



บริษัท สากล เอนเนอจี จำกัด (มหาชน)
SAKOL ENERGY PUBLIC COMPANY LIMITED
เลขทะเบียนบริษัทเลขที่ 0107559000443



Board of Directors Charter

Sakol Energy Public Company Limited



Board of Directors Charter

1. Objectives

The Board of Directors has important roles in supervising the management of the Company, including determining the business direction and strategy of the Company to ensure that there is maximum benefit to the Company and shareholders, and to follow up on the operations of various sub-committees of the Company. In addition, The Board of Directors has powers and responsibilities as provided by law, the Company's Articles of Association, the Company's objectives and shareholder meeting resolutions which the Board of Directors shall comply with to the highest responsibility and ethics.

2. Composition

The composition of the Board of Directors is as follows:

- (1) Members of the Board of Directors do not need to be shareholders of the Company.
- (2) The number of directors on the Board of Directors is in accordance with the specification of the Shareholders Meeting but the Board of Directors shall be composed of at least three directors, not less than half of whom shall reside within the Kingdom of Thailand.
- (3) The Board of Directors shall be composed of independent directors as at least one out of three of the total number of directors but the number shall not be less than three directors.

The Board of Directors shall elect one of the directors to serve as the Chairman of the Board of Directors. If the Board of Directors deem it appropriate, they may also elect among themselves one of several directors to serve as Vice Chairmen of the Board of Directors.

3. Qualification of Audit Director

The Audit Director of the Company shall have the following qualifications:

- (1) Being a person who has knowledge, ability, integrity, business ethics, and adequate time to perform duties for the Company.
- (2) Having the qualifications and possessing no prohibited characteristics under relevant laws, including possessing no characteristics which indicate inappropriateness for trust in the administration of a business with the public being shareholders, as stipulated in the notifications of the Office of Securities and Exchange Commission, Securities and Exchange Commission, Capital Market Supervisory Board and Stock Exchange of Thailand ("relevant regulations").



(3) Not being a person who undertakes a business of the same nature and in significant competition with that of the Company or is a significant partner of a partnership or a director of another company undertaking a business of the same nature and in significant competition with those of the Company, whether such undertaking has been carried out for his/her own or others' benefits or not, unless that there is a notice given to the Shareholders Meeting before passing a resolution for appointment.

(4) An independent director shall have qualifications related to independence as defined by the Company and is in accordance with the guidelines and rules related to the specification of an independent director, and shall be able to supervise the benefits of every shareholder on an equal basis and prevent the dispute of benefits. In addition, the independent director shall attend the meetings of the Board of Directors giving an independent opinion.

In addition, the Company has determined that a director who is not performing the role of an executive director to be independent of the management and the shareholders who have a controlling interest and who does not have any business relationship with the Company that may influence the expression of independent view. An independent director shall have the following additional qualifications:

(a) Holding not more than one per cent of the total voting shares of the Company, subsidiary companies, associated companies, major shareholders, or controlling persons, with the number of shares held by the director's related persons being counted.

(b) Being a director who is not or has never been an executive director, employee, staff member, salaried advisor, or controlling person of the Company, subsidiary companies, associated companies, same-level subsidiaries, major shareholders or controlling person unless such characteristics have lapsed for at least two years before being appointed. These prohibited characteristic include the case whereby the independent director used to be a civil servant or advisor of the government who is a major shareholder or a person who controls the Company.

(c) Being a director who has no relationship by blood or by legal registration under the status of father, mother, spouse, sibling, and child, including the child's spouse or other directors, executives, major shareholders, controlling persons, or persons who are being nominated for appointment as directors, executives, or controlling persons of the Company or subsidiary companies.

(d) Being a director who does not have or has never had a business relationship with the Company, subsidiaries, associated companies, juristic persons with potential of conflict of interest, major shareholders, or controlling persons in a manner that may hinder the exercise of his/her independent judgment, and not being a person who is or has been a significant shareholder or controlling person of a person with a business relationship with the Company, its subsidiaries, associated companies, juristic persons with potential of conflict of interest, major shareholders, or controlling persons, unless such characteristics have lapsed for at least two years before being appointed.



