



# Business Charter for Board of Directors



# TCM Corporation PLC

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## Chapter 1

### Purposes

The Board of Directors of TCM Corporation Public Company Limited on its 5th annual meeting on November 25, 2015, approved the use of the charter of the Board of Directors with the details as follows.

The Board of Directors who are shareholders' representative will be responsible for management of the company by following Thai law and company's regulation, business objectives, and shareholder's meeting resolutions. The purpose of this business charter is to provide the scope of work, authority, and responsibility. It will include guidelines for operation and performance of the Board of directors.

## Chapter 2

### Introduction

This business charter is called "TCM Corporation Public Company Limited Charter." In this charter:

“company” means TCM Corporation Public Company Limited.

“Board of Directors” means the Board of Directors of TCM Corporation.

“Office of Securities and Exchange Commission” means Office of Securities and Exchange Commission (SEC) along with securities and exchange laws.

“Executive” means a director, manager, and the first four executives after the manager. It includes a position that is equivalent to those first four executives and an executive on finance and accounting equivalent to a manager level and up.



## Chapter 3

### Board of Directors

Board of Directors consists of the Chairman, Executive Directors, Non-executive directors, and independent directors. It has the following key elements:

(1) Board of Directors consists of at least five directors up to twelve persons appointed by shareholders during the meeting. At least half of all directors must be Thai-residence. The independent directors must not have less than one-third of the total number of directors.

(2) Board of Directors selects one of its director as the Chairman. If the Board of Directors deems it appropriate, one or several directors may be selected as Vice Chairmen. The Vice Chairman assigned by the Chairman is responsible for the Company's regulation.

(3) Managing director will be appointed to the Board of Directors for the position. However, he/she must not be the same person as the Chairman.

(4) Appointment of directors should be by the company regulation and relevant legal provisions. The recruitment process must be transparent. The background detail of candidates should include education and work experiences sufficiently for the Board of Directors and shareholders to make decisions.

(5) The shareholders shall elect directors according to the following rules and procedures:

(5.1) Each shareholder has one vote for each share held.

(5.2) Each shareholder shall use all available votes in (5.1) to elect one or more persons to be directors with one vote for one person.

(5.3) The persons who receive the highest number of votes in descending order shall be elected as directors only equal to seats available at that time. In the case where the persons elected in descending order have the same number of votes over the seats, the chairman of the meeting shall have the casting vote.

(6) The Board of Directors shall appoint the appropriate person as the company secretary. The Board of Directors may also appoint the assistant secretary to prepare a meeting



and to oversee activities of the Board of Directors. The assistant secretary serves as a coordinator, for making a report to shareholders, the Stock Exchange of Thailand or relates agencies. The secretary and the assistant secretary are obliged to attend the meeting of the Board of Directors but have no rights to vote in any case.

## Chapter 4

### Qualification of BoD

The Board of Directors consists of experts in various fields who have experiences, leadership, and vision along with the following essential qualities:

(1) The directors must possess appropriate qualifications and have no prohibited characteristics under the public limited company law and other relevant laws. They should not have any characteristic that indicates the lack of appropriate trust to manage the company's business.

(2) The directors must be competent, be honest, and have ethics in business. Dedicate time and effort in fulfilling your responsibilities. For the best interest of the company and its shareholders

(3) The directors must be experts and have extensive experiences in various fields such as industrial, engineering, management, sales and marketing, accounting and finance Law, and corporate governance, etc.

(4) The directors cannot be a partnership or be a director in a legal entity with the same type of business or competing with the company unless notifying to the shareholders' meeting before the resolution.

(5) An independent director must meet the qualifications required by the company and following the regulation of Thailand Stock Exchange for the qualifications of the audit committee. Also, they have to be able to equally take care of the interests of all shareholders to prevent conflict of interest. They can also attend the Board of Directors' meeting with an independent opinion.



(6) The directors should be able to devote sufficient time to the Board of Director. They should be continuously trained for matters related to the Board of Directors to keep up with the changes and to increase the efficiency and effectiveness of the Board of Directors as a whole.

(7) The directors shall be or not the shareholder of the company.

## Chapter 5

### Term of Service

#### Tenure

The company's directors are required to hold their posts by the company's regulation and following details:

(1) At the annual general meeting, one-third of the Board of Directors must retire. If the number of directors cannot be divided into three parts, the nearest number to one-third will be retired. For the first and second year after the registration of the company, the lottery shall be drawn up to determine who will be retired. After that, the longest director shall retire. The directors who are due to retire by this term may be re-elected.

