

## 7: Structure and Responsibilities of the Board of Directors

The Board of Directors has the commitment to conduct the Company's business by excelling the business operation based on the vision, mission, business ethics, risk factors and good corporate governance.

### 1. Board Structure

#### **Structure and Balance of Power**

- The Board of Directors shall be comprised of not less than 5 directors and not more than 15 directors as prescribed by the Articles of Association. The number of directors shall be reviewed as deemed appropriate.
- The Chairman of the Board of Directors and the President of the Company shall not be the same person to have a clear distinction between supervisory policy making and day-to-day business administrative roles.
- The Board of Directors shall be responsible to the shareholders. Each director represents all shareholders and shall act in the best interest of and fulfill the fiduciary obligations to shareholders while taking into account the interests of other stakeholders of the Company.
- The Board of Directors believes that there should be adequate number of independent directors to serve the Company, namely more than one-third of the number of the whole Board of Directors. The only executive director is the President.

#### **Directors' Qualification**

- Possess high levels of business expertise and experience beneficial for Company governance with intrinsic interest in the Company,
- Conduct themselves honestly and with integrity,
- Have full ethical and legal responsibility towards the Company and stakeholders,
- Use independent judgment to win trust from shareholders,
- Devote time and resources to the Company, attend and perform duties at every board meeting, and
- Conduct the business in compliance with the governance principles established by the governing bodies and the code of conduct set by the Company

### **Term and Age of Directors**

**Term Limit:** The Board of Directors generally agrees that there shall not be term limit on the number of terms a director might serve. Term limits may cause the loss of experience and expertise important to the optimal operation of the Board. Exception is made for independent director whose term is limited at 2 terms or 6 years, starting from 2016 annual general meeting.

**Age Limit:** The Board of Directors agrees that the age limit policy shall be imposed that director candidates can not stand for election after age 72. Given such age limit on the election date, directors shall be able to serve on the board until the expiry of their terms.

### **Policy and the Procedure for Holding Directorship in Other Companies**

To ensure that the Board will be able to devote time for the efficient governance of EGCO, the Board agrees that an executive director should not serve as a director more than 2 listed companies while a non-executive director should limit his or her directorship at only 3 listed companies.

### **Independent Directors**

EGCO independent director shall have the following qualifications.

1. Holding shares not more than 0.5% of the paid-up capital with the voting right of EGCO, parent company, subsidiary company, associated company or any legal entity that may have the conflict of interest (including the connected persons as stipulated in section 258 of securities laws)
2. Not being a director that takes part in the management (executive director, director who has the same responsibility as management except for the signature in transactions approved by the Board and the joint signing with other directors), employees, advisors who receive regular salary, or controlling person of EGCO, parent company, subsidiary company, associate company and fellow subsidiary (subsidiary of the same holding company) or any entity that may have a conflict of interest during the period of two years before his/her appointment.
3. Not being a person who is related by maternity and by registration as parents, spouse, brother, sister, and son and daughter including their spouses of the management, or major shareholders, controlling persons or persons who will be nominated to be the Management or controlling persons of EGCO or its subsidiaries.
4. Not having business relationship with and not being a major shareholder, non-independent director or management of EGCO, parent company, subsidiary company, associate company

- or any entity that may have a conflict of interest in a way that would affect the giving of independent opinions during the period of two years before the filing date.
5. Not being an auditor or a major shareholder, director, management or partner of the audit firm that provides auditing services to EGCO, parent company, subsidiary company, associate company or any entity that may have a conflict of interest during the period of two years before the filing date.
  6. Not providing any professional service or being a major shareholder, non-independent director, management or partner of the company that provide professional service which include financial and legal advices with the fee higher than 2 million baht per year during the period of two years before the filing date.
  7. Not being appointed as a representative to safeguard interests of EGCO director, majority shareholders or shareholders who are related to EGCO's majority shareholders.
  8. Not having any constraint that would affect the performance of giving independent judgment on EGCO.

The Nomination and Remuneration Committee shall review the appropriateness of the independent director definition.

#### **Authorized Directors**

To maintain the independence of independent directors, the Company determines the authorized directors to comprise Chairman or President to sign and affix the Company's seal independently, or any two directors to sign jointly and affix the Company's seal, excluding the independent directors, in compliance with the good corporate governance principles, representative directors from government sectors, and directors from financial institutes to avoid any limitation for the financial institutes to provide any loan to EGCO.

