

# **Board of Directors' Charter**



**BTS Group Holdings Public Company Limited**

*Consolidated Version : February 10, 2014*

*Latest reviewed and revised on March 27, 2015*



## ***Introduction***

The Board of Directors of BTS Group Holdings Public Company Limited (the “Company”) commits in their fiduciary duties and responsibilities in overseeing the Company to be managed and operated in the best interests of the shareholders. To adhere to these fiduciary duties, each director commits to the four key duties as follows:

1. To perform their duties with due care (Duty of Care)
2. To perform their duties with loyalty to protect the best interest of the Company and shareholders (Duty of Loyalty)
3. To comply with the laws, the Company’s Objectives, the Company’s Articles of Association, and the resolutions of the Board of Directors and shareholders’ meetings (Duty of Obedience)
4. To disclose the information to the shareholders in the accurate, complete, transparent and timely manner (Duty of Disclosure)

In addition, the Board of Directors will determine policy, vision, mission, value, strategy, business direction and business target of the Company on the principles of the good corporate governance and business ethics in order to create the best value, returns and benefit to the Company and shareholders.

This Board of Directors’ Charter (consolidate version) (this “Charter”) was first approved by the Board of Directors’ Meeting held on February 10, 2014. The Board of Directors’ Meeting held on March 27, 2015 considered, reviewed and amended this Charter by adding the additional roles of the Board of Directors in order to promote the good corporate governance of the Company as well as the details as regards the structure of the Board of Directors and the management structure to correspond with the new organization structure effective April 1, 2015.

This Charter (as amended) shall be effective on April 1, 2015 henceforth.

## ***Structure of the Board of Directors***

1. The Board of Directors shall consist of directors in the number which are suitable to the size and business strategy of the Company. Nonetheless, there shall be at least 5 members and at least half of the members shall have their residence in the Kingdom of Thailand. A director of the Company is not required to be a shareholder of the Company;
2. The Board of Directors shall elect the Chairman of the Board of Directors and the Chairman of the Executive Committee from among themselves, and elect other officers as they may deem appropriate. The officers holding the position of Chief Executive Officer, Deputy Chief Executive Officer, Chief Operating Officer and Chief Financial Officer shall be appointed by the Board of Directors. The Chief Executive Officer shall be responsible for the day-to-day Company's business operation and report directly to the Board of Directors and the Executive Committee. The structure, duties and responsibilities of the Executive Committee and the Chief Executive Officer shall be as set forth in the Executive Committee's Charter;
3. The Board of Directors shall consist of independent directors in the number of at least one-third of the total number of directors, and in any case, the number of independent directors shall not be fewer than three; and
4. The term of office of the directors is as stipulated in the Company's Articles of Association. The directors retired by rotation are eligible for re-election.

## ***Roles and Duties of the Chairman of the Board of Directors***

1. The Chairman as the chief of the Board of Directors has the duties and responsibilities to supervise, follow up and monitor the due performance of the Board of Directors and other sub-committees to achieve the business objectives and plans;
2. The Chairman is the person who calls the meetings of the Board of Directors. In calling a meeting, the Chairman or a person assigned by him shall send out the meeting invitation to all directors at least 7 days prior to the meeting date. However, in necessary and emergency case and in order to preserve the rights or benefits of the Company, the meeting invitation may be sent by other means within a shorter timeframe. Such invitation may be served by hand to each director, or transmitted by facsimile transmission to every director specifying the place, date and time of the meeting and the nature of the businesses to be transacted;
3. To act as the chairman at the meetings of the Board of Directors and to cast the casting vote in case of an equality of votes;
4. To act as the chairman at the shareholders' meetings of the Company and to conduct the meeting in compliance with the Company's Articles of Association and the meeting agenda and to cast the casting vote in case of an equality of votes; and
5. To perform other duties as specified by laws particularly as the duties of the Chairman.

