

Chapter 5

Board of Directors

Article 16. The Company shall have a Board of Directors in charge of the Company's operations, which shall be composed of at least five (5) directors, provided that at least one half (1/2) of the total number of directors must be resident in Thailand, and that the Company's directors must meet the qualifications and possess no prohibited characteristics prescribed by law.

A director may or may not be a shareholder of the Company.

The Board of Directors shall be responsible for all business activities of the Company and have the power and authority to carry out the operations within the scope of law, and comply with the objectives, the Articles of Association and resolutions of the shareholders' meetings, with the power to take any actions as set out in the Memorandum of Association or in connection therewith.

Article 17. A shareholders' meeting shall elect directors with a majority of votes in accordance with the following rules and procedures:

- (1) A shareholder shall have one (1) vote per one (1) shares held by him/her.
- (2) Each shareholder shall exercise all his/her available votes under (1) to elect one or several persons as director(s), and for the purpose of election of several persons as directors, shall not allocate his/her votes in any number to any person.
- (3) The persons with the highest votes in descending order shall be elected as directors according to the number of directors to be appointed or elected at that time. Should there be a tied votes for such persons to be elected in descending order, which would exceed the number of directors to be appointed or elected at that time, the chairman of the meeting shall have a casting vote to conclude the number of directors to be appointed or elected at that time.

Article 18. At every annual ordinary general meeting of shareholders, one-third (1/3) of the directors shall retire from their office. Should the number of directors not be a multiple of three, the number closest to one-third (1/3) shall retire from their office.

Directors due to retire from their office in the first and second years after the Company's incorporation shall be determined by drawing lots. In subsequent years, directors with the longest term of office shall retire.

Directors who retire from office may be re-elected to resume their office.

Article 23. Directors' remuneration shall be determined by resolution of a shareholders' meeting with not less than two-thirds (2/3) of all votes of the shareholders present at the meeting. Such directors' remuneration may be a fixed amount or set out as a specific criteria and shall be designated from time to time or effective indefinitely until changed otherwise by resolution of a shareholders' meeting. In addition, the Company's directors are entitled to receive allowances and other welfare according to the Company's policy.

The provisions in the first paragraph shall not prejudice the rights of the Company's staff or employees appointed as directors to receive their remuneration and benefits in the capacity as the Company's staff or employees.

Article 27. In the course of the Company's operations, directors shall perform their duties in compliance with the laws, objectives and the Articles of Association of the Company, as well as resolutions of the shareholders' meetings, with integrity, and safeguard the Company's interest.

Article 28. No director shall engage in any business of the same nature as and in competition with the Company's business, or be a partner in any ordinary partnership or a partner with unlimited liability in a limited partnership, or be a director of any other limited company or public limited company that engages in any business of the same nature as and in competition with the Company's business, whether for personal gain or that of others, unless such information has been advised to the shareholders' meeting prior to passing a resolution to appoint that director.

Chapter 6

Shareholders' Meetings

Article 32. The Board of Directors shall call a shareholders' meeting as an annual ordinary general meeting of shareholders within four (4) months from the end of the Company's fiscal year, and such a meeting shall be called an "Ordinary General Meeting."

Any shareholders' meeting other than such meeting under the first paragraph shall be called an "Extraordinary General Meeting," whereby the Board of Directors may call a shareholders' meeting as an Extraordinary General Meeting at any time as it deems appropriate.

One or more shareholders representing in aggregate not less than ten (10) percent of all issued shares may execute a written request for the Board of Directors to call a shareholders' meeting as an Extraordinary General Meeting at any time, provided that the matters and reasons for calling such meeting must be clearly

indicated in such request, in which case, the Board of Directors shall call such meeting within forty-five (45) days from the date of receipt of such request from the shareholder(s).

Should the Board of Directors fail to call such meeting within the period under the third paragraph, the shareholder(s) who executed such request or other shareholders representing in aggregate the required number of shares may call such meeting within forty-five (45) days from the lapse of such period under the third paragraph, in which case, this shall be deemed as a shareholders' meeting called by the Board of Directors, and the Company shall be responsible for such costs necessarily incurred by such meeting and provision of reasonable facilities.

