transaction and conflict of interest
  - Consider and review all proposed related transactions that may involve a conflict of interest or chance of fraud that may affect the operations of the company, so that they comply with the applicable laws and regulatory requirements of the Stock Exchange of Thailand. As such, this is to ensure that such transactions are reasonable and for the maximum benefit of the Company.
- 6) Select, propose, appoint and consider remuneration of the Auditors.
  - Responsible for selection, appointment and proposal of the remuneration of the Auditors.
- 7) Compliance to the morality and ethic of the executives and employees
  - To review to ensure that business ethics and morality of the executives and employees, prevention policy on conflict of interest are made in written form and acknowledged by all executives and employees;
  - To support the compliance with morality, ethic and prevention policy on conflict of interest.
- 8) Provide report of activities of the Audit Committee by disclosure such information in the Annual Report of the Company which will be signed with affixed name by the Chairman of the Audit Committee.
- 9) Other responsibilities
  - Otherwise act as assigned by the Board of Directors;



- Review and assess charter of the Audit Committee on regular basis, as well as propose to Board of Directors for approval in case of amendment;
- Provide self-assessment, at least, on annual basis, and report the result to the Board of Directors.

▪ **The Nomination and Remuneration Committee**

The Board of Directors appointed the Nomination and Remuneration Committee to support the Board of Directors in setting policies, criteria and procedures for recruiting qualified persons to serve as the Company's director, subcommittee member including top executives<sup>13</sup> and the person assigned by the Board of Directors in accordance with the nomination process and propose to the Board of Directors, and setting policies, pattern and criteria for paying the remuneration for the Company's directors, sub-committees as well as setting the remuneration of top executives and the person assigned by the Board of Directors to propose to the Board of Directors.

The Nomination and Remuneration Committee consists at least five directors. The Chairman shall be independent director and at least half of member shall be independent directors. The Nomination and Remuneration Committee meeting shall elect one member as the Chairman of the Nomination and Remuneration Committee.

**Duties of the Nomination and Remuneration Committee:**

- 1) To consider policy of nomination of directors and top executives, nominate, select and propose qualified person with morality, ethics and qualification suitable and varied in terms of qualifications, skills, age, experience, gender, race, nationality, religion, country of origin or cultural background, expertise and specific talents to the position of committee member and/ or executives, as the case may be;
- 2) To consider the policy and structure of directors' remuneration and sub-committee of the Company and propose to the Board of Directors for consideration and further propose to the meeting of shareholders for approval;
- 3) To consider and review the remuneration structure and ratio of the top executives to be in compliance with the current market condition and suitable to the Company's business performance, and propose to the Board of Directors for further consideration. To perform such duties, the Nomination and Remuneration Committee considers from the reasonable and reflects the scope duties and responsibilities of director, the financial status of the Company in comparing with the good practice of other companies in the same size and same sector. The remuneration of directors shall be proposed to the Board of Directors for further approval by the shareholders' meeting consecutively.
- 4) To review and assess the work performance of the directors and CEO;

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<sup>13</sup> Top Executives means Chief Executive Officer or Managing Director or a person holding equivalent position with different position title of Energy Absolute Public Company Limited and its subsidiaries.

- 5) To provide the succession plan, revise the development plan of the Chairman of the Executive Officers or top executives as a prepared plan in the event that the CEO or top executives in particular position will retire or will be unable to perform their duties to assure smooth and continual business operation;
- 6) Considering the vacant of the Board of Directors due to
  - Termination: Considering the selection of qualified candidates to be directors and propose to the Board of Directors for further propose to the annual shareholders' meeting for appointing.
  - Termination other than the expiration of the term: Considering the selection of qualified persons as directors and propose to the Board of Directors for consideration and appointing to replace the vacant positions.
- 7) Encourage to allow shareholders to propose names of persons to be nominated as directors.
- 8) Consider the preparation of the development plan for directors to develop knowledge of the current directors and new directors to understand the business, roles and duties of directors and important developments industry, such as the current conditions of the industry, the rules and laws related to the business of the Company.
- 9) Selecting the qualified directors to be directors in sub-committees in order to propose to the Board of Directors' meeting for appointment to fill in the vacant position;
- 10) Considering and reviewing the Charter of the Nomination and remuneration Committee and regularly perform;
- 11) Other duties assigned by the Board of Directors.

▪ **The Risk Management Committee**

The Board of Directors appointed the Risk Management Committee to support the Board of Directors in setting risk management policy for overall corporate as well as to supervise and control to have risk management system or procedures to suitably remove/reduce the impacts on the business of the Company Group, also setting the composition, scope of authorities, duties and responsibilities to enable the Risk Management Committee to perform its duties with effectiveness.

The Risk Management Committee consists of at least 5 directors. Their duty is to propose and support to the Board of Directors. At least half of the members must have competent knowledge in finance, accounting, law or specific skill related to the business operation of the Company or risk management. The Risk Management Committee will select one member as the Chairman of the committee.

