

Charter of the Board of Directors

1. Objectives

To monitor the Board of Directors' ("the board") performance in compliance with relevant law, regulations, and rules, under the highest responsibilities and ethical standards.

2. Composition and appointment

- 2.1 The Board of Directors determines the composition of the Board to include Directors who possess varied qualifications in terms of skills, experiences, specific capabilities that are beneficial for the Company. The Board should be composed of not less than 5 Directors, of whom at least than one-third – but not less than 3 - must be Independent Directors, and not less than half of the total number of Directors must be residents of Thailand.
- 2.2 The directors elect one of them as chairman. When deemed appropriate, the directors may elect one or several directors as vice chairman.
- 2.3 The position of the Chairman of the Board of Directors and the Chief Executive Office/President should not be given to the same one person, in order to separate the respective roles and responsibilities and to create a 'balance of power' in the operation of the Company's business.
- 2.4 The appointment of Company Directors should be in accordance with the relevant applicable laws and regulations, as well as should be undertaken in a clear and transparent manner.
 - 1) In the event that a Company Director is required to retire due to the completion of the term of office, the Shareholders Meeting must consider and approve the appointment of new Directors with a majority vote of those Shareholders present. In the event of a 'tie', then the Meeting Chairman will have one additional and deciding vote.
 - 2) In the event that a Directorship becomes vacant for any reason other than due to a Director having to retire by rotation upon the completion of the term of office, then (unless the remaining term of office of that Directorship is less than 2 months) the Board of Directors will consider to appoint a person possessing the required qualifications as well as not having any prohibited qualifications, as specified by the relevant applicable laws and regulations, as a replacement

Director at the subsequent Board Meeting. However, the replacement Director will only hold office for the remaining term of the Director he/she is replacing, and the resolution to appoint such a replacement Director must be made by a vote of not less than 3 / 4 of the total remaining number of Directors.

3. Qualifications

3.1 Directors must be ordinary citizens with the following qualifications:

- 1) Are of legal age
- 2) Are not bankrupt, incompetent, or equivalent
- 3) Have not served prison terms for fraud
- 4) Have not been dismissed from the government, organizations, or government agencies for fraud
- 5) Have never faced legal fines for fraudulent property offenses

3.2 A Company Director must be a capable and well experienced in a way that will be beneficial for the Company's businesses, possess high moral standards and be honest, as well as be able to fully devote adequate time in undertaking the duties of a Director.

3.3 A Company Director can concurrently be a Director in another business, but this should be an obstacle in being able to effectively discharge the responsibilities of being a Company Director; whereby the Company has determined that a Director should not concurrently be a Director of more than a total of 5 (five) SET listed Companies at any one time.

3.4 A Company Director should not act in any way in being directly involved in the management or operations of other companies that will compromise and reduce the full benefits for the Company, or will enhance the benefits of other persons or legal entities, regardless of whether it is for personal gain or that of others.

3.5 Director must not, whether on his own account or on account of a third person, undertake any business of the same nature as and competing with that of the company, become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership or become a director of a private company or any other company undertaking any business of the same nature as and competing with that of the company, unless such fact has been notified to the meeting of shareholders prior to the resolution electing such director.

3.6 Independent director means Directors who are free and full independent of any influence or control by the Management group, the majority Shareholder group, as well as who must not have any connection with or vested interests in any decisions that are made by the Management group; whereby, in summary, the criteria for the 'independence' of such Directors are as follows:

- 1) Having a shareholding not exceeding 0.5% of the total amount of voting shares of the Company, the Parent Company and any Subsidiary Companies or Joint Venture (JV) Companies, as well as of a legal entity that may have any conflict of interests with these entities; whereby this shareholding limit also includes any shares owned by those who are related to or connected with the respective Independent Director in question.
- 2) Not having been an Executive Director, an Employee, and a Staff member, or a consultant with a monthly retainer; or not being a person having control over the Company, Parent Company, a Subsidiary Company, a JV Company, or a Subsidiary Company of parallel status or a legal entity that may have any conflict of interests with these entities – unless the person in question has ceased to have such a status for not less that 2 years prior to being appointed as an Independent Director.
- 3) Not being related by blood or by legal registration to (as a father, mother, spouse, sibling or child, and including a spouse of the children of) members of the Management group or the majority Shareholders of, as well as a person with a controlling power over or a person nominated to be a member of the Management group of or to have a controlling power over, the Company or its Subsidiary Companies.
- 4) Not having or had any business relationships with the Company, the Parent Company, a Subsidiary Company, a JV Company, or a legal entity that may have a conflict of interests in a manner that may compromise or hinder the full independent judgment of the person in question; as well as not being or having been a majority shareholder, Director (who is not an Independent Director) or a member of Management of a Party who has a business relationship with the Company, the Parent Company, a Subsidiary Company, a JV Company, or a legal entity that may have a conflict of interests with these entities - unless the person in question has ceased to have such a status for not less that 2 years prior to being appointed as an Independent Director.

