



Supalai Public Company Limited

Board of Director Charter

The Board of Directors of the Company has the authorities to supervise the operations of the Company to be in accordance with the laws, objectives and articles of association of the Company including relating rules and regulations.

1. Appointment and Removal of Company Directors

- 1.1 The Company Directors are elected by the shareholders' meeting, with the number of not less than five directors, and of which not less than 3 must be independent directors. Not less than one half of all directors must have domicile in the Kingdom. In addition, at least 1 director must possess knowledge in accounting. The directors must have qualification as prescribed by laws and regulations.
- 1.2 The shareholders' meeting shall elect directors as screened and nominated by the Nomination Committee under the following rules :
 - (1) A shareholder has the vote of one share per one vote.
 - (2) Each shareholder must put all of his/her votes under (1) to elect a person or several persons as directors, but he/she is not allowed to split his/her votes.
 - (3) Those who receive the highest number of votes will be elected in descending order as directors, equaling the numbers of directors to have or to be elected at that time. In case of a tie between runners-up, exceeding the numbers of directors to have or to be elected at that time, the Chairman shall make the casting vote.
- 1.3 At every annual ordinary meeting, one-third of directors shall retire from office. If it is not possible to divide the numbers of directors into 3 exact portions, retirement shall be made by the numbers closest to one-third. The directors to be retired in the first year and second year after company registration shall be decided by a draw. For the later years, the directors who have been in office for the longest period shall retire.
- 1.4 Any director who wishes to resign from his/her position shall submit the resignation letter to the Company. The resignation shall take effect as from the date on which the resignation letter reaches the Company.
- 1.5 Resolution to remove any director from a position before the end of his/her term shall be made by the votes of not less than three-fourth of the numbers of shareholders that attend the meeting and with voting right, and with all the shares held together not less than one half of the shares held by those attending the meeting with voting right.

2. Meetings and Quorum of the Meetings

- 2.1 The Company has adopted a policy which states that if in any agenda of the meeting, any director has an interest which may be in conflict with the interest of the Company, the Company Secretary shall not forward the meeting agenda concerned to him or her. Consequently, the director who has such an interest must temporarily leave the meeting room and shall abstain from voting on such resolution. This is to be in line with the traditional practice of the organization that the Board of Directors has continuously abided by.
- 2.2 To form a quorum for a Board meeting, not less than one half of the total numbers of director must attend the meeting. Where the Chairman is not in the meeting or cannot perform the duty, the Vice Chairman, if any, shall act as the Chairman. If there is no Vice Chairman, or if the Vice Chairman cannot perform the duty, the directors attending the meeting shall select one director to act as Chairman of the meeting.
- 2.3 A decision is reached by a majority of the votes.
- 2.4 Each director has 1 vote, with the exception that any director with interest in the issue is not entitled to vote in such matter. In the event of a tie of vote, the Chairman shall give the casting vote.

- 2.5 To call a Board meeting, the Chairman or the person delegated shall send the letter of invitation not less than 7 days before the meeting, except in case of emergency for the protection of the Company's right or interest, the meeting may be called by other means and may be made sooner.
- 2.6 In respect of good corporate governance, the Company has set out a policy determining that a minimum quorum of a meeting required at the time of voting must comprise not less than two-thirds of the number of all directors.

3. Authority of the Board of Directors

- 3.1 The Board of Directors is responsible for compliance with the laws, objectives and articles of association of the Company including resolutions of the shareholders' meeting by performing duties with responsibility, duty of loyalty and duty of care to protect the interests of shareholders at present and in the future. The Board shall also comply with the rules and regulations of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission Thailand and the Capital Market Supervisory Board established under the Securities and Exchange Act B.E. 2535 (1992) amended by the Securities and Exchange Act (No. 4), B.E. 2551 (2008).
- 3.2 The Board of Directors is empowered to appoint a director as the Chairman, and can also appoint Vice Chairman, as deemed appropriate.
- 3.3 The Board of Directors is empowered to appoint a director as the President, and can also appoint any person to be the Company Secretary, as deemed appropriate.
- 3.4 The Board of Directors shall ensure that the Directors attend trainings and develop necessary knowledge continuously in order to increase knowledge relating work by using the Company's resources.

