

Phol Dhanya Public Company Limited**Board of Directors Charter****1. Objective**

Phol Dhanya PCL's Board of Directors have come to an agreement that the Board of Directors' Charter should be devised, featuring components, duties, responsibilities and ways of practices, with the objectives of monitoring the Board of Directors' performance to be in accordance with the laws, rules and relevant regulations.

2. Components of the Board of Directors

The Board of Directors are comprised of not less five (5) persons, regardless of the gender, age and educational background. Not less than half of the total number of directors must have the residential address in the Kingdom of Thailand and the directors may or may not be the Company's shareholders. Directors can be elected or dismissed by the shareholders' meeting.

With this, the number of independent directors must be least one-third (1/3) of the total number of directors but must not be less than three (3) persons. Independent directors must have the qualifications required by the Securities and Exchange Committee's regulations and/or relevant laws. In this regard, at least one (1) director must be well-versed in verifying the credibility of the financial statements.

2.1 Directors shall be elected by the shareholders' meeting, whereby the Nomination and Remuneration Committee will be selecting suitable candidates and nominating names of individuals with appropriate qualifications based on the following criteria and methodologies:

- (1) Each shareholder gets the voting right equal to the number of shares held
- (2) Each shareholder can use his/her voting right according to (1) to vote for one or many candidates, but cannot divide his/her voting rights to give to each candidate at will. In the case of appointing many directors, each shareholder can vote for a number of candidates up to the maximum number of directors that must be appointed, but cannot divide his/her voting rights to give to each candidate at will.
- (3) Candidates with the top votes in the descending order will be appointed. The number of candidates appointed equal the number of directors needed to be appointed. In the case that two or more candidates share the same rank, Chairman of the Meeting will give a final vote to one of the candidates.

2.2 Directors are to select among themselves one person to be Chairman. If the directors agree, they may select another or other persons to be Vice Chairman.

2.3 The Chairman of the Board of Directors and Chief Executive Officer or Managing Director must not be the same person, for purposes of clearly separated duties and balance of power in business execution.

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2.4 In the case that the director positions become vacant due to reasons other than expiration of terms, directors are to select new directors to assume the vacant position with the term equal to the remaining term of such position. Resolution to select new directors must consist of at least 3/4 votes from the remaining directors.

3. Qualifications of the Company Directors

3.1 Directors must be natural persons, with the following qualifications:

Directors must possess qualifications without prohibited attributes according to Section 68 of the Public Company Limited Act B.E.2535 (including endorsements). They must not display characteristics deemed inappropriate to assume the position in the public company according to Section 89/3 of the Securities and Stock Exchange Act B.E.2535 (including endorsements).

- 1) One must become a *sui juris*
- 2) One must not be in bankruptcy, incompetent or appears to be incompetent
- 3) One must not have been imprisoned from the verdict related to securities obtained dishonestly.
- 4) One must not have been punished, dismissed or terminated from the government sector, organizations or government institutes for dishonesty in one's duties.

3.2 One must possess a variety of qualifications, knowledge and relevant experiences related to company business that are useful for the business operations, as well as for the development of strategies and policies. One must monitor and follow up with the strategic plan effectively, with moral and ethical values and allocate adequate time to fully dedicate to performing one's duties

3.3 The independent director can assume the directorship in not more than 5 public listed companies.

3.4 An independent director means a director who is independent from the control of the management, major shareholders, authorized persons and does not have any potential benefits or losses from decisions related to business execution. With this, an independent director must possess the following qualifications:

- 3.4.1 A director must hold no more than 1% of the total number of shares eligible for voting in the mother company, subsidiaries, affiliates or juristic persons that may have potential conflicts.
- 3.4.2 A director must not be or never have been involved in managerial duties, staff members or consultants with salary on a fixed basis, or the authorized person of the mother company, subsidiaries, affiliates or juristic persons that may have potential conflicts.
- 3.4.3 A director must not have blood relations, marital relations or any relations borne of registering marriage certificate with the persons that may have potential conflicts.
- 3.4.4 A director must not have or never has business relationship with the mother company, subsidiaries, affiliates or juristic persons that may have potential conflicts in a way that may obstruct one's independent exercising of discretion or judgment.

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3.4.5 A director must not be or never have been the auditor of the mother company, subsidiaries, affiliates or juristic persons that may involve potential conflicts.

3.4.6 A director must not possess other attributes that prevent one from independently expressing opinions related to the Company's business operations.

