



**SPCG Public Company Limited**  
**บริษัท เอสพีซีจี จำกัด (มหาชน)**

## **Charter of the Board of Directors** **(Revised edition 1/2019)**

### **1. Objectives**

The Board of Directors plays an important role in driving the organization. The Board of Directors has the role and responsibilities in overseeing the Company's business to be in accordance with the objectives and goals which will create maximum benefits for the Company based on corporate social responsibility, concern for the environment, fairness to all stakeholders in compliance with the Company's corporate governance policy and anti-corruption policy, laws, the Company's Articles of Association, Board resolutions, and resolutions of the shareholders' meetings. The Board of Directors shall perform their duties to the best of their abilities, honestly, ethically, prudently, and responsibly to shareholders.

The Board of Directors has thus resolved to adopt this Charter of the Board of Directors, so that every director is aware of his/her duties and responsibilities and is a leader in correct and appropriate implementation to achieve sustainable value creation.

### **2. Elements and Qualifications**

1. The Board of Directors must qualify and act according to Public Limited Companies Act.
2. The Board of Directors consists of a minimum of 5 directors and up to 11 persons, no less than half of the total number of directors must be local in the kingdom.
3. The Board of Directors comprises at least one third of independent directors, but not less than 3 persons, and must meet the criteria of the securities and exchange commission of Thailand.
4. The Board of Directors possess the knowledge, expertise and experience in renewable energy, financial accounting, internal control, risk management and corporate governance, which have at least 1 independent director who has sufficient knowledge and experience to be able to act in reviewing the reliability of the financial statements.
5. The company recognizes the importance of performing duties effectively and efficiently as a director, the company has determined that the directors cannot hold director positions at more than 5 other companies, no exceptions.



### **Independent Directors**

The Board of Directors comprises three independent directors, which is equal to one-third of the total number of directors, so that independent directors are the key to good corporate governance and can comment freely. The Board of Directors has determined the definition and qualifications of independent directors in good corporate governance policy as follows:

1. Holding no more than 1 % of total voting shares including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company and including the shareholding of persons related to the independent directors

2. Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company. Exception: It has been at least two years after the person has held the position.

3. Not by blood or legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.

4. Not currently having or never had any relations with the company including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the company including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company. Exception: It has been at least two years after the person has held the position.

5. Not currently being or never been the company's auditor including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company . Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company. Exception: It has been at least two years after the person has held the position.

6. Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the company with a fee more than THB 2 million per year including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company . Also, the person should not currently be or never be a significant shareholder,



controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position.

7. Not currently a director appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholder.

8. Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.

9. Not under any conditions that may impede the person from having independent views towards the company's operations.

### **3. Appointment, Termination and Office Term of Directors**

#### **3.1 Appointment of Directors**

The Nomination, Remuneration and Corporate Governance Committee shall consider the selection of qualifications to be nominated as directors. To propose an opinion to the board of directors and the annual general meeting of shareholders for election of directors by using the majority vote in accordance with the company's Articles of association:

1. Shareholders vote for each individual board member.
2. In voting for each board member, each shareholder have one vote per share.
3. The individual with the most votes respectively become director, depending on number of available director positions or number of directors which was going to appointed at that period. In the case where there is a tie, the decision is then made by the Chairperson of the Board.

At every Annual General Meeting, at least one-third of the director must be replaced. If the number of directors cannot be divided evenly into one-third, then should divide into the closest number to one-third as possible. The director that sits in the position for the longest period should resign first then the director that resign on that agenda may be appointed back to sit in the position again.

Nevertheless, Board of Directors has provided opportunities for the subsidiaries to offer a list of qualified personnel to be considered during the election as directors in advance of the annual general meeting of shareholders.



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### **3.2 Termination of Directors**

1. At the annual general meeting of shareholders, one-third of the board of directors shall leave their positions. If the number of directors is not divisible by three, the number of board of directors leaving their position will be the closest to one-third of total directors, and each member may be chosen to hold a new term as member of the board of directors.

2. Besides the position of the agenda, the director shall be complete their term when they die, retire or is prohibited by law or the shareholders ' meeting.

3. Any director intending to leave the position must submit the resignation to the company, and will be effective from the submission date of the resignation. The resignation of Director shall be notified by the Registrar.

4. A successful vote for a particular director to resign from his/her position before the end of his/her term must carry at least three-quarters of the total number of shareholders in attendance, with the right to vote, and with no less than half of the total number of shares held by the shareholders in attendance with the right to vote.

