

(Translation)

**Charter of the Board of Directors**

**S Hotels and Resorts Public Company Limited**

**First revision (October 2020)**

## S Hotels and Resorts Public Company Limited

### Charter of the Board of Directors

#### 1. Objectives

As representative of the shareholders, the Board of Directors of S Hotels and Resorts Public Company Limited (“Company”) plays vital roles in setting directions, policies and strategies for the Company’s business operation. It also supervises management of the Company and its subsidiaries for compliance with the law and their objectives and regulations with the goals of creating business values and maximum long-term benefits for the Company, its subsidiaries and shareholders.

Recognizing the importance of the good governance principles in promoting the confidence of shareholders and stakeholders, each member of the Board of Directors shall perform his/her duties with responsibility, integrity and care to safeguard the interests of the Company and its subsidiaries. The Board of Directors must comply with the laws as well as the objectives, regulations and resolutions of the Board of Directors and the shareholders’ meetings.

At its meeting No. 1/2562, held on 10 January 2019, the Board of Directors resolved to adopt this Charter with the objectives of having members of the Board of Directors understand their roles, duties and responsibilities to shareholders of the Company and its subsidiaries as well as being able to perform such duties with efficiency, effectiveness and transparency.

#### 2. Composition

2.1 The Board of Directors shall consist of not less than five and no more than 12 members. Not less than half of the Board members must reside in the Kingdom of Thailand and have all the qualifications prescribed by the law.

2.2 At least one-third of the total number of Board members, but not less than three members, must be independent directors who are not under the control of the Company’s executives and major shareholders. Independent directors must have no connection or stake in the Company’s financial and business management and must have all the prescribed qualifications for independent directors in the Notification

of the Capital Market Supervisory Board TorJor. 4/2561 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (“**Notification TorJor. 39/2559**”). The scope of duties and responsibilities of the Board of Directors shall be as prescribed and notified by the Stock Exchange of Thailand (“**SET**”).

2.3 The Board of Directors shall consist of qualified persons with diverse knowledge, professional skills, specific experiences and expertise that are beneficial to the business operations of the Company and its subsidiaries, irrespective of their gender, ethnicity, religion, age or professional skill.

2.4 The Board of Directors shall elect one member as Chairman and, if it deems appropriate, may elect one or more members as Deputy Chairman. In the case where the Chairman is not an independent director, the Board of Directors shall appoint one independent director to make joint determination of meeting agenda. This is to create a balance of power between the Board of Directors and the Management in accordance with the principles of good corporate governance for listed companies.

### 3. Qualifications

3.1 Members of the Board of Directors must possess the knowledge, ability and experiences that are beneficial to the Company’s business operations. They must also be a person of honesty and integrity, observance of business code of conduct and must be able to fully devote their time, knowledge and ability to perform their duties for the benefits of the Company and its subsidiaries.

3.2 Members of the Board of Directors must have all the required qualifications and none of the prohibited characteristics under the Public Limited Companies Act, B.E. 2535 (1992) and its amendments, (the “**Public Limited Companies Act**”), the Stock Exchange of Thailand Act, B.E. 2535 (1992) and its amendments, (the “**Securities Act**”), and the relevant notifications, rules and/or regulations. They must not possess any characteristics that render them unsuitable to warrant the trust for being a director or an executive as prescribed by the Securities and Exchange Commission Thailand and/or the Capital Market Supervisory Board. They must be a person whose name is listed on the Database of Directors and Executives of Securities Issuing Companies under the Notification of the Capital Market Supervisory Board on Rules for Listing Names of Persons on Database of Directors and Executives of Securities Issuing Companies.

- 3.3 Members of the Board of Directors cannot engage in the same type of or competing business with the Company or its subsidiaries or be a partner in an ordinary partnership or an unlimited partner in a limited partnership or be a director of any juristic person engaging in the same type of or competing business with the Company or its subsidiaries, whether for their own or another person's interest, unless the shareholders' meeting was notified of the facts before it passed a resolution to appoint such person to the Board of Directors.
- 3.4 Members of the Board of Directors shall be a director for no more than five companies listed in the Stock Exchange of Thailand (including the Company's director).