Should it occur that in any shareholders' meeting called at the shareholders' request under the fourth paragraph, the number of shareholders present at the meeting fails to constitute a quorum as required by Article 34., the shareholders under the fourth paragraph must be jointly responsible to reimburse such costs incurred by such meeting to the Company.

Article 33. For the purpose of calling a shareholders' meeting, the Board of Directors shall prepare a notice of meeting specifying the place, date, time, agenda and matters to be proposed to the meeting, along with reasonable details, which must be clearly identified as matters to be proposed for information, for approval or for consideration, as the case may be, including the Board of Directors' opinions on such matters. Such notice of meeting shall be sent to the shareholders and the registrar at least seven (7) days prior to the meeting date, and published in a newspaper at least for three (3) consecutive days prior to the meeting date.

The shareholders' meeting shall be held in the province where the Company's head office is located or any nearby province as designated by the Board of Directors, or may be held via electronic media as the Board of Directors deems appropriate.

In the event of a shareholders' meeting via electronic media, such meeting shall be conducted in accordance with any applicable rules, procedures, regulations and/or orders in force as of the date of that shareholders' meeting.

Article 34. Every shareholders' meeting shall require the presence of not less than twenty-five (25) shareholders and proxies (if any) or not less than one half (1/2) of all shareholders, who represent in aggregate not less than one-third (1/3) of all issued shares to constitute a quorum.

In any shareholders' meeting, upon a lapse of one (1) hour from the scheduled time of the meeting, if the number of shareholders present at the meeting fails to constitute a quorum as required in the first paragraph, and if such meeting is called at the shareholders' request, such meeting shall then be cancelled. If such

shareholders' meeting is not called at the shareholders' request, the meeting shall be called again, in which case, a notice of meeting shall be sent to the shareholders at least seven (7) days prior to the meeting date, and at this subsequent meeting, no quorum is required.

Article 35. At a shareholders' meeting, a shareholder may appoint another person as his/her proxy to attend the meeting and vote on his/her behalf, provided that such proxy must be in writing, signed by the grantor and in the form designated by the public company registrar, which at least contain the following particulars:

- a. The number of shares held by the grantor;
- b. Name of the grantor;
- c. The number of the meeting for which such proxy is appointed to attend and vote;

Such proxy form shall be furnished to the person designated by the Company before such proxy attends the meeting.

Article 36. Should the meeting not finish the consideration of the agenda as listed in the notice of meeting or not finish the consideration of the matters proposed by shareholders representing in aggregate not less than one-third of all issued shares at the meeting, and as such, it is necessary to adjourn such consideration, the meeting shall designate the place, date and time for the next meeting to be held. The Board of Directors shall send a notice of meeting specifying the date, time and agenda to the shareholders at least seven days prior to the meeting date, and publish the notice of meeting in a newspaper at least for three consecutive days prior to the meeting date.

Article 37. The Board chairman shall preside over every shareholders' meeting. Should the Board chairman not be present at the meeting or unable to perform the duty, a vice-chairman shall preside over the meeting instead. In the absence of any vice-chairman or if a vice-chairman is not present at the meeting or is unable to perform the duty, the meeting shall elect any shareholder present at the meeting to preside over the meeting.

Article 38. In casting a vote at a shareholders' meeting, one (1) share shall carry one (1) vote. Any shareholder who has any special interest in any matter shall not be eligible to vote on such matter, except for an election of directors.

