

(-Unofficial English Translation-)

# **Board of Directors' Charter**



**BTS Group Holdings Public Company Limited**

*February 10, 2014*

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

1. To perform their duties in accordance with the laws, the objectives and the Articles of Association of the Company as well as the resolutions of the shareholders' meeting with honesty, responsibility, and due care for the utmost benefits of the Company and the shareholders;
2. To determine the Company's policy, vision, mission, values, strategy and goals, both in terms of financial and non-financial as well as supervising and monitoring the Management to ensure the implementation of those policies effectively and efficiently so as to create and maximize the sustainable value for the Company and the shareholders, to regularly consider, review, and determine the Company's policy, vision, mission, values, strategy and goals (1) annually for the short-term basis and (2) 3-5 years for the medium-to-long-term basis, and to monitor the implementation of the business strategy as well as reviewing the business strategy of the Company in the past fiscal year in order to set the business strategy of the next fiscal year;
3. To determine the Company's business plan and annual budget, as well as considering and reviewing the progress of the monthly and quarterly performance of the Company, in comparison with the business plan and budget, and to consider the trends for the next periods;
4. To determine the remuneration structure and welfare for the employees in all levels, and to ensure that an appropriate remuneration mechanism is in place and in accordance with the short-term and long-term performance of the Company, with the Nomination and Remuneration Committee acting as superintendent;
5. To supervise the Management to ensure that the accounting system, financial reports and accounting audit system are accountable, and to monitor the sufficient of cash flow liquidity, as well as ensuring that the Company has a good internal control system that is sufficient and appropriate;
6. To consider and approve the acquisition and disposal of assets, investment in new businesses and any matters as required by the laws, save for the matters that the resolutions of the shareholders' meeting are required under the laws;
7. To consider and/or provide an opinion on the connected transactions of the Company and its subsidiaries and to ensure the compliance with the laws, notifications, regulations and relevant rules;



8. To monitor and prevent a conflict of interests among the stakeholders of the Company;
9. To consider all the Company's affairs by taking into account the benefits of the shareholders and all groups of stakeholders equitably. The director shall report to the Company, without delay, if he has any conflict of interests in a contract to be entered into with the Company or an increase or decrease of his shareholding in the Company or its subsidiaries. Hence, for any transaction with the director or a person having a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, the director in conflict shall have no right to vote to approve such transaction;
10. To govern the business operations with business ethics and conducts as well as promoting the creation of corporate culture for all employees to adhere and perform their duties with ethics and integrity, and to regularly review the corporate governance policy and code of business conduct on an annual basis as well as evaluating the implementation of such policies at least once a year;
11. To establish the risk policy and framework, to review and evaluate the appropriateness of the policy and framework on an ongoing basis and to ensure that enterprise risk management policy and internal controls system are implemented in order to effectively achieve the objectives;
12. To establish a sustainability policy, covering responsibilities on Environmental, Social and Governance (ESG) dimensions and to monitor the implementation of such policy;
13. To consider and approve the Company's climate strategy to address climate-related risks and opportunities, oversee the implementation, and incorporate this strategy into the Company's relevant decision-making processes, and management performance evaluation and incentives;
14. To report the responsibilities of the Board of Directors in the preparation of the financial statements by disclosing such report along with the external auditor report in the Company's Annual Report, covering key issues under the Code of Best Practices for Directors of Listed Companies of the Stock Exchange of Thailand, as well as disclosing any material information in an accurate, complete, timely manner and correspond with the relevant regulations, standard, and guidelines;
15. To delegate one or more directors or other persons to perform any task on behalf of the Board of Directors. However, such delegation shall not be the authorization or sub-authorization that allows the director or any designated person, who has a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, to approve such transaction;
16. To evaluate the performance of the Board of Directors on an annual basis, both group evaluation and individual evaluation, in order to use as a guideline for the review of the Board of Directors' performance,

as well as reviewing their duties and responsibilities in the Board of Directors' Charter on an annual basis;

