

The Criteria for Nomination and Appointment of Directors and Top Executives

1. Nomination and Appointment of directors and independent directors

1.1. Criteria for nomination of the Company's directors

The Company has established the Nomination and Remuneration Committee to be responsible for the selection of directors by considering the nomination criteria from business nature and the Company's strategy. Therefore, the Company has specified the qualifications of directors to be appropriate in accordance with business strategy by considering the necessary skills required, including the Board Diversity both professional skills and specialized skills, knowledge, abilities, experiences in various fields related to business operations without restrictions on age, gender, religion or any other restrictions, in accordance with the business strategy. The Company has implied database from Director Pool from Thai Institute of Directors (IOD) to be composition of the nomination, to prescribe the qualified person to be director or executive. Nevertheless, the person who has been appointed to take a position of director or executive of the Company must be qualified according to the Public Limited Companies Act, B.E 2535, other laws, and related regulations.

At present, the Board of Directors consists of 10 directors which is appropriate with the Company's business operating conditions, including knowledge, competencies necessary required for the composition of director structure. By considering from Board Skill Matrix in management, business administration, accounting and finance, laws, economics, engineering, and political science. To combine knowledge and competencies that are beneficial to the company's operations resulting the composition of the board of directors currently have qualified persons with experience, expertise from a wide range of professions and properly covered in all aspects.

1.2 Process for nomination and appointment of the Company's directors

Selection of persons to be appointed to take a position of directors must be passed by the nomination process of the Nomination and Remuneration Committee and be approved by the shareholders' meeting. And the Company has given all shareholders the opportunity to nominate individuals for consideration as directors. The list can be submitted through the Company's website in advance of the scheduled time prior to the Annual General Meeting of Shareholders which is usually the fourth quarter of each year, and the voting will use individual ballots, with the following criteria and procedures:

1. Each shareholder has the vote equivalent to one vote per one share held
2. Each shareholder shall use all his/her voting rights under No. 1 to elect one person or more as the Director, but is not capable to share his/her varied voting rights to any person
3. The person who receives the highest votes in a descending order would be elected as directors accordingly to the number of Directors allowed in such meeting. In the event of any person who has been elected in the lower order received equal votes but there will be over the number of allowances, the Chairman of such meeting shall have a casting vote.

In the shareholder annual meeting, one third of directors must be retired. In case one third (1/3) of the number is impossible, the number nearest to one-third must retire from office. Director who needs to resign in first year and second year after company listed shall be decided by drawing lots. After that, the directors who have been in office the longest shall retire first. Retiring directors may be re-elected.

Apart from retired by rotation, director may retire due to passing away, resignation, unqualified or prohibited characteristics as specified by the laws on securities and stock exchanges, resolution to be removed by the shareholder's meeting, and order by the court to resign.

1.3 The Nomination and Appointment of Independent directors

In the nomination of independent directors, the Company establishes criteria for the selection of independent directors by persons qualified by the nomination criteria for the Company's directors, together with the qualifications of independent directors referring to the definition of independent directors of the Company. By using criteria equivalent to the requirements set forth by the Securities Exchange Commission and the Stock Exchange of Thailand.