#### **Director Nomination**

The Board puts an emphasis on the director nomination and selection process taking into account the following qualifications and experiences in considering each individual candidates:

- Regulations and Notifications of SET and SEC and the Articles of Association regarding the directors' qualifications,
- Directors' values prescribed in Directors' Code of Conduct namely honesty, virtue, initiative and achievement, excellence, accountability, justice, independence, equality of shareholder opportunity,
- Knowledge and experiences beneficial to the Company's business,

- Trainings and experience at the policy making level in corporate governance,
- Willingness to represent the best interests of all shareholders,
- Willingness to devote time and effort to contribute to the Company's development.

The Nomination and Remuneration Committee is entrusted to select and recommend prospective nominees, whether they are to become the shareholders' representatives or independent directors, to the Board for approval/endorsement. The Nomination and Remuneration Committee is also responsible for assessing the appropriate mix of skills and characteristics required of Board members in the context of the needs of the Board at a given point in time and shall periodically review and update the criteria as deemed necessary.

### **Nomination Process**

The Process to nominate director candidates starting from 2011 shall be as follows.

<b>Procedure</b>	<b>Timing</b>
1. Announcement of the retiring directors and retiring directors offering themselves for re-election	August
2. EGCO invites the shareholders to propose the names of qualified candidates.	September
3. Scrutiny of the nominees to succeed the retiring directors by the Nominating Committee.	February
4. Endorsement of the nominees by the Board of Directors	March
5. Disclosure of retiring Directors and the nominees to succeed them in the Notice of the AGM.	April
6. Director election by the Shareholders at the AGM	April

### **Director Election Process**

- The shareholders' meeting shall elect directors in accordance with the following rules and procedures:
  - Each shareholder shall be entitled to the number of votes equivalent to the number of shares held by him; one share shall have one vote.
  - Each shareholder shall elect one or more directors, provided that the shareholders shall not exercise their votes in excess of the number of directors required at such time.
  - In the case that a shareholder elects more than one director, the shareholder may exercise all the votes he has, provided that he may not split his votes among any such persons.

- The persons receiving the highest number of votes in respective order shall be appointed directors depending on the requirement of directors set at such time. In the event that a number of persons receives an equal number of votes for the last directorship rendering the number of directors more than is required at such time, the Chairman of the meeting shall have a casting vote.
- In the case of casual vacancies, the Nomination and Remuneration Committee will nominate a qualified candidate for the Board's approval at the subsequent Board of Directors' meeting. The director who fills in the vacancy shall retain the office for only the remaining term of office of the director whom s/he replaces. The resolution of the Board of Directors in this respect shall consist of not less than three-fourth the votes of the remaining directors.

### **Director Orientation and Trainings**

All new directors must participate in the Company's orientation program. This orientation will include presentations by senior management to familiarize new directors with the Company's significant issues, Directors' Manual and the Company's Code of Conduct for Directors and Employees. Any sitting directors and other top management may attend the orientation program.

The Company encourages the directors to attend the training program to increase their understanding on the roles and responsibilities under the good corporate governance campaign. Directors can attend the program at the Institute of Thai Directors or other relating academic institutes on the Company's expenses.

### **1. Board of Director Evaluation**

The Board determines that its self-appraisal should be conducted annually to follow up its performance in terms of a collective board, sub committees and an individual director, by using the self-appraisal form which is endorsed by the Nomination and Remuneration Committee and approved by the Board.

### **2. Collective Self-Appraisal**

The collective self-appraisal form comprises 6 sections, namely (1) the Board's Roles, Duties and Responsibilities including Risk Management, Internal Control, Duties and Ethical Code of Conduct, and Performance Monitoring, (2) Structure, Composition and Independence of the Board and (3) the Board's Meetings and Meeting Participation (4) The Relationship with the Management (5) Evaluation, Compensation of the Board (6) The Management Evaluation and Compensation and Succession Plan.

### **3. Committee Appraisal**

The Board delegates its authority to 4 committees namely the Audit Committee, the Investment Committee, the Nomination and Remuneration Committee, and the Corporate Social Responsibility Committee. The self-appraisal of each subcommittee is conducted annually by using the appraisal form drafted in line with good governance principles and their particular responsibilities covering the 4 areas as follows: (1) Structure and Composition of the Committee (2) Roles and Responsibilities (3) the Committee's Meetings and Meeting Participation (4) Their performances.

#### **Individual Self-Appraisal**

The individual appraisal form comprises 5 sections, namely (1) Strategic Mind and Corporate Governance. (2) Competence and Experiences in Company's Business and Individual Abilities. (3) Independence (4) Self Preparation as Director and (5) Self Development of the Director.

The Board submits the filled forms to the Corporate Secretary for the evaluation result. The scoring is graded based on the following criteria.

