
Charter of the Board of Directors

Tipco Asphalt Public Company Limited

The Board of Directors of Tipco Asphalt Public Company Limited (“Company”) has a commitment to its fiduciary duties and responsibilities and shall ensure that the Company is managed and operated in the best interests of the shareholders. To adhere to these fiduciary duties, each director commits to the following key duties;

1. To perform duties with due care (Duty of Care);
2. To perform their duties with loyalty to protect the best interest of the Company and shareholders (Duty of Loyalty);
3. To comply with the laws and regulations, the Company’s Objectives, the Company’s Articles of Association, and the resolutions of the Board of Directors and shareholders’ meetings (Duty of Obedience); and
4. To disclose the information to the shareholders in the accurate, complete, transparent and timely manner (Duty of Disclosure).

In addition, the Board of Directors defines and reviews the Company’s vision, mission, policies, strategies, etc., covering all facets of operations, and measures the employees’ performance against the Key Performance Indicators (KPI) and budget.

In order to promote good corporate governance of the Company, the Board of Directors has thus resolved to adopt the Charter of the Board of Directors (“Charter”) such that Directors are fully aware of and perform their duties and exercise their responsibilities accordingly. This Charter shall be effective on 10 November 2021 henceforth.

Composition and Appointment

1. The Board shall consist of at least 10 directors, but not exceed 14 directors. Directors of not fewer than half of the number of all directors shall have residence in the Kingdom of Thailand;

2. At least one-third of all directors must be independent directors, the number of whom must be at least three;
3. The Board of Directors shall elect one director to be the chairman of the Board ("Chairman") and elect one director to be vice chairman ("Vice Chairman") of the Board. Vice Chairman is entitled to perform any act under the Articles of Association on behalf of the Chairman;
4. The positions of Chairman of the Board and Chief Executive Officer are not held by the same individual for the sake of clear-cut segregation of roles and responsibilities; and
5. The appointment of Directors must be based on transparency and clarity and shall abide by laws, regulations and relevant rules.

Qualifications of Directors

In selecting persons to be appointed as the Company's Directors, the Nomination and Remuneration Committee is empowered to screen and nominate qualified persons. The desirable characteristics of Directors include:

1. integrity and accountability;
2. proven competency in financial, commercial or industrial matters and skills/capacity to provide strategic insight and direction;
3. proven experience in corporate management;
4. good interpersonal and communication skills;
5. no conflict of interest or prohibited characteristics as specified in the Public Limited Company Act B.E. 2535; and
6. Independent directors shall possess the qualifications as specified in the Securities and Exchange Commission's guidelines and the Company's definition of Independent Director.

Directors may hold directorships in no more than five listed companies but such holdings shall not adversely affect their work as Directors of the Company.

Terms of Office

1. In every annual ordinary meeting of shareholders, one-third of directors shall vacate in proportion. If the number of directors is not a multiple of three, the number of directors closest to one-third shall vacate;

A director who vacates under this section may be re-elected;

2. In the case of a vacancy in the Board of Directors for reasons other than the termination of the term of office, the Board of Directors shall elect a person who has the qualifications and is not being under any of the prohibition under section 68 of Public Limited Company Act B. E. 2535 as the substitute director at the next meeting of Board of Directors, unless the remaining term of office of the said director is less than two months;

The resolution of the Board of Directors under the above paragraph shall be a vote of not less than three-fourths of number of directors remaining;

The substitute director under paragraph one shall hold office only for the remaining term of office of the director whom he or she replaces;

3. Term of office of Chairman and Vice Chairman is two years;
4. In addition to vacating office upon the termination of the term under the Public Limited Company Act B.E. 2535, Directors shall vacate office upon:
 - 4.1 Death;
 - 4.2 Resignation;
 - 4.3 Being disqualified or being under any of the prohibitions;
 - 4.4 Removal by a resolution of the meeting of shareholders; and
 - 4.5 Removal by court order.

5. Retirement age is 75;
6. A member will be allowed to retain his/her directorship after his/her 75th birthday and remain as Director until his/her three-year term expires; and

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7. Any director wishing to resign from office shall submit his or her resignation letter to the Company and the resignation shall be effective from the date on which the Company receives the resignation letter.

