



**Electricity Generating Public Company Limited  
Board of Directors Charter 2019**

As a representative of shareholders and a governing body of EGCO, the Board of Directors ("the Board") plays its significant role to govern the Company to thrive for good performance in the long term and to build up confidence to shareholders and related stakeholders, gearing toward the long-term sustainability. With respect to this, the Charter of the Board of Directors is developed to describe the roles and responsibilities of the Board committed to the shareholders, and all stakeholders. Additionally, the Charter of the Board of Directors will ensure that the Board understand its roles and perform its duties and responsibilities effectively and that the Board can govern the Company in compliance to obligatory rules and regulations and the shareholders' resolutions as well as achieving the corporate objectives and targets.

**1. Definition**

Company or EGCO	means Electricity Generating Public Company Limited
EGCO Group or Group Companies	means Electricity Generating Public Company Limited, subsidiaries, associate companies, and joint ventures.
Subsidiary	means an entity that is controlled by Listed company or its subsidiary
Associate Company	means an entity that Listed company or its subsidiary has significant influence but not controlling power. Normally, Listed company or its subsidiary hold 20.00% (twenty percent) of more than but not more than 50.00% (fifty percent) of its overall voting stock.
Joint Venture	means an entity that Listed company or its subsidiary has contractually agreed sharing of control over an economic activity. The strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Major Shareholders	Means a shareholder, whose shares in a listed company exceeds 10.00% (ten percent) of the listed company's overall voting shares.
Controlling Person	<p>Means a shareholder or person who, through its behavior, can significantly influence the policy, management and operations of a listed company. This is irrespective of the source of its authority: through its rights, contracts, or any others.</p> <p>Specially a "controlling person" includes, but it is not limited to, one who:</p> <ul style="list-style-type: none"><li>A) Has direct or indirect voting rights exceeding 25.00% (twenty-five percent) of the total company votes.</li><li>B) Through its behavior, has control over the appointment or removal of company directors.</li><li>C) Through its behavior, has de facto control or undue influence over policy, controlling those company members authorized to determine management and operational policies.</li></ul> <p>Through its behavior, acts or has the power to act in the same manner as the company management. This includes those who hold other positions in the company, but are able to act in the same manner as the company management.</p>

**2. Composition**

- 2.1 The Board comprises not less than 5 and not exceeding 15 members as stipulated in the Company's Articles of Association. The appropriate number of the directors will be periodically reviewed to align with their responsibilities. The change in the number of directors needs the approval of the shareholders with the votes of not less than four-fifth of the shareholders present and entitled to vote.
- 2.2 The Board comprises
  - 1 executive director, namely President
  - Independent Directors at least 1/3 of the number of the whole Board of Directors, possessing the qualifications as stated in the Company's Independent Director' Definitions

- At least 1 female independent director

2.3 The Board shall elect one or more directors to be the Chairman, the Vice-Chairman and the President, as deemed appropriate.

### **3. Qualifications**

#### **3.1 General Qualifications**

- 3.1.1 Not being over 72 years
- 3.1.2 Possess the qualifications in compliance with related laws and obligations as well as the Company's Articles of Association
- 3.1.3 Have full ethical and legal responsibility for the Company and Stakeholders, have fair judgement and be independent as stated in the Director's Code of Conduct
- 3.1.4 Devote time and resources to the Company, attend, perform duties at every board meeting and provide useful comments and recommendations

#### **3.2 Specific Qualifications**

The skills of directors are composed of core and supporting skills.

- 3.2.1 Core Skills are the basic skills necessary and benefit to the corporate governance which contributes to achievement toward targets, namely power and energy business, engineering, accounting, finance and law.
- 3.2.2 Supporting Skills are extra skills needed to support the business operation which are international investment and business administration, strategy and planning expertise, corporate governance, internal control, risk management, human resource development, technology information and corporate social responsibility, etc.

### **4. Term of office**

#### **4.1 Director**

- The term of office of each director is 3 years, with a year for these purposes meaning the period between the Annual General Meeting of shareholders when he /she is appointed and the next succeeding Annual General Meeting,
- The directors who retire by rotation could be re-elected to maintain the business continuity, without any limitation of their terms of office.

4.2 Independent Director

- The term of office of each director is 3 years, with a year for these purposes meaning the period between the Annual General Meeting of shareholders when he /she is appointed and the next succeeding Annual General Meeting,
- The independent directors who retire by rotation could be re-elected to maintain the business continuity, but not exceeding 2 terms or 6 years consecutively (starting from the Shareholders' 2016 Annual General Meeting).

