



# **Charter of the Board of Directors**

**Nawarat Patanakarn Public Company Limited  
(BDC – 01)**

# Charter of the Board of Directors

## **1. Purpose**

The Board of Directors has deemed appropriate to prescribe this Charter in order to gather details relating compositions, duties, responsibilities and practical guideline to ensure that the Board of Directors performs the duties in compliance with the related laws and regulations. The Board of Directors must perform duties under the highest responsibilities and ethical standards.

## **2. Composition and Appointment of the Board of Directors**

2.1 The Board of Director shall consist of not less than 5 (five) directors. At least three must be independent directors and one member must be knowledgeable in financial and accounting. Furthermore, the members are selected with non – discrimination of gender, age, professional skill. Not less than one - half of all members of director shall have residence in the kingdom.

2.2 The meeting of shareholders shall elect qualified directors who are nominated by the Nomination and Remuneration Committee in accordance with the following rules and procedures:-

- (1) Each shareholder shall have one vote for each share held
- (2) Each shareholder shall exercise all of his/her voting rights that he/she has under clause (1) to elect one or several persons as director (s), but he/she may not allot his/her votes to any person in any number
- (3) The persons receiving the highest votes shall be elected as directors in respective order of the votes for the number of directors of the Company, or for the number of directors which should be elected at such election. In case of tie votes causing the number of person elected to be in excess of the number to be elected at such meeting, the chairman shall have a casting vote

2.3 The Board of Director shall elect one director among themselves to be the Chairman of the Board of Directors, and in case the Board of Directors find it appropriate, the Board of Director may elect one or several directors as vice chairman

2.4 The Chairman and the CEO/President are two separated persons for the sake of clear-cut segregation of roles and balance in the operation.

## **3. Qualifications of the Board of Directors**

3.1 The directors shall be natural persons who:-

- (1) are sui jurist;
- (2) are not bankrupt, incompetent persons, or quasi-incompetent persons;
- (3) have never been imprisoned by final judgment of a court for offense relating to property committed in dishonesty;

- (4) have never been dismissed or removed from government service, or a government organization or a government agency in punishment for dishonesty in performing their duties

3.2 The directors shall possess knowledge, ability and experience beneficial to the business operation with morals, ethics, honesty and sufficient time to devote to their work

3.3 The directors may hold directorship in other companies, but must not let them affect their work as the company's directors. The company stipulates that directors may hold directorships in no more than 5 (five) listed companies

3.4 The directors shall not be director of any other entities operating in the same business as the Company or in competition with the Company, unless such entities are the Company subsidiaries or associated companies or the directors notify the meeting of shareholders prior to the resolution of appointment

3.5 Independent director means director who is independent from executives and major shareholders' control. The independent director shall not have vested interests or relations with the executives' decisions. Qualifications of the independent directors are as follows:

- (1) Not holding more than 5% of the total outstanding voting shares of the Company, subsidiary or associated company including shares held by related persons under section 258 of the Securities and Exchange Act.
- (2) Neither being nor having been an executive, employee, wage earners or advisors who receive a salary of the Company, subsidiary or associated company, unless the foregoing status ended not less than three years prior to the date of appointment
- (3) Not having nor have had a business relationship, e.g. customers, business partners, creditor and debtor, as well as not having direct or indirect financial and managerial interests with the Company, subsidiary or associated company in a manner which may interfere with his or her independent judgment
- (4) Not being a close relative by blood or by legal registration as father, mother, spouse which may interfere with his or her independence with executives, major shareholders of the Company, subsidiary or associated company as well as not being appointed as representative of the Company's executives or major shareholders.
- (5) Neither being nor having been an auditor of the Company, subsidiary, associated company, major shareholder, director, executive or partner of an audit firm which employs auditors of the Company, subsidiary, associated company, unless the foregoing relationship ended not less than three years from the date of appointment

#### **4. Office Terms**

4.1 At every annual ordinary meeting of shareholders, one-third (1/3) of the directors of the Company shall retire from the office. If the number of directors cannot be divided into a multiple of three, the number of directors nearest to one-third (1/3) shall retire.

4.2 The directors to be retired from office in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the director who has held office longest shall retire. The retiring directors shall be entitled to be re-elected.