1. Excellent Level with the score in the range from 90-100%
2. Very Good Level with the score in the range from 80-89%
3. Good Level with the score in the range from 70-79%
4. Fair Level with the score below 69%

The scores and directors' recommendations in each area are taken into consideration for directors' improvement each year.

#### **Director Remuneration**

The Company sets the directors' remuneration at the appropriate rate which is comparable to that of the leading companies in the same sector. The remuneration comprises 3 parts, namely monthly retainer fee, meeting allowance, and bonus which is paid once a year and is tied with the Company's achievement. The Nomination and Remuneration Committee shall recommend the remuneration framework to be endorsed by the Board before annually proposing to the shareholders. The guidelines for considering director remuneration are as listed below:

- The consideration on Retainer fee and meeting allowance shall take into account industry practice, operating result and business size including the required responsibility, knowledge, competency and experience of directors.
- The consideration on bonus will be tied up with the Company's net profit or dividend payout ratio.

The Company has a policy to disclose the remuneration of each director for transparency. Directors that also serve as committee members will be entitled to extra remuneration to match the increase in responsibilities. Executives who serve as directors and committee members shall refrain from taking additional remuneration.

## **2. Directors' Duty and Responsibilities**

### **Duty and Responsibilities**

The Board has significant responsibilities as follows.

- Have clear understanding of the Company's objectives, missions and core competency. Directors should devote time to attend the meeting and acknowledge the responsibilities in carrying out their duties;
- Set the corporate vision, target and business strategy including risk management policy, annual budget and business plan as well as setting the corporate performance targets while monitoring the implementation, the result, significant investment cost, acquisition and sale of the assets;
- Recruit, set the remuneration rate, monitor the performance and (if necessary) change the key management and plan for the smooth succession plan;
- Review the remuneration of the directors and key management and ensure that the director selection process is procedural and transparent;
- Monitor and resolve the conflict of interests which may incur by management, directors and shareholders, and to ensure the independent audit and internal control with the focus on risk monitoring, financial control and legal compliance;
- Monitor the effectiveness of the existing governance tools and instruments and implement change if necessary;
- Monitor the information disclosure and communications;
- Direct self-appraisal annually and declare in the annual report how well they carry out their duties and oversee the Company

## **Board Meeting**

### ***Meeting Schedule***

- The Board schedules the meeting on a monthly basis. The meeting can be called between such intervals if there is any major unplanned event that needs the Board's consideration.
- The Board may authorize the Board's committees to scrutinize or approve the management's activities within the authority approved by the Board during the Board meeting interval.
- The Board meeting and agenda are planned one year ahead so that the directors can make themselves available to attend the meeting for the Company's benefit.

### ***Meeting Agenda***

- The Board plans the agenda for the whole year in advance to give time for production of agenda document and to enable non-executive directors to participate in the preparation of the agenda, thereby giving them the opportunity to ensure that important matters are not, in their view, being swept under the carpet.
- The Chairman and the Vice Chairman must have the final say on the content of the agenda taking into account the board's overall predefined agenda for the coming months and any special issues particular directors or Management wish to raise.
- Agenda is prioritized in term of significance i.e., Matter Arising, Matter for Consideration, Matter for Information so as to ensure that items that need the most careful deliberation are given adequate time.

### ***Board Papers***

- Notice of the meeting together with the Board agenda will be delivered to directors not less than 7 days. The Corporate Secretary will account for sending the board document via electronic mail to director upon request.
- To maximize the Director's conveniences in considering the issues, the matter for consideration will be short and opened by a 1-2 page summary containing 4 parts, background, issues for consideration, sub-committee's recommendation (if any) and proposal.
- Best effort is made to minimize tabling the document at the meeting to allow directors adequate time to consider the proposal.

### ***Meeting***

- The full board meeting is required when considering or making decision on significant matters such as acquisition or disposal of the assets of listed company or subsidiaries which

significantly impact the Company, purchase or sale of the major asset, investment expansion, level of authorization and establishment of financial and risk management policy.

- The Board received the necessary data are provided in advance to allow adequate time to analyze, and to make a reasoned and careful judgment.
- Directors are encouraged to conduct extensive discussion of agenda items and other topics of interest.
- Where a conflict may occur, a director must consider whether to refrain from participating in the debate and/or voting on the matter, whether to be absent from discussion of the matter, whether to arrange that the relevant board papers are not sent, or, in an extreme case, whether to resign from the Board.
- A minimum quorum required during board decisions is 2/3 of the total number of the directors.
- Directors have the right to investigate the agenda document and other significant document. Directors and Management have to clarify the matter raised by the Independent Directors in a prompt and complete basis.
- If Directors disagrees with the meeting's resolution, they can request the Corporate Secretary to record their dissent in the Minutes of Meeting or submit the letter showing their dissent to the Chairman of the Board within 3 days after the meeting date.
- The Corporate Secretary will manage to deliver the draft minutes of the Board meeting to be certified by Directors within 7 business days after the meeting date with the correct and complete minutes of meeting within 14 days after the meeting date to comply with the laws.