Article 39. Resolutions of a shareholders' meeting shall require the following votes:

(1) In a normal case, a majority of votes of the shareholders present at the meeting at cast their votes is required, and in case of an equality of votes, the chairman of the meeting shall have an additional vote as a casting vote

(2) In the following cases, not less than three-fourths (3/4) of all votes of the shareholders present at the meeting and eligible to vote is required:

- (a) a sale or transfer of all or substantial parts of the Company's business to another party;
- (b) an acquisition or acceptance of transfer by the Company of business of another private or public company;
- (c) an execution, amendment or termination of any contract in connection with lease of all or substantial parts of the Company's business, an authorization of any other party to manage the Company's business, or a business merger with another party for the purpose of profit and loss sharing;
- (d) an amendment of the Memorandum of Association or the Articles of Association of the Company;
- (e) an increase or decrease of the Company's registered capital;
- (f) an issuance of debentures of the Company and other securities under the securities and exchange law;
- (g) a merger of the Company's business with another company.
- (h) a dissolution of the Company.
- (i) any other transactions required by law to be approved by not less than three-fourths (3/4) of all votes of the shareholders present at the meeting and eligible to vote.

Article 40. Matters to be transacted at an annual ordinary general meeting of shareholders are as follows:

- (1) To acknowledge the Board of Directors' annual report showing the Company's operating results over the previous year;
- (2) To consider approving the balance sheet and profit and loss statements;
- (3) To consider approving profit allocation and declaration of dividends;
- (4) To consider electing new directors to replace those due to retire by rotation;
- (5) To consider fixing the directors' remuneration;
- (6) To consider appointing the auditor and fixing the auditing fee; and
- (7) To consider other matters.

Chapter 8

Accounting, Finance and Audit

Article 45. The Company's fiscal year shall commence on January 1 and end on December 31 of each year.

Article 46. The Company shall cause its books of account to be prepared, kept and audited as required by the applicable laws, and shall prepare its balance sheet and profit and loss statements at least once every twelve (12) months, which are the Company's fiscal year.

Article 48. The Board of Directors shall provide the shareholders with the following documents to be attached to the notice of the annual ordinary general meeting of shareholders:

- (1) A copy of the audited balance sheet and profit and loss statements, together with the auditor's report; and
- (2) The Board of Directors' annual report, together with supporting documents.

Article 50. An auditor must not be a director, staff, employee or a person holding any position in the Company.

Article 51. The auditor shall be authorized to audit such books of account, documents and any other evidence relating to revenues, expenditures, as well as assets and liabilities of the Company, during the Company's business hours. In this regard, the auditor shall have the power to make inquiries of directors, staff, employees, persons holding any positions and functions in the Company, and the Company's agents, and require them to explain any facts or produce any documents or evidence relating to the Company's business operations.

Article 52. The auditor shall be required to attend every shareholders' meeting of the Company which would consider the balance sheet, profit and loss statements, and matters relating to the Company's accounts, in order to provide an explanation on his/her audit to the shareholders. In this regard, the Company shall also provide the auditor with all reports and documents of the Company which would be made available to the shareholders at that shareholders' meeting.

Article 53. No dividends shall be paid otherwise than out of profit. Should the Company still sustain an accumulated loss, no dividends shall be declared.

Dividends shall be distributed equally according to the number of shares, except where the Company issues preferred shares to be eligible for dividends different from ordinary shares, in which case, dividends shall be distributed according to such requirements. Payment of dividends must be approved by a shareholders' meeting.

The Board of Directors may declare an interim dividend to the shareholders from time to time if, in its opinion, the Company's profits justify such declaration, and such declaration of dividend shall be reported to the following shareholders' meeting for information.

Payment of dividends shall be made within one (1) month from the date of such resolution by the shareholders' meeting or the Board of Directors' meeting, as the case may be. Written notice of payment of such dividends shall be given to the shareholders and also published in a newspaper at least for three (3) consecutive days.

Should the Company's shares have not been completely sold according to the registered capital or the capital increase registered by the Company, the Company may pay dividends, in whole or in part, by issuing new ordinary shares to the shareholders, subject to approval of the shareholders' meeting.

Article 54. The Company shall allocate as reserve at not less than five (5) percent of its annual net profits, less the accumulated loss brought forward (if any) until such reserve reaches not less than ten (10) percent of the registered capital. The Board of Directors may propose the shareholders' meeting to consider approving an allocation of other types of reserves as it deems appropriate.