5. Duties and Responsibilities

Duties to EGCO

- 5.1. Understand its leadership role and assume its responsibilities in overseeing the Company, towards the sustainable value
- 5.2. Oversee the Company to create sustainable value and to pursue the following outcomes: competitiveness, performance with long-term perspective, ethical and responsible business, good corporate citizenship and corporate resilience
- 5.3. Establish and drive the core value which upholds ethics and be a role model
- 5.4. Define policies for directors, executives and employees in writing which represent principles and practices for operating the Company, and put in place the governance mechanism to ensure the compliance with the established policies, monitoring the performance and regularly review of policies and practices,
- 5.5. Ensure performance of all directors, executives and employees in compliance with their fiduciary duties, and company's operation in compliance with applicable law and standards as well as the shareholders' resolutions,
- 5.6. Define core objectives and targets and monitor the performance of the Company to achieve the defined objectives, targets and strategies,
- 5.7. Determine and review the board structure to support the achievement of objectives and targets
- 5.8. Select and develop directors and President and determine their remuneration as well assessing their performance
- 5.9. Determine the employees' remuneration structure as motivation for employees to drive the Company to achieve the objectives and targets

- 5.10. Develop a succession planning for key executives and monitor the performance to ensure that the Company has competent executives to fill in the vacant positions
- 5.11. Ensure that a good internal control is established by setting up the Company's regulations including a clear and appropriate working processes, accounting system, standard and reliable financial reports, substantial risk management, efficient compliance system and regular monitor

Duties to Shareholders

- 5.12. Ensure that EGCO is financially viable, properly managed and constantly improved so as to protect and enhance the interests of the shareholders
- 5.13. Ensure that the information disclosure is materially correct, complete, transparent and timely
- 5.14. Ensure the equitable treatment of all shareholders
- 5.15. Not report of fault information or avoid disclosure of the mandatory required information on the Company's operating results and financial position

Duties to Creditors

- 5.16. Ensure EGCO's full compliance with loan provisions and disclosure of EGCO's financial status
- 5.17. Promptly seek professional advice when in uncertain circumstance which might impact lenders such as unstable financial position or pending insolvency

Duties to other Stakeholders

- 5.18. Ensure EGCO's compliance with the governing laws and regulations while taking into account the impact on employees, other stakeholders, community, society and environment

Due Diligence

- 5.19. Attend all Board meetings, or give apology in advance when meeting attendance is not possible
- 5.20. Acquire a knowledge of the corporate objectives, mission and core business
- 5.21. Acquire a knowledge of EGCO business including statutory laws and regulations affecting the discharge of duties as director, and well aware of the business environment

- 5.22. Be provided substantial information in advance to allow adequate time to analyze; then make thorough judgment
- 5.23. Consider and make independent judgment; In case of dissent from Board's resolution, directors can request the record of objection in the Minutes of Meeting.
- 5.24. Ensure that the communication system is established for directors to be provided regular and timely information to enable the thorough and careful judgment.
- 5.25. Ensure that the communication and information disclosure among stakeholders are executed correctly, appropriately and timely.
- 5.26. Encourage the open communication between the Board of Directors and auditors and that the auditors can work independently and efficiently with the full co-operation from the management and internal auditors.
- 5.27. Ensure that EGCO complies with the governing laws, rules, regulations and business standard and ethics.

**6. Board of Directors' Authority**

The Board of Directors is responsible for approval and/or endorsement of the following matters for the Shareholders' approval pursuant to the Company's regulations and Table of Authority:

The Board's Matters

- 6.1 Elect and appoint directors in the Board of Directors to replace resigning directors during the year, and to nominate directors to the shareholders to replace the directors who retire by rotation
- 6.2 Conduct the self-assessment annually and explain the Board of Directors' responsibilities and governance in the annual report
- 6.3 Establish and amend the sub-committees' charters
- 6.4 Appoint, remove and change members in the sub-committees.
- 6.5 Establish a new sub-committee during the year and determine its remuneration when considered as appropriate

Corporate Policy and Management

- 6.6 Approve and revise the Company's vision, goal, mission and policies
- 6.7 Approve both short-term and long-term strategic plans; including action plans, annual budget and manpower to be in line with the strategic plans