(2) In addition to (1), a director vacates office due to:

(2.1) Die

(2.2) Resignation

(2.3) Lack of qualifications or prohibited characteristics under Section 68 of the Public Limited Companies Act BE 2535, and State Enterprise Employees, 1975

(2.4) The shareholders' meeting passed a resolution to issue the resignation under Section 76 of the Public Limited Companies Act BE 2535

(2.5) Court order

(3) Any director who wants to resign shall submit a resignation letter to the company. Once it gets accepted by the company, the resignation will take effect automatically.

(4) In case that the director is vacant for any reason other than the expiration of the term, the Board of Directors shall elect a qualified person who is not legally prohibited as a



replacement for the next Board of Directors' meeting. The new director shall serve only the remaining term of the replaced director.

The resolution of the Board of Directors under paragraph one shall consist of votes not less than three-fourths of the remaining directors.

(5) The shareholder meeting can pass a resolution to allow any director to finish ahead of their term with a vote of not less than three-fourth of the shareholders who attend the meeting. The voting process must be done by the shareholders who attend the meeting and have the right to vote. Also, it should make up more than one-half of the total number of shares in the voting.

## Chapter 6

### Scope and Authority

The Board of Directors has the authority to manage the company under the company's objectives, policies, and regulations. Besides, the company has to follow the shareholders meeting resolution as well as compliance with the Securities and Exchange Act, terms and good practices of the Stock Exchange of Thailand or SEC including the related business laws of the company. The directors must perform their duties with honesty and responsibility for the best interest of the company. Roles and responsibilities of the Board of Directors are as follows:

(1) Define policies, strategies, goals, plans, and annual budgets. It also oversees the management of directors and executives to perform their assigned duties efficiently to the maximum benefit of the company and shareholders by regularly monitoring and evaluating performance.

(2) Determine the scope of authority and responsibility of the subcommittee and the management by regularly communicate to the stakeholders. Delegate and assign works to a subcommittee, one or more directors, or executives, or any person acting on behalf of the Board for a reasonable period. This includes the revocation, alteration, or modification of any authorized officer.

(3) Follow the good corporate governance under the Securities and Exchange Act, rules and best practices of the SEC, and related business laws.



(4) Set a proper and adequate internal control system. The Internal Audit and Compliance Office follows up on a regular basis and reports the performance to the Audit Committee.

(5) Make a risk management policy to cover all aspects of the organization and assign responsibility to the management for compliance. Report risk management results to the Board of Directors through the scrutiny of the Audit Committee on a quarterly basis. Review and assess the effectiveness of risk management policy at least four times a year.

(6) Establish a Corporate Social Responsibility (CSR) Policy as a part of the company's ethics and code of conduct. It is due to the realization of the importance of "society" as a key mechanism to promote the company's business for the sustainable growth and accepted by all relevant groups. The management is responsible for compliance and reports the CSR performance to the Board of Directors at least once a year.

(7) Set a guideline for transactions that may lead to the conflict of interest among stakeholders for the benefit of the company and shareholders. This means that the stakeholders should not be involved in the decision-making process. Determine the procedures and disclosure of transactions that may cause the conflict of interest in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).

(8) Encourage employees at all levels to have a sense of ethics and morality by developing a written business ethics manual for all employees. It will allow them to understand the ethical standards that companies use in conducting business and recognize the importance of the internal control and risk management systems. To reduce the risk of fraud and abuse of power including prevention of illegal activities related to the company business. Encourage employees at all levels to have a sense of social and environmental responsibilities for the public good by returning a portion of the profits to create activities that contribute to social and environmental creativity regularly and continuously.

(9) Board of Directors gives the right to all directors for proposing an agenda by sending them to the company secretary at least ten business days before the meeting. Then, the secretary can include them in the meeting agenda.

(10) The Board of Directors requires the Chairman of the Board of Directors and the Managing Director to be different persons. The scope of authority and responsibility of the Chairman of the Board is set out in the policy formulation for the Managing Director. The Chairman of the Board of Directors, then, monitors the management and provides them advice or assistance. However, the Chairman has no involvement and no interference in daily routine management, which is the responsibility of the Managing Director. Also, the Chairman leadership is required to oversee the board by not allowing them to be under the influence of management in any ways. The Chairman will fairly and effectively chair both the board meetings and shareholder meetings. His/her responsibility is to encourage participants to vote and to remind them to adhere to the principles of good corporate governance strictly.

(11) The Board of Directors appoints the Company Secretary and determines the authorities and duties of the Secretary such as making meeting minutes of shareholders and the Board of Directors. To supervise the disclosure of information by the rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. Prepare and keep the documents for registration of directors, notice of the Board of Directors meeting, notice of the shareholders meeting, and notice of the company's annual report. Report the conflict of interest after directors and management report to the company and report any other actions requested by the Board of Directors.

## Chapter 7

### Meeting

The Board of Directors imposes two types of meetings: the Board of Directors meeting and the shareholder meetings, for communicating and disclosing the relevant Information such as a financial statement to concerned parties namely:

(1) To hold the Board of Directors Meeting at least once every quarter and to set extra sessions as needed.