4. Delegation of Authority by the Board of Directors

Two out of four Authorized Directors with signatory power, jointly affix their signatures, for the Company, to authorize other directors or other persons to perform on his/her behalf the Company's affairs within a certain period.

In this regard, the delegation of authority and responsibility by the Board of Directors will not be the delegation or sub-delegation of authority in such a manner that enables the Board or its attorneys to approve any transactions for oneself or for any person with potential conflict (as defined in the Notification of SEC) for both the Company and subsidiary companies.

- Consider and approve the acquisition or disposal of assets unless such transaction must be approved by the meeting of shareholders; such approval must be made according to the notifications, regulations and/or rules relating to the Office of the Securities and Exchange Commission.
- Consider and approve the connected transactions unless such transactions must be approved by the meeting of shareholders; such approval must be made according to the notifications, regulations and/or rules relating to the Office of the Securities and Exchange Commission.
- Consider and approve the payment of interim dividends to shareholders when deem appropriate that the Company has sufficient profits to do so, and report such dividend payment to the subsequent shareholders' meeting.
- It has the power to consider and approve the borrowings or application for any credit facilities from financial institutions or determine new amount of overdraft (OD) as well as the amount of capital for investment and purchase of land of any item worth more than Baht 200 million each.

5. Board of Directors

The Company's Board of Directors performs the duties by taking into account integrity, transparency, fairness and maintenance of the Company's interest.

5.1 Roles and duties of the Chairman of the Board of Directors

- Ensure Board Effectiveness by being responsible, as the Leader of the Board, for overseeing, monitoring and supervising the management of the Executive Committee and other sub-committees to ensure that the Board of Directors and other committees perform their duties efficiently in order to achieve the objectives and goals according to the plans set forth.

- Manage Board Meetings by acting as the Chairman of the Board of Directors' meetings and the shareholders' meetings, and ensure that all Directors are involved with the promotion of organizational culture with ethics and comply with good corporate governance and business ethical conduct of the Company.
- Give a casting vote in the event of a tie of vote in the Board of Directors' meetings.
- Allocate adequate time to debate important issues, set the meeting agenda of the Board of Directors' meeting with the independent Directors, and ensure that there be measures to include important matters on the agenda of the meeting as well as promoting and supporting the management to exercise thoughtful discretion, while encouraging them to discuss, make enquiries and express opinions on various issues during the meetings.
- Manage Key Relationships by promoting constructive relationship both among directors, and between the Board of Directors and the management.

5.2 There are 2 main aspects of the duties and responsibilities of the Board of Directors as follows:

1. Adopt Business Directions, Policies and Strategy

- Ensure adequate system or mechanism so as to be confident that the operations of the Company are in compliance with the law, objectives, goals, articles of association and operational policies of the Company including the resolutions of the shareholders' meeting, while maintaining the interests of the Company based on good corporate governance principles.
- Define visions, mission, organizational values, strategic direction, objectives, main goals and operational policies of the Company, which would be reviewed regularly and approved every year to be consistent with the business plan of the Company.
- Control and supervise the operations of the Company to be in line with the rules and regulations of concerned agencies, be responsible and maintain the benefits of shareholders in order to create sustainable value of the business, while also disclosing information in sufficient, correct, complete, standardized and transparent manner to shareholders and all relating parties.
- Ensure that there be anti-corruption policies and practical guidelines, clear mechanism for lodging complaint with communication at all levels of the organization and with outsiders in order to put into real practices
- Approve the strategies, key operational policies including objectives, financial goals and the Company plans, while monitoring, evaluating and ensuring that the performance reports comply with the plans, objectives and established goals.
- Consider and approve the annual budget for investment and business operations as well as supervising the use of the Company's resources.
- The Board of Directors has the power to appoint one Director to be the Executive Management and Management Committee as may be deemed appropriate.
- Consider and appoint sub-committees to perform duties according to the responsibilities of the Board of Directors, and set out clear scope of duties of sub-committees, while arranging for report on the performance of the sub-committees.
- Encourage the use of information technology to be part of the strategy, and ensure that it is used to increase business opportunities, development of operating result and sustainability of the business.
- Attach importance to and support innovation that increase the added-value of business in apparel with the creation of benefits to customers or related parties society and the environment.
- Provide a mechanism to ensure that shareholders are involved in making decisions on important matters of the Company, organize the annual ordinary general meeting of shareholders within 4 months from the closing date of the accounting year of the Company, and organize the extraordinary meeting of shareholders when necessary to be in an orderly manner, transparent, efficient and ensure that the shareholders have exercised their rights.
- Set up a mechanism to oversee policy and operations of the Company, its subsidiaries and other businesses invested by the Company with significant implication.