### **Contact with Management and Access to Information**

The Board encourages the President to invite the top managements to attend the Board's meeting to provide additional insights into the items being discussed because of personal involvement in these areas. Managers with future potential are given exposure to the Board to support the consideration of the succession planning.

The Board can meet the Management of the Group companies both inside and outside the meeting room. The Board can also request additional necessary information from the Corporate Secretary.

### **Management Appointment and Succession Plan**

The Board determines policies and principles for selection of the President and his/her succession in the event of an emergency or the retirement of the President taking into account educational

background, experience, capabilities, ethics and leadership. The Nomination and Remuneration Committee shall consider and propose the qualified candidates to the Board.

The President is entrusted to select the knowledgeable, competent and experienced Executives in accordance with the qualifications endorsed by the Nomination and Remuneration Committee and selection process stated in the Company's Regulation on Human Resource Management B.E. 2553 and the resolution of the Board as follows.

1. The Nomination and Remuneration Committee shall approve the appointment of Senior Executive Vice President, Executive Vice President, including the management of subsidiary whose level is equivalent to that of the Executive Vice President.
2. The President shall appoint the division and section managers.
3. The appointment of Secretary to the Board and the Assistant Secretary to the Board shall be approved by the Board of Directors while the appointment of Division Manager of Internal Audit shall be endorsed by the Audit Committee.

#### **Management Appraisal**

The non-executive directors shall appraise the President's performance annually in accordance with the established corporate goal including his/her competencies and the comparison with remuneration of peer companies. The Chairman of the Board shall communicate the result to the President.

The President shall appraise and approve the remuneration of Executive Vice Presidents with subsequent report to the Nomination and Remuneration Committee. Remuneration is tied with both the corporate and individual achievements. The Company periodically conducts the survey of the executive remuneration to ensure that the rate is comparable to that of the peer companies and adequate to attract and motivate the qualified executives.

#### **Segregation of Duties between Supervisory Role and Management Role**

The Board ensures a clear distinction between supervisory policy-making and day-to-day business administrative roles. The Chairman takes the role of the leader and assures that the Board's meetings are conducted efficiently by encouraging involvement by all directors and providing recommendations to Management via the President. The Board will not intervene with any routine activities under the President's responsibilities.

### **3. Board's Committee**

The Board of Directors appoints 5 committees, namely Audit Committee, Risk Oversight Committee, Investment Committee, Nomination and Remuneration Committee and Corporate Governance and Social and Responsibility Committee, to scrutinize significant matters as follows.

#### **A. Audit Committee**

##### **1. Composition and qualifications**

- 1.1 The Audit Committee, Chairman and Members, shall be appointed by the Board and consist of at least three non-executive independent directors whose qualifications meet SEC's requirements.
- 1.2 Chief Internal Audit will be the secretary to the Committee.

##### **2. Term of office**

- 2.1 The term of office of each Audit Committee member is 3 years but limited at 2 terms, with a year for these purposes meaning the period between the Annual General Meeting of shareholders when he or she is appointed and the next succeeding Annual General Meeting. In order to maintain continuity, members may be re-elected from the Board of Director consecutively but not automatically.
- 2.2 In case of any member wishes to resign before the end of the term of office shall inform the reasons thereof to the Board one month in advance.

##### **3. Responsibilities of the Audit Committee**

- 3.1 Review the accuracy and adequacy of Company's financial reporting,
- 3.2 Review the appropriateness and effectiveness of the Company and its subsidiaries internal control systems, and internal audit functions and determine the Internal Audit Division's independence,
- 3.3 Approve the appointment, rotation and removal of the Chief Internal Audit,
- 3.4 Monitor Company's compliance with Securities and Exchange Acts and Regulations of the SET and any other laws relevant to Company's business,