4. **Duties, authorities and responsibilities**

- 4.1 The Board of Directors shall have the powers, duties and responsibilities in the supervising of the business operation of the Company and its subsidiaries for compliance with the law, objectives and regulations of the Company, resolutions of the Board of Directors' meeting, and resolutions of the shareholders' meeting. It shall perform such powers, duties and responsibilities with honesty, integrity and care for the best interests of the Company and its subsidiaries and shareholders. It shall also oversee compliance of the Company and its subsidiaries with the policies of the Company and its subsidiaries, relevant laws on the business operation of the Company and its subsidiaries as well as the anti-bribery and anti-corruption laws.
- 4.2 Performs its duties with the same level of responsibility and caution that any entrepreneur in such business shall exercise under the same circumstance for the maximum benefits of the Company, its subsidiaries and shareholders.
- 4.3 Hold the Board of Directors meetings at least once every quarter. The meetings should be attended by all members of the Board of Directors when resolution on material issue or material transaction is required, unless it is unavoidable for reason of necessity. Material transaction should include transactions required by law to have the approval resolution of the shareholders' meeting. Such material transactions are, for example, acquisition or sale of the Company's or its subsidiaries' assets that has significant impact on the Company or its subsidiaries, extended investment projects, consideration and authorization of related party transactions under the relevant criteria prescribed by the Securities and Exchange Commission Thailand and the Stock Exchange of Thailand, setting the

level of power as well as financial and risk management policies of the Company and its subsidiary, etc.

- 4.4 Arrange to have the Company and its subsidiaries adopt appropriate and efficient accounting, financial reporting and audit systems as well as adequate and efficient internal control and internal audit systems. Enforce regular suitability assessment of the internal control system of the Company and its subsidiaries.
- 4.5 Have the Company's balance sheets and profit and loss(revenue) statements on the last day of the calendar year, which is also the end date of the Company's accounting year, fully and accurately prepared to indicate its financial position and performance in the previous accounting year. This should be carried out under the generally acceptable accounting standards, and shall be presented to the annual general meeting of shareholders for consideration and approval. The Board of Directors must arrange to have an auditor, who is approved by the Securities and Exchange Commission Thailand, audit the said balance sheets and profit and loss statements before presenting them to the shareholder's meeting. The financial statements shall be prepared and reviewed on a quarterly basis.
- 4.6 Consider and approve the selection and nomination of an auditor. Consider appropriate remunerations as proposed by the Audit Committee before presenting them to the annual general meeting of shareholders for consideration and authorization.
- 4.7 Set the objectives, primary goals, directions, policies and important strategies by taking into consideration the business code of ethics, significant impacts on society and the environment as well as the financial objectives, business plans and budgets of the Company and its subsidiaries. Allocate key resources to achieve such objectives and goals. Oversee efficient and effective compliance of the Executive Committee's and the Management's administration with the prescribed policies, business plans and budgets to create maximum benefits for the Company, its subsidiaries and shareholders.
- 4.8 Consider, review, examine and authorize the business visions, policies, directions, strategies and plans of the Company and its subsidiaries, which are prepared by the Executive Committee and the Management, at least once a year to ensure suitability with the changing economic, marketing, and competitive situations.

- 4.9 Consider and authorize the operations of the Company and its subsidiaries which must be consistent with the regulations of each company.
- 4.10 Continuously monitor the operations of the Company, its subsidiaries and associate companies for compliance with the objectives, directions, policies, business plans and budgets of the Company and its subsidiaries. Regularly conduct performance evaluation of the Executive Committee and the Management as well as determine their remunerations and review their succession plans at least once a year.
- 4.11 Consider and determine comprehensive risk management policies for the whole organization. Supervise the establishment of risk management systems or processes together with appropriate support and control measures to mitigate the impacts of risks on the business operations of the Company and its subsidiaries.
- 4.12 Consider and determine mechanism of corporate governance that will enable the Company to monitor management of its subsidiaries as if it is one of the Company's own units. Set up measures for the monitoring of a subsidiary management to safeguard the Company's investment in compliance with Notification TorJor. 39/2559.
- 4.13 Arrange to have corporate governance policies set up and adopted by the Company and its subsidiaries governance policies under written good governance principles. Encourage communication of such principles, such as the anti-corruption, whistleblowing, and use of insider information policies, to everyone in the Company for acknowledgement and strict compliance. Efficiently modify and implement such polices to ensure that the Company and its subsidiaries shall treat all relevant parties with fairness and responsibility.
- 4.14 Consider and authorize the operating expenses and Delegation of Authority Schedule of the Company and its subsidiaries.
- 4.15 Arrange to have written business code of conducts and ethics prepared and used as performance standards for the Company's directors, executives and officers. The Board of Directors should earnestly monitor their compliance with said business code of conducts and ethics.