4. Directors' Term on Board

- 4.1 At each Annual General Meeting of Shareholders, one-third of the total directors must retire from office. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third must retire from the office.
- 4.2 The directors retiring in the first and second years after the registration of the Company shall be selected by drawing. In subsequent years, the director who has been in the post longest shall retire. A director who retires under this procedure may be re-elected.
- 4.3 In case where the director position becomes vacant due to reasons other than the end of term of office, the Nomination and Remuneration Committee is to select an individual with required qualifications and propose to the Board of Directors for approval in the next meeting. The selected candidate will only be in the position for the previous director's remaining term of office. The exception applies only when the remaining term of office is less than 2 months. In that case the Committee does not need to select the new candidate to fill the vacancy.
- 4.4 The director who wishes to resign from the director position is required to submit a letter of resignation to the Company. The resignation becomes effective since the day that such letter reaches the Company.

5. Termination of position

- 5.1 Aside from expiration of term, the position of directors is terminated when;
- Death or Resignation
 - Lacking qualifications or possessing prohibited attributes according to the laws related to publicly listed companies
 - The shareholders' meeting resolution for dismissal
 - The court's order for dismissal
- 5.2 The Meeting of shareholders may vote to terminate the director position prior to its expiration with the voting of no less than 3/4 of the shareholders who attend the meeting and have the rights to vote and with the collective shares of no less than 1/2 of the total shares held by the shareholders who attend the meeting and have the rights to vote.

6. Authority and Responsibilities

The Board of Directors are responsible for shareholders in terms of operating the business and ensuring that the management meets the objectives for maximum benefits of shareholders, under the ethical values, with an awareness of stakeholders' benefits. The Board of Directors are also accountable for ensuring compliance with the laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission that were established in accordance with the Securities and Stock Exchange Act B.E.2535 (including endorsements), with the following authority and responsibilities:

- 6.1 The Board of Directors must abide by the laws, objectives and regulations of the Company, as well as the shareholders' meeting's resolutions. They must perform duties honestly and be cautious of shareholders' benefits based on the principle of good governance, while disclosing the information in an adequate, correct and transparent manner towards all stakeholders.
- 6.2 Identify or change the Company's authorized signatory.
- 6.3 The Board of Directors must take part in considering important matters related to the Company's business operations in order to create added values for the business in a fair and continuous manner as follows:
 - 6.3.1 The Company's vision, mission, strategies, financial plans, risks, execution plans and budgeting, etc. of the previous year shall be considered and signed off.
 - 6.3.2 The management should ensure that the policies, strategies and scheduled plans are being followed up effectively and efficiently, as well as the reporting system against the target, obstacles and problem resolutions.
 - 6.3.3 The internal control and risk management systems, including the mechanisms for filing complaints in case of whistleblowing, are readily available.
 - 6.3.4 It is to be ensured that the business operations can be conducted sustainably over the long run, with staff member development plan and the continuity of managerial roles (Succession Plan).
- 6.4 The Chief Executive Officer's and high-level executives' performance evaluation criteria shall be identified in a way that resonates with the objectives and execution plan, with appropriate remuneration package that reflects the operating performance, benchmarked against the same type of business.
- 6.5 The policies concerning governance and anti-corruption shall be developed in writing. The policies should be approved at least once a year and it is to be ensured that compliance is observed, while cultivating organizational values that reflect good governance that they become the organizational culture.
- 6.6 It is to be encouraged that the Business Code of Conduct is available in writing, so that executives and staff members understand the ethical standard employed by the Company in operating the business. It is to be ensured that compliance with such Code of Conduct is strictly observed.