- 3.5 Recommend to the Board of Directors an independent person to be Company's auditor, removal of the auditor and audit fees,
- 3.6 Consider non-audit services performed by the auditors which may lead to the auditors' non independence,
- 3.7 Consider and endorse the significant change in accounting policy of the Company prior to proposing to the Board of Directors for approval,
- 3.8 Meet with the auditor exclusively at least once a year,
- 3.9 Consider the connected transactions or any transactions that may cause conflict of interest complying with rules and regulations of SET to ensure that such transactions are reasonable and create highest benefit to the Company,
- 3.10 Review EGCO's Regulation on Internal Audit prior to proposing to the Board of Directors for approval,
- 3.11 Approve the internal audit plan as well as budget and personnel,
- 3.12 Review the internal audit report of internal audit division,
- 3.13 Meet with the Chief Internal Audit exclusively at least once a year,
- 3.14 Review with the Management the preparation of the Management's Discussion and Analysis or MD&A and the disclosure in Annual Report,
- 3.15 Prepare a report that describes the Audit Committee's activities and responsibilities. This report shall be signed by the Chairman of the Audit Committee and published in the annual report to the shareholders. The Audit Committee's Report shall consist of at least the following information:
  - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (b) an opinion on the adequacy of the Company and its subsidiaries internal control system,
  - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (d) an opinion on the suitability of an auditor,
  - (e) an opinion on the transactions that may lead to conflicts of interests,

- (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
  - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.
- 3.16 Inspect any suspiciousness reported by the Company's auditor, that the President, the Management or any person responsible for the company's operation commits an offence under the Securities and Exchange Act (No. 4) B.E. 2551 and report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within thirty days after being informed by the auditor,
- 3.17 Monitor compliance with Anti-Corruption Policy and review related measures and internal control of the Company,
- 3.18 Review reported concerns about fraud or corruption of the Company and its subsidiaries,
- 3.19 Review the Audit Committee Charter and perform the self-assessment at least once a year,
- 3.20 Perform any other act as assigned by the Board of Directors with approval of the Audit Committee.

Reference to the above responsibilities, the Committee is accountable to the Company's Board of Directors whereas the Board of Directors remains responsible to third persons for the operation of the Company.

#### **4. The Audit Committee meeting**

- 4.1 The Audit Committee meets as the committee considers appropriate. At least quarterly meetings will be held.
- 4.2 Each meeting must be attended by at least one-half of the committee members to constitute a quorum.
- 4.3 Resolutions are approved by a majority of the committee members constituting a quorum.

- 4.4 The Committee has the authority to invite any concerned directors, the Management or staffs of the Company and/or the group companies to the meetings for discussion and clarification or inquiries.
- 4.5 If necessary, the Committee's meeting shall be held through electronic devices.

**5. Reporting**

- 5.1 The Committee shall report its activities to the Board of Directors at every Board meeting.
- 5.2 In carrying out its duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit.
- (1) a transaction which causes a conflict of interest;
  - (2) any fraud and corruption, irregularity, or material defect in an internal control system; or
  - (3) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

If the Board of Directors or the Management fails to make rectification within the period of time under the first paragraph, any committee member may report the occurrence of a transaction or an act under the first paragraph to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

**6. Advisors**

The Audit Committee may seek professional advice under their scope of work from an outside advisor and the Company shall bear the cost of obtaining such advice. The Committee shall report such activity to the Board of Directors.

## **B. Risk Oversight Committee**

### **1. Composition and qualifications**

- 1.1. The Risk Oversight Committee shall be appointed by the Board and shall comprise at least three directors being independent director(s), non-executive director(s) and President.
- 1.2. Chairman of the Risk Oversight Committee shall be elected among the members.
- 1.3. At least one of the members shall know well and be keen in the risks of power and energy business.
- 1.4. The Executive Vice President – Corporate Strategy shall serve as a secretary to the Risk Oversight Committee.

### **2. Term of office**

- 2.1 The term of service of the members is equivalent to the director's Board term or at the Board's discretion.
- 2.2 President shall sit as a member of the Committee as long as his or her presidential term.
- 2.3 The members who vacate from the office shall be re-elected as appropriate.

### **3. Responsibilities of the Risk Oversight Committee**

- 3.1. Consider and provide recommendations on enterprise risk management policy and framework to be proposed to the Board of Directors for approval
- 3.2. Consider and provide recommendations on risk appetite and risk tolerance for constant effectiveness to be proposed to the Board of Directors for approval
- 3.3 Oversee the Company to ensure the key risks and their impacts and possibilities are identified including considering the enterprise risk management plan and process,
- 3.4 Monitor and assess the Company's risk management to comply with the risk management framework and plans
- 3.5 Regularly report to the Board of Directors on the result of risk assessment and implemented measures. In case of any significant issues materially impacting to the Company, the Board of Directors should be informed promptly for further actions
- 3.6 Provide recommendations on the risk management to directors, management and EGCO Management Committee, with continuous encouragement and support for the improvement and development of risk management system within the company