- Organize the meeting of the Board of Directors every quarter with schedule and agenda set in advance, and there must be not less than one half of the number of Directors attending the meeting; the decision of the meeting must be made by a majority vote; if there is a tie of votes, the Chairman can have a casting vote.
- Encourage the management committee, the executives or people concerned to attend the meeting to provide further details as persons directly involved with the problems.
- Provide advice, jointly discuss the problems extensively and make careful decision on matters according to the agenda of the Board of Directors' meeting and be able to independently propose matters beneficial to the Company to be included in the meeting agenda.
- Prepare reports on responsibilities of the Board of Directors regarding the financial statements by presenting together with the reports of the auditors in the annual report, which shall cover important matters in accordance with the policy on best practices for Directors of listed companies on the Stock Exchange of Thailand, as well as preparing reports on sustainability.
- Reported on interest by recording in the minutes of the Board of Directors' meeting.
- Consider, set out and make changes of the names of directors having authority to sign and bind the Company.
- Authorize the Chief Executive Officer to have the power to carry out the business operations of the Company as well as the power to appoint and remove the employees of the Company and determine the remuneration for working according to the policies of the Board of Directors; and authorize the employees with the operational powers in accordance with the business condition.
- Encourage the use of information technology to disseminate information, and be able to have access to additional necessary information; and in a necessary case, the Board can arrange to have an opinion from independent consultants or professionals with an expense of the Company.
- Engage in creating and driving ethical corporate culture that adhere to ethics, whereby the Board of Directors shall behave as role model leaders in terms of corporate governance.

2. Monitoring the operations of the Management for a Check and Balance by

Such assignment does not remove responsibilities of the Board of Directors as the Board of Directors should continue to monitor the management to ensure that it perform the assigned duties as follows;

2.1 Corporate Governance

- Follow up and ensure that the Management Board conduct business with corporate social and environment responsibilities reflected in the operational plan and transfer the strategic plan to be implemented in accordance with the Company's strategic plan, objectives and main goals as well as adopting a framework for budget allocation and resource management for the development to be efficient and effective by taking into account the impact and the development of resources throughout the value chain.
- The Management Committee shall report on the operational results at least once after each quarter in order to be able to control and oversee the performance of the Management Committee continuously and in a timely manner.
- The non-executive Directors shall organize a meeting among themselves as deemed necessary in order to discuss various concerned management issues without the participation of the management, and report to the President for acknowledgement.
- There shall be monitoring of adequacy of liquidity and ability to pay debts of the business together with a plan to solve the problems and restore the operation in response to financial problems, or when there is a tendency to have problem.
- Monitor, manage and solve conflicts of interest that may be incurred and ensure that connected transactions are in accordance with the steps of operations and disclosure of information as required by law; this includes the prevention of

unauthorized use of property, information and opportunities of the Company as well as transactions with those who have a relationship with the Company in an inappropriate manner

- Supervise the working units and the persons responsible for investor relations to set out directions to support the activities regarding the investor relations and ensure that there be appropriate channels of communication with the shareholders and stakeholders of the Company, such as investors, analysts and the media on an appropriate and equal basis.
- Arrange for accounting system, financial and auditing reports and ensure that there are efficient and effective internal control System and internal auditing.
- Arrange for a preparation of statements of financial position and income statements as at the ending date of the accounting year of the Company to be presented to the annual ordinary meeting of shareholders for approval whereby the Board of Directors must arrange for an audit by the auditor before presenting to such meeting of shareholders.
- Arrange for a report on important financial and general information to the shareholders in a correct, complete and sufficient manner; and confirm the verification of information reported.
- Arrange for disclosure of financial and non-financial information which is clear, transparent, reliable and high standard.

