

# SiS Distribution (Thailand) Public Company Limited

## Charter of the Board of Directors



The Board of Directors is regarded as the representative of the shareholders in driving the organization. They play a crucial role in defining the Company's strategies and policies, overseeing, and managing the Company with responsibility, vigilance, transparency, and fairness to all stakeholders. Ensuring good corporate governance principles for the overall benefit of the Company and shareholders is paramount. Leading the organization to sustainable growth in harmony with society, communities, and the environment is a key objective. In addition, the Board of Directors is tasked with overseeing and evaluating the performance of the Management and Managing Director in successfully executing the outlined business plans.

Therefore, SIS Distribution (Thailand) Public Company Limited ("the Company") through the Board of Directors has passed a resolution to establish the Charter of the Board of Directors to ensure that all directors are aware of their duties and responsibilities, providing guidance for the proper and complete execution of their roles.

### 1. Scope of Responsibilities of the Board of Directors.

The Board of Directors is tasked with the following responsibilities:

- 1.1 Manages the business for the maximum benefit of the Company, its subsidiaries, and overall shareholders, adhering to 4 fundamental principles as follows:
  - 1.1.1. Carrying out responsibilities with a sense of responsibility, vigilance, and prudence (Duty of Care).
  - 1.1.2. Performing duties with integrity and loyalty (Duty of Loyalty).
  - 1.1.3. Adhering to laws, objectives, the Company's Articles of Association, the resolutions from the Board of Directors and shareholder meetings (Duty of Obedience).
  - 1.1.4. Providing accurate, complete, transparent, verifiable, and timely disclosure of information to shareholders (Duty of Disclosure).
- 1.2 Determines vision, mission, and business strategies, with a systematic process of annual review and approval.
- 1.3 Considers primary operational plans, budgets, goals, and business operation policies while enhances the Company's capabilities.
- 1.4 Oversees the execution of the Company's strategies and monitoring performance, with a commitment to regular reporting. Additionally, establishing policies to enhance and improve business operations, taking into consideration safety, health, social responsibility, community, and environmental factors.
- 1.5 Devotes time without pursuing personal gains and refraining from any actions that may compromise the Company's interests.
- 1.6 Administers the Company in accordance with laws, objectives, the Company's Articles of Association, the resolutions from the Board of Directors and shareholder meetings. This is executed with responsibility, vigilance, prudence, and integrity for the maximum benefit of the Company, its subsidiaries, and overall shareholders. It includes transparency and fairness to all stakeholders.



- 1.7 Determines policies for managing risks and ensuring efficient risk management. This includes regular reviews and assessments of the risk management system, adapting to changes in risk levels when necessary.
- 1.8 Supervises, promotes, and enhances the corporate governance of the Company, serving as a guide for business operations. Ensuring adherence to and setting an example for corporate governance and Codes of Conduct of the Company.
- 1.9 Disclose necessary information as required by law and relevant regulations to regulatory authorities, including details of securities trading and the pledging of the Company's shares as collateral.
- 1.10 Fosters a sense of ethics and morality among employees at all levels and encouraging adherence to corporate governance principles, Codes of Conduct, and the Company's Anti-Corruption Policy, along with other relevant policies.
- 1.11 Supports and promotes the fulfillment of duties by employees and internal units within the Company to ensure effective corporate governance. Additionally, supporting the development of personnel to enhance knowledge and skills necessary for consistent job performance.
- 1.12 Appoints a Company Secretary responsible for overseeing various operations on behalf of the Company or the Board of Directors, as specified in Section 89/15 of the Securities and Exchange Act.
- 1.13 Supervises the establishment of an efficient, adequate and appropriate internal control system and auditing procedures, to reduce the risks of fraud, abuse of power, and prevent any illegal actions.
- 1.14 Sets efficient sustainability management policy and overseeing the implementation of guidelines to promote sustainable growth.
- 1.15 Ensures the benefits of both major and minor shareholders are protected fairly, while also promoting their ability to exercise their rights in maintaining their interests. Providing accurate, complete, transparent, verifiable, and timely information to all shareholders.
- 1.16 Establishes mechanisms to oversee and monitor Material Transaction (MT), Related Party Transaction (RPT) and raised funds utilization of the Company.
- 1.17 Recognizes the roles and responsibilities of the Board of Directors, respecting the rights of shareholders and stakeholders, and conducting affairs transparently and fairly. Overseeing the establishment of processes and channels for receiving and managing complaints from those who wish to report issues clearly. Providing opportunities for direct contact/complaints with the Board of Directors.
- 1.18 Reviews development and success plans for senior management. Overseeing the annual assessment of senior management and implementing an appropriate remuneration system that is aligned with the operating results to generate both short-term and long-term motivations.
- 1.19 Performs an annual assessment of the Board of Directors, encompassing an assessment of the overall performance of the Board of Directors and its sub-committees, individual director, and Managing Director. Additionally, tracking the assessment results of the Board of Directors and its sub-committees for collective consideration within the Board of Directors.