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## ***Rules of the Board of Directors' Meeting***

1. The Board of Directors shall have more than 6 meetings in each fiscal year. The meeting timetable throughout the year will be set in advance. The meeting for any additional extraordinary matters may be called as necessary;
2. The quorum for the meeting of the Board of Directors shall consist of at least a half of the number of directors holding the office and attending the meeting in person; and
3. If the Chairman of the Board of Directors is not present at the meeting or unable to perform his duties, the presenting directors may choose one of the directors as the chairman for such meeting.

## ***Qualifications of Directors***

1. Having knowledge, capability, skill, experience, and diversified expertise beneficial to the Company's businesses, and having the qualification suitable to the business strategy of the Company, including possessing qualifications and not having any prohibited characteristics under the Public Limited Companies Law, Securities and Exchange Law, rules and regulations of the Company and relevant supervisory agencies and the good corporate governance of the Company;
2. Being independent, performing the duty of the director with due care and loyalty and being able to contribute and dedicate time for the Company's business affairs;
3. Having a good working profile and not engaging in a business or being a partner in a general partnership or being an unlimited liabilities partner in a limited partnership or a director in other private or public company which carries on businesses with the same nature and in competition with the Company's businesses, except the shareholders' meeting is informed of such nature before having a resolution to appoint such person and other relevant laws are complied; and
4. The independent directors shall possess the qualifications as specified in the Company's Definition of Independent Director. The members of the Audit Committee shall possess the additional qualifications in accordance with the laws.

## ***Duties and Responsibilities of the Board of Directors***

1. To perform their duties in accordance with the laws, the objectives and the Articles of Association of the Company as well as the resolutions of the shareholders' meeting with honesty and due care for the benefits of the Company;
2. To determine the Company's policy, vision, mission, value, strategy, business direction and business target and to supervise and monitor the Management to ensure the implementation of those policies effectively and efficiently so as to maximize the value for the Company and the shareholders, and to consider and review the policy, vision, mission value, strategy, business direction and business target of the Company for the long-term basis at least every 5 years and to monitor the implementation of such strategy as well as to review the business strategy of the Company in the past fiscal year in order to set the business strategy of the next fiscal year;
3. To determine the Company's policies, strategies, business plans, annual budget including progress of the monthly and quarterly performance of the Company, in comparison with the business plan and budget, and to also consider the future trends for the next periods;
4. To evaluate the works of the Management regularly and to monitor the remuneration mechanism of the high level executives as deemed appropriate, by having the Nomination and Remuneration Committee to act as superintendent;
5. To supervise the Management to ensure that the accounting system, financial reports and accounting audit system are accountable, as well as to ensure that the Company has an appropriate and sufficient internal control system;
6. To consider and approve the acquisition and disposal of assets, investment in new businesses and any matters as required by the laws, save for the matters that the resolutions of the shareholders' meeting are required under the laws;
7. To consider and/or provide an opinion on the connected transactions of the Company and its subsidiaries and to ensure the compliance with the laws, notifications, regulations and relevant rules;
8. To monitor and prevent a conflict of interests among the stakeholders of the Company;



9. To consider all the Company's affairs by taking into account the benefits of the shareholders and all groups of stakeholders equitably. The director shall report to the Company, without delay, if he has any conflict of interests in a contract to be entered into with the Company or an increase or decrease of his shareholding in the Company or its subsidiaries. Hence, for any transaction with the director or a person having a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, the director in conflict shall have no right to vote to approve such transaction;
10. To govern the business operations with business ethics and conducts and to review the corporate governance policy and code of conduct regularly, and to evaluate the implementation of such policies at least once a year;
11. To establish the risk policy and framework, to review the appropriateness of the policy and framework on an ongoing basis and to ensure that risk management and internal controls are implemented;
12. To establish a corporate social responsibility (CSR) policy and to monitor the implementation of such CSR policy;
13. To report the responsibilities of the Board of Directors in the preparation of the financial statements by disclosing such report along with the external auditor report in the Company's Annual Report, covering key issues under the policy statement on code of best practice of directors of listed companies of the Stock Exchange of Thailand;
14. To delegate one or more directors or other persons to perform any task on behalf of the Board of Directors. However, such delegation shall not be the authorization or sub-authorization that allows the director or any designated person, who has a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, to approve such transaction;
15. To evaluate the performance of the Board of Directors on an annual basis, both group evaluation and individual evaluation, in order to use as a guideline for the review of the Board of Directors' performance;
16. To appoint sub-committees to assist and monitor the management system and the internal control system to ensure the compliance with the Company's policies, such as the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee, and to assign the annual performance evaluation of all sub-committees;