- 3.7 Monitor and encourage the review of the enterprise risk management policy and framework at least once a year to ensure the company's risk management policy and framework suited to EGCO's business process and risk mitigation activities
- 3.8 Regularly review and update its own charter to ensure its appropriateness to be proposed to the Board for approval
- 3.9 Evaluate the effectiveness of Risk Oversight Committee performance annually
- 3.10 Perform other duties relating to the risk management as may be assigned by the Board

#### **4. The Risk Oversight Meeting**

- 4.1 The Risk Oversight Committee meetings will be held on quarterly basis or called as the committee deemed as appropriate. Members of the Risk Oversight Committee may invite related parties who are not committee members to attend the meeting.
- 4.2 Each meeting must be attended by at least half of the committee members to constitute a quorum.
- 4.3 In an event the Chairman of the committee cannot attend the meeting and none of the committee members is appointed to act on his or her behalf, the remaining committee members shall elect an interim chairman among themselves.
- 4.4 If necessary, the Committee's meeting shall be held through electronic devices.

#### **5. Reporting**

- 5.1 The Risk Oversight Committee is accountable to EGCO Board of Directors and shall report its activities to the Board at every Board meeting.

#### **6. Advisors**

- 6.1 The Risk Oversight Committee may seek professional advice from an outside adviser and the Company shall bear the cost of obtaining such advice subject to the Board's oversight.

### **C. Investment Committee**

#### **1. Composition**

- 1.1 The Investment Committee shall be appointed by the Board of Directors ("Board") and consist of 5 directors, comprising 2 representatives from Electricity Generating Authority of Thailand, 2 from TEPDIA Generating B.V., and the President.
- 1.2. The Committee shall elect one Member to be the Chairman.

- 1.3. The Committee shall appoint the secretary as deemed appropriate.

## **2. Qualifications**

The IC shall consist of the members who have the following qualifications.

- 2.1 Have knowledge, expertise or experience in these aspects: investment, multi-asset management, finance, treasury management or business management in industries stated in the approved corporate strategic plans,
- 2.2 Always be aware of the changes in global economics and business trends and directions.

## **3. Term of office**

- 3.1 The term of office of each Investment Committee Member is the same as his or her directorship, or at the discretion of the Board.
- 3.2 In order to maintain continuity, the retired Members may be re-elected.

## **4. Responsibilities of the Investment Committee**

The main scopes of work of the IC cover investment, asset management, accounting, finance and treasury management:

- 4.1 Consider policies, regulations or any same class document regarding investment, asset management, accounting, financial management and procurement for the Board's consideration with biannual review and subsequently revision if necessary or in case of any significant changes.
- 4.2 Consider charter of the Committee to be proposed to the Board and biannually review with subsequent revision if necessary or in case of any significant changes.
- 4.3 Consider Company's strategic plan, business plan, action plan and annual budget for the Board's consideration.
- 4.4 Determine Corporate KPIs for the Board's consideration.
- 4.5 Monitor progress of Corporate KPIs and assess their performance.
- 4.6 Endorse the increase or reduction of the registered capital for the Board's consideration.
- 4.7 Endorse to propose to the Board to consider acquisition, investment, and divestment of Company's assets.
- 4.8 Endorse the Company's financing for the Board's consideration.

- 4.9 Endorse the Company's project and asset management for the Board's consideration.
- 4.10 Endorse the Company's profit allocation, financial management, financial support to EGCO Group's companies including significant financial transactions for the Board's consideration.
- 4.11 Consider procurement and disposal material management as stated in the Company's regulations and Table of Authorities.
- 4.12 Consider risks associated with investment and finance and their preventive measures and mitigations to the Board for consideration.
- 4.13 Evaluate the effectiveness of the Committee annually.
- 4.14 Other issues as assigned by the Board and as stipulated in the Company's regulations and principles.

## **5. The Investment Committee meeting**

- 5.1 The Committee meetings will be held on monthly basis or called as the Committee deems appropriate. The Committee shall invite executives or employees with concerning issues or other appropriate participants to attend the meeting to provide information or comments.
- 5.2 If the nominated chairman of the Committee is absent from a meeting, the members shall elect one of the members present to act as an interim chairman.
- 5.3 Each meeting must be attended by at least half of the total Committee Members to constitute a quorum.
- 5.4 Members who have conflicts of interests in an issue being considered may not be involved in its consideration and the vote.
- 5.5 Matters are approved by a majority of the Committee Members who attend the meeting and have a right to vote.
- 5.6 Members of the Committee are required to attend the meetings regularly with the attendance rate of at least 75% per year.
- 5.7 If necessary, the Committee's meeting shall be held through electronic devices.