- 1.20 Oversees a transparent process for the nomination and election of individuals as a director. Ensuring appropriate remuneration is established for the Board of Directors and its sub-committees.
- 1.21 Attends the Board of Directors' and shareholders' meetings unless prevented by unforeseen circumstances. In cases where a director cannot attend a meeting, advance notice must be provided to the Chairman of the Board of Directors or the secretary of the committee.
- 1.22 Continuously enhances knowledge and skills through training sessions, relevant courses, and seminars related to directors' duties. Regularly participate in professional development activities to stay informed and proficient in board responsibilities.
- 1.23 The Board of Directors may seek independent advice or consultation from external advisors or professionals in other fields when deemed necessary and appropriate.

## **2. Roles of the Chairman of the Board of Directors**

Roles of the Chairman of the Board of Directors are listed as following:

- 2.1 Considers setting the agenda for Board of Directors' meetings in collaboration with the Management Director, and ensure that directors receive accurate, comprehensive, clear, and timely information before the meetings to support the directors for appropriate decision making.
- 2.2 Serves as the leader of the Board of Directors and be the Chairman for the Board of Directors' meetings.
  - 2.2.1 Conducts the Board of Directors' meetings in accordance with the agenda, the Company's Articles of Association, and legal requirements.
  - 2.2.2 Allocates sufficient time and encourages all directors to express their opinions freely, fosters independent thinking and exercises sound judgment, taking into consideration the interests of all stakeholders comprehensively.
  - 2.2.3 Summarizes the resolutions made during the meeting and clearly defines the actions to be taken next.
  - 2.2.4 Organizes the Board of Directors' meeting without the presence of the executive director (Non-Executive Directors' meeting).
- 2.3 Leads the shareholders' meeting in accordance with the agenda, the Company's Articles of Association, and legal requirements. Allocates appropriate time, provide equal opportunities for shareholders to express their views, and ensures that questions from shareholders are addressed appropriately and transparently.
- 2.4 Supports and serves as a good example in adhering to corporate governance principles and the Company Codes of Conduct, including sustainability principles.
- 2.5 Fosters good relationships between the Board of Directors and Management, including supports the execution of duties by the Management Director and Management according to the Company's policies.
- 2.6 Ensures transparency in disclosing information and managing conflicts of interest when conflicts arise.
- 2.7 Supervises to ensure that the appropriateness of the Board of Directors structure and composition.
- 2.8 Supervises to ensure the effective and efficient performance of the Bord of Directors, its sub-committees, and each director.



2.9 Supervises the performance assessment of the Board of Directors, its sub-committees, individual director, and the Managing Director. Uses the assessment results to enhance performance, drive continuous improvement, and foster knowledge and skill development among the Board of Directors and its sub-committees.

### **3. Composition of the Board of Directors**

The Board of Directors shall comprise the following:

- 3.1 The Board of Directors comprises of not less than 5 directors, appointed and removed through the shareholders' meeting. At least half of the directors must have a residence in the territory.
- 3.2 The Board of Directors comprises of independent directors, constituting at least one-third of the total number of directors, but not less than 3 persons, the directors representing major shareholders and the directors from Management.
- 3.3 The Board of Directors comprises of the directors with diverse knowledge, skills, and experiences that are relevant to the nature of the Company's business.
- 3.4 The Board of Directors shall elect one member as the Chairman of the Board of Directors.
- 3.5 Upon the appointment of any individual as a director, the Company shall prepare them for the roles and provide relevant information to all newly appointed directors to appraise them of their duties as a director.

### **4. Qualification of the Board of Directors**

- 4.1 Be qualified according to the Public Limited Companies Act, the Securities and Exchange Act, and the Company's Articles of Association without any prohibited characteristics outlined in the announcement from the Securities and Exchange Commission, Thailand ("SEC") regarding the qualifications of listed company management.
- 4.2 Exhibits leadership qualities characterized by a broad vision and a profound understanding of the Company's business operations.
- 4.3 Capable for executing tasks independently, expressing opinions freely and can allocate sufficient time for task execution.
- 4.4 Holds the position of director in listed companies, with a maximum limit of 5 companies.

### **5. Terms of Office for the Board of Directors**

- 5.1 During the Annual General Meeting of shareholders, the directors shall retire by the rotation rule at one-thirds of total members. If the number of directors is not divisible evenly by three, the closest whole number to one-third shall retire. The director with the longest term of office shall be the one to retire. However, the retiring director is eligible for re-election.
- 5.2 In addition to the above retirement according to the Company's Articles of Association, the directors will be retired when:
  - 5.2.1 Death.
  - 5.2.2 Submit a resignation letter to the Board of Directors, effective from the date the resignation letter reaches the Company.
  - 5.2.3 Fails to meet the qualifications of a director as stipulated in the Company's Articles of Association.
  - 5.2.4 Shareholders' meeting passing a resolution for impeach based on the Public Limited Companies Act.