(2) In the meeting of the board of directors, the presence of not less than one-half of the total number of directors shall constitute a quorum. In case the Chairman is not present at the meeting or is unable to perform his duty, and if there is a vice-chairman, the vice-chairman



shall preside instead. If it is not the case, the members presented at the meeting shall elect one of them to chair the meeting. The decision of the meeting shall be taken by a majority of votes.

(3) A director has one vote, except for those with vested interests who have no right to vote on the matter. If the result of the voting is equal, the chairman of the meeting shall have a casting vote.

(4) In calling a meeting of the Board of Directors, the Company Secretary sends the meeting notice to the directors not less than seven days before the meeting date. Unless urgently needed to maintain the rights or benefits of the company, the meeting shall be notified by other means and the meeting date may be earlier than indicated.

The Board of Directors can hold a meeting in the area where the head office located or other places as the Board deems appropriate.

(5) Prepare the financial statements and consolidated statement of comprehensive income at the end of the accounting period. This is reviewed by the Audit Committee and audited by a certified public accountant, then present the opinion to the shareholders meeting for further approval.

(6) To hold the annual general meeting of shareholders within four months from the end of the accounting period of the Company.

(7) To hold an extraordinary general meeting of shareholders to consider urgent matters required by the law to be approved by the shareholders prior any actions such as capital increase, capital reduction, issuance of debentures, sale or transfer of ownership of others and amendments to the memorandum or articles of association, etc.



## Chapter 8

### Miscellaneous

(1) All amendments to this charter shall be made only upon approval by the Board of Directors.

(2) This charter shall be in effect from 26 November 2015 onwards until further written modification,

By the resolution of the Board of Directors Meeting No. 5/2558 on November 25, 2015.

(Mr. Pimol Srivikorn)  
The Chairman of the Board



## Annex

### **(1) Regulations: TCM Corporation Public Limited Company**

**Directors** (Articles 10-27) have the following details:

Article 10: The Board of Directors of the company shall have at least five, but not more than twelve and not less than half of directors must reside in Thailand.

Article 11: A shareholder has one vote per share in the election. Each shareholder has to use all of his or her votes to elect one or several persons as directors. The person receiving the highest number of votes in descending order shall be elected as a director. In the case where the persons elected in descending order have the same number of votes more than the number of directors to be elected at that time, the chairman of the meeting decides.

Article 12: At the annual general meeting, one-third of the Board of Directors must be retired. If the number of directors cannot be divided into three parts, the nearest number to one-third will be retired. For the first and second year after the registration of the company, the lottery shall be drawn up to determine who will be retired. After that, the longest director shall retire. The directors who are due to retire by this term may be re-elected.

Article 13: In addition to the termination of office. A member vacates office when

- (1) Die
- (2) Resignation
- (3) Being ineligible or prohibited by law.

(4) The shareholders meeting passed a resolution to issue the resignation with votes not less than three-fourths of the total number of shareholders attending the meeting and have the right to vote. The counted shares should be no less than half of the total number of shares held by attended shareholders.



(5) Court order

Article 14: In the case where the position of a director is vacant for any reason other than the expiration of the term, the board of directors shall elect one of the qualified persons who are not legally prohibited as a replacement in the next Board meeting. Unless the term is less than two months, the new director shall serve only the remaining term of the replaced director.

The resolution of the Board of Directors under paragraph one shall consist of votes not less than three-fourths of the remaining directors.

Article 15: In the case when the number of directors is less than the requirement to form the quorum, the remaining directors shall act on behalf of the Board only for arranging a shareholders meeting to elect all vacancy directors. The person who becomes a substitute shall be in office only for the remaining term of the director whom he replaces. The meeting under paragraph one has to be done within one month from the date when the number of directors is less than the number of the quorum.

Article 16: In a shareholder's meeting, not less than three-fourth of the total number of shareholders attending the meeting and having the right to vote may elect a director to vacate his office before the expiration of his term. However, the total number of shares held by those shareholders must not less than half.

Article 17: A director does not have to be a shareholder of the Company.

Article 18: The board of directors shall elect one of its members to be the chairman. If appropriate, the board may elect one or more directors to be vice chairman. The Vice Chairman responsibility follows the regulations of the company assigned by the Chairman.

Article 19: The Board of Directors meets at least once every three months.

Article 20: The Chairman of the Board of Directors calls for the meeting of the Board of Directors. The Chairman or the authorized person shall send the notice of the meeting to



directors not less than seven days before the meeting date except in urgent cases to preserve the rights or interests of the company. The meeting shall be notified by other means, and the meeting date shall be earlier than that. Also, two or more directors may call for a meeting of the board of directors. In this case, the chairman shall set the meeting date within fourteen days from the date requested.

