



Charn Issara Development Public Company Limited

Charter of the Board of Directors



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1. Objectives

In respond to the corporate good governance policy and in accordance with the corporate good governance principles of the Stock Exchange of Thailand, the Company has set out a composition of the Board of Directors to compose of 9 persons including Chairman of the Board of Directors, Directors, Independent Directors, and Executive Directors. This composition will enable efficiencies of their performances in accordance with the law, objective and the Company's Articles of Association including resolution of the shareholders' meeting. Directors shall have a tenure of 3 years.

2. Composition and the Appointment

The company's Board of Directors composes of Chairman of the Board of Directors and other Directors, the inclusive number of which shall not be less than 5 persons. There are a minimum of 3 Independent Directors representing no less than one third of the number of all Directors combined. Those Independent Directors must be truly independent from the management and business relation or any other relation which may affect their independent consideration. The appointment of the Company's Board of Directors is considered for approval by Shareholders.

The appointment of the Company's Board of Directors shall follow the Company's Articles of Association and other related laws. The process of appointment must be transparent and precise. The Board of Directors shall elect one of the Director to be a Chairman and another Director to be a Managing Director.

3. Scope of power and authority of the Company's Board of Directors

1. The Company's Board of Directors has a duty to manage the Company in compliance with laws, objectives and the Company's Articles of Association including legitimate resolutions of the Shareholders' meeting with integrity and care to preserve the Company's interests as precedence.
2. Consider and approve important business related to the Company's operation such as visions and missions, financial strategies and objectives, risk, operational plan and budget. Monitor the management to follow the given policy except for those businesses which require prior approval from the shareholders' meeting.



3. Direct the Company's business, control and follow up, monitor the management to ensure effective compliance with policies, rules and regulations of related authorities. Ensure an adequate disclosure to shareholders and all related parties and transparent management in the best interest of shareholders. Ensure a continued business operation in the long run including staff training and development and continuity of the management.
4. Oversee the internal control and risk management including a mechanism to receive petition and due action on those.

4. Qualifications

The Company's Directors

1. Qualified with experience and possess integrity including an understanding on qualifications, duty and responsibility of the Company's Director.
2. Able to devote adequate time for the call of duty of the Company's Board of Directors
3. Chairman of the Board of Directors shall not chair or become a member of sub-committee to enable an independent judgment of those sub-committees.
4. Possess qualifications pursuant to the requirement set forth in the Public Limited Company Act and other related laws and possess no prohibited characteristics set forth in section 89/3 of the (4th edition) BE 2551 the Securities Exchange and Stock Exchange Act.
5. Directors of the Company may serve other companies as Director as long as there is no effect to their performance in the Company and must be in line with the guideline stipulated by the Securities Exchange Commission and the Stock Exchange of Thailand.

Independent Director

1. Must not be executive. Independent from the management and controlling shareholders. Has no business relationship with the Company in such a way to limit an independent view and must possess qualifications required by the Securities Exchange Commission as follows:-
 1. Shall not hold more than 1% of issued and paid up shares of the Company and its subsidiaries, joint venture or related company. This limitation also counts on those shares held by related parties.



2. Shall not involve in the management, be employee, staff or consultant who entitle to monthly salary from the Company or its subsidiaries, joint venture, related company or major shareholder of the Company.
3. Has no interest both directly or indirectly in the Company, its subsidiaries, joint venture, related company or be a major shareholder in the Company
4. Is not a close relative or relate to any of the executives or major shareholders.
5. Is not a Director who has been appointed to look after the Company's interest, major shareholders or a shareholder who is related to the Company's major shareholder.
6. Able to perform the duty and give an independent opinion as described by the Company and in line with the announcement of the Stock Exchange of Thailand on qualifications and scope of duty of Audit Committee.

5. Tenure

The Company's Director has a tenure of 3 years from the date of appointment, the retiring Director is eligible for a re-election.

At the Annual General Meeting of Shareholders, one third of Directors must retire from the office.

Apart from the vacancy upon retirement by rotation a Director shall vacate office when:-

- 1) Resignation,
- 2) Death,
- 3) Disqualification under regulations and notifications of laws regarding public limited company,
- 4) The shareholders pass a resolution removing him/her from the office by a majority vote of not less than three fourth of the shareholders present and entitle to voting rights,
- 5) Removal by a court order.

Any Director wishes to resign shall submit a resignation to the Company and such resignation shall take effect when the same is received by the Company.



In case of a vacancy in the Board of Directors for any reason other than the expiration of the Director's term of office, the Board of Directors shall elect a person whose qualification is not prohibited by law to be a replacing Director in the next meeting of the Board of Directors, unless the remaining term of office is less than 2 months. The replacing Director shall hold office only for the remaining term of office of the Director whom he/she replaces.