5. In the event of the position of member of the Board of Directors is vacated before the end of his/her normal tenure, the Board, in its next meeting, should select a qualified, - and without legally prohibited characteristics- person to replace that member unless that member's tenure remains less than two months; the replacement will be chosen to take over the remaining tenure.

### **3.3 Office Term of Directors**

The company's board of directors comprises of 9 members. Of these 9 directors, 3 must be independent directors in accordance with the criteria of the SEC. Each director's term is a period of 3 years and not exceeding 9 years. If any director is deemed appropriate to hold a longer term exceeding 9 years, the Board of Directors shall consider the independence and effectiveness of the duties of such director and clarify the reasons and the performance of duties to the shareholders.

## **4. Authority and Responsibilities**

### **4.1 Authority and Responsibilities of the Board of Directors**

The Board of Directors has the authority and responsibility to manage the company to be in accordance with the law, objectives and regulations of the company as well as the shareholders' meeting resolution with integrity, cautions and to protect the company's interest as follow:



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1. Set the Company's goal, guideline, policies, framework and budget; control and govern administration and management of the Executive Board to be in line with the assigned policies effectively
2. Supervise the company to comply with the Securities and Exchange law, the set of the main market requirements such as transactions connected and purchase or sale of significant assets in accordance with the set or applicable laws of the company's business.
3. Arrange shareholders' meeting as annual ordinary meeting within 4 months commencing from the end of company's accounting period.
4. To provide the company's corporate governance policy in writing and to agree to the policy and to review the policies and procedures regularly at least once a year.
5. To provide code of business ethics in writing to all executives and employees understand the ethical standards that the company uses to conduct their business and support them with serious compliance with such code.
6. Consider the conflict of interest carefully. The consideration of transactions that may have conflicts of interest should have a clear and beneficial approach to the company's interests and overall shareholders. The stakeholders should not participate in the decision-making and supervise compliance with the process requirements, procedures, and disclosure of the transactions that may contain conflicts of interest
7. Provide operational control system. Financial reporting and compliance rules and policies include providing individuals or entities that are independent of the duties responsible for monitoring such control systems and reviewing important systems at least once a year and disclosed in the annual report.
8. To determine the risk management policy that covers the entire organization and review the system or assess the effectiveness of risk management at least once a year and to be disclosed in the annual report.
9. The Board of directors or the Audit Committee shall review the adequacy of the internal control system and risk management in the annual report.
10. Provide clear guidelines to those who wish to notify the clues through the website or the report directly to the company, by the way of notification of a clue may be prescribed through an independent Director or audit committee of the company in order to verify the information in accordance with the process prescribed by the Company and report to the Board of directors.



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11. The Board of directors shall provide authority to one or more directors or any other person to perform any action on behalf of the board. Under the control of the Board of directors or to be authorized to provide such persons with the power of the board of directors and within the period that the Board deems appropriate. May revoke, change or amend the authorized person or authority when appropriate. The Board of directors may provide the management with the authority to perform operations with details of the jurisdiction of the management's duties, which shall not be a delegation under the authority of management with a conflict of interest in the company or its subsidiaries.

12. To ensure the company's subsidiaries to maintain the benefits of the company's investments by considering the suitability of the persons to be submitted as a director of the subsidiary to control the management of the company's policies and transactions according to the laws and regulations of the Securities and Exchange Act and the announcement of the set

13. To appoint the company secretary under Securities and Exchange law in order to create and retain documents, to conduct various activities of the Board of directors, including the board of Directors ' meeting, shareholders ' meeting, and other legal and regulatory counsel to the company's board of directors. The company secretary should be trained and continually updated on the knowledge of the law, accounting and other duties of the company secretary.

#### **4.2 Authority and Responsibilities of the Chairperson**

1. The Chairperson (or his or her delegate) calls the meetings of the Board, having meeting notices sent at least seven days ahead of each meeting so that the directors may have adequate time to study, review, and make proper decisions.

2. The Chairperson decides the agenda of each meeting.

3. The Chairperson ensures each meeting's efficiency by allocating enough time for the management to present data, encouraging and allowing directors' queries and expression of free views, controlling the issues under discussion, and summarizing the meeting's resolutions.

4. The Chairperson plays a key role in encouraging the Board's conformance to corporate governance principles, including identifying themselves, refraining from voting, and leaving the meeting when agenda items of their conflicts of interest are up for discussion.

