

# **Nomination and Remuneration Committee's Charter**



**BTS Group Holdings Public Company Limited**

*Consolidated Version : February 10, 2014*

*Latest reviewed and revised on March 27, 2015*

## ***Introduction***

BTS Group Holdings Public Company Limited (the “Company”) is recognized and aware of the importance of the good corporate governance of the listed companies. To support the performance of the Board of Directors in nominating the directors and determining the directors’ remuneration, the Board of Directors appointed two sub-committees, namely “Nomination Committee” and “Remuneration Committee” on May 28, 2009. Afterwards, the Board of Directors’ Meeting held on July 26, 2011 resolved to approve the restructuring of two sub-committees to be one sub-committee, namely “Nomination and Remuneration Committee” and approve the Nomination and Remuneration Committee’s Charter.

This Nomination and Remuneration Committee’s Charter (consolidated version) (this “Charter”) was prepared by addressing the structure of the Nomination and Remuneration Committee, Rules of Meeting of Nomination and Remuneration Committee, Duties and Responsibilities of the Nomination and Remuneration Committee, including the Nomination of New Directors in order to allow the Nomination and Remuneration Committee to perform their duties appropriately in accordance with the objective of the establishment of the Nomination and Remuneration Committee.

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 Nomination and Remuneration Committee in order to promote the good corporate governance of the Company and 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 Nomination and Remuneration Committee***

1. The Nomination and Remuneration Committee shall consist of the members who are directors and shall be at least 3 members but shall not exceed 5 members. The members shall be appointed by the Board of Directors. The majority of the members of the Nomination and Remuneration Committee shall be the independent directors;
2. One of the members of the Nomination and Remuneration Committee shall act as the Chairman of the Nomination and Remuneration Committee. The Chairman of the Nomination and Remuneration Committee shall be appointed by the Board of Directors or the members of the Nomination and Remuneration Committee;
3. The members of the Nomination and Remuneration Committee shall hold the office for a term of three years. The retired members may be re-appointed by the Board of Directors;
4. The members of the Nomination and Remuneration Committee shall cease from their office in case of:
  - 4.1. retirement by rotation;
  - 4.2. resignation;
  - 4.3. death;
  - 4.4. cease from office of director for any reasons set forth in the Company's Articles of Association;
5. In case of a vacancy in the Nomination and Remuneration Committee, the Board of Directors may appoint the qualified director as a replacement; and
6. The Nomination and Remuneration Committee shall have a secretary to assist their performance of duties.

## ***Rules of Meeting of the Nomination and Remuneration Committee***

1. The Nomination and Remuneration Committee shall hold at least two meetings in each fiscal year. The additional meetings may be called as necessary and appropriate;
2. The quorum for the meeting of the Nomination and Remuneration Committee shall consist of no less than a half of the members;
3. If the Chairman of the Nomination and Remuneration Committee is not present at the meeting or unable to perform his duties, the presenting members may choose one of the members as the chairman for such meeting; and
4. A resolution of the meeting shall be made in a majority voting basis. In the case of an equality of votes, the chairman of the meeting shall have a casting vote.

## ***Duties and Responsibilities of the Nomination and Remuneration Committee***

Nomination and Remuneration Committee has duties and responsibilities as follows:

1. To consider and provide an opinion on the Board of Directors' structure, such as the appropriate size and composition of the Board of Directors, taking into consideration the Company's size and business strategy in comparison with the current size and composition of the Board of Directors as well as to review the independency of each independent director, for the adjustment of the Board of Directors' structure to correspond with the Company's strategy;
2. To determine the criteria and process in selecting a person for the position of director, by considering:
  - qualifications of a director which correspond with the Company's business strategy, structure, size and composition of the Board of Directors as determined by the Board of Directors, including the diversity in the structure (Board Diversity) and other qualifications being required and inadequate in the Board of Directors (Board Skill Matrix);
  - the appropriateness of their knowledge, experience, expertise and time availability as well as other requirements as stipulated by the laws or regulations of the government authorities;
3. To select a director who has qualifications in accordance with the specified qualifications:
  - If the directors retire by rotation, to recommend those persons to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and appointment;
  - If there is a vacancy in the Board of Directors for any reasons other than the retirement by rotation, to propose a person/persons to the Board of Directors for consideration and appointment as a new director to replace the vacant position;
  - If there is a need on the appointment of an additional director to correspond with the Board of Directors' structure, to recommend a person/persons to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and appointment;

4. To consider the structure, amount, form and criteria for all types of appropriate remuneration (monetary and non-monetary) for the Chairman of the Board of Directors, directors and members of the sub-committees, taking into account the remuneration in other same industry companies or other companies in the same range of market capitalization. This is in order to motivate and maintain the valuable directors with the Company and to propose to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and approval;
5. To consider the performance evaluation criteria of the Chairman of the Executive Committee and the Chief Executive Officer and to propose the result of such evaluation to the Board of Directors for approval, as well as to propose the amount and form of remuneration of the Chairman of the Executive Committee and the Chief Executive Officer, both short-term and long-term remuneration, in correspondence with the result of the performance evaluation, to the Board of Directors for approval;
6. To prepare the director development plan in order to develop the knowledge of the existing directors and the new directors as regards the business of the Company, the roles and duties of director and other significant developments, including to determine the new director orientation guidelines;
7. To consider the appropriateness and conditions in offering new shares, warrants or other securities to the directors and employees as a motivation for the directors and employees to perform and build the long-term value for the shareholders as well as to maintain the qualified personnel with the Company. Nonetheless, such remuneration shall be justified to the shareholders;
8. To report their performance to the Board of Directors and/or at the shareholders' meeting;
9. To conduct an evaluation of the performance of the Nomination and Remuneration Committee on an annual basis and report the evaluation result to the Board of Directors;
10. To appoint the working group to assist the Nomination and Remuneration Committee in performing their duties as well as to appoint the independent expert consultants for providing advice and assistance for the performance of duties by the Nomination and Remuneration Committee; and
11. To perform any other acts related to the nomination of directors and determination of remuneration as assigned by the Board of Directors and to perform any other acts as stipulated by the laws or regulations of the authorities.

## ***Nomination of New Directors***

The Nomination and Remuneration Committee is responsible for the nomination of new director(s). The Nomination and Remuneration Committee will search for the potential candidate(s) and then propose to the Board of Directors or the shareholders' meeting for their consideration and appointment (as the case may be). The selecting criteria are taken into consideration the structure of the Board of Directors, which shall consist of the directors in the number suitable to the size and business strategy of the Company, the diversity in the structure of the Board of Directors (Board Diversity), the appropriateness of the qualifications and skills of the director(s) being required and inadequate in the Board of Directors to which the Board Skill Matrix will be used to identify the required qualification.

- 1) 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. In case of the nomination of independent director, such nominated person shall possess the qualifications as specified in the Company's Definition of Independent Director. In case of the nomination of the member of the Audit Committee, such nominated person shall possess additional qualifications in accordance with the laws;
- 2) Having knowledge, capability, skill, experience, and diversified expertise beneficial to the Company's businesses;
- 3) Being independent, performing the duty of the director with due care and loyalty, being mentally and physically healthy and being able to contribute and dedicate time for the Company's business affairs; and
- 4) 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.

The Nomination and Remuneration Committee will select the candidate(s) for the position of director(s) of the Company from the recommendation of other directors, the nomination by the shareholders of the Company, using of the external professional search firm, or from the director pool or other nomination procedures as the Nomination and Remuneration Committee considers appropriate.