Duties and Responsibilities of the Chairman of the Board

1. To summon the meetings of the Board of Directors according to the pre-determined schedules and others as necessary;
2. To preside over the Board of Directors meeting;
3. To promote corporate governance standards of the Board of Directors;
4. To preside over the Shareholders' meeting and conducting the meeting following the sequences of the agenda and in compliance with the Company's Articles of Association; and
5. To perform the duties specified by the laws and regulations.

Duties and Responsibilities of the Board of Directors

The basic responsibilities of the Directors are to exercise their business judgment in the best interest of its shareholders and for the sustainable growth of the Company. The Board shall ensure that each director performs his/her duty in accordance with all relevant laws and regulations.

In furtherance of its responsibilities, the Board of Directors shall;

1. Define, evaluate and approve, on a regular basis, the Company's vision, mission, corporate values, business policies, long-term plans and strategies;
2. Review, evaluate and approve the Company's budget and forecast, include resource allocation and capital expenditures;
3. Regularly review the Company's financial and non-financial operating results, and adjust the Company's business strategies accordingly;
4. Review, evaluate and approve the overall corporate organizational structure, the assignment of senior management responsibilities and succession plans;
5. Review, evaluate and approve compensation packages pertaining to senior management of the Company;

6. Adopt, implement and monitor compliance with the Company's Code of Conduct;
7. Review and assess the effectiveness of the Company's policies and practices with respect to internal control, risk assessment and risk management;
8. Periodically review the Company's policies and progress relating to social responsibilities;
9. Conduct an annual self-evaluation and the assessment will be discussed with the full Board each year in order to identify the areas which require improvement;
10. Periodically review the performance of the Chief Executive Officer and approve a compensation package as deemed appropriate by the Board;
11. Review, at least annually, of (i) the status of major litigation, (ii) Compliance with significant regulatory requirements affecting the Company; and (iii) corporate governance matters;
12. Encourage directors and executives to attend the training course/ seminar by the Thai Institute of Directors Association (Thai-IOD) or relevant organizations which is related to their duties and responsibilities; and
13. Perform any other duties in accordance with the Board's and shareholders' resolutions.

Shared Duties and Responsibilities of the Board of Directors and Management

1. Formulate and review policies and strategies, plans and targets.
2. Ensure robust system for risk management and internal control.
3. Clearly define management's responsibilities.
4. Oversee appropriate policies and plans for resource allocation, including HR, IT, and budgeting.
5. Monitor and evaluate financial and non-financial corporate performance.
6. Ensure integrity of financial and non-financial information disclosures.

Duties and Responsibilities that the Board of Directors should delegate to Management

Engaging in activities which under normal circumstances are not expected roles of the board, including day-to-day management and decisions (such as procurement and staffing), ongoing monitoring that conduct and operations are in compliance with the company's policies, strategies, plans, and applicable law and standards.

Interactions with External and Internal Parties

1. Except where directed by the Chief Executive Officer of the Company, communications on behalf of the Company with internal and external parties such as the media, securities analysts, stockbrokers and investors, must be made only by specifically designated representatives of the Company. If a Director receives any inquiry relating to the Company, he or she should decline to comment and ask them to call the Company's Chief Executive Officer;
2. Directors may have access to officers and employees of the Company to obtain information for the benefit of the Company. Meetings or contacts that Directors wish to initiate will be arranged through the Chief Executive Officer. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will copy the Chief Executive Officer any written communications between Directors and officers or employees of the Company; and
3. Directors may propose to the Board to engage experts or advisors, including independent legal counsel, as approved by the Board.

Board of Directors' Meeting

1. The Directors must hold meetings at least five meetings a year by setting meeting dates in advance and may convene extraordinary sessions if necessary;
2. The Chairman or the assigned person shall send meeting invitations specifying the date, time, venue, and agenda details to all Directors at least five business days ahead of the meeting. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier;
3. At a meeting of the Board of Directors, a quorum is constituted when at least twelve directors are present. If that quorum is not present within thirty minutes from the time when the meeting should have begun or if during the meeting there is no longer a quorum, the meeting shall be adjourned for not less than seven business days;

4. In the event that the Chairman of the Board does not attend the meeting or is unable to perform his/her duty, the Vice Chairman shall be chairman of the meeting. If the Vice Chairman is not present or is unable to perform his duty, the Directors present may elect one of their members to be chairman of the meeting;
5. Decisions at the meeting shall be made by majority votes;
6. Each Director shall have one vote, but a director who has interests in any matter shall not be entitled to vote on such matter; and
7. The company secretary or the assigned person is responsible for preparing the minutes of the meetings.