



Charter of the Board of Directors

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SIAM MAKRO PUBLIC COMPANY LIMITED



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1. Objectives

The Board of Directors (“the Board”) of Siam Makro Public Company Limited (“the Company”) – as a representative of shareholders and leader of the organization – has key roles in creating sustainable values for the business and returns on investment for shareholders. The Board therefore established its charter as a framework for performing duties and as a tool for checks and balances between the Board and the Executives. It is also to ensure that the business operation is conducted for maximum benefits of shareholders and in line with the Company’s vision, mission, policies and strategies.

Moreover, the Board has the authority and responsibilities as specified in the relevant laws, the Company’s Articles of Association, and shareholders’ resolutions. The Board must undertake its duties with honesty and due care to protect the benefits of shareholders in accordance with the details indicated in Section 5 - Roles and Responsibilities of the Board of Directors.

2. Composition

- 2.1 The Board consists of not less than five (5) directors or any minimum number as required by the laws and the resolution of the Shareholders’ Meeting, but not more than fifteen (15) directors, at least one-third (1/3) of whom and not less than three (3), must be independent directors. Additionally, not less than half of the total number of directors must reside in the Kingdom of Thailand.
- 2.2 The Chairman of the Board shall not take the position of Group Chief Executive Officer. Separate roles and responsibilities of the Chairman of the Board, the Board of Directors, Sub-Committees, and the Group Chief Executive Officer must be clearly defined for checks and balances.

3. Qualifications

- 3.1 Directors

- 3.1.1 Directors must be fully qualified and not be under any of the prohibitions prescribed in the Public Limited Company Act, the Securities and Exchange Act, and other relevant laws.
- 3.1.2 Directors must be knowledgeable and have expertise in diverse fields relevant to the industry, accounting and finance, business, management, marketing, strategy, crisis management, laws, and corporate governance; as well as possessing experience, competency and specific attributes, regardless of gender and age. At least one of the non-executive directors must be experienced in the business/industry of the Company.
- 3.1.3 Directors must possess leadership and be able to oversee the Executives' business operation efficiently and effectively.
- 3.1.4 A director should not serve in more than 5 SET-listed companies (including Makro) and such service must not affect his/her responsibilities for the Company.
- 3.1.5 Directors must be honest, ethical, able to dedicate sufficient time to perform duties for the Company.

3.2 Independent Directors

Independent directors are those who have independence from the control of major shareholders or group of major shareholders and management. They can express their opinions independently to protect the benefits of all shareholders equally and to prevent any conflict of interest.

Apart from the qualifications of directors as described in 3.1, independent directors must be fully qualified according to the Company's definition and conforming to the regulations prescribed by the Capital Market Supervisory Board which are:

- 3.2.1 Holding shares not exceeding 0.5% of the total number of shares with voting rights of the Company, its parent company, subsidiary companies, major shareholder or controlling person of the Company, which shall be inclusive of the shares held by related persons of such independent director;

- 3.2.2 Neither being nor used to being a director who takes part in the management, employee, staff member, advisor who receives a regular salary, or controlling person of the Company, its parent company, subsidiary companies, same - level subsidiary companies, major shareholder or of the controlling person of the Company, unless the foregoing status has ended not less than 2 years. However, such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
- 3.2.3 Not being a person related by blood or by legal registration as father, mother, spouse, sibling, and child, including spouse of child, of the executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary companies;
- 3.2.4 Neither having nor used to having a business relationship with the Company, its parent company, subsidiary companies, major shareholder or controlling person of the Company, in the manner which may interfere with his independent judgement, and neither being nor used to being a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary companies, major shareholder or controlling person of the Company, unless the foregoing relationship has ended not less than 2 years.

The term "business relationship" under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterpart being subject to indebtedness payable to the

other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of 1 year prior to the date on which the business relationship with the person commences;

- 3.2.5 Neither being nor used to being an auditor of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person, or partner of the audit firm which employs auditors of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
- 3.2.6 Neither being nor used to being any professional service provider including a legal counselor or financial advisor who receives service fee of exceeding Baht 2 million per year from the Company, its parent company, subsidiary companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person or partner of the aforementioned professional service provider, unless the foregoing relationship has ended not less than 2 years;
- 3.2.7 Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
- 3.2.8 Not undertaking any business of the same nature as and competing with that of the Company or its subsidiary companies or not being a significant partner in a partnership or being a director who takes part in the

management, employee, staff member, advisor who receives regular salary or holding shares exceeding 0.5% of the total number of shares with voting rights of other companies which undertake businesses of the same nature as and competing with that of the Company or its subsidiary companies;

3.2.9 Not having any other characteristics which cause the inability to render independent opinions with regard to the Company's business operations.

