

**Criteria, Nomination, and Appointment of Corporate Directors**  
**of**  
**Phol Dhanya Public Company Limited**

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In order for the Nomination and Compensation Committee to proceed with the criteria, transparency and in coherence with the principles and practical guidelines regarding corporate governance, the Nomination and Remuneration Committee has compiled the criteria and procedures for the nomination and appointment of the Company's directors, serving as a direction in nominating and selecting the individuals with appropriate qualifications to propose to the Company's Board of Directors and/or the shareholders' meeting to review and approve of the appointment, with the details 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 no less than half of the total Directors shall have residence in the Kingdom of Thailand. The directors may or may not be the Company's shareholders. The Board of Directors shall consist of at least one-third of independent directors of the total directors of the Company and shall have no less than three people. In this regard, at least one director must be well-versed in verifying the credibility of the financial statements.

The Nomination and Compensation Committee will consider and propose the candidates with appropriate qualifications, no prohibited attributes according to laws and relevant rules and regulations, who are able to perform duties according to the 2 key principle of Fiduciary Duty – Duty of Care and Duty of Loyalty, to propose to the Board of Directors and/or the shareholders' meeting to consider for the director position. The Company's regulations prescribe that the shareholders' meeting is responsible for appointing the directors in accordance with the criteria and procedures as follows:

1. Each shareholder shall have one vote per each share held for the election of each director.
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.

In case the director position becomes vacant due to causes other than retirement by the end of term, the Board of Directors may select any individuals to assume the vacant position in replacement, according to the criteria and procedures of the nomination and appointment of the Company directors. In this regard, the directors' resolutions in the appointment of the directors must constitute votes of no less than three-fourths of the remaining directors. The individuals who get appointed as

directors will only be in the position for the remaining term of office of the directors being replaced, unless the remaining term of office is less than 2 months, in which case the candidates must be nominated to assume the position in replacement to the shareholders' meeting for consideration and approval.

## **2. Directors' qualification**

The Nomination and Remuneration Committee considers the list of candidates to be nominated as directors, with consideration of the elements and qualifications for the directors' qualifications as follows:

2.1 The Company's directors must have qualifications according to the criteria and without any prohibited qualification as prescribed under the Company's regulations and the law, Section 68 of the Public Limited Company Act B.E. 2535 (including amendments), no way that shows a lack of sense to be entrusted to the board of a public company with shareholders according Section 89/3 of the Securities and Exchange Act of 2535 (including amendments) and the Securities and Exchange Commission No. Kor Jor 3/2017 subject determination of untrustworthy characteristics of company directors and executives of the company, effective from 16 February 2017 onward.

In case the properties are independent director, in addition to the above qualifications also requires specific qualifications for independent directors per notification of the Capital Market Supervisory Board No. Tor Jor. 39/2016 refer the approval of Offer for sale of newly issued shares dated 30 September 2016. (See Appendix)

### **2.2 Individual Director Characteristics**

To consider individual characteristics to enhance the board's efficiency as follows:

- Integrity and Accountability
- Ability to utilize an Informed Judgment
- Being a prudent mature person and stability 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 Nomination and Compensation Committee deems necessary.

### **2.3 Collective Board Competencies**

Considering the directors' knowledge and expertise in different fields that align with the strategies and policies, as well as ensure compliance with the strategies in an effective manner, the Board of Directors should possess the knowledge and expertise in the following areas:

- Accounting and Finance
- Organization and Human Resource Management
- Risk Management
- Sustainable Management
- Law and Legal
- Business Knowledge

- Domestic and International Market
- Vision and Strategy Identification
- Other competencies deems specialized knowledge and expertise that it is in line with the necessity of the Company's current and future business and environment. They are, for example, Crisis Management, Health and Safety Regulations, Research & Development, E-Commerce, or Merger & Acquisition, etc.

The Nomination and Compensation 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.

#### 2.4 Board Diversities

Apart from the elements and qualifications of the Board of Directors, the diversity in terms of skills, knowledge, experience and attitude that constitute benefits in coherence with the Company's strategies and business operations, the diversity in terms of gender, age, race, nationality, skin color, ethnicity or religion, as well as the proportion of managerial, non-managerial directors and independent directors with appropriate attributes are also taken into consideration, in accordance with the principle of good governance.

### 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. With regards to the nomination of directors' names, the Nomination and Remuneration Committee identifies the nomination framework to ensure that the proposed candidates can perform duties in accordance with 2 key principles of the Fiduciary Duty – Duty of Care and Duty of Loyalty, which may consider from the organization's reliable directors pool, for instance, list of professional directors from the directory of the Thai Institute of Directors (IOD) or from the compilation of candidates with the knowledge, competencies and expertise in different areas that will constitute benefits for the Company's business operations.

3. The nomination of directors, whereby, the Company shall provide an opportunity for minority shareholders to nominate candidates with appropriate qualifications and propose to consider a directors. The period for nomination shall be sufficient for consideration and screening as stipulated by the Nomination and Compensation Committee.

4. The Nomination and Remuneration Committee considers the qualifications and verifies the candidates' personal data with the related bodies to ensure they are not blacklisted or withdrawn from the directory compiled by these bodies. The meetings, visits and interviews may be arranged for the nominated candidates for the director position, and their names may be proposed to the Board of Directors to review and consider prior to getting an approval from the shareholders' meeting.

5. For clarification and transparency, the Nomination and Compensation 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 which publicized to the company's website.

6. Upon proposing the candidates, the Nomination and Compensation 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.

7. The Nomination and Compensation 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.

8. 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.

9. 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 by individual at the Meeting.

10. An official orientation for the new Directors shall be held prior to the first Board of Directors' Meeting.