

# **Charter of the Board of Directors**



**Smart Telcoms Public Company Limited**

(The Updated Version has been reviewed by the Board of Directors of the Company on November 9, 2023)

## **1. Objective**

The Board of Directors represents all shareholders. They are responsible for setting the company's important policies and strategies. Hence, to ensure that the management has implemented policies and strategies. The Board of directors shall perform their duties responsibly, carefully, and honestly which will create maximize benefits for the Company and all stakeholders based on corporate responsibility.

## **2. Composition**

- 1) The Board of Directors shall have the number as specified by the shareholders' meeting not more than 5 persons and not less than one half of the total number of directors shall have residence within the Kingdom.
- 2) The Board of Directors must be at least one-third of independent director out of total number of directors, and at least 3 persons.
- 3) The Board of Directors may elect one of the directors as chairman. When considering appropriate, the Board of Directors may elect one or many directors to be vice chairman(s).
- 4) The Board of Directors should consist of at least 3 persons experiencing in the Company's business and at least 1 person with experience in accounting and finance.

## **3. Qualification**

### **Qualification of directors**

- 1) Has qualifications and shall not be under any of prohibitions which comply to Public Company Act B.E. 2535 (Including the additional revised), or any other related laws. Moreover, the directors shall not lack of confidence which comply to the regulations of Securities and Exchange Commission ("SEC"), and Company's Articles of Association;
- 2) Does not run any business, which is competed with the Company, and not being a shareholder of any legal entities whose business is the Company's competitors, whether doing it for one's own benefit or others, except informing to the shareholders' meeting before having a resolution to appoint;
- 3) Should have leadership, vision, and independent consideration for best benefit of the Company and the shareholders;
- 4) Has various knowledge, experience, and specific skill that suitable for the Company business;
- 5) Should have responsibility, due care, careful, loyalty and business integrity;
- 6) Having sufficient time for fully participated as a Director of the Company.

### **Qualification of Independent Director**

- 1) Holding not more than 0.5 percent of the total number of voting rights of the Company, parent company, subsidiaries, affiliates, major shareholders or controlling person of the Company which include the shares held by related persons of the independent director;
- 2) Neither being nor used to be an Executive director, employee, staff or advisor who receives a salary; or controlling person of the Company, parent company, subsidiaries, affiliates, same-level subsidiaries, major shareholder or controlling person of the Company unless the foregoing status has ended not less than two years prior to the date of appointment;
- 3) Not being a person related by blood or legal registration such as father, mother, spouse, sibling and child, including spouse of child of other directors, executive, major shareholder, controlling persons, or persons to be nominated as directors, executive or controlling person of the Company or subsidiaries;
- 4) Neither having nor used to have a business relationship with the Company, parent company, subsidiaries, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiaries, affiliates, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment;

The business relationship as mentioned shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the applicant or the counterparty being subject to indebtedness payable to the other party in an amount starting from 3 percent of the net tangible assets of the applicant or from 20 million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of 1 year to the date of establishing the business relationship with the related person;

- 5) Neither being nor used to be an auditor of the Company, parent company, subsidiaries, affiliates, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, parent company, subsidiaries, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment;
- 6) Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, parent company, subsidiaries, associate companies, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of appointment;
- 7) Not being a director who has been appointed for being a representative of the Company's director, major shareholder or shareholder who is related to the Company's major shareholder;
- 8) Not undertaking any business in the same nature and in significant competition to the business of the Company or subsidiaries or not being a partner which is significant in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the Company or subsidiaries;
- 9) Not having any characteristic which cause the inability to express independent opinions with regard to the Company's business operations.

#### **4. Authorities, Roles and Responsibilities of the Board of Directors**

- 1) Conduct business with responsibility, due care, and integrity also uphold the Company's operations to be according to the law, Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting to protect the rights and benefits of the Company and all shareholders;
- 2) Formulate policies and directions for the Company's operations. The Board must also supervise managerial and administrative departments to deliver all policies and strategies with effectiveness and efficiency;
- 3) Set out and review the Company's vision, missions, strategies by applying the appropriate and safe innovation and technology in order to enhance the business opportunities including engaging everyone in the organization to run business in the same direction;
- 4) Approve annual budget and investment of the Company and ensure proper resource allocation and effective systems and controls as well as monitor the implementation of the Company's strategies and plans;
- 5) Appoint directors to replace of those who will retire by rotation as well as consider the remuneration package for such directors and committee members, which are proposed by Nominating & Compensation Committee, prior to propose for further consideration of the shareholders and consider to approve in case a directorship becomes vacant by any reason other than the expiration of the term, the Board of Directors shall elect a person possessing the qualifications and being under no prohibitions under the relevant laws as a replacing director at the Board of Directors' Meeting, unless the remaining term of such director is less than 2 months. The replacing director shall hold office only for the remaining term of the replaced director;
- 6) Appoint committees to oversee administrative process and internal system to coincide with Company's policies, also approve the committees' charters;