17. To determine and review the business organization chart and to appoint the Advisory Board which consists of a group of individual advisors who are knowledgeable and being the experts who can provide the strategic and useful advice to the business affairs of the Company and subsidiaries. The opinion or advice from the Advisory Board will be the opinion/advice from a person who is not involved in the business management of the Company and this would assist the Company to gain benefits from the viewpoint of a third party. Nonetheless, the advice, opinion or suggestion from the Advisory Board has no legal binding effect over the Company.;
18. To prepare and review the succession plan in order to determine the succession process for the position of the Chairman of the Executive Committee, Chief Executive Officer and other senior executive positions in the organization; and
19. To appoint the Company Secretary to ensure that the Board of Directors and the Company comply with the laws and relevant regulations.

## ***Appointment and Removal of Directors***

The appointment and removal of the directors of the Company are in accordance with the criteria and procedures as stipulated in the laws and the Company's Articles of Association which can be summarized as follows:

1. In every Annual General Meeting of Shareholders, at least one-third (1/3) of the directors shall retire by rotation. If the number of directors to retire by rotation is not divisible by three, the number of directors closest to one-third (1/3) of all directors shall retire. The directors who retire by rotation are eligible for the re-election;
2. The election of the directors at the shareholders' meeting shall be in accordance with the following rules and procedures:
  - Each shareholder shall have one vote for one share;
  - Each shareholder shall use all of his or her votes to elect one or several persons as the director(s). However, he or she may not divide his or her votes among the candidates;
  - The candidates who receive the most votes in descending order will be elected as the director(s) up to the number of the directors required to be elected at such meeting. In the event that the candidates have equal votes and their election would exceed the number of directors required to be elected at such meeting, the chairman of the meeting shall have a casting vote;
3. Apart from the retirement by rotation, the directors shall cease from their office on the grounds of:
  - death;
  - resignation;
  - lack of qualifications or possession of prohibited characteristics according to the Public Limited Companies Act B.E. 2535 (1992);
  - removal by a resolution of the shareholders' meeting;
  - removal by the court's order;
4. In case of a vacancy in the Board of Directors for the reasons other than the retirement by rotation, the Board of Directors shall pass a resolution with the affirmative votes of not less than three-quarters (3/4) of the number of the directors remaining in the office to elect a person who has the qualification and possesses no prohibited characteristics under the Public Limited Companies Act B.E. 2535 (1992) as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months; and
5. The shareholders' meeting may pass a resolution to remove any director from his office prior to the expiration of his term by the affirmative votes of not less than three-quarters (3/4) of the number of the shareholders attending the meeting and having the right to vote and hold shares not less than one-half (1/2) of the total number of shares held by the shareholders attending the meeting and having the right to vote.

## ***Directors' Knowledge Development and CG***

1. The Company encourages the new director(s) to attend the director orientation session to get a brief on the Company's business plans and policies, the duties and responsibilities of the Board of Directors and the sub-committees, including the information relevant to the business operation of the Company;
2. The Company has a policy to encourage the directors to develop their personal skill and knowledge regularly and adequately. The Company supports the directors to enroll in various training programs or seminars to enhance the necessary knowledge and skill for the performance as a director;
3. The Company promotes and encourages each director to attend the Board of Directors' meeting at least 75% of the total number of meetings in each fiscal year, except in case of necessity and emergency;
4. The Company promotes and encourages every director to attend the shareholders' meeting(s), except in case of necessity or emergency; and
5. To allow directors having sufficient time to review the information prior to the meeting, the Company encourages that the directors should receive the meeting materials at least 5 business days prior to the meeting date.