The 'business relationships' as stated in the paragraph above includes undertaking any core business transactions relating to the Company's operations, and renting or leasing of any properties. It also includes any transactions relating to any use of assets and provision of services, or to giving and receiving of any financial assistance in the form of loans or guarantees and/or pledging of any assets as loan collaterals, or any other transactions of a similar nature, which will result in the Company (or the counterparty) having a debt obligation to the other party that is equal to 3% of the total tangible assets of the Company or that is equal to Baht 20 million or more - whichever is the lower value. As such, the calculation of this debt obligation should be made in accordance with the method of valuation of any connected or related transactions as specified by the SEC relating to the required criteria to be used for any related or connected transactions. However, the calculation of such debt obligations should include only those debts incurred during a period of one year prior to start of the business relationship with the person in question.

- 5) Not being or having been an external auditor of the Company, the Parent Company, a Subsidiary Company, a JV Company, or a legal entity that may have a conflict of interests with these entities; as well as not being a majority shareholder, Director (who is not an Independent Director), Managing Partner/Member of the Senior Management of the authorised Audit Firm of the Company, the Parent Company, a Subsidiary Company, a JV Company, or a legal entity that may have a conflict of interests with these entities - unless the person in question has ceased to have such a status for not less than 2 years prior to being appointed as an Independent Director.
- 6) Not being or having been a 'professional services' provider – including financial or legal advisory services – for the Company, the Parent Company, a Subsidiary Company, a JV Company, or a legal entity that may have a conflict of interests with these entities - with a annual professional services fee exceeding Baht 2 million or more; whereby, in the event that the 'professional services' provider is a legal entity, then this restriction also includes those who are or have been a majority shareholder, a Director (who is not an Independent Director), Managing Partner/Member of Senior Management of such a legal entity - unless the person in question has ceased to have such a status for not less than 2 years prior to being appointed as an Independent Director.

- 7) Not being a Director who has been appointed to represent a Director of the Company or of the majority Shareholder of the Company, or of a Shareholder who is related to/connected with the majority Shareholder of the Company.
- 8) Not having an occupation that is similar in nature to the Company and/or a significant competitor of the Company or a Subsidiary Company; or not being a significant shareholder in a Partnership, as well as an Executive Director, Employee or Staff, a consultant, with a monthly retainer, or a shareholder of more than 1% of the total voting shares of any other company that has a similar nature of business as or is a direct competitor of the Company or Subsidiary Company.
- 9) Not possessing any other characteristics or qualifications that would render the person in not being able to give advice in a fully independent manner relating to the operations of the Company.

An Independent Director may be assigned by the Board of Directors to make decisions regarding the operations of the Company, the Parent Company, a Subsidiary Company, a JV Company and a Subsidiary Company of parallel status.

4. Term of Office for Company Directors

- 4.1 At each Annual General Shareholders Meeting (AGM), 1/3rd of the total existing Directors are required to retire by rotation upon completing their term of office; or if an exact 1/3rd total number is not possible, then the number of Directors that is closest to 1/3rd of the total existing Directors are to retire by rotation accordingly.
- 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 holding office longest shall retire. Those Directors, who retire by rotation as stated above, can be reelected as a Company Director for another term

Apart from completing the term of office, a Company Director can also cease to be a Director upon

- 1) Death;
- 2) Resignation;

- 3) Ceasing to have the required qualifications, or acquiring the 'prohibited qualifications' in being a Director as specified by the relevant laws or the Company's Articles of Association;
 - 4) A Shareholders Meeting passing a 'resolution to discharge' the Director in question with a total vote of not less than 3/4 of the total number of Shareholders present at the Meeting and entitled to vote, as well as with a total of not less than half of the total number of shares held by the Shareholders present at the Meeting and entitled to vote;
 - 5) Receiving a Court order to terminate the Directorship.
- 4.3 A Company Director wishing to resign is required to submit a written letter of resignation to the Company. The resignation takes effect on the day the resignation letter is received by the Company.
- 4.4 An Independent Director is able to be appointed for not more than 2 consecutive terms of office so as to maintain the degree of independence in expressing any opinions or discharging the duty as an "Independent Director" of the Company

The Board could extend independent directors' terms as seen fit. When independent directors complete their terms, the Board may nominate their names to the AGM for possible re-election and extension of their terms.

5. Duty and Responsibilities of the Board of Directors

- 5.1 Act in accordance with the relevant laws, the Company's objectives, the Articles of Association and regulations of the Company together with the resolutions of the Board of Directors and the Shareholders Meetings, as well as in an honest, responsible and ethical manner, together with always taking into consideration the best interests of the various Stakeholder groups on an equal basis.
- 5.2 Review and approve all significant and important matters relating to the operations of the Company; define the Company's vision and mission; determine key strategies, business objectives and annual budgets; as well as oversee and monitor that the Management group act both in an efficient and effective manner in full accordance with the established policies and agreed business plans.
- 5.3 Consider to approve key transactions under the Board's authority scope under the law and corporate regulations and approval protocol