The business relationship as mentioned includes normal trading transactions for the purpose of business operations, rental or lease of immovable property, transactions related to assets or services or granting or receiving financial assistance by receiving or giving loans, guarantees using assets as debt collateral, including other similar acts that result in the Company or the party thereof being liable to pay the other at the amount of three per cent or more of Baht 20 million or more, whichever is smaller. The calculation of such liabilities shall be in accordance with the method of connected transaction calculation specified in the criteria on undertaking connected transactions, *mutatis mutandis*, with the liabilities occurring during the one-year period prior to the date of business relationship with the same person being included.

(e) Being a director who is not, or has never been, an external auditor of the Company, subsidiary companies, associated companies, major shareholders, or controlling persons, and not a significant shareholder, controlling person, or partner of an audit firm which is an external auditor of the Company, its subsidiaries, associated companies, major shareholder, or controlling person, except in case such characteristics have lapsed for at least two years before being appointed.

(f) Being a director who is not, or has never been, a provider of any a professional service including legal advisory service or financial advisory service with the service fee thereof exceeding two million Baht per year from the Company, subsidiary companies, associated companies, major shareholders, or controlling persons, and not a significant shareholder, controlling person, or partner of the provider of such professional service, except in case such characteristics have lapsed for at least two years before being appointed.

(g) Being a director who is not appointed as a representative of a director, major shareholder or shareholder with a relationship to a major shareholder of the Company.

(h) Not undertaking a business of the same nature and in significant competition with those of the Company or subsidiary companies, nor being a significant partner of a partnership or an executive director, employee, staff member, salaried advisor, or shareholder with over 1% of the total voting shares of another company undertaking a business of the same nature and in significant competition with those of the Company or subsidiary companies.

(i) Not having any other characteristics that may hinder the exercise of his/her independent judgment regarding the Company's business operations.

4. Appointment and Office Term

(1) The Board of Directors will perform the role of selection and nomination of a person who has appropriate qualifications to hold the office of company director by proposing the name of the person to the Shareholders Meeting for approval of the appointment.

(2) The Shareholders Meeting will choose a company director in the event that the position of company director has become vacant due to reasons other than expiry of the office term. The Board of Directors shall appoint a person who has competent qualifications to be a substitute



company director. However, the substitute company director shall retain office only for the remaining office term of the company director whom he/she replaces.

(3) At every annual general meeting of shareholders, one third of the total number of directors shall retire from office. If the number of directors is not a multiple of three, then, the number of directors nearest to one third shall retire from office. The directors who shall retire from office in the first and second years after registration of the Company shall be selected by drawing lots. In subsequent years, directors who have held office the longest shall retire.

A director who vacates the position on expiry of the office term may be re-elected to hold the position for another office term. However, the total period of an independent director's term of office shall not exceed nine years unless the Board of Directors is of the opinion that the person should continue to hold the position of independent director of the Company for the maximum benefit of the Company.

5. Powers, Duties and Responsibilities

The powers, duties and responsibilities of the Board of Directors shall be as provided by law, the Company's Articles of Association, the Company's objectives and the shareholders meeting resolutions which include the following operations:

(1) Performance with responsibility, caution, faithfulness, protection of Company benefits and to conduct the Company's business according to the law, Company objectives, Articles of Association, and resolutions of the shareholders meeting.

(2) Establishment of vision, strategy, policy, goal, business plan, budgeting, management structure and approval authority of the Company and subsidiary companies as proposed by the management and oversee the administration and operating results of the management, sub-committees of the Company or any person who has been assigned to perform such tasks in accordance with the specified policy in an effective and efficient manner to maximize value for the Company and its shareholders.

(3) Follow-up and assessment of operating results of the management and/or sub-committees of the Company on a continuous and regular basis to achieve the strategy and meet the plan and the budget.

(4) Ensuring that the Company and subsidiary companies have an appropriate and effective accounting system, and arrange for the availability of reliable financial reporting and accounting audit including the establishment of appropriate and adequate internal control system and internal audit systems.

(5) Setting the scope and policy on salary, salary adjustment, remuneration bonus and financial reward of the executives, including supervision of mechanics and appropriate payment of remuneration to the executives.

(6) Consideration of approval for the interim dividend payment.



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(7) Consideration and identification of risks faced by the Company or which will occur and directly affect the Company, and determination of risk appetite for the Company.