## **6. Reporting**

The Committee is accountable to EGCO Board and shall report its activities to the Board at its meeting.

## 7. Advisors

The Committee may seek professional advice from an outside adviser and the Company shall bear the cost of obtaining such advice subject to the Board's approval.

## D. Nomination and Remuneration Committee

### 1. Composition

- 1.1 The Nomination and Remuneration Committee shall be appointed by the Board of Directors ("Board") and consist of 5 directors with independent directors as the majority.
- 1.2 The Nomination and Remuneration Committee shall elect one member to be the Chairman.
- 1.3 The Nomination and Remuneration Committee shall appoint the secretary as deemed appropriate.

### 2. Qualifications

The NRC shall consist of the members who have the following qualifications:

- 2.1 Have knowledge, expertise and experience in HR management, development of competency and skills of directors and executives, succession planning for top executives or motivation and retention of competent personnel as well as the corporate governance,
- 2.2 Always be aware of the changes in HR management,
- 2.3 Shall not use biased judgements when selecting or appointing directors and top management,
- 2.4 Shall be able to balance directors' motivation and shareholders' interest.

### 3. Term of office

- 3.1 The term of office of each Nomination and Remuneration Committee Member is the same as his or her directorship; or at the discretion of the Board.
- 3.2 In order to maintain continuity, the retired Members may be re-elected.

### 4. Responsibilities of the Nomination and Remuneration Committee

The scopes of work of the Nomination and Remuneration Committee cover nomination, remuneration, benefits and HR management with the following responsibilities:

- 4.1 Consider policies, regulations or any same class documents regarding HR matters for the Board's consideration and biannually review with subsequent revision if necessary or in case of any significant changes.
- 4.2 Consider charter of the Committee to be proposed to the Board and biannually review with subsequent revision if necessary or in case of any significant changes.
- 4.3 Endorse to the Board to consider the structure, composition and qualifications of Board and subcommittees.
- 4.4 Recommend the list of nominees for the Board's consideration in case of vacancies by rotation and/or in case of casual vacancies.
- 4.5 Recommend for the Board's consideration remuneration structure, including meeting allowance, annual bonus, welfare, and other benefits in cash and in kind for EGCO Board and Board of EGCO Group's companies in which EGCO has management control.
- 4.6 Consider Annual performance appraisal forms for Board's consideration.
- 4.7 Endorse organization restructure of EGCO and EGCO Group's companies in which EGCO has management control (Senior Vice Presidents (SVP) upward).
- 4.8 Endorse for the Board's consideration Company's annual manpower planning,
- 4.9 Scrutinize the list of nominees for EGCO President in case of vacancy for the Board's consideration.
- 4.10 Consider appointment, promotion, rotation and removal of the Senior Executive Vice Presidents ("SEVP"), Executive Vice Presidents ("EVP") of EGCO and Corporate Secretary, as authority stated in the regulations and Table of Authority.
- 4.11 Consider appointment of EGCO representative directors in EGCO Group's companies and joint venture companies based on the equity proportion or shareholders' agreements, to be in line with the regulations and Table of Authorities.
- 4.12 Recommend the result of performance evaluation of EGCO President and SEVPs to the Board for consideration.
- 4.13 Evaluate the performance of all EVPs and Corporate Secretary.
- 4.14 Endorse succession plans of EGCO's EVP upward to the Board's consideration.
- 4.15 Endorse to the Board's consideration remuneration structure, including meeting allowance, annual bonus, welfare, and other benefits in cash and in kind for EGCO and of EGCO Group's companies in which EGCO has management control.
- 4.16 Consider budget for annual salary increase rate of the employees of EGCO and the EGCO Group's companies in which EGCO has management control.

- 4.17 Consider corporate bonus criteria of EGCO and EGCO Group's companies in which EGCO has management control.
- 4.18 Determine Bonus-linked KPIs to determine annual bonus for EGCO and EGCO Group's companies in which EGCO has management control.
- 4.19 Endorse special bonus to be proposed to the Board.
- 4.20 Endorse for the Board's consideration the early retirement program for the employees of EGCO and EGCO Group's companies in which EGCO has management control.
- 4.21 Consider risks and mitigation measures associated to HR issues to the Board for consideration.
- 4.22 Evaluate the effectiveness of the Committee annually.
- 4.23 Other issues as assigned by the Board and as stipulated in the Company's regulations and principles.