17. To appoint sub-committees to assist and monitor the management system and the internal control system to ensure the compliance with the Company's policies, such as the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee, and to assign the annual performance evaluation and review the duties and responsibilities in the charter of all sub-committees;
18. To delegate the authorities, duties, and responsibilities to the Management in order to clearly separate the roles, duties and responsibilities between the Board of Directors and the Management as well as reviewing such separation of roles, duties and responsibilities, and to regularly monitor and evaluate the performance of the Management in order to maintain the balance of power, enhance the independence in performing duties and increase the operational efficiency;
19. To determine and review the business organization chart and to appoint the Advisory Board which consists of a group of individual advisors who are knowledgeable and being the experts who can provide the strategic and useful advice to the business affairs of the Company and subsidiaries. The opinion or advice from the Advisory Board will be the opinion/advice from a person who is not involved in the business management of the Company and this would assist the Company to gain benefits from the viewpoint of a third party. Nonetheless, the advice, opinion or suggestion from the Advisory Board has no legal binding effect over the Company;
20. To prepare and review the succession plan in order to determine the succession process for the position of the Chief Executive Officer and other senior executive positions; and
21. To appoint the Company Secretary to ensure that the Board of Directors and the Company comply with the laws and relevant regulations.

## ***Appointment and Removal of Directors***

The appointment and removal of the directors of the Company are in accordance with the criteria and procedures as stipulated in the laws and the Company's Articles of Association which can be summarized as follows:

1. In every Annual General Meeting of Shareholders, at least one-third (1/3) of the directors shall retire by rotation. If the number of directors to retire by rotation is not divisible by three, the number of directors closest to one-third (1/3) of all directors shall retire. The directors who retire by rotation are eligible for the re-election;
2. The election of the directors at the shareholders' meeting shall be in accordance with the following rules and procedures:
  - Each shareholder shall have one vote for one share;
  - Each shareholder shall use all of his or her votes to elect one or several persons as the director(s). However, he or she may not divide his or her votes among the candidates;
  - The candidates who receive the most votes in descending order will be elected as the director(s) up to the number of the directors required to be elected at such meeting. In the event that the candidates have equal votes and their election would exceed the number of directors required to be elected at such meeting, the chairman of the meeting shall have a casting vote;
3. Apart from the retirement by rotation, the directors shall cease from their office on the grounds of:
  - death;
  - resignation;
  - lack of qualifications or possession of prohibited characteristics according to the Public Limited Companies Act B.E. 2535 (1992) (as amended);
  - removal by a resolution of the shareholders' meeting;
  - removal by the court's order;
4. In case of a vacancy in the Board of Directors for the reasons other than the retirement by rotation, the Board of Directors shall pass a resolution with the affirmative votes of not less than three-quarters (3/4) of the number of the directors remaining in the office to elect a person who has the qualification

and possesses no prohibited characteristics under the Public Limited Companies Act B.E. 2535 (1992) (as amended) as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months; and

5. The shareholders' meeting may pass a resolution to remove any director from his office prior to the expiration of his term by the affirmative votes of not less than three-quarters (3/4) of the number of the shareholders attending the meeting and having the right to vote and hold shares not less than one-half (1/2) of the total number of shares held by the shareholders attending the meeting and having the right to vote.

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## ***Directors' Knowledge Development and Corporate Governance***

1. The Company encourages the new director(s) to attend the director orientation session to get a brief on the Company's business plans and policies, the duties and responsibilities of the Board of Directors and the sub-committees, including the information relevant to the business operation of the Company;
2. The Company has a policy to encourage the directors to develop their personal skill and knowledge regularly and adequately. The Company supports the directors to enroll in various training programs or seminars to enhance the necessary knowledge and skill for the performance as a director;
3. The Company promotes and encourages each director to attend the Board of Directors' meeting at least 75% of the total number of meetings in each fiscal year, except in case of necessity and emergency;
4. The Company promotes and encourages every director to attend the shareholders' meeting(s), except in case of necessity or emergency; and
5. To allow directors having sufficient time to review the information prior to the meeting, the Company encourages that the directors should receive the meeting materials at least 5 business days prior to the meeting date.
6. The Company has a policy to limit the number of other listed companies in which each director may hold the directorship position to not more than 4 companies so that the directors can devote their time to effectively perform their duties.
7. Besides the annual performance evaluation, the Company encourages the Board of Directors to engage an independent advisor to conduct the performance evaluation of the Board of Directors at least every 3 years in order to increase the Board of Directors' efficiency in performing the duties in accordance with the corporate governance principles.
8. The tenure of an independent director of the Company should not exceed a cumulative term of 9 years from the first day of service. Upon completing 9 years, an independent director may continue to serve on the Board of Directors, subject to the Board of Directors' rigorous review of his/her continued independence.