- 5.4 Set and review Board structure, specifically the number of directors and ratio of independent directors, as well as diverse qualifications suiting corporate business. Review Board and committee compensation as proposed by the Nomination and Remuneration Committee.
- 5.5 Review and approve the establishment of various Board Committees to effectively support the discharge of the various responsibilities of the Board, as appropriate and necessary; whereby the Board will follow up on the activities of these Board Committees on a regular basis.
- 5.6 Independent Directors should use their judgment in a fully independent manner in regards to reviewing and defining the Company's strategies, the management of the Company's resources, the appointment of Company Directors, and the business operational standards; as well as should be prepared to dispute or oppose any actions undertaken by the Management group or other Directors, in the event that they disagree with any activities that affect the equality of all Shareholders.
- 5.7 Disclose information to all shareholders and stakeholders on a correct, complete, transparent, reliable, timely, and equitable.
- 5.8 Set up efficient and effective internal control and internal audit systems
- 5.9 Institute a suitable and efficient risk management policy and procedures with regular monitoring and assessment of risk management performance
- 5.10 Arrange for the company secretary to assist the directors' activities and ensure that the Board and the Company comply with the relevant law and regulations
- 5.11 Develop a code of business conduct for the directors, executives, and employees to set the standards for the Company's business operation. All directors, executives, and employees shall perform their duties ethically and in strict compliance with the Company's code of conduct.
- 5.12 Ensure business operation based on good corporate governance principles and provide support to communicate to every personnel in the Company to acknowledge and strictly adhere to them
- 5.13 Ensure clear and transparent connected transactions
- 5.14 Determine clear procedures for the Audit Committee to report to the Board of Directors whenever an actual transaction is found or a suspicious transaction is apparent, that may have a significant impact on the financial status or the overall operating performance result of the Company; whereby the Board of Directors must then rectify the situation within the appropriate time frame recommended by the Audit Committee.

- 5.15 Ensure the succession planning of the Company's top executives and annually arrange effective assessment of their performance
- 5.16 Ensure that procedures are in place to regularly review and improve/amend the Company's key policies and various business plans, so that they are always appropriate, relevant and timely to the current business environment
- 5.17 Annually assess Board performance and monitor Board and committee performances for joint review in the Board
- 5.18 Constantly develop competency through training and participation in courses on Board performance or in other activities designed to enhance job expertise
- 5.19 Steer the formulation of an anti-corruption policy and practical guidelines, strictly conform to the corporate policy and measures to set good examples for all personnel, and advocate internal and external communication for genuine conformance
- 5.20 Steer the institution of processes and channels for receiving and effectively handling complaints filed by those with fraud leads and all stakeholders
- 5.21 Steer the institution of an information security system, which includes the defining of a policy and procedures for confidentiality, integrity, availability, and the handling of market-sensitive information. Ensure conformance to this system by all directors, top management, personnel, and relevant third-party personnel
- 5.22 Review and rectify the charter of the board as appropriate under prevailing circumstances
- 5.23 Seek professional opinions by hiring outside advisers paid for by the Company
- 5.24 Undertake any other duties or activities, relating to the Company's business operations, as may be required and assigned by the Shareholders.

6. Roles of the Chairman

- 6.1 Direct, monitor, and ensure Board performance for efficiency and fulfillment of corporate objectives and key goals
- 6.2 Ensure all directors' roles in promoting a corporate culture filled with ethics and governance
- 6.3 With the President & CEO, set Board meeting agenda and apply measures to ensure that critical matters under Board authority are included in the agenda

- 6.4 Allocate enough time for the management to present matters and the Board to thoroughly discuss key issues. Encourage directors' exertion of discretion and expression of free views
- 6.5 Promote cordial relations between the Board and the management, while supporting performances of the President & CEO and the management under corporate policies
- 6.6 Ensure transparent disclosure of information and management for conflicts of interest
- 6.7 Steer the overall performance of the Board, committees, and individual directors for efficiency and effectiveness.

7. Board meetings

- 7.1 The directors must hold meetings at least once every three months by setting meeting dates in advance all year round and may convene an extraordinary session if necessary
- 7.2 At least two directors are entitled to call for a meeting. The chairman or the assigned person must set the date of the meeting within 14 days after receiving the request
- 7.3 The chairman or the assigned person sends meeting invitations specifying the 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
- 7.4 In the directors' meeting, at least half of the directors must be present. The chairman of the board acts as chairman of the meeting. If the chairman cannot attend the meeting or cannot perform the duty, the attending directors will elect one among themselves as chairman
- 7.5 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. Each director with vested interest(s) in any agenda item must abstain from voting on that item
- 7.6 The board is authorized to invite the management, executives, or other relevant people to give opinions, attend the meeting, or present information for consideration
- 7.7 Non-executive directors must meet in the absence of the management at least once every year to share views on the topics relevant to their responsibilities
- 7.8 The company secretary or the assigned person is responsible for preparing the minutes of the meetings.

8. Reporting

Directors are 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 company's 56-1 annual reporting form and the 56-2 annual report form.

This charter takes effect from November 8, 2018.

Suthikiati Chirathivat

Chairman, Central Plaza Hotel Public Company Limited