**5. The Nomination and Remuneration Committee meeting**

- 5.1 The Committee meetings will be held on monthly basis or called as the Committee deems appropriate. The Committee shall invite executives or employees with concerning issues or other appropriate participants to attend the meeting to provide information or comments.
- 5.2 If the nominated chairman of the Committee is absent from a meeting, the members shall elect one of the members present to act as an interim chairman.
- 5.3 Each meeting must be attended by at least half of the total Committee Members to constitute a quorum.
- 5.4 Members who have conflicts of interests in an issue being considered may not be involved in its consideration and the vote.
- 5.5 Matters are approved by a majority of the Committee Members who attend the meeting and have a right to vote.
- 5.6 Members of the Committee are required to attend the meetings regularly with the attendance rate of at least 75% per year.
- 5.7 If necessary, the Committee's meeting shall be held through electronic devices.

**6. Reporting**

The Committee is accountable to EGCO Board and shall report its activities to the Board in its meeting.

## **7. Advisors**

The Committee may seek professional advice from an outside adviser and the Company shall bear the cost of obtaining such advice subject to the Board's approval.

## **E. Corporate Governance and Social and Responsibility Committee**

### **1. Composition**

- 1.1 The Board of Directors ("Board") shall appoint the Corporate Governance and Social Responsibility Committee, hereafter to be called "CC", which consists of 5 members comprising 3 independent directors, 1 non-executive director and President.
- 1.2 Committee members shall elect the Chairman of CC among themselves.
- 1.3 The CC shall appoint the secretary as deemed appropriate.

### **2. Qualifications**

- 2.1 The Committee member shall understand and have experience in these aspects: the corporate governance ("CG"), corporate social responsibility ("CSR"), environment and sustainability management as well as be able to apply such knowledge and experience to their duties.
- 2.2 The Member shall be aware of the changes of CG, CSR environment and sustainability management.
- 2.3 The Member shall have a vision to continually embed the sustainable development in the Company.

### **3. Term of office**

- 3.1 The term of office of each CC member is the same as his or her directorship; or at the discretion of the Board.
- 3.2 In order to maintain continuity, the retired Members may be re-elected.

### **4. Responsibilities**

Scopes of Work covers CG, code of conduct and CSR, environment and sustainability management for the following duties:

- 4.1 Endorse to the Board for consideration policies aligning to the rules and regulations issued by the government or regulators such as the Stock Exchange of Thailand and Office of Securities and Exchange Commission, as well as

- biannually review and subsequently revise if necessary or in case of any significant changes.
- 4.2 Establish the Charter of Committee to be proposed to the Board for consideration, biannually review with subsequent revision if necessary or in case of any significant changes.
- 4.3 Endorse objectives and annual plans, to be in line with the strategic plan, for the Board's approval.
- 4.4 Oversee, monitor and appraise the performance to comply with the policies, practices, objectives and approved plans.
- 4.5 Encourage, support and advise directors, executives and employees to assure their compliance with the policy, practices, objectives and plans of CG, CSR and Anti-Corruption.
- 4.6 Cooperate with and provide suggestions to subcommittees and working teams in relation to CG, Anti-Corruption, CSR, environment and sustainability management.
- 4.7 Support communication to directors, Management, and employees to assure their awareness and understanding the embedded policies and practices regarding CG, Anti-Corruption, CSR, environment and sustainability management.
- 4.8 Oversee the assessment of Anti-Corruption risks and risk mitigation.
- 4.9 Evaluate the effectiveness of the Committee annually.
- 4.10 Other issues as assigned by the Board and as stipulated in the Company's regulations and principles

## **5. The CC's Meeting**

- 5.1 The CC's meetings will be held on quarterly basis or called as the Committee deems appropriate. Members of the CC may invite any other related parties who are not Committee Members to attend the meeting to provide information or opinion.
- 5.2 If the nominated chairman of the Committee is absent from a meeting, the members shall elect one of the members present to act as an interim chairman.
- 5.3 Each meeting must be attended by at least half of the total Committee Members to constitute a quorum.
- 5.4 Members who have conflicts of interests in an issue being considered may not be involved in its consideration and the vote.

- 5.5 Matters are approved by a majority of the Committee Members who attend the meeting and have a right to vote.
- 5.6 Each Member shall attend the meeting regularly with the attendance rate of at least 75% per year.
- 5.7 If necessary, the Committee's meeting shall be held through electronic devices.

**6. Reporting**

The CC is accountable to EGCO Board and shall report its activities to the Board at its meeting.

**7. Advisors**

The CC is authorized by the Board to retain outside counsel, experts and professional advisors, as the Committee deems appropriate, at the Company's expenses.