5.2.5 Impeachment by a court order.

5.2.6 Absence from three consecutive regular meetings of the Board of Directors without notification, and the Board of Directors passes a resolution for impeachment with a majority vote of not less than half of the total number of directors.

5.3 In the event that all directors vacate their positions, the departing Board of Directors shall continue to hold offices to carry out the Company's operations until a new board is appointed and assumes its duties, to the extent necessary.

## **6. Director Nomination and Appointment**

6.1 The Remuneration and Nomination Committee is responsible for proposing candidates with suitable qualifications for election as directors. This may include considering names from credible organizations' director databases.

6.2 In the case of directors retiring by rotation, the Company will allow shareholders to participate by nominating qualified candidates for consideration for election as directors.

6.3 In addition to evaluating the qualifications of such candidates, consideration must also be given to any potential conflicts of interest or vested interests the candidate may have with the Company.

6.4 In the event of nominating an independent director, further consideration should be given to the independence qualifications in accordance with the Capital Market Supervisory Board's regulations and the Company's definition of independent directors.

6.5 When proposing the reappointment of a current director, their past performance, contributions to the Company's business, and the sufficiency of time dedicated to their duties during the previous term should be considered.

6.6 In the event of directors retiring by rotation, the Remuneration and Nomination Committee shall review and screen potential candidates before presenting the list to the Board of Directors for acceptance. The approved list will then be proposed at the Annual General Meeting of Shareholders for the election of directors.

6.7 In the event that a Board of Directors position becomes vacant due to reasons other than retirement by rotation, the Remuneration and Nomination Committee shall review and screen suitable candidates before proposing the appointment to the Board of Directors at the next Board meeting except when the remaining term of the vacant position is less than two months. The appointment must be approved by a vote of no less than three-fourths of the remaining directors. The person appointed to the Board of Directors shall serve only for the remainder of the term of the director they are replacing.

## **7. Board of Directors' Meeting**

7.1 The Company stipulates a minimum of 6 Board of Directors' meetings annually, each with clearly defined agendas provided well in advance. Additionally, special meetings may be convened to address urgent or critical matters. The determination of meeting agendas and consideration of items for inclusion in the agenda will be a collaborative effort between the Chairman of the Board of Directors and the Managing Director.

7.2 The Chairman of the Board of Directors or the secretary of the Board of Directors, under the Chairman's directive, shall notify the directors of a scheduled meeting not less than 7 days prior to the meeting date. However, in cases of urgent necessity, the notification period may be shortened, or alternative methods of notification may be employed.



7.3 The directors may participate and cast votes in meetings through electronic means or other appropriate channels. The secretary at the meeting recording the minutes shall document such proceedings in the meeting report.

#### **8. Quorum of the Board of Directors**

- 8.1 A quorum for a Board meeting shall be achieved when at least half of the total number of Board members are present. In the event that the Chairman is absent or unable to fulfill their duties, the directors present at the meeting shall elect one member to act as the temporary Chairman.
- 8.2 Resolution of the Board of Directors shall be made by majority vote. Each director shall be entitled to one vote unless they have a vested interest in a particular matter. It is strictly prohibited for any director to abstain from voting on a matter in which they have a vested interest. In case of a tied vote, the Chairman shall cast an additional deciding vote as a casting vote.
- 8.3 In the event that there are vacant positions on the Board of Directors, such that the remaining members are less than the quorum required for a meeting, the remaining directors shall act on behalf of the Board of Directors but only for the purpose of convening a shareholders' meeting to elect new directors to fill all vacant positions. The shareholders' meeting must be convened within 3 months from the date when the number of directors falls below the required quorum.

#### **9. Board of Directors' Authority of Approval**

The Board of Directors has the authority to approve various matters related to the Company within the scope of duties defined by law, the Company's Articles of Association, Charter of the Board of Directors, and resolutions of shareholders' meetings. This includes the establishment and review of the vision, mission, business strategy, risk management policies, annual budgets, and business plans. The Board of Directors is responsible for setting performance goals, monitoring and evaluating operational results against established plans, overseeing capital expenditures, Related Party Transactions, mergers, settlers, joint ventures, appointments of directors, Management, or other significant positions within the subsidiaries, and the delegation of authority.

#### **10. Remuneration for the Board of Directors**

The remuneration for the directors shall be based on the approved amount determined during shareholder meetings.



This Charter of the Board of Directors has been approved by the Board of Directors in the Board of Directors' meeting of No. 6/2024 held on December 13<sup>th</sup>, 2024.

The Thai version of this document shall be regarded as the official version, with the English version provided solely as a translation from Thai. In the event of any conflict or discrepancy between the two languages, the Thai version shall prevail.

**This Charter shall be effective from January 1<sup>st</sup>, 2025.**

**(Mr. Lim Kiah Meng)**  
**Chairman**