(8) Determination and review of internal and external risk management policy to ensure its coverage and that it aligns with the strategy and direction of the business. The risk coverage will include at least the following four risks:

- (a) Financial Risk.
- (b) Operational Risk.
- (c) Strategic Risk.
- (d) Compliance Risk.

(9) Determination and review of the procedures on risk management to align with risk management policy in order to be able to assess, follow-up the result, and oversee the risks as within the Company's risk appetite.

(10) Review the set-up of budget and method of response to the risks that have occurred and may occur with the Company for use as rules in operation under various types of risk situations including setting up the structure and appointment of a risk management working committee to perform the role of risk assessment and risk management follow-up.

(11) Review the policy on corporate governance and social responsibility including anti-corruption of the Company, and approval of the assessment of the annual result of the corporate governance and social responsibility and anti-corruption prepared by the assigned sub-committee.

(12) Prevention of dispute on benefits between interest parties of the Company and subsidiary companies. In the event that any company director has an interest in a transaction made with the Company, or whose shareholding in the Company and/or subsidiary companies has increased or decreased, the company director shall report such interest and change in shareholding to the Company without delay.

(13) Appointment of a sub-committee to help and support the performance of the Board of Directors as appropriate.

(14) Appointment of a Company Secretary and/or Secretary of the Board of Directors to assist the Board of Directors in performing various jobs in order to ensure that the operation of the Company is in accordance with the relevant laws and regulations.

(15) Hiring of an adviser or person who is independent to provide opinions and recommendations as appropriate.

(16) Preparation of the Annual Report and responsibility for preparation and disclosure of financial information regarding the financial status and operational results of the Company during the past one year for proposal to the Shareholders Meeting.

(17) Holding an Annual Meeting of Shareholders within four months since the end of the Company's accounting year.

(18) Approval of various matters by impartially considering the benefits of shareholders and every stakeholder in the Company.

(19) Arrangement of a succession plan for high level executives of the Company.

(20) Review and revision of the Board of Directors Charter to align with the situation.



(21) Assignment of one company director or several company directors to perform any assignment on behalf of the Board of Directors.

However, the assignment of powers, duties and responsibilities of the Board of Directors does not have a nature of granting of authority or sub-granting of authority allowing the Board of Directors or person who is granted the authority by the Board of Directors to be able to approve transactions in which he/she or other persons may have a conflict (as defined in the relevant regulations), an interest or benefit in any nature or may have other benefit disputes with the Company and/or subsidiary companies, except for the approval of transactions which are in accordance with the policies and rules already approved by the Shareholders Meeting or Board of Directors.

6. Meetings

(1) The Board of Directors shall hold meetings at least once every three months, with the meeting dates being fixed in advance annually and additional meetings held as necessary.

(2) In calling a meeting of the Board of Directors, the Chairman of the Board of Directors or the assigned person shall send meeting invitations along with meeting agendas and related documents to every company director at least seven days in advance to allow the company directors to have time to study the information. In the event of urgency for the benefits of the company, a meeting invitation can be made otherwise, with an earlier date.

(3) In casting the votes, if any company director has a stake in any matter, that company director shall not exercise a voting right on that matter. That company director shall leave the meeting while there is consideration on that matter in order to allow independent expression of opinions in the meeting.

7. Quorum and Voting

(1) In a meeting of the Board of Directors, at least one half of the total number of directors shall be present to form a quorum. In case the Chairman of the Board of Directors is not present at the meeting or is not able to perform the duty and if there is a Vice Chairman of the Board of Directors, the Vice Chairman of the Board of Directors present at the meeting shall chair the meeting. If there is no Vice Chairman of the Board of Directors or there is a Vice Chairman of the Board of Directors, but he/she is not present at the meeting or is not able to perform the duty, the directors present at the meeting shall elect one of the directors to chair the meeting.

(2) Decisions the meeting shall be made by a majority of the votes.

(3) In casting the votes, one company director has one vote except that if any company director has any stake in any matter, that company director shall not exercise his/her voting right on that matter. In case of an equal vote split, the chairman of the meeting shall cast the deciding vote.



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This charter is effective from 24th November 2015 onward.



บริษัท สากล เอนเนอจี้ จำกัด (มหาชน)
SAKOL ENERGY PUBLIC COMPANY LIMITED

Signed

(Mr. Chatchai Sumetchotimetha)

President of the Board of Directors

Sakol Energy Public Company Limited