4.16 Arrange to have the Charter of the Board of Directors and Sub-committees prepared and revised.

Approve the Sub-committee's proposed modifications of the Charter's contents to keep them updated and in compliance with the changing rules, regulations and circumstances.

4.17 Consider and determine the Company's administrative structure. The Board of Directors shall have the power to appoint the Executive Committee, Chief Executive Officer and other Sub-committees as it deems appropriate as well as to determine the scope of authority and remunerations for the Executive Committee, Chief Executive Officer and Sub-committees.

Authorization of power under the prescribed scope of authority must not be done in a manner that allows the Executive Committee, Chief Executive Officer and Sub-committees to be able to consider and approve transactions that may create any conflict, stake or conflict of interests with the Company or its subsidiaries, except when it is the authorization of transactions under the policies and guidelines that have been previously approved by the Board of Directors.

4.18 Consider, determine and change authorized directors. In the case where the position of a director is vacant due to reason other than expiration of the term of office, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, shall select a person with the required qualifications and none of the prohibited characteristics under the Public Limited Companies Act and the Stock Exchange of Thailand Act as well as the relevant notifications, regulations and/or rules as a replacement director at the next meeting of the Board of Directors. This shall be carried out except when the remaining term of the outgoing director is less than two months.

4.19 Appoint a person(s) to become a director or executive of the Company's subsidiary and associate companies proportionally to the number of their shares in such subsidiary and associate company. Determine the remunerations and scope of authority and responsibilities of appointed directors and executives, the power to vote at a meeting of the Company's subsidiary and associate company on important issues that require prior approval of the Board of Directors. Supervise the administration and the Management of the Company's subsidiaries and associate companies for compliance with the Company's operation plans and policies. Oversee accurate and full disclosure of the financial position and performance, related party transactions, and acquisition or disposal of material assets. Monitor and supervise compliance of directors and executives of the Company's subsidiaries and associate companies with their duties and responsibilities as prescribed by the law.

4.20 Consider and propose remunerations for the Board of Directors as recommended by the Nomination and Remuneration Committee to a shareholder's meeting for consideration and approval. In determining such remunerations, the Board of Directors must take into consideration such factors as consistency with the Company's long-term strategies and goals, candidate's experiences, missions, roles and scope of responsibilities as well as expected benefits from each director.

The Company is prohibited from paying any money or asset to a director, except when it is specified in the Company's regulations. When the Company's regulations have not specified the forms of remunerations, payment of remunerations shall be as decided by the resolution of a shareholders' meeting, which must be passed by a vote of no less than two-thirds of the number of shareholders present at the meeting.

4.21 Appoint the Company Secretary and determine his/her scope of authority and accountability when acting on behalf the Company or the Board of Directors, for example, the preparation and keeping of the directors' registrar, sending letters of invitation to a shareholders' meeting, preparation of meeting minutes and keeping stakeholder reports.

4.22 Consider and approve acquisition or disposal of assets of the Company and its subsidiaries, investment in new business and operations required by the law, notifications and/or regulations of the Securities and Exchange Commission Thailand and the Capital Market Supervisory Board, other relevant rules and criteria.

4.23 Consider and/or give opinions on related party transactions between the Company, its subsidiaries, associate companies and related parties as defined by the Securities and Exchange Act, relevant rules and regulations of the Stock Exchange of Thailand and the Management the Capital Market Supervisory Board. Consider and approve general trade agreement principles for entering into related party transactions between the Company, its subsidiaries, associate companies and the directors, executives or related parties. Determine frameworks for the operation of the Executive Committee and the Management and their power to enter into such transaction within the legal framework, scope of law and relevant criteria. Consider and/or give opinions on entry into the Company's transactions (at the amount not requiring the approval of the shareholders' meeting) for compliance with the relevant laws, notifications, criteria and regulations.