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- 6.7 Transactions that may involve conflicts of interest are handled with care, with prime concern on the Company's and shareholders' benefits, while stakeholders should take part in making decisions, and compliance with regulations should be ensured, while the information related to potential conflicts of interest shall be comprehensively disclosed.
- 6.8 The internal control system is adequately available to ensure that transactions get approved by the authorized persons, with correct verification and preparation of accounting reports, and that the auditing process is credible, with different systems that can prevent inappropriate use of the Company's assets.
- 6.9 The Board of Directors, with the input of the Audit Committee, should provide opinions on the adequacy of the internal control and risk management systems, which are to be disclosed in the Annual Report.
- 6.10 Allocate the mechanism to control and monitor subsidiaries to ensure that the Company's investment capital is well taken care of. In this regard, the individuals assuming the director position in subsidiaries shall have appropriate qualifications to ensure compliance with the Company's policy and that the transactions are conducted lawfully in accordance with the securities and exchange laws, as well as the Stock Exchange's announcement.
- 6.11 Appoint the Company Secretary to provide information on rules and regulations that directors should be aware of, as well as coordinate with other parties to ensure compliance with the Board's resolutions.
- 6.12 Execute performance evaluation for the Board of Directors and sub-committees on an annual basis.
- 6.13 Report the Board of Director's responsibility in preparing the statement of financial position, to be attached with the auditor's report in the Annual Report. The statement should cover key matters based on good practices required of directors of listed companies in the Stock Exchange of Thailand.
- 6.14 The Board of Directors are eligible to invite an expert(s) to be the advisor(s), whereby the invitee(s) does not have the voting right in the Board of Directors' meeting.
- 6.15 The Board of Directors may appoint any individuals to operate the Company's business, under the control and supervision of the Board. The Board may also authorize such person and/or for a certain period of time deemed appropriate, and can terminate, withdraw, change or amend such authority.
- 6.16 Consider and approve inter-related transactions that may involve conflicts of interest, benefits or losses from the Company or subsidiaries, except for transactions that involve normal business activities and follow general commercial conditions, as authorized by the Board of Directors of the Company and/or subsidiaries. These are executed under the principle, conditions and methods that govern inter-related transactions and acquisition or divestment of assets of the Company according to the Stock Exchange of Thailand's or the Securities and Exchange Commission's announcement, in order to ensure that such transactions are reasonable and contribute to the Company's maximum benefits.

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In this regard, the Board of Directors' approval does not include the transactions in which the Board or individuals who may have potential benefits or losses with the Company (or in the future) are involved. In that case, the issue must be proposed to the Board of Directors' meeting and/or the shareholders' meeting (as the case may be) in order to consider and approve such transactions according to the Company's regulations or relevant laws.

7. Meeting and Quorum

- 7.1 The meeting schedule for the whole year is planned out in advance and should be informed to the directors so they can allocate their time for attendance.
- 7.2 The meeting shall be held at least once every three months but the total number of meetings held must not be less than 6 times a year, to suit the Company's business operations.
- 7.3 The meeting documents should be sent to directors 7 days in advance so that they have enough time to study the information beforehand.
- 7.4 The quorum is achieved when number of directors attending the meeting is not less than half of the total number of directors, though every director shall have at least 75% attendance for the entire year, and each Board's meeting should have no less than 80% attendance of the year end.
- 7.5 In case the Chairman is not present in the meeting or cannot perform duties, the attending directors may appoint any particular participant to take the Chairman's role.
- 7.6 The majority's votes shall be held as ultimate, whereby directors who have potential benefits or losses refrain from casting votes. If the votes turn out to be equal, the Chairman may cast a deciding vote. The minimum quorum at the time of casting votes is that two-thirds (2/3) of the total number of directors shall be present.
- 7.7 The Board of Directors' meeting is to be held once a year, without the attendance of the directors in the managerial roles, in order to discuss different matters related to business governance and inform the Chief Executive Officer for further improvement on different aspects.
- 7.8 The management or relevant parties may be invited to join in the Board of Directors' meeting to provide relevant information or documents.

8. Reporting

The Board of Directors are required to report the operating performance to shareholders in the Annual information sheet (Form 56-1), Annual Report (Form 56-2) and Sustainability Report of the Company, with details enforced by the relevant laws, rules and regulations.

Phol Dhanya Public Company Limited**9. The Board of Directors' Performance Evaluation**

The performance evaluation activity is to be executed for self-assessment of the entire Board of Directors both individually at least once a year, following the self-evaluation form agreed upon by the Board of Directors. The evaluation forms are then submitted to the Company Secretary to compile and calculate the total score in order to summarize the performance for the enhancement of the Board's work effectiveness.

10. The Board of Directors' Remuneration

The Nomination and Remuneration Committee is assigned to consider the criteria of the director remuneration package for approval from the Board of Director, before proposing to approve by the Annual General Meeting of Shareholders by yearly basis.

This Charter was approved by the Board of Directors' meeting no. 7/2020, dated August 11, 2020 and has been effective since August 11, 2020 onwards.

Assoc.Prof.Dr. Ekachidd Chungcharoen

(Assoc.Prof.Dr. Ekachidd Chungcharoen)

Chairman of the Board