5. The Chairman encourages the Board to attend shareholders' meetings and presides over such meetings to ensure the meetings' efficiency and address shareholders' queries.

6. The Chairman encourages the Board to do their duties under their scope of authority under the law and corporate governance.



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## 5. Meetings

The Board of Directors' meeting is set up in advance each year so that directors can schedule and attend the meeting held by the company to deliver the meeting documents to the directors in advance with the following guidelines:

1. The Board of Directors shall have the meeting at least 4 times per year. The company's directors must attend at least half of the meeting to be a quorum.

2. The Company shall submit the appointment letter to the directors for consideration prior to the meeting at least 7 days prior, so that the directors have sufficient time to study, consider and make the correct decisions in the board of directors' meetings.

3. The Chairperson of the board of directors and Chief Executive Officer shall consider the agenda items of the Board of Directors' meeting, allowing each director to propose various matters to be considered as an agenda.

4. To consider the various matters the Chairperson of the Board of Directors who served the Chairperson of the meeting, gives opportunity to directors to provide independent opinions. During the board of directors' meeting, for the vote on each matter, each director has one vote while directors with conflict of interest or in a stakeholder position will not be entitled to vote on that matter. If the votes are equal, the Chairperson of the meeting will have the decisive vote.

5. In the board of directors' meeting, the Executive Committee shall attend the meeting in order to provide useful information and to acknowledge the policy directly to be able to conduct it effectively.

6. For a resolution to be reached, no less than two-third of directors must be present at the Board of Directors meeting. Each director is obligated to attend the meeting no less than 75% of all board of directors' meeting in the year.

7. At the end of each meeting, it is the responsibility of the company's secretary to produce and submit a report at the next board of directors' meeting. The Chairperson of the board of directors will have the right to edit the report to be more detailed, before considering signing authentication.



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## **6. Development of Directors**

The company promotes and encourages the training and education of those involved in the corporate governance of the company, such as directors, management committee member, etc. to ensure continuous performance improvement understand the principles of good corporate governance, including rules, regulations, and duties of the company's directors for more efficient management. We encourage the training of Thai Institute of Directors (IOD) or attending training and seminars to exchange opinions, knowledge and experiences that are beneficial to the development of the directors and executives.

The company has determined the orientation for the new directors by providing the presentation of the company's business overview to the new directors to be aware of the following topics:

1. Framework of operation (law, regulations, Practice methodology)
2. Operational and activity information
  - vision, mission, goal and operational strategy of the company
  - the structure of the company and its affiliates, the management structure and the management
  - the nature of the company and its affiliates, past performance and operational plan
  - Investment and key projects.
3. Roles, duties and responsibilities of the Directors
4. Good corporate governance principles
5. Responsibilities to society and the environment, etc.

## **7. Evaluating the performance of the Board of Directors**

The company has provided an evaluation of the performance of the Board of Directors and the sub-Committees at least once a year for the framework to verify its performance during the past year. The scope of duties is based on good corporate governance principles showing the link between the performance of the company's performance and the use of such assessments for the next year's development.





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## 8. Remuneration for directors

The company takes appropriate consideration to the obligations and responsibilities as assigned and can be comparable to companies listed on the stock exchange that are in the industry and similar sized businesses. The nomination and remuneration committee shall consider the appropriateness of such remuneration and propose to the approval of the Board of Directors to approve at the meeting of shareholders every year.

## 9. Reporting

The Board of Directors holds as its duty and responsibility to disclose information to shareholders in a correct, complete, transparent, verifiable and timely manner in the Form 56-1, annual report, sustainability report, and disclosure of information in compliance with the regulations of the Stock Exchange of Thailand. The Board of Directors is responsible for the preparation of annual financial reports in accordance with TFRS using appropriate and commonly practiced accounting policies, presentation to the shareholders' meeting, and disclosure together with the Auditor's Report in the annual report. To ensure stakeholders that the Company's financial statements comply with the regulations of the Stock Exchange of Thailand and related laws, the Board of Directors has assigned the Audit Committee to review the correctness and adequacy of financial statements and to review the correctness and completeness of disclosure of related transactions and transactions with possible conflicts of interest.

Charter of the Board of Directors of SPCG Public Company Limited (Revised edition 1/2019) has been approved by the Board of Directors' Meeting No. 1/2019 held on February 22, 2019, effective from now onwards.

A handwritten signature in blue ink, appearing to be 'Dr. Wandee Khunchornyakong Juljarern'.

(Dr. Wandee Khunchornyakong Juljarern)  
Chairperson