3.2.10 The Company's independent directors shall serve not more than 9 consecutive years.

Independent Directors may be empowered by the Board of Directors to make decision for the business operation of the Company, its parent company, subsidiary companies, the same - level subsidiary companies, major shareholder or the controlling person of the Company in the form of collective decision.

4. Appointment, Tenure and Termination

4.1 Appointment of Directors

4.1.1 Appointment of Directors shall comply with the Company's Articles of Association and applicable laws with full transparency. The nomination process shall follow the established procedures of the Nomination and Remuneration Committee. Details of background information must be provided for consideration of the Board and/or shareholders, as the case may be, such as education background, professional experience, as well as diversity of skills.

4.1.2 In the case of retiring by rotation, the election of directors requires resolution from shareholders meeting with an affirmative majority vote from the total number of votes of the shareholders who are present at the meeting and entitled to vote. In the event of a tie vote, the Chairman of the meeting shall have a casting vote.

4.1.3 If a directorship becomes vacant for any reason other than retiring by rotation, the Board of Directors shall appoint a qualified person as a director

to fill the vacancy at the subsequent Board meeting unless the remaining term of the vacant directorship is less than 2 months. The director who fills the vacancy shall retain his/her office only for the remaining term of the vacant directorship. The resolution of the Board for such director election shall consist of not less than three-fourth of the votes of the remaining directors.

4.1.4 In the case that a person appointed as an Independent Director has or used to have business relationship or professional service providing with the value of exceeding those prescribed in the Qualifications of Independent Directors item 4) or 6), the Board of Directors may consider waiving this disqualification if the Board opines that the appointment of such person does neither affect his/her performance nor expression of independent opinion, and the Company already disclosed the following information in the AGM invitation notice on the agenda of appointment of such Independent Director:

- a. Manner of business relationship or professional service causing such person disqualified under the prescribed criteria;
- b. Reason and necessity to maintain or appoint such person as an Independent Director;
- c. Opinion of the Board of Directors to nominate such person as an Independent Director.

4.1.5 The Board shall appoint one of the members as the Chairman and the Vice Chairman of the Board of Directors.

4.2 Tenure

4.2.1 The term of directorship is 3 years. Those who complete their term are eligible for re-election.

4.2.2 Independent Directors shall serve the office not more than 9 years in total.

4.3 Termination

- 4.3.1 At every AGM, 1/3 (one-third) of the total number of directors must retire by rotation. Those directors with the longest tenure are required to leave the office. If it is not a multiple of three, the number of directors nearest to one-third must retire. However, those retiring directors are eligible for re-election.
- 4.3.2 Apart from retiring by rotation, a Director shall vacate office upon death, resignation, lack of qualifications or disqualifications as prescribed by the law pertaining to Public Company Limited, the Securities and Exchange Act and/or other applicable laws, or removal pursuant to the resolution adopted by shareholders meeting, or removal pursuant to a court order, or imprisonment pursuant to the final judgement or legal order except offenses committed by negligence or petty offenses, or being an incompetent person or quasi-incompetent person, or bankrupt.
- 4.3.3 To resign from office, a resignation letter shall be submitted to the Chairman of the Board. Such resignation shall become effective on the date the resignation letter is received by the Company. The resigning director may also inform the registrar of the resignation.
- 4.3.4 The shareholders' meeting may pass a resolution to remove any director from office prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders who are present at the meeting and entitled to vote, with the aggregate number of shares not less than half of the number of shares held by the shareholders who are present at the meeting and entitled to vote.

5. Roles and Responsibilities of the Board of Directors

Besides the main responsibility as a representative of shareholders, the Board of Directors also has statutory duties, responsibilities according to the Company's Articles of Association, shareholders' resolutions, and other responsibilities as follows:

- 5.1 The Board of Directors is responsible for establishing the Company's key policies and directions that are clear and suitable for the conditions and factor variations. The Board also supervises the Management to effectively comply with the policies for the best interests of the Company and the stakeholders with transparency and fairness under the legislative and regulatory frameworks, the code of conduct, social and environmental awareness, and relevant standards at the domestic and international level.
- 5.2 The Board is responsible for determining the vision, objectives, mid-term goals and strategy, business plans, and annual budgets that correspond to the Company's objectives and targets. The Board must consider the proper arrangement of resources and operational control as well as analyzing the environment, factors and risks that may impact relevant stakeholders throughout the value chain. The Board also supervises the Management to conduct the operations efficiently and effectively according to the business plans and annual budgets to increase the economic value for the business. The Board encourages to have the Company's mission and strategic plans reviewed at least once a year.
- 5.3 The Board must establish the Charter for the Board of Directors, the Corporate Governance Policy, and the Code of Conduct for the Board of Directors, the executives, the employees, and every staff for compliance together with the rules and regulations of the Company to create fairness towards all relevant persons.
- 5.4 The Board must fully perform their duties with their knowledge and ability and also be responsible for their own decision with independent discretion based on integrity, prudence, and persistence by considering the best interests of the Company and the fairness to every group of shareholders.
- 5.5 The Board of Directors has the duty to approve any financial transactions that relate to the Company's investment by considering the best interests of the Company and fairness to all relevant persons.
- 5.6 The Board of Directors has the duty to supervise the Management to ensure that the Company and its subsidiaries have reliable accounting systems, financial

reports, accounting audit, risk management, internal controls, and internal audit; and that there is regular monitoring, evaluation and review of the risk management, internal control and internal audit for effectiveness and efficiency.

- 5.7 The Board of Directors must omit or avoid any participation in business activities in which themselves or their close relatives have conflicts of interest or any activities that may lead to conflicts of interest with the Company. The Board must monitor and ensure that the issues of conflict of interest or connected transaction are properly managed, and that the guidelines of practice are set out in conformance to the procedures and disclosure requirements as prescribed by laws and for the best interests of the Company and every group of shareholders.
- 5.8 The Board of Directors must appoint the Company Secretary to facilitate the activities of the Board and assist the Board and the Company in compliance with the relevant laws and regulations.
- 5.9 The Board of Directors must review and evaluate the annual performance of the Board and individuals at least once a year, by jointly reviewing the performance, analyzing the issues, and providing solutions for improvement.
- 5.10 The Board of Directors must conduct annual performance appraisal and determine annual compensation of the Group Chief Executive Officer every year.
- 5.11 The Directors must attend every Board of Directors' Meetings and Shareholders' Meetings. In case of absence due to important matters, the said Director must notify the Chairman.
- 5.12 The Board of Directors must conduct the compliance assessment with the Company's Corporate Governance and Code of Conduct at least once a year.
- 5.13 The Board of Directors must oversee the promotion and the application of the innovation and technology to gain competitive advantage under the basis of social and environmental responsibilities.
- 5.14 The Board of Directors must determine the Governance Policy for its subsidiaries including the proper internal control and the appointment of Directors, Executives, or those with controlling powers in the subsidiaries.

- 5.15 The Board of Directors is responsible for promoting the ongoing Directors' development such as participation in training programs and seminars, overseas business trips, etc.
- 5.16 The Board of Directors oversees succession plans of the Group Chief Executive Officer and the Executives and report to the Board at least once a year.
- 5.17 The Board of Directors supervises the Management to review, manage and improve the use of resources such as finances, assets, intellectual property, and employment, etc. to be effective and efficient by considering the change of internal and external factors.
- 5.18 The Board of Directors is responsible for the preparation of the Anti-Corruption Policy and Guidelines and encouraging the employees to comply with the laws and relevant rules and regulations.
- 5.19 The Board of Directors oversees the information disclosure including financial statements, annual reports / Form 56-1 (Form 56-1 One Report) that adequately reflect the financial status and operating results. The Board also supports the Company in preparing the Management Discussion and Analysis in conjunction with the disclosure of the financial statements every quarter. In case any disclosure item is related to any director, such director must ensure that the information to be disclosed is comprehensive and accurate.
- 5.20 The Board of Directors supervises the Management to monitor and assess the financial status of the business and regularly report to the Board. In case the Company faces or is likely to face financial problems, the Board of Directors must ensure that the Management defines the survival plan to resolve financial problems and/or for the best interests of every stakeholder.
- 5.21 The Board of Directors has the duty and the responsibility towards shareholders and carries out the operations by concerning the protection of shareholders' interests. The Board arranges the shareholders' meeting in compliance with the laws and relevant regulations, as well as supports and facilitates the shareholders to exercise their rights.

5.22 The Board of Directors oversees to ensure that the Information System Security is in place. This includes determining the policies and guidelines on the confidentiality, the integrity, and the availability of information as well as the market sensitive information. The Board ensures that the Directors, Executives, employees, and relevant external parties conform to the Information System Security.