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- 6.8 Make a decision for the interest of the Company, shareholders, stakeholders; and to monitor the Management's performance and provide suggestions to solve the problems appropriately
  - 6.9 Establish and amend the Company's regulations
  - 6.10 Determine, establish and revise the Company's Table of Authority
  - 6.11 Establish and revise the organization structure of EGCO and EGCO Group's companies in which EGCO has management control
  - 6.12 Consider risks related to corporate management in all aspects

Business Activities

- 6.13 Establish, amend or change the binding agreements of investment/ joint venture/ bids under EGCO's commitment including any divestment
- 6.14 Endorse the following matters before proposing for the shareholders' approval:
  - Acquisition or sale of important assets or any related transaction as outlined by the laws and the Capital Market Supervisory Board
  - Sale or transfer of EGCO enterprises or its components to other entities
  - Purchase or acquisition of enterprises on behalf of EGCO
  - Making addendums or changes to EGCO's Memorandum or Articles of Association
  - Increase or decrease of the registered capital
  - Issuance of securities for sales to the public, except for common shares
  - Dissolution of EGCO or merging it with another company
  - Announcing annual dividends
  - Sundry other activities as mandated by laws or EGCO's Articles of Association to seek approval from shareholders' meeting
- 6.15 Approve the interim dividend payment for the shareholders
- 6.16 Approve the change in significant accounting policy and compliance with new accounting standards
- 6.17 Approve the issuance of debt securities (excluding debentures), borrowing, refinancing and rescheduling
- 6.18 Approve the guarantee, loan to group companies and other financial supports

6.19 Approve the revision of annual budget

6.20 Approve the disposal of materials

Human Resources

6.21 Approve hiring, employment, appointment, termination and compensation required by law for the President, top executives and Corporate Secretary

6.22 Evaluate the President's performance and approve the salary increase for the President

6.23 Consider the disciplinary action for the President

6.24 Approve the Company's salary structure, wages, compensation and benefits

6.25 Approve the succession plan for the position of Executive Vice President upwards

Other Business

6.26 Approve the court actions

6.27 Appoint specialists to provide in-depth information or take any related actions for the Company in case of the issues affecting significantly the Company's business, financial positions or reputation of Group Company

6.28 Authorize the President appropriately to manage the Company in accordance with the corporate strategy, directions, goal and policy by ensuring that the Company has a proper corporate governance and efficient monitoring and evaluation

6.29 Take other responsibilities in relation to the Company's business as assigned by the shareholders

6.30 Consider donation apart from what has been approved in the annual budget

**7. Authorized Directors**

EGCO determines that the authorized directors comprise the Chairman or the President to sign and affix the company's seal independently, or any two directors to sign jointly and affix the company's seal. Such authorized directors shall exclude (1) independent directors to maintain their independence under the good corporate governance principle, (2) directors who are senior government officers, and (3) directors who are also directors of the financial institutions to avoid the limitation that such financial institutions cannot provide future financial service to EGCO.



**8. Meeting**

- 8.1 The Board meets monthly and the meeting can be called as a special case (if necessary)
- 8.2 Lead Independent Director shall preside and act as Chairman at all meetings of the Board at which the Chairman or the Vice Chairman is not present.
- 8.3 Each meeting must be attended by not less than a half numbers of the total directors to constitute a quorum.
- 8.4 The quorum requires not less than two-third of the total number to pass a resolution.
- 8.5 Measures are approved by a majority of the committee members constituting a quorum.
- 8.6 Directors who have any potential conflicts of interest in any agenda item have no right to vote in such item; in case of equal voting the Chairman shall have the casting vote.
- 8.7 Board Members are required to attend the meetings regularly with the attendance rate of at least 75% per year.

**9. Limitation of Holding Directorship in Other Companies**

To ensure that the directors can devote their time and dedicate themselves in governing the company, the Board has limited the number of other listed companies where the directors can hold directorship. A non-executive director can serve not more than 3 other listed companies while an executive director can serve not exceeding 2 other listed companies.

**10. Reporting**

The Board is accountable to the shareholders and shall report its activities, the Corporate performance and governance to the shareholders in the annual report and at every shareholders' meeting.

**11. Remuneration**

The remuneration of the Board of Directors shall be determined by the shareholders in every annual general meeting with a vote not less than two thirds of the shareholders present.

**12. Advisors**

Directors and sub-committee member can seek advice from EGCO's advisors or engage independent advisors for the governance benefits such as legal advisors, financial advisors, HR advisors, and other professional advisors at EGCO's expenses.

This Board of Directors' Charter is effective from January 1, 2019.



(Mr. Witoon Kulcharoenwirat)

Chairman

Electricity Generating Public Company Limited