6. Duty and responsibility

1. Perform its duty with responsibility, care and honesty in compliance with laws, objectives and the Company's Articles of Association except for those businesses which require prior resolution from the shareholders' meeting such as those stipulated by laws to be approved by shareholders' meeting, related transaction and acquisition or disposition of major asset in accordance with rules of the Stock Exchange of Thailand or those regulations from other authorities.
2. Arrange to have a written policy on governing the Company's business and approve such policy with an annual review on compliance and on the policy itself. To encourage the establishment of business ethics for every Director, management and staff to understand the standard of the Company's ethics which are used in operating the business and to follow up to ensure an effective compliance.
3. Consider thoroughly the conflict of interests. To consider transaction which may carry a conflict of interest with a clear direction for the Company's and its shareholders' interests while those who has interest shall refrain from decision making. To monitor the compliance with such operational procedure with adequate and accurate disclosure on transaction with conflict of interests.
4. To arrange for operational control system, financial report and rules and policies compliance. To arrange for an independent person or department to perform and responsible for the audit of such control system with a minimum of an annual review on key system then report the review in the annual report.
5. Establish risk management policy to cover the entire organization by causing the management to follow the policy and report to the Board of Directors on regular basis. Arrange to have a minimum of an annual review on the risk management and report the review in the annual report with an interim report at every interval when it was found that there is change in the risk level. This includes an attention paid to the important of warning signs and all those irregular transactions.
6. The Board of Directors or Audit Committee shall give their opinion on the adequacy of internal controls and risk management in the annual report.



7. Arrange to have a clear procedure for those who wish to report a clue or related person through website or directly to the Company by channel them through Independent Directors or Audit Committees for an investigation of information in accordance with the established procedure then report to the Board of Directors.
8. Make available a mechanism to monitor subsidiary companies in order to look after the Company's investments. The Board of Directors has a duty to consider personal qualifications of those candidates for the position of Director in subsidiary companies to ensure a compliance operation to the Company's policy and that all transactions entered into are legal and in accordance with rules of Security Laws, Stock Exchange of Thailand and its announcement.

7. Meeting

1. Arrange to have meetings and agenda of the meeting of the Board of Directors in advance and notify each Directors of the meeting date to enable Directors to spare time to attend the meeting. Meeting agenda and papers must be sent to Directors at least 5 days prior to the meeting.
2. There must be a minimum of 6 meeting per annum which is considered appropriate and in line with duties and responsibilities of Director and the Company's business.
3. Chairman of the Board of Directors and Managing Directors shall jointly consider businesses to be included on the Board of Directors' meeting agenda. They shall make sure that those important businesses have been included and allow each other Directors to consider proposing business of the Company's interest into the meeting.
4. All Directors shall attend meetings not less than 75% of the number of Board of Directors' meetings convened in a calendar year.
5. The Chairman of the Board of Directors has spare sufficient time for the Management to propose business and for the meeting to discuss thoroughly and generally. The Chairman shall encourage a careful consideration and all Directors to pay attention to all agenda brought into the meeting including the monitoring of the business.
6. The Board of Directors encourages the Managing Director to invite senior management to attend the Meeting of the Board of Directors to give additional detailed information as they are directly involved and to have an opportunity to know senior management for consideration of succession plan.



7. The Board of Directors is able to access necessary information from the Managing Director, the Company's Secretary or other management who has been assigned within the scope of established policy. In the event that independent views are needed the Board may arrange to seek independent views from outside consultants or professionals and the expense incurred shall be treated as the Company's expense.
8. Non-executive directors should be able to hold, as necessary, in-camera sessions without the presence of the management team in order for them to discuss and debate their concern. The non-executive directors should be notify the managing director of the meeting outcomes.

8. Quorum

In the Meeting of the Board of Directors there must be Directors present not less than half of the total number of Directors to constitute a quorum. Chairman of the Board of Directors shall chair the meeting of the Board of Directors. In the event that the Chairman is unable to attend any meeting or unable to perform his/her duty then the deputy chairman (if any) shall act as chairman of the meeting but in the event that there is neither Chairman nor Deputy Chairman present then all Directors present shall elect one Director to act as Chairman of the Meeting.

The Meeting shall be voted on majority of those Directors presented in the meeting. Each Director shall have one vote except for any Director who has a conflict of interest on any agenda shall not vote on that particular agenda. In the event of tie vote the Chairman shall exercise a casting vote.

9. Performance appraisal

The assessment on the performance of the Board of Directors should be annually conducted. The types of which can be categorised into 1) the assessment on the performance of the overall Board Directors and 2) the assessment on the performance of each board director individually. The assessment results can be achieved by a Board self-assessment questionnaire or any other medium deemed appropriate in order to appraise the Board's performance during the past year, improve the Board's effectiveness and achieve its objectives.



10. Secretary to the Board of Directors

The Company Secretary is responsible for supervising activities concerning to the Board of Directors, preparing and proposing meeting agendas as well as keeping minutes approved by the Board of Directors.

This Charter is effective on this February 25, 2015 with the consideration and approval of the Board of Directors at the meeting 2/2558 held on the same date.

A handwritten signature in black ink, appearing to read 'Srivara Issara', positioned above a horizontal line.

Mrs. Srivara Issara

Chairperson of the Board of Directors

Charn Issara Development Public Company Limited