- 4.24 Supervise, control and prevent any conflict of interests between stakeholders of the Company and its subsidiaries. Solve problems of conflict of interests, unlawful use of the Company's and its subsidiaries' assets and inappropriate transaction between related parties and the Company and/or its subsidiaries.
- 4.25 Ensure that existing structure and practices of the Board of Directors and Sub-committees can support and provide appropriate supervision as well as can be suitably modified when necessary.
- 4.26 Hold annual general meeting of shareholders within four months of the end date of the Company's accounting year.
- 4.27 Disclose appropriate information and news to stakeholders, people with conflict of interests and related parties, and appropriately disclose important information and news to shareholders in the Company's financial statements and reports by initially disseminated them via the Stock Exchange of Thailand's system. Additional information may be disseminated on the Company's website. Appoint a responsible person(s) to provide data to investors. The Board of Directors should disseminate such information in an accurate, complete, appropriate and timely manner.
- 4.28 Prepare the Board of Directors' annual reports and is responsible for the preparation and disclosure of the Company's financial statements and performance outcome in the previous year, and present them to shareholders' meetings for consideration and approval.
- 4.29 The Board of Directors may authorize one or more directors to perform any task on its behalf under its supervision or may authorize said person(s) to act for a specific period that it deems appropriate. The Board of Directors may cancel, revoke, modify or revise its authorization as it deems appropriate. Such authorization must not be a delegation or sub-delegation of power that enable such person(s) to consider and approve any transaction that he/she or another person who may have any conflict, stake or conflict of interests can enter into with the Company or its subsidiaries (if any) (as defined in the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any notification of a relevant agency), unless it is the Company's regular transaction and is under the same criteria for an arm's length transaction with a third party.

4.30 Solicit independent opinions from consultants in another profession when it deems necessary at the expenses of the Company and its subsidiaries. The hiring of such consultants shall be in accordance with rules of the Company and its subsidiaries.

4.31 Have joint accountability toward buyers or sellers of the Company's securities for any damage caused by the disclosure of information to shareholders of the general public by giving materially false statements or concealing material facts that should be disclosed under the laws on Securities and the Stock Exchange, unless such director can prove that his/her position or duties do not permit him/her to learn the truth of the information or to possess the information that should have been notified.

4.32 It is the duties of the Company's directors and executives to inform the Company about their relationship, holding of shares or debentures of the Company, its subsidiaries or associate companies, including transaction by the Company's directors and executives or by a person(s) related to such directors and executives with the Company or its subsidiaries in a manner that may cause a conflict of interests. Avoid conducting any transaction that may cause a conflict of interests with the Company or its subsidiaries. Perform these duties in an accurate, complete and timely manner.

4.33 Have joint accountability toward any damage to the Company in accordance with the criteria prescribed in the Public Limited Companies Act.

4.34 Consider and authorize payment of interim dividends in accordance with the Company's regulations when it is deemed that the Company has earned sufficient profits to do so. Report such interim dividends payment to the shareholders' meeting for acknowledgement.

4.35 Perform any other duties related to the Company's business operations as assigned by the shareholders.

4.36 Review the Charter of the Board of Directors at least once a year.

## 5. Terms of office and election of the Board of Directors

5.1 The Board of Directors shall be elected in accordance with the Company's regulations and relevant laws. Nomination of members of the Board of Directors must be transparent and precise by taking into consideration the nominee's educational background, professional experiences, qualifications

and lack of the prohibited characteristics. Sufficient details must be provided for consideration and decision of the Company's Board of Directors and shareholders.