5.23 The Board of Directors carries out other activities that relate to the Company's operations as assigned by shareholders.

6. Roles and Responsibilities of the Chairman of the Board

6.1 The Chairman or his/her delegate calls the Board meetings, by giving notice of at least 7 days prior to each meeting to provide the directors with adequate time to study, review, and make proper decisions.

6.2 The Chairman, together with the Group Chief Executive Officer - Siam Makro, decides the meeting agenda.

6.3 The Chairman presides over the Board meeting to ensure of meeting efficiency by allocating sufficient time for the management to make presentation, encouraging and allowing directors to ask questions and express their opinion independently, controlling the issues under discussion, and summarizing the meeting's resolutions.

6.4 The Chairman encourages the Board's compliance to corporate governance principles in considering any agenda related to one's conflicts of interest, for instance, identifying oneself, refraining from voting, and leaving the meeting.

6.5 The Chairman always informs the Board of significant matters.

6.6 The Chairman encourages the Board members to attend Shareholders' Meetings and presides over such meetings to ensure of meeting efficiency and address shareholders' queries.

6.7 The Chairman encourages the Board to perform its duties under their scope of authority and responsibility, conforming to the laws, the Board's Charter and the corporate governance principles.

7. Board Meeting

- 7.1 The Board of Directors requires to have a meeting at least once every quarter to review the Audit Committee Report and approve the financial statements on annual basis and quarterly basis, and at least once a year to consider the Company's strategy and business plan. The meeting is scheduled one year in advance so that the Directors can manage the schedule to attend the meeting and the agenda is clearly defined. The Chairman of the Board may call for additional meetings in exceptional circumstances if requested by any Director or there appeared to be any urgent matter that requires special Board's approval.
- 7.2 The Board of Directors has a policy to encourage the Independent Directors / Non-executive Directors to meet at least once a year or as necessary to discuss the management issues relating to their area of interest without having the management attend the meeting and inform the result of the meeting to the Chief Executive Officer.
- 7.3 The Chairman of the Board considers and approves the agenda of the Board Meeting as well as other matters proposed by any Director and gives the opportunity to the Group Chief Executive Officer – Siam Makro and the Company Secretary to propose other matters in the agenda in advance prior to each meeting.
- 7.4 The Company Secretary is responsible for delivering an invitation notice and the meeting agenda as well as meeting documents to the Directors at least 7 days in advance so that the Directors can study them before the meeting.
- 7.5 Directors having any vested interest in the matter being discussed must leave the meeting during the associated discussions accordingly.
- 7.6 Attendees of Board Meetings
- 7.6.1 Board Meetings must have not less than half of the total number of appointed Board Directors of the Company attending so as to constitute a quorum for a Board Meeting; whereby the Chairman of the Board of Directors acts as the Chairman of the Board Meeting.

7.6.2 In the event that the Chairman of the Board is not present at the Board Meeting or is not able to discharge this duty, the Board of Directors will appoint a Vice Chairman who is present at the meeting to be the Chairman for that Board Meeting.

7.6.3 The Company Secretary or an authorized person must attend every Board Meeting.

7.7 Exercising Votes

7.7.1 Resolutions of the Board Meetings require a majority vote. Each Director has one vote. In the event of a tie vote, the Chairman of the Board Meeting shall have a casting vote.

7.7.2 Directors having any vested interest in any agenda being considered must excuse themselves and abstain from voting on that particular matter.

7.8 Minutes of Meetings

The Company Secretary or an authorized person shall take the minutes of meetings and maintain the records of the approved minutes of meetings for reference and audit purposes.

8. Performance Assessment

8.1 The Board of Directors is required to conduct performance assessment every year, including

- 1) The Board of Directors and Sub-Committees Assessment
- 2) Individual Assessment (Self-Assessment).

8.2 The Company Secretary has the responsibility to report the summary of the result to the Board for acknowledgement and to disclose the result in the Annual Report/Form 56-1 (Form 56-1 One Report).

Announced on 10 November 2020

(signed)

(Mr. Suphachai Chearavanont)

Chairman

Records of Revision

Revision No.	Date	Revised Section	Description of Revision
1	08/08/2019	page 8, 10	Independent Directors have a term of office totaling not more than nine years.
2	10/11/2020	All sections	All sections are revised to reflect the Board's duties and align with the updated guidelines of practice for corporate governance as defined by external institutes and relevant agencies.