Independent Director's qualification

1. Holding no more than 1% of all shares with voting rights of the Company, inclusive of shares held by anyone who is affiliated with such independent directors.
2. Not being an executive director involved in the management of the business, employee, staff, advisor earning regular monthly salary, controlling person during the period of two preceding years. Unless in the case where the person is retired as a government official or as a consultant of a government agency which is a majority shareholder or has controlling interest for less than 2 years
3. Not being a person who is relate by blood or legal relations with a director or an executive.
4. Not having a business relationship with including not being the significant shareholder or the controlling person of a juristic person having a business relationship with the company in an amount starting from 20 million baht or more or from three percent of NTA, whichever is lower, during the period of two preceding year.
5. Not being an auditor of the company, its parent company, subsidiary, associate company, a major shareholder, a controlling person during the period of two preceding year.
6. Not being a provider of professional services, a significant shareholder, controlling person, or partner of such provider with a service fee of more than two million baht per year during the period of two preceding year.
* In case of a person who has qualifications inconsistent with 4 and 6, he or she shall be granted an exemption from such prohibition, provided that the issuer has obtained an opinion of the board of directors indicating that after a consideration in accordance with the principle in Section 89/7, the appointment of such person does not affect the performance of duties and the giving of independent opinions, and that the following information has also been disclosed in the notice calling the shareholders' meeting.
7. Not being a director who is appointed as the representative of directors of the issuer, major shareholder or shareholder who is a connected person of a majority shareholder
8. Not undertaking any business of the same nature and in competition with the company and the subsidiary, or holding more than one percent of the voting shares, or being a managing director, employee, staff, advisor with a regular monthly salary, person with controlling interest in such business.
9. Not having any other characteristics that cause the inability to express independent opinions.

10. An independent director can be an independent director of an affiliated company, but a member of the Audit Committee is prohibited from being a director of a parent company, subsidiary or subsidiary at the same level (sister company) which are listed companies.
11. After being appointed as an independent director, that independent director may be assigned by the board of directors to make a decision on the business operation, the parent company, subsidiary, associate company, sister company, major shareholder or controlling person in the form of collective decision. However, a member of the Audit Committee is prohibited from taking part in the decision-making on the business operation.

Independent directors who take a position of director in Audit Committee, shall be appointed by the Board of Directors or the meeting of shareholders. Selecting from director who qualify as independent director according to the announcement of the Securities and Exchange Commission (SEC), provided that at least 1 Audit director must have knowledge in accounting and finance to verify and control the Company's operation, including financial reports, internal control system, selection of Auditor, and considering conflict of interest.

In the event the office of a director is vacated otherwise than by rotation, the Board of Directors may elect a person to replace such director by a vote of not less than three fourths (3/4) of the number of the remaining directors. The replacement shall retain the office of director only for the remaining tenure of his predecessor.

2. Nomination and Appointment of Chief Executive Officer

The Company has a policy to select the qualified person to take a position of Chief Executive Officer of the Company and its subsidiaries in an appropriate and transparent manner to ensure that such selected director will be professional. The Nomination and Remuneration Committee will be responsible for the selection of the Chief Executive Director by the following procedures and criteria.

Process for nomination of Chief Executive Officer

1. The Nomination and Remuneration Committee shall select the suitable person by considering the appropriately qualified person who can be selected from internal person and external person.
2. In the nomination of Chief Executive Officer, the Nomination and Remuneration Committee shall nominate the person who have knowledge, competencies, skills and experiences beneficial to business operations or from the nomination by the Board of Directors or top executives of the Company.
3. After selecting the suitable person, the Nomination and Remuneration Committee shall nominate such person in the meeting of Board of Directors to consider approve.

The Criteria for nomination of Chief Executive Officer

1. Chief Executive Officer shall be the person who have knowledge, competencies, skills, experiences in management, and experiences in business operation with specialized skills beneficial to the business of the Company, in accordance with the business of the Company and business operation strategy of the Company, without restrictions on gender, age, nationality, etc.

2. Have leadership, sweeping visions, have morality and ethics, along with good attitude to the Company, and able to devote their sufficient time which is beneficial to the business operation of the Company.
3. Have transparent work history, and not have any prohibited characteristics as stipulated by the announcement of The Securities and Exchange Commission of Thailand

3. Top Executives Succession Planning.

The purpose is the preparation for the readiness in the future, the Company has policy to set the necessary skills development plan for the successor to key positions of the Company and its subsidiaries. Anyway, the succession planning shall be controlled by the executive committee with supporting from the Human resource department. The Nomination and Remuneration Committee of the Company shall control Top executive succession planning of the Company and its subsidiaries in order to operate it business smoothly and continuously by regularly conducting the annual review of such planning.

(Witoon Suriyawanakul)

Chief Executive Officer

Siam Global House Public Company Limited