- 5.2 At each annual general meeting of shareholders, one-third of all directors shall vacate their office. If the total number of directors is not a multiple of three, the nearest number to one-third shall vacate office in the first and second years after the Company had registered a change of its status to a public limited company. Drawing lots is employed to decide who shall leave the office. After such period, the directors who hold office for the longest period shall vacate the office.
- 5.3 A director who vacates office upon expiration of his/her term of office may be re-elected.
- 5.4 Apart from vacating office upon the expiration of his/her term of office, a director shall vacate office upon:
  - (1) Death;
  - (2) Resignation;
  - (3) Lack the qualifications or have any of the prohibited characteristics under the law on Public Limited Companies and/or the law on Securities and the Stock Exchange;
  - (4) Being removed from office by resolution passed at a shareholders' meeting by a vote of not less than three-fourths of the shareholders present, are entitled to vote and hold the combined numbers of shares not less than one-half of the total number of shares held by the shareholders present who are entitled to vote.
  - (5) Being removed by a court order.
- 5.5 Any director who wishes to resign from office shall submit a resignation letter to the Company. The resignation shall be effective from the date on which the Company receives the resignation letter. The resigning director may also notify the public limited companies Registrar of his/her resignation.
- 5.6 In case of vacancy for any reason other than the expiration of the term of office, the Board of Directors shall, upon the recommendation of the Nomination and Remuneration Committee, elect a person who has all the required qualifications and none of the prohibited characteristics under the Public Limited Companies Act, the Securities and Exchange Act as well as the relevant notifications, rules and/or regulations as a replacement director at the next meeting of the Board of Directors, unless the

remaining term of the vacating director is less than two months. The replacement director shall hold office for the remaining term of office of the director whom he/she replaces only.

6. **Meetings**

- 6.1 Meetings of the Board of Directors shall be in accordance with the criteria set by the law and the Company's regulations. No less than one-half of the total number of directors must be present at a meeting to constitute a quorum. In the case where Chairman of the Board of Directors is absent or unable to perform his/her duty, if there is a Deputy Chairman present, the Deputy Chairman shall be chairman of the meeting; if there is no Deputy Chairman present or the Deputy Chairman is unable to perform his/her duty, the attending directors shall select among themselves a director to act as Chairman of the meeting;
- 6.2 The final decision of the meeting of the Board of Directors shall be made by a simple majority vote. Each director shall have one vote. Directors who have an interest a meeting agenda shall not be entitled to vote on such matter. In case of a tied vote, Chairman of the meeting shall have an additional vote as the casting vote.
- 6.3 Regular meetings of the Board of Directors shall be held at least once every three months. Chairman of the Board of Directors has the power to call a meeting but in case of necessity, two or more directors may request Chairman of the Board of Directors to call a meeting. In such case, Chairman of the Board of Directors shall set the date of meeting within 14 days of receiving the request. A meeting schedule shall be set in advance for the entire year to ensure that all directors will be free to attend all meetings.
- 6.4 Chairman of the Board of Directors, or a director who is assigned by him/her, shall set the meeting date, time and venue. The meeting venue may be set at any place other than the Company's head office or at a neighboring province. If no meeting venue is set by Chairman of the Board of Directors or a director who is assigned by him/her, the meeting shall be held at the Company's head office.
- 6.5 In calling a meeting of the Board of Directors, the Chairman or an assigned person shall send a meeting invitation letter specifying the meeting date, time, and venue as well as meeting agenda to the directors via registered mail or by hand no less than seven days prior to the date of meeting. Except in emergency cases or for the protection of the Company's rights or interests, the meeting

appointment may be notified by any other means or the meeting date may be changed to an earlier date.

6.6 In the case where Chairman of the Board of Directors is not an independent director, an independent director shall be appointed to participate in the setting of meeting agenda. This is to create a balance of power between the Board of Directors and the Management under the best practices for good governance of listed companies, and to ensure inclusion of important matters in the meeting agenda.

6.7 Meetings of the Board of Directors can be held through electronics media under the criteria, procedures and conditions prescribed by the law. Meeting invitation letters and supplemental documents can be sent via electronic mail. Meeting invitation letters and supplemental documents must be kept as evidences and may be kept in an electronic format.

7. **Performance evaluation of the Board of Directors**

An annual performance evaluation of the Board of Directors, both collectively and individually, shall be held and the evaluation results shall be used to improve the Board's performance for maximum benefits to shareholders and the organization. The overall criteria, procedures and evaluation results are disclosed in the Company's annual report.

8. **Skill development and trainings**

The Company encourages suitable skill development for members of the Board of Directors through regular processes, such as training and performance evaluation.

Announced on 15 October 2020

- Mr. Sompong Tantapart -

---

(Mr. Sompong Tantapart)

Chairman of the Board of Directors

S Hotels and Resorts Public Company Limited