



**NAWARAT**

# **Charter of the Nomination and Remuneration Committee**

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

Revision 00  
Date 17/09/2015

# Charter of the Nomination and Remuneration Committee

## **1. Purpose**

The Charter of the Nomination and Remuneration Committee of Nawarat Patanakarn Public Company Limited is formulated to enable the performance of the Nomination and Remuneration Committee to become efficient, effective and aligned with the Company's good corporate governance.

## **2. Composition and Appointment of the Nomination and Remuneration Committee**

2.1 The Nomination and Remuneration Committee shall consist of at least 3 (three) members.

2.2 At least half of the Nomination and Remuneration Committee members must be the independent director of the Board.

2.3 The Nomination and Remuneration Committee is appointed by the Board of Directors.

2.4 The Chairman of the Nomination and Remuneration Committee must be the independent director.

## **3. Qualifications of the Nomination and Remuneration Committee**

3.1 The Nomination and Remuneration Committee members must possess sufficient knowledge and experience to perform the duty as a Nomination and Remuneration Committee.

3.2 The Nomination and Remuneration Committee members must perform their duties in compliance with the Company's Corporate Governance Policy, must be independent under corporate governance principles and must be impartial in selecting qualified person to be appointed.

3.3 The Nomination and Remuneration Committee members must dedicate their time adequately to perform their duties.

## **4. Office Terms**

4.1 The Nomination and Remuneration Committee shall serve a term of office of 3 (three) years from the date of appointment.

4.2 The Nomination and Remuneration Committee members who have completed their terms may be re-appointed by the Board of Directors.

4.3 In case a vacancy occurs for reasons other than term completion, the Board of Directors shall appoint a qualified person to maintain the required numbers of the committee members as defined in this Charter. The substituted member can only be in the office within the remaining term of the member he/she replaces.

4.4 A Nomination and Remuneration member who desires to resign ahead of term completion must notify and submit a resignation letter to the Chairman of the Board at least 30 days in advance.

4.5 A Nomination and Remuneration Committee shall vacate office when he or she

- completes the term;
- is removal from the Board;
- resigns;
- deceases;
- is dismissed by the Board;
- is imprisoned under the final court verdict or a legal order, except for offences caused by negligence or misdemeanor;
- is considered incompetent or quasi-competent;
- becomes bankruptcy

## **5. Duties and Responsibilities of the Nomination and Remuneration Committee**

5.1 Consider the appropriate structure, size and composition of the Board to suit the organization and changing situation.

5.2 Ensure that the Board structure comprises ethical and honest experts who are knowledgeable, experienced and skillful in diverse fields relevant to the conduct of business. Furthermore, the members are selected with non – discrimination of gender, race, religion, age, professional skill, or other qualifications.

5.3 Consider the criteria for selecting directors, as well as select and nominate qualified persons to be considered by the Board of Directors before further submission to the meeting of shareholders for appointment as directors.

5.4 Consider qualifications of the independent directors to be in line with the criteria defined by the Securities and Exchange Commission (SEC) and by the Company.

5.5 Allow minority shareholders the opportunity to propose qualified persons for selection as directors. This provides shareholders with enough time prior to the meeting of shareholders being held.

5.6 Set the criteria for selecting CEO / President.

5.7 Select and nominate qualified persons to be considered by the Board of Director for appointment as CEO/President.

5.8 Formulate succession plans for Chairman of the Board, CEO/President and senior executive position and submit to the Board of Directors for consideration.

5.9 Consider compensation method and standard for directors, members of the sub-committees (except the Nomination and Remuneration Committee itself) as well as for the CEO and President, so that they are equitable and appropriately corresponds to the respective assigned duties and responsibilities, current business environment and performance results of the Company, as well as will facilitate an effective discharge of their responsibilities. The proposed compensation plan should also be comparable to those of other companies within the same or similar industry and business sector as the Company, and also take into consideration the overall increase to the total value of the shareholders equity in the long term.

5.10 Consider the compensation for directors and propose it to the Board of Directors for endorsement and, in turn, tabling it for the approval of the meeting of shareholders.

5.11 Define goals and evaluate the performance of the President/CEO to determine reasonable compensation.

5.12 Consider knowledge development plans and training programs for existing and newly appointed directors to be suitable and in line with roles and responsibilities of the existing Director's position and of the Board of Directors as well as development which is critical to the business operations of the Company.

5.13 The Nomination and Remuneration Committee has rights to attend trainings or to participate in activities to enhance knowledge and expertise by using resource of the Company.

5.14 Invite executives or any related persons to attend the meeting in order to provide relevant information.

5.15 Execute other duties as assigned by the Board of Director.

## **6. Meetings**

6.1 The Nomination and Remuneration Committee must hold meetings at least twice a year by setting meeting dates in advance all year round

6.2 The Chairman or the assigned person sends the meeting invitation specifying date, time, venue and agenda details to all directors at least 7 (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.

6.3 To form a quorum in the meeting, at least half of the total members of the Nomination and Remuneration Committee must be present.

6.4 The Chairman of the Nomination and Remuneration Committee shall also 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 member of the Nomination and Remuneration Committee 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 member having one vote. If the number of votes is equal, the chairman will cast the decisive vote

## **7. Reporting**

7.1 The Nomination and Remuneration Committee shall directly reports its performance to the Board of Directors after each committee meeting at least 2 (two) times a year

7.2 The Nomination and Remuneration Committee shall report it activities carried out in a year towards the shareholders in the Company's annual information report (56-1 form) and the annual report (56-2 form). The report shall consist of the following information:-

1. names of the Nomination and Remuneration Committee members,
2. number of the Nomination and Remuneration Committee's meeting,
3. number of attendance at the meeting by each committee member,
4. summary of the Charter of the Nomination and Remuneration Committee,
5. summary of performance of the Nomination and Remuneration Committee

## **8. Performance Evaluation**

The Nomination and Remuneration Committee shall conduct a self-appraisal at least once a year and submit the results to the Board of Directors for acknowledgement and consideration.

## **9. Remuneration**

The Nomination and Remuneration Committee shall receive the suitable remuneration to duties and responsibilities. The remuneration of the Nomination and Remuneration Committee shall be determined and recommended by the Board of Directors and shall be approved by the meeting of shareholders. The Company shall disclose the remuneration of the Nomination and Remuneration Committee in the Company's annual report.

This charter is approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015 and is enforced from September 17, 2015 onwards.

(Mr. Mana Karnasuta)  
Chairman of the Board of Directors  
Nawarat Patanakarn Public Company Limited