Article 21: At the board meeting, at least half of the total number of directors shall be present at the meeting to constitute a quorum. In case that the Chairman does not present at the meeting or is unable to perform his duties and if vice chairman is attending, he/she will act as the Chairman. If no vice chairman is attending or unable to perform his duties, the board members presented at the meeting shall elect one of them to preside over the meeting.

The decision of the meeting shall be taken by a majority of votes with the rule "one member one vote." Unless a director has a conflict of interest in any matters, there is no right to vote on that issue. If the votes are the equal, the chairman of the meeting shall have a casting vote.

Article 23: No directors can become a partner or a shareholder in the same type of company or compete with the company except that he/she notifies the shareholders meeting before the appointment.

Article 24: Directors must notify the Company without delay if there is their interest in the contract with the company or hold more or fewer shares or debentures in the company or its affiliates.

Article 25: Directors are entitled to receive remuneration from the company in the form of salaries, meeting allowances, allowances, gratuities, bonuses or other benefits following the articles of association or follow shareholders' meeting, The remuneration may be fixed or varied from time to time. Also, they receive allowances and welfare benefits by company regulations.



Article 26: The board of directors shall elect some members to be the executive committee to perform tasks without any specific conditions. The executive director is entitled to receive compensation and gratuity as determined by the board of directors but shall not affect the rights of the executive committee members to receive remuneration or other benefits under this article as directors.

Article 27: Two directors jointly sign their names and affix the company seal to bind the company. The Board of Directors may designate the authorized directors to sign their name and affix the company seal.

## **(2) Definition**

An independent director is a director who possesses the following qualifications:

- (1) Holding no more than one percent of the total voting shares of the Company, its parent company, a subsidiary company, an associated company, major shareholder or the controlling authority of the company. The shareholding of such independent director is also included.
- (2) Not being or having been a member of the management, employee, an advisor receiving a regular salary or who has the power to control the company, parent company, subsidiary company, affiliated company, major Shareholders unless it has ceased to exist at least two years before its appointment. Such prohibitions do not include the case of independent directors who have been bureaucrats or consultants of government agencies, which are the major shareholder or the company controllers.
- (3) Not being a person who has blood relations or by legal registration in case of parents, spouse, sibling, and child. It includes the spouse of the major shareholder's executive, controller or a person who has been proposed to be an executive or controllers of the company or subsidiaries.
- (4) None or have had a business relationship with the company, its parent company, subsidiaries, affiliated companies, major shareholders or the company controller in the way that may obstruct the use of independent judgment including neither being nor ever being a



significant shareholder or authorized person having business relationship with the company, parent company, subsidiaries, affiliated company, major shareholder or company controller unless it has ceased to exist at least two years prior to its appointment.

- (5) Not have been or being the auditor of the company, a parent company, a subsidiary company, associated company, major shareholder or the company controller and not a significant shareholder or partner of the audit firm who has auditors of the company, its parent company, subsidiary company, associated company, major shareholder or company controller unless it has ceased to exist at least two years before the date of appointment.
- (6) Not being or being a professional service provider including a legal advisor or financial advisor who gets paid over two million bahts per year from the parent company, subsidiary company, associate company, major shareholder or the company controller. Not being a significant shareholder, company controller, or a partner that professional service provider unless it has ceased to exist at least two years before the date of appointment.
- (7) Not being a director appointed to represent the company directors, major shareholders or shareholders who are related to the major shareholders of the company.
- (8) Not engage in a business of the same nature and in competition with the company, subsidiaries, or a partner considered a partnership or a director who is involved in the management of employees and consultants or hold more than one percent of the total voting shares of another company which conducts business of the same type of business and being significant competitor to the company or its subsidiaries.
- (9) There is no other characteristic that makes it impossible to express independent opinions about the operations of the company. After being appointed as an independent director, he/she may be assigned by the Board of Directors to make any decisions related to operations of the company, parent company, subsidiary company, affiliated company, same-level subsidiary, major shareholders or company controller. A collective decision can be made when an independent director has, or has had a business relationship or professional service exceeding the value prescribed in paragraph one (4) or (6). It shall be waived if the company has provided the opinion of the Board of Directors indicating the matter by 89/7. The appointment of such a person has no impact on the performance and independent comments and provide the disclosure of the following information in the annual general meeting on the appointment of independent directors agenda.



(A) the nature of the business relationship or the professional services rendered by the person fails to meet the prescribed criteria.

(B) the reasons and necessity to continue or appoint such person as an independent director.

(C) The opinion of the Board of Directors in proposing the appointment of such person as an independent director. For the benefit of (5) and (6), the term "partner" means a person entrusted by an auditing firm or a professional service provider to be the signatory in the audit report or professional services report (as the case may be) on behalf of the entity.