- 7) Appoint and define its roles and responsibilities as well as ensure that Executive Chairman perform its duties as assigned;
- 8) Appoint and define its roles and responsibilities as well as ensure that Company Secretary perform its duties as assigned;
- 9) Approve policy, structure, criteria of remuneration for directors, committees, Executive Chairman, top management, management and employees as well as propose remuneration for directors and committees for further approval from the shareholders' meeting;
- 10) Prepare quarterly and annual financial statements to disclose or propose to the shareholders' meeting for approval, as the case may be, as well as supervise to disclose the important information accurately, sufficiently and on time to comply with the relevant rules and regulations;
- 11) Nominate appropriated persons with remuneration, which are proposed by Audit Committee, prior to propose for further consideration and approval of shareholders for the appointment of the Company's auditors;
- 12) Ensure the Company's to have written Corporate Governance Policy and Business Ethic as well as to ensure that there will be no conflicts of interest at the same time to establish systematic plans for internal control and risk management;
- 13) Ensure that good corporate governance is implemented to demonstrate Company's commitment to operate the business with ethics and to bring fair treatment to all stakeholders;
- 14) In case of entering into any direct or indirect transaction with the Company and subsidiaries, such director should immediately inform his/her or related parties' personal interest to the Company;
- 15) Supervise to ensure that development and succession plans for Executive Chairman and key executives are in place;
- 16) Encourage and promote innovation and meet social and environmental responsibilities.
- 17) Approve interim dividend payment to the Company's shareholders and report the interim dividend payment in the next shareholders' meeting.
- 18) Approve the acquisition or disposal of the Company's assets according to the rules of the Capital Market Supervisory Board.
- 19) Approve the connected transactions of the Company according to the rules of the Capital Market Supervisory Board.
- 20) Organize an annual general meeting of shareholders within 4 months from the end of the Company's fiscal year.
- 21) Continuously monitor performance of the Company and subsidiaries to comply with the operation plans and budgets of the Company.
- 22) Supervise subsidiary and affiliate to comply with the Company's policy.

## **5. Roles and Responsibilities of the Chairman of the Board of Directors**

The Chairman of the Board has an important role in supervising and supporting the Board of Directors to be able to perform their duties in accordance with the direction and strategy for the best benefit of the Company and all shareholders. Moreover, the Chairman of the Board has to lead the Board of Directors as the Chairman of the Board of Directors' Meeting, Shareholders' Meeting and Non-executive Directors' Meeting which covers the following;

- 1) Oversee, monitor, and ensure that the Board of Directors efficiently carries out its duties to achieve the Company's objectives.
- 2) Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- 3) Set the board meeting agenda by discussing with the Executive Chairman and/or President which important matters should be included.
- 4) Allocate sufficient time for management to propose topics, and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company.
- 5) Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.

## **6. Terms of positions**

- 1) At the Annual General Meeting of Shareholders in every subsequent year one-third of the directors, who have been longest in office, shall retire. The retired directors are eligible to be re-elected for another term by obtaining majority vote from the Nominating & Compensation Committee.
- 2) The independent directors shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating & Compensation Committee due to his/her contribution to the Company and the Committee ensures that the extra term will not cause or impact to the independent of such director as well as obtain an approval from Board of Directors and/or the Company's shareholders.

## **7. Meeting**

- 1) At a meeting of the Board of Directors, there must be directors present not less than one half of the total number of directors to form a quorum. In the event that the Chairman is absent or is unable to perform the duties, if there is a Vice-Chairman, the Vice-Chairman shall be the chairman of the meeting. In the absence of the Vice-Chairman or the Vice-Chairman is unable to perform the duties, the directors present at the meeting shall elect one among themselves to be the chairman of the meeting.

The Board of Directors meeting shall be attended by at least half of all the directors in order to constitute a quorum. In addition, the Board of Directors set its quorum of the meeting to be at least 2/3 of all directors.

- 2) Each director shall have one vote. Decisions of the meeting shall be by a majority of votes. For a director who has an interest in any matter who shall have no right to vote on such matter. In the case of an equality of votes, the Chairman of the meeting shall have an additional casting vote.
- 3) The Board of Directors' Meeting schedule have been set at least 5 times a year with certain agenda. The annual meeting schedule will be sent to each director by the Company Secretary for preparation and arrangement for meeting participation. The operating results will be regularly reviewed. The invitation letter as well as meeting materials will be delivered by the Company Secretary to all directors at least 5 working days prior to the meeting date for consideration. To comply with the Company's Articles of Association, unless any urgent matters, the invitation letter as well as meeting materials will be delivered by the Company Secretary to all directors 7 days prior to the meeting date. However, additional unscheduled Board meetings may be called upon appropriate notice at any time either to address specific needs of the Company or to fulfill requirement of any directors.

## **8. Remuneration for Directors**

Policy of Directors' Remuneration has been clearly and transparently set to be comparable to the general practice in same industry which is in accordance with the Company's strategies and goals, and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any Committees will be paid appropriately more in accordance with the extra work. The Nominating & Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders. The Company discloses individual remuneration of director in the Annual Registration Statement / Annual Report (Form 56-1 One Report).

## **9. Board Self-Assessment and Director Self-Assessment**

The Corporate Governance Committee is responsible for Self-assessment of the Board of directors and Director Self-assessment to annually review and evaluate directors' performance to comply with Corporate Governance of the Company. Comments and recommendations from the assessments are further considered in the Board of Directors' meeting for improvement.

## **10. Reporting**

The Corporate Governance Committee shall from time to time report its performances to the Board of Directors and provide annual performances report to shareholders in the Form 56-1 One Report.