

# CENTRALPATTANA

## Charter of the Board of Directors Central Pattana Public Company Limited

### 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 consists of at least five directors. At least one-third must be independent directors, the number of whom must be at least three. At least half of the directors must be permanent residents of the kingdom.
- 2.2 The directors elect one of them as chairman. When deemed appropriate, the directors may elect one or several directors as vice chairman. The vice chairman is responsible for assignments by the chairman under the Company's regulations.
- 2.3 The chairman and the President & CEO are two separate persons for the sake of clear-cut segregation of roles and balance in the operation.
- 2.4 The appointment of the directors must follow relevant law, rules, and regulations based on transparency and clarity.
  - 1) If a director resigns upon term expiration, the shareholders' meeting may elect his/her replacement through the decision of the majority of votes of the present shareholders. If there are equal votes among the directors, the chairman of the meeting must cast the decisive vote.
  - 2) If a director's post becomes vacant for reasons other than term expiration, the board may elect a qualified candidate to replace him/her in the next board of directors' meeting. If the remaining term of directorship is shorter than two months, the newly elected one is to stay in office for the remaining term. The resolution of the board on this matter must consist of no less than three-quarter votes of the remaining 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 Directors must possess knowledge, ability, and experience beneficial to the business operation with ethics, honesty, and sufficient time to devote to their work
- 3.3 Directors may hold directorships 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 five listed companies
- 3.4 Directors must not manage other activities opposing the Company's interest or provide interest to other people/entities, whether for their own benefit or the benefit of others.

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 director are as follows:

- 1) Not holding more than 0.5% of the total outstanding voting shares of the Company, its parent company, subsidiary or affiliated company, major shareholders or controlling person including shares held by related persons of the independent director
- 2) Neither being nor having been an executive director, officer, employee, controlling person or advisor who receives a salary from the Company, its parent company, subsidiary, a same-level subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment
- 3) Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children of directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiaries
- 4) Not having nor having had a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment

The term 'business relationship under the above paragraph includes any normal business transaction, rental, or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action whose value exceeds 20 MB or more than 3% of the net tangible assets, whichever is lower. The value of each transaction is based on the calculation method for the values of connected transactions under a Notification of the Capital Market Supervisory Board Re: the rules concerning Connected Transactions. Under the regulation, all transactions occurring within a year of preceding transactions must be included in such calculation.

- 5) Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person nor being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship ended not less than two years from the date of appointment
- 6) Neither being nor having been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and neither being nor having been a substantial shareholder, controlling person or partner of the professional advisor unless the foregoing relationship ended not less than two years from the date of appointment
- 7) Not being a director who has been appointed as representative of the Company's directors, major shareholders, or shareholders who are related to the Company's major shareholders
- 8) Not conducting any businesses which have the same nature as or in competition with the Company's or its subsidiaries or neither being a substantial partner, executive director, employee, officer or advisor who receives regular salary, shareholder holding

more than 1% of the voting shares of businesses which have the same nature as or in competition with the Company or its subsidiaries

- 9) Not having any characteristics that could prevent him/her from giving independent opinions concerning the Company's operation

Independent directors may be assigned by the board to make decisions about the operation of the Company, its parent company, subsidiaries, associated companies, a same-level subsidiary, major shareholders or controlling person in an organization's collective decision.

Independent directors should exert free discretion on business matters and express their views on or objection to cases affecting shareholders' equitability.

#### **4. Terms**

- 4.1 At every annual general meeting, one-third of the directors must resign from office. If the number is not a multiple of three, the number closest to one-third must be adopted.

- 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. A director whose term has expired may be re-elected.

Apart from normal term expiration, the directorship is to be considered terminated due to the following reasons:

- 1) Death
- 2) Resignation
- 3) Disqualifications or qualifications contrary to the law and the Company's regulations
- 4) Shareholders' resolution to remove him/her with no less than three-quarters of the votes of the present shareholders who are eligible to vote and with no less than half of the shares held by the present shareholders who are eligible to vote
- 5) Removal by court order

- 4.3 A director who wishes to resign must submit a resignation to the Company. The resignation takes effect on the day the resignation letter is received by the Company.

- 4.4 Normally, an independent director may hold the post for no more than two consecutive terms, extendable for another term, totaling up to nine years, to maintain the independence of opinions and performance of duties as the Company's independent director.

#### **5. Duties and Responsibilities**

- 5.1 Acting in the best interest of shareholders (Fiduciary Duty) by observing the following four main practices:

- 1) Performing its duties with faithfulness and honesty (Duty of Loyalty)
- 2) Performing its duties with responsibility and all due circumspection and caution as well as with accountability and ethics (Duty of Care)
- 3) Performing its duties in compliance with laws, objectives, the Company's Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders' Meetings (Duty of Obedience)
- 4) Disclosing information to shareholders accurately, completely, and transparently with verification, timeliness and equitability (Duty of Disclosure)

- 5.2 Set the vision, mission, and short-term & long-term strategies to ensure fulfillment of corporate objectives and key goals while taking into account the business ethics and possible effects on society and the environment, with value addition to the business, stakeholders, and society at large. These elements are revised annually.

