

**Criteria, Nomination, and Appointment of Corporate Directors**

of

**Phol Dhanya Public Company Limited**

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As a listed company in the Stock Exchange of Thailand, in order to be in accordance with the Good Corporate Governance Principles and Guidelines of the Stock Exchange of Thailand and the Thai Institute of Directors Associations (Thai IOD), the Nominating and Compensating Committee has prepared systematic regulations and process of nomination and appointment of the Company's Directors for suitable persons to hold positions of Directors of the Company. The details of the nomination of persons to be appointed as the Company's Directors are as follows:

**1. Composition and Appointment of the Board of Directors**

In reference to the Company's Articles of Association, the number of directors in the Board shall be stipulated by the Shareholders' Meeting, but must not be less than 5 directors. In addition, the number of Directors of no less than half of the total Directors shall have residence in the Kingdom of Thailand. The Directors can be either the Company's shareholders or non-shareholders.

The Nominating and Compensating Committee shall consider and nominate candidates with suitable qualifications for the position of Directors and the Board of Directors and the Shareholders' Meeting shall consider appointment of the Directors. The Company's Articles of Association stipulate that the Shareholders' Meeting appoint the Directors followings the regulations and processes as follows:

1. Each shareholder shall have one vote per each share held for the election of each director.  
There shall be no multiple to the number of the candidates;
2. Each shareholder's all votes as stated in 1. shall be cast for either an individual or many candidates to be a Director. The shareholder shall not allot his or her votes to any person in any number. When there are many candidates to be elected as Directors, each shareholder shall vote for no more than a total number of Directors whom will be elected at the Shareholders' Meeting.
3. The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order in the amount required in the election at the Shareholders' Meeting. Where there is an equality of votes cast for candidates in descending order causing the number of directors to be exceeded, the remaining appointments shall be made by the determination of the chairman of the Meeting;

Any vacancy occurring in the board of directors otherwise than by term completion, the Board of Directors may select a person with qualification and without any prohibited qualification as prescribed under the laws, Section 68 of the Public Limited Company Act B.E. 2535, the Securities and Exchange Act, and the Announcement of the Securities and Exchange Commission, to fill in the vacancy in the next Meeting of the Board of Directors, unless the remaining duration of the director's term of office is less than two months. Any person so appointed shall retain his office during such time only the remaining term of the vacating director. The resolution of the Board of Directors shall consist of a vote of not less than three-fourths of the number of remaining directors.

The Shareholders' Meeting may have a resolution to demote a Director prior to his/her completion of term with the votes of no less than three-fourths of the total shareholders who attend the Meeting and are entitled to vote, as well as with the total shares of no less than half of the total shares held by the shareholders who attend the Meeting and are entitled to vote.

## **2. Guidelines for stipulation of Directors' qualification, knowledge, and skill**

Upon screening of the candidates' name lists to be the Directors, the Nominating and Compensating Committee shall follow Directors Nomination Best Practices of the Thai IOD by focusing on important components as follows:

### 2.1 Individual Director Characteristics

To consider the characteristics of each candidate as follows:

- Integrity and Accountability
- Ability to utilize an Informed Judgment
- Being a prudent and mature person and a good listener who is able to advance constructive debates and independent opinions
- A person of principles and professionals
- Other characteristics as the Nominating and Compensating Committee deems necessary.

## 2.2 Collective Board Competencies

The Nominating and Compensating Committee needs to excel in formulating the business strategies and policies, and implementing the devised strategies effectively. Business competencies considered necessary are:

- Accounting and Finance
- Organization and human resource management
- Risk Management
- Crisis Management
- Industry Knowledge
- Strategic-Domestic and International Marketing
- Strategic Planning
- Other competencies and expertise as the Nominating and Compensating Committee deems are in line with strategy of the business or necessary. They are, for example, Health and Safety Regulations, Research & Development, E-Commerce, or Merger & Acquisition, etc.

The Nominating and Compensating Committee shall prepare training plan to provide specific knowledge and skills for the Board of Directors for consideration of the competencies of the existing Board of Directors which consists of Directors with complete knowledge and skills as necessary and suitable for the Company, leading to the utmost benefit of the Company.

## 2.3 Board Diversities

In addition to the directors' characteristics and Board's competencies, the Nominating and Compensating Committee may consider a diversity and balance of the Board of Directors. For example, the Board of Directors may consist of representatives from a variety of stakeholders, personal and professional experience and backgrounds, and other differentiating characteristics.

### **3. Directors Nomination Processes**

1. Review the existing structure of the Board of Directors whether it suits the strategic necessity of the Company and propose the improvement guidelines and nomination guidelines to be in accordance with the structure to the Board of Directors;
2. Nominate candidates with appropriate qualifications and propose to the Board of Directors for consideration;
3. Consider screening the candidates' name lists and profile of the candidates to be appointed as Directors and proposed to the Board of Directors for consideration;
4. Ensure the interview of the candidates who pass the consideration of the Nominating and Compensating Committee and propose the list to the Board of Directors for consideration and propose to the Meeting of the shareholders for approval;
5. The nomination of the candidates for Directors, the Nominating and Compensating Committee shall formulate the scope of nomination to ensure that the candidates are able to perform their duties in accordance with the two important duties of the Fiduciary Duty: duty of care and duty of loyalty;
6. Apart from the nominating of the candidates, the Nominating and Compensating Committee shall provide an opportunity for individual shareholders to nominate candidates to be Directors to the Nominating and Compensating Committee for consideration. The period for nomination shall be sufficient for consideration and screening as stipulated by the Nominating and Compensating Committee;
7. For clarification and transparency, the Nominating and Compensating Committee shall disclose the policy of nomination and process of Directors nomination to the shareholders, as well as preparing a nomination form which includes necessary information for consideration, supporting reasons, and willingness of the candidates;
8. Screen and examine candidates' name list with related organizations whether they are not in a blacklist or demoted from such organizations, including Meeting and interview persons who pass the screening and nominating of the Nominating and Compensating Committee;

9. Upon proposing the candidates, the Nominating and Compensating Committee shall propose an appropriate number of candidates to the Board of Directors for selection and propose to the Shareholders' Meeting to consider appointment of the Directors to fill the vacant positions
10. The Nominating and Compensating Committee shall send the name lists and profiles of the candidates in advance with the letter of invitation of the Annual General Meeting of the Shareholders;
11. Upon the re-election of a Director whose term has already completed, his contribution and profile shall be proposed to the Meetings of the Board of Directors and shareholders for consideration;
12. In order to propose the Directors' name lists to the shareholders for consideration, the Board of Directors shall provide an opportunity for each shareholder to cast the vote in order to consider each candidate's qualification. The vote result shall be disclosed at the Meeting;
13. An official orientation for the new Directors shall be held prior to the first Board of Directors' Meeting.