**The duties of the Risk Management Committee are as follows:**

- 1) To establish risk management policies, supervise and support efficient risk management covering the business operations of the Company which includes the risk of corruption and considering and reviewing various measures to prevent those risks to be at an acceptable risk level;

- 2) To follow up the implementation, review the report of risk management, ensure the appropriateness and sufficiency of the risk management, ensure the risk management remains in the acceptable level, and to ensure that the risk management has been continuously applied;
- 3) To regularly coordinate with the Audit Committee by exchanging knowledge and information regarding risk and internal control which impacts or may impact the Company;
- 4) Encourage to have culture of risk management and proper internal control.

▪ **The Corporate Governance and Sustainability Committee**

The Board of Directors appointed the Corporate Governance and Sustainability Committee, consisting of at least 3 Directors to perform duties in setting and reviewing policies, regulations and operational approaches to be in line with the principles of good corporate governance, setting policies and planning activities related to the social responsibility, holding meeting to follow up the progress of corporate governance plan, social responsibility and sustainability policy as well as providing suggestions and necessary support, implementing internal audit with the criteria of corporate governance and sustainability in order to determine issues to be improved and being the Company's representative to communicate and implement activities related to the corporate governance with all executives, employees and external organizations.

**The duties of Corporate Governance Sustainability Committee are as follows:**

- 1) Scope of duties and responsibilities of good corporate governance.
  - (1) To determine and review policy, regulations and work practices to be in line with good corporate governance, determine and plan about activities related to corporate social responsibilities, the stakeholders, i.e. 1.1) Shareholders 1.2) Employees 1.3) Social 1.4) Partners, 1.5) Creditor and 1.6) other stakeholders;
  - (2) To hold the meeting to monitor the progress of corporate governance plan as well as corporate social responsibilities, as well as to give advice and support as necessary;
  - (3) To conduct internal assessment based on corporate governance principles in order to seek for improvement;
  - (4) To act as representative of the Company in communication and conduct corporate governance with the executives, employees and external agencies.
- 2) Scope of Duties and Responsibilities for Sustainable Development
  - (1) To consider and give advice on preparation of sustainable development policy framework and guidelines to attain the standard and be on a par with international practices or principles so as to ensure operational efficiency, respond to stakeholders' demand, and achieve sustainable growth of the Group.
  - (2) To give suggestion on preparation of the Group's sustainable development plan in accordance with the policy framework set forth.

(3) To give advice and suggestion as well as recommendations that are useful to the Board of Directors and the management regarding the Group's sustainable development.

3) Other

(1) Review and propose amendments to the scope of duties and responsibilities of the Corporate Governance and Sustainability Committee in accordance with current situation.

(2) Performing other duties assigned by the Board of Director

▪ **The Strategic Planning Committee**

The Board of Directors appointed the Strategic Planning Committee to support the Board in considering the overall strategic of the Company and group then propose to the Board of Directors for consideration.

**Scope of duties and responsibilities of the Strategic Planning Committee**

1) To consider and determine the corporate strategy of the group Company and propose to the Board of Directors for consideration and approval.

2) To review and monitor the direction of the corporate strategy of the group Company and propose to the ultimate strategic direction as deemed appropriate to the Board of Directors.

3) To consider and understand the strategic direction and initiatives, new business, as well as the corporate organization in overall to determine the essential resources to approach and support the corporate strategy of the group Company and propose to the Board of Directors.

4) To appoint or set up the management team or consultant or expert in order to seek advices or opinion as deemed appropriate and necessary.

5) To report the significant operations results and issue to the Board of Directors.

6) To review the Charter of the Strategic Planning Committee, and to conduct committee's selfassessment annually.

7) To perform other duty assigned by the Board of Directors.

**7. Performance Evaluation of the Board of Directors' and Sub-Committees**

The Company conducts a self-assessment of the board of directors and sub-committees related to good corporate governance according to the board self-assessment form issued by the Stock Exchange of Thailand by conducting an evaluation form for both collectively and individually at least once a year. The Board of Directors jointly set criteria for self-assessment of the performance both collectively and individually Self-Assessment is required to be conducted annually and the Board of Directors will jointly consider the evaluation results to determine ways to improve work.

## **8. Directors' remuneration**

The nomination and remuneration committee has duty to determine directors' remuneration policy and criteria and present to the Board for consideration and propose to the shareholders for approval. The remuneration is considered with appropriateness and consistent to the responsibility and contribution from each director.

In addition to the remuneration of the Board of Directors, the company also takes into account of the increased responsibilities from having more sub-committees, which the Board of Directors proposed to the shareholders' meeting to approve the remuneration of the sub-committees. For the compensation of the Chief Executive Officer, will go through the process of consideration by the remuneration committee before propose to the board of directors for approval.

## **9. Training and Development Course for Directors**

### **Directors Orientation**

Newly appointed director will be given information, regulations and business information crucial to his duties. The corporate secretary is assigned to provide the information of the organization structure, nature of business, business structure of the Group Company, regulations, the article of association of the Company, Code of Conduct consisting of corporate culture, business ethics, code of conduct for directors, executives and employees, Good Corporate Governance, and anti-corruption policy, for the directors to understand the business of the Company and related regulations

The Company provides opportunity of skills development of directors through continual training courses to support directors to perform their duties with full efficiency and effectiveness.