- 5.3 Set value and culture of the Company which reflects in operations and ethics in order to drive its business to the sustainable growth and lead by example.
- 5.4 Consider to approve key transactions under the board's authority scope under the law and corporate regulations and approval protocol.
- 5.5 Consider to approve annual plans and budget, while constantly monitoring its business performance following its strategy to ensure goal achievement by suitably and safely applying innovation and technology.
- 5.6 Supervise the operations of subsidiaries and joint ventures following the Company's policy and direction in order to ensure that such investments are properly effective and beneficial to the Company. Also, monitor such subsidiaries' and joint ventures' performance and operation on a regular basis.
- 5.7 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.
- 5.8 Consider to appoint subcommittees to provide support for the board's performance and responsibilities where suitable and necessary, and monitor the subcommittees' performance on a regular basis.
- 5.9 Disclose financial and key information to all shareholders and stakeholders on a correct, complete, transparent, reliable, timely, and equitable basis in compliance with regulations, standards, and practical guidelines.
- 5.10 Set up efficient and effective internal control and internal audit systems.
- 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 Provide an important policy and 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 Ensure clear procedures of the Audit and Corporate Governance Committee's report to the directors when doubtful of transactions and actions that may seriously affect the Company's financial status and performance. The board must rectify the problems within the timeframe deemed appropriate by the Audit and Corporate Governance.
- 5.15 Monitor and prevent any potential conflicts of interest as well as the misuse of the Company's assets.
- 5.16 Institute a suitable and efficient risk management policy and procedures with regular monitoring and assessment of risk management performance.
- 5.17 Ensure the succession planning of the Company's top executives and annually arrange effective assessment of their performance.
- 5.18 Consider the performance assessment, compensation, salary and bonus of the President & CEO which is submitted and agreed by the Nomination and Remuneration Committee.
- 5.19 Annually assess the performance of the board, subcommittees as well as each individual director and conduct such results to be used to strengthen the effectiveness of the board.
- 5.20 Constantly develop competency through training and participation in courses on board performance or in other activities designed to enhance job expertise by focusing on the issues concerning the sustainability which is related to the Company's operations.
- 5.21 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.

- 5.22 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.
- 5.23 Steer the institution of processes and channels for receiving and effectively handling complaints filed by those with fraud leads and all stakeholders.
- 5.24 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 internal and external parties.
- 5.25 Oversee that the information technology management and safeguard of the information security system are in place.
- 5.26 Supervise and support the creation of innovation that creates value, enhances working processes, products and/or services to the Company and its subsidiaries, and creates benefits for all stakeholders by providing a policy that promotes such matters.
- 5.27 Annually review the charter of the board as appropriate under prevailing circumstances.
- 5.28 Seek professional opinions by hiring outside advisers paid for by the Company.
- 5.29 Perform other duties as specified by the shareholders.

## **6. Roles of the Chairman**

- 6.1 Direct, monitor, and ensure the 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 the board meeting agenda and apply measures to ensure that critical matters under the 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.
- 6.8 Support the coordination between the board, the management and the company secretary in order to ensure that such coordination will be smooth and effective.
- 6.9 Being a representative of the board to communicate any important information as well as to create a good relation to shareholders and stakeholders of the Company.

## **7. Board meetings**

- 7.1 The board must hold meetings at least once every three months by setting meeting dates in advance all year round, and it may convene an extraordinary session if necessary. Such meetings might be held in the locality where the headquarters or branch office of the company is located or in a nearby province, unless the majority of directors require meetings to be held elsewhere. Moreover, such meetings can be held via electronic means according to laws regarding electronic meetings; in such case, the headquarters of the company will be deemed the venue of the meeting.
- 7.2 Directors have the duty to regularly attend the board meetings with the ratio of at least 75% of the meetings for the entire year. Except for the force majeure, such directors must inform the chairman or the company secretary in advance prior to the meeting date.
- 7.3 If there is a reasonable cause or necessity for the purpose of preserving the rights or benefits of the Company, two or more directors are entitled to call for a meeting by stating their request together with the matters and reasons to the meeting. In such a case, the chairman

or the assigned person must set the date of the meeting within 14 days after receiving the request.

- 7.4 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. Delivering of a notice or other documents may be conducted through electronic means, if the directors declare their intention or give a consent for delivering such documents via electronic means.
- 7.5 In the board's 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.
- 7.6 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. Each director with vested interest(s) in any agenda item must abstain from voting on that item.
- 7.7 The board is authorized to invite the management, executives, or other relevant people to give opinions, attend the meeting, or present information for consideration.
- 7.8 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.
- 7.9 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 in annual report (56-1 One Report Form) to its shareholders with at least information as specified by relevant law, regulations, and rules.

This charter takes effect from 10 November 2021 onwards.

*Mr. Sudhitham Chirathivat*  
(Mr. Sudhitham Chirathivat)  
Chairman