4.3 In case of any vacancy occurs in the Board of Directors otherwise than by rotation, the Board of Director shall elect a person who has the qualifications under the law to be the director as replacement at the following meeting of the Board of Directors. If the remaining term of directorship is shorter than 2 (two) months, the Board of Directors shall not elect the person to replace him/her

4.4 A director who desires to resign from office shall submit a resignation letter to the Company at least 30 (thirty) days in advance. The resignation shall be effective on the date the Company receives the resignation letter.

4.5 Otherwise than retirement by rotation, the directors shall vacate office upon

- disqualifications according to clause 3,
- resignation,
- death,
- disqualifications or possession of prohibited characteristics under the Public Limited Companies Act,
- removal by a resolution of the meeting of shareholders,
- removal by a court order,

## **5. Duties and Responsibilities of the Board of Directors**

5.1 Control and supervise the business operation of the Company to strictly adhere to applicable laws, objectives, rules, articles of association and resolutions of the meeting of shareholders, maintain the interests of the Company and its shareholders according to the good corporate governance principles and disclose information to all shareholders and stakeholders on an adequate, correct, complete and transparent basis

5.2 Define vision, mission, business plans and strategies of the Company; review such vision, mission and strategies regularly and grant approval at least every year to ensure that vision, mission and strategies are in line with the Company's business operation plan.

5.3 Consider and approve annual budgets for investment as well as supervise the utilization of the Company's resources.

5.4 Ensure that the Company has a suitable compensation system or mechanism for senior executives to induce short term and long term motivation.

5.5 Arrange for an annual ordinary meeting of shareholders within 4 (four) months from the last day of the fiscal year of the Company and if necessary, arrange an extraordinary meeting of shareholders.

5.6 Set up efficient and effective accounting system, financial report, auditing, internal control and internal audit system.

5.7 Ensure that the Company puts in place proper systems to communicate with each group of shareholders and stakeholders

5.8 Prepare a balance sheet, cash flow statement and profit and loss statement as the last day of fiscal year of the Company and propose same to the meeting of shareholders at the annual ordinary meeting for consideration and approval of the said balance sheet, cash flow statement and profit and loss statement. The Board of Directors shall arrange for the auditor to complete the auditing prior to propose same to the meeting of shareholders

5.9 Arrange for a report on important financial and general information in a correct, complete and sufficient manner to shareholders and confirm the verification of information reported

5.10 Monitor, supervise and solve problems arising from transactions which may lead to conflicts of interests and related transactions.

5.11 Establish proper risk management and ensure that the management has effective systems or procedures for risks management.

5.12 Ensure that the Company has proper internal control, internal audit, financial control system, operation, compliance, risk management and risk management control.

## **6. Meetings and Quorum**

6.1 The directors must hold meetings at least quarterly at its Head Office or any nearby locations by setting meeting dates in advance all year round and may convene an extraordinary session if necessary.

6.2 At least 2 (two) directors are entitled to call for a meeting. The Chairman or the assigned person must set the date of the meeting within 14 (fourteen) days after receiving the request.

6.3 The chairman or the assigned person sends the meeting invitations specifying date, time, venue and agenda details to all directors at least seven days ahead of the meeting. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier.

6.4 To form a quorum in the meeting, at least half of the directors must be present. The Chairman of the Board shall be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.

6.5 Each director with vested interest in any agenda item must abstain from voting on that item.

6.6 The resolution of the meeting will take into account the majority of votes, with one director having one vote. If the number of votes is equal, the chairman will cast the decisive vote.

## **7. Report**

The Board of directors is responsible for reporting the Company's operational performance with at least information as specified by relevant law, regulations, and rules. Such information shall be reported in the Company's annual information report (56-1 form) and the annual report (56-2) form.

## **8. Performance Evaluation**

The Board of Directors shall conduct a self - appraisal at least once a year and submit the results to the Corporate Secretary to gather, analyze and set measures to further improve effectiveness of the Board's performance.

## **9. Remuneration of the Board of Directors**

The Nomination and Remuneration Committee shall determine and recommend the remuneration of the Board of Directors and propose to the meeting of shareholders for approval.

This charter is approved by the Board of Directors' Meeting no. 09/2015 on September 17, 2015 and is enforced from September 17, 2015 onward.

(Mr. Mana Karnasuta)  
Chairman  
Nawarat Patanakarn Public Company Limited