## **10. Succession Plan**

The Board of Directors formulates the succession plan of Chief executive officer and top executives to ensure confidence among shareholder, investors, organizations and employees for business continuity. The succession plan is reviewed on annual basis.

### **Succession Plan Policy**

By providing monitoring of the progress of the succession plan covering the positions of the Executive Chairman or positions at the equivalent and executive level, the Company intends to select personnel to take charge of senior management positions in an appropriate and transparent manner to ensure that the Company has a professional executive. The details are as follows:

#### **1) Chairman of the Executive Committee or equal position**

Once the Chairman of the Executive Committee or equivalent position becomes vacant or unable to perform duties, the Company may assign the duties to other executive in the similar or lower position as an acting person until the qualified person will be elected. The person elected to replace the vacant position should

have great vision, competent knowledge and skills as well as an experience which suit to the culture of organization. In the event that the Chief Executive Officer is vacant, the Nominating Committee will consider the qualifications of persons nominated for the position of Chief Executive Officer and propose to the Board of Directors to approve the appointment.

## **2) Executive Level**

Once the executive position ranked from director upward, becomes vacant or person holding such position is unable to perform his duties, the Company may propose the elected successor to the Board of Executive Committee. The consideration procedures are as follows:

- Analyze the business operation, strategy, policy, investment plan, expansion plan, and evaluation of personnel readiness to be consistent with both short-term and long-term strategy of the Company.
- Formulate plan to prepare readiness of personnel by improving existing personnel to nomination for new replacement.
- Formulate recruitment program, employee training and development prior to the retirement or early resignation.
- Determine competencies which is knowledge, skill, personality and desirable attitude of the particular position, as well as to formulate development plan for individual person (Individual Development Plan).
- Select, evaluate on performance and competency of the applicant.
- Conduct testing and evaluating of applicant to analyze their competency.
- Specify the successor based on the evaluation, analysis of competency and performance, as well as to give notice to the applicant in to be prepared for handover and knowledge transfer, and to specify the alternative successor.
- Develop and evaluate applicant is expected to be successor to see career development and potential of achieve target, applicant who not meet the requirement will be replaced.

## **11. Nomination and appointment of the directors and CEO**

### **Nomination and appointment of the Directors**

- 1) The Company has Nomination and Remuneration Committee to select and propose the qualified person with morality, ethics and meets the requirements as prescribed in Section 68 of the Public Limited Company Act B.E. 2535 and as stated in the related Notifications of the SEC and SET. The consideration also based on experience, knowledge, skills relevant to the business of the Company. Then the lists of selected applicants will be submitted to the Board of Directors for further proposal to the shareholders' meeting for selection and appointment. Currently, the Board of Directors consists of 11 members, 6 of them are Independent Directors, 2 of them are Executive Directors and 3 of them are non-Executive Directors.
- 2) The Company gives shareholders the opportunity to nominate a person to be selected as a director for the Nomination and Remuneration Committee to



consider and propose to the Board of Directors prior to the shareholders' meeting.

- 3) At the Annual General Meeting of Shareholders (AGM), one-third of all directors shall resign by rotation. In case the number of resigned directors cannot be proceeded, the similar amount to one-third of the directors to resign during the first year. In second year after registration of the company, the ballot papers will be provided for seeking director to resign. Later years, the directors who hold longest term shall be resigned. The resigning directors may be re-elected.
- 4) Shareholders' meeting will appoint directors from majority votes according to the following rules and methods
  - 4.1 Shareholder has votes equal to one (1) share per one (1) vote.
  - 4.2 Each shareholder must use all existing votes according to Clause 4.1 to elect one person or many people as directors, however, the votes cannot be divided.
  - 4.3 Persons who receive the highest votes in descending order being elected as a director equal to the number of directors that should have or should be elected at that time. In the event that the person elected in the next order having equal votes in excess of the number of directors that the shareholders' meeting must elect at that time, the chairman of the meeting is the casting vote
- 5) In the event that the position of the director is vacant due to reasons other than the expiration of the term, the Board shall select the qualified person and does not have the characteristics of being prohibited under the law on public limited companies and the law on securities and stock exchange, to be replaced in the next board meeting except that director's term shall be less than two months. The person who is the replacement director will be in the position of director only for the remaining term of the director that he replaced.
- 6) The shareholders' meeting may have resolution to terminate director(s) prior to the term expiration with the votes of not less than three-fourths (3/4) of the attending shareholders with total shares no less than half of total shares hold by the attending shareholders with the rights to vote.

### **Nomination and appointment of CEO**

The Board has assigned the Nomination and Remuneration committee to consider qualifications and monitor the succession plan of the Chief Executive Officer. The Nomination and Remuneration Committee will consider the qualifications of the nominee for the position of Chief Executive Officer and recommend it to the Board of Directors for approval.