2.2 Internal Control and Risk Management

- Set up guidelines for risk management in an extensive manner and ensure that the Executives apply internal control system effectiveness with or risk management process.
- Arrange for an internal control and audit as well as systems for financial control, business operation and supervision including risk control and management.

2.3 Remuneration for Directors

- The Board of Directors is responsible for proposing the directors' remuneration to the Annual General Meeting of Shareholders for approval by considering the structure and compensation rates suitable for the duties and responsibilities which are incentives to motivate the Board of Directors to lead the organization to operate according to both short-term and long-term goals.

2.4 Remuneration for Executive Management

- To appoint and set up remuneration of Chief Executive officer.
- Ensure that there be appropriate compensation system or mechanism for high level executives in order to create both short-term and long-term incentives for them to perform the duties in accordance with the objectives and main goals of the Company.
- The Board of Directors has the duty to evaluate the performance of Executive Management and set out remuneration in accordance with their performance.

2.5 Offering for Sale Securities to the employees and the Directors.

3. Self Assessment

The Board of Directors shall arrange for an annual appraisal of the Board of Directors, the sub-committees and individual Director at least once a year by the Nomination and Compensation Committee, whereby the appraisal results shall be used for developing the Directors' performance.

4. The appointment of a person qualified to act as company secretary.

➤ Qualifications of the Company Secretary

1. Graduate with a degree in Law or Accounting or finance and has completed relevant training courses in the Company's secretarial functions and possess good knowledge experience and understanding of the business type of the Company. The Company secretary's related duties are duties of directors, duties of the Company, and also possess knowledge on relevant laws and regulations, and always keeps abreast with news and information in order to improve the performance of duties.

2. Comply with related laws, the Company's objectives, Articles of Association as well as resolutions of the Company's Board of Directors and the resolutions of the shareholders' meetings with accountability, care, honesty and commitment to support the Company's operations to achieve objectives under the principles of good corporate governance and business ethics.
3. Adhere to ethics and morality and always consider the interest of the shareholders; shall not do anything that may affect reputation and image of the Company.
4. Keep the Company's information confidential and safe and not look out for personal gains from the Company's business opportunity.
5. Have good interpersonal skills and ability to liaise with various departments and agencies, both within and outside the Company.

➤ **Duties and responsibilities of the Company Secretary**

1. Give basic advice to Directors in respect of laws, orders and regulations of the Company of which the Board of Directors needs to know, as well as to ensure proper and consistent compliance. Report any significant change in matter of laws to Directors.
2. Organize the Shareholders' meeting and Board meeting in accordance with the laws, articles of association and proper practice.
3. Take the minutes of Shareholders' meeting and Board meeting and disclosed the resolutions of the meeting accurately and completely, as well as to ensure compliance with the resolutions of the Shareholders' meeting and Board meeting.
4. Prepare and keep the register of Directors, annual reports, letters of invitation for Shareholders' meeting, letters of invitation for Board meeting, minutes of the Shareholders' meeting and minutes of the Board meeting.
5. Keep the reports of interests filed reported by directors or executives and make submission as required by laws.
6. Ensure that there is the disclosure of information under responsibility to the regulatory agencies according to the regulations and requirements of government agencies.
7. Take care of meetings, documents, and activities related to Board of Directors.
8. Contact and communicate with general shareholders to keep them informed of various shareholders' rights and Company's news.
9. Oversee other matters relating to the Board of Directors, the management and the shareholders.
10. Carry out other duties as prescribed by the Capital Market Supervisory Board as well as complying with related laws and the Company's objectives, Articles of Association, resolutions of the Board of Directors and the resolutions of the Shareholders' meetings; coordinate to ensure implementation of the resolutions of the Board of Directors.

Please be informed for your acknowledgement.

Notified on this 20th day of February 2019

Prateep Tangmatitham

(Dr.Prateep Tangmatitham)
Chairman of the Board of Directors