

KARMART

Board of Directors Charter

Karmarts Public Company Limited

1. Objectives

The Board of Directors acts as the representative of the shareholders and plays a crucial role in adding value to the Company, aiming to yield returns on investments for the shareholders. Typically, the Board delegates managerial responsibilities to the executive team. Consequently, the core duties of the Board of Directors can be categorized into two main areas:

1. Define the Company's direction, policies, and business strategies to ensure operations align with the best interests of the shareholders.
2. Oversee the performance of the management team to assess, balance, and hold them accountable for the Company's operations in relation to shareholder interests.

Additionally, the Board of Directors holds specific powers and responsibilities as dictated by laws, company regulations, and resolutions passed during shareholder meetings, with critical details elaborated in point 5, Duties and Responsibilities.

2. Components and Appointment of the Board of Directors

The shareholders play a pivotal role in approving the constitution of the Board of Directors.

This board comprises the Chairman, Vice Chairman, and additional Directors in a number that aligns with the Company's size and operational efficiency, totaling no fewer than five members. This count includes Directors with genuine independence from the management, free from business relationships or any influence that might compromise their unbiased judgment, and must not fall below the count of three.

The Chairman of the Board is elected by the Board of Directors, and in suitable circumstances, the Board may opt for one or more Vice Chairmen.

The appointment process follows the Company's regulations and adheres to relevant legal requirements. To ensure transparency and clarity, the selection considers the educational background and professional experience of each individual. The details regarding their education and professional history should be comprehensive enough to aid the decision-making process for both the Board of Directors and shareholders.

3. Qualifications of the Board of Directors

- 3.1 Must possess knowledge, skills, integrity, ethical conduct in business operations, and have sufficient time to dedicate to the Company.
- 3.2 Must comply with legal qualifications and be free of characteristics prohibited by laws related to public limited companies and must not exhibit traits indicating unsuitability to be entrusted with

the management of a public company, as stipulated in Section 89/3 of the Securities and Exchange Act (No. 4), B.E. 2551.

- 3.3 Directors may hold positions in other companies, provided that it does not impede their duties and aligns with the guidelines set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Independent directors must not serve as executives of the Company, be independent from the management and control from shareholders with authoritative powers. They should be individuals without business relationships with the Company which would limit their ability to express independent opinions. Additionally, they must possess the qualifications specified in the regulations set forth by the Securities and Exchange Commission.

1. Hold a minimal stake, not exceeding 0.50 percent, in the total voting rights of the Company, its subsidiaries, joint ventures, and entities related to independent directors, major shareholders, or controlling individuals. This includes the aggregate shareholding of related persons connected to each independent director.

2. Serve as a director without any past or present involvement in managerial, employment, or consultancy roles, and without receiving a regular salary. Additionally, not be or have been a controlling person of the company, its subsidiaries, affiliated entities, or those under the same control. Any exemption from these criteria must have occurred at least two years before the appointment.

3. Have no familial relationship, either by blood or legal registration, such as parent, sibling, spouse, or child, including the spouse of a child, with other directors, executives, major shareholders, controlling persons of the Company, or individuals proposed for appointment as directors or executives, within the Company or its subsidiaries.

4. Is a director without any past or present business relationships with the Company, its subsidiaries, affiliated entities, major shareholders, or controlling persons of the Company, which could impede independent judgment. Additionally, not be or have been a shareholder with significant interests or a controlling person of entities with business relationships with the Company, its subsidiaries, affiliated entities, major shareholders, or controlling persons of the Company. Unless exempted, such characteristics must have been absent for at least two years prior to the appointment. This includes engaging in normal business transactions related to leasing or renting real estate, transactions involving assets or services, and providing or receiving financial assistance, such as loans, guarantees, or assets used as collateral, resulting in a debt obligation of the Company or its affiliated entities to the same party, exceeding 30 percent of the net tangible assets or 20 million baht, whichever is lower. The calculation of this debt obligation includes interconnected transactions as per the Securities and Exchange Commission's criteria for considering interconnected transactions with due consideration to the fair value. The assessment of such debt obligation includes aggregating debts incurred within one year before the date of establishing a business relationship with the same party.

5. Serve as a director with no prior or existing role as an accountant for the Company, its subsidiaries, joint ventures, or entities associated with major shareholders or controlling individuals.

Furthermore, refrain from holding shares substantial enough to pose a conflict of interest, unless exempted from such attributes for a minimum of two years prior to the appointment. This exemption is subject to the condition that there is no affiliation with major shareholders or controlling individuals within the relevant accounting office.

6. Serve as a director with no history or current engagement as a professional service provider, including providing legal or financial consulting services, where the compensation received exceeds 2 million baht annually from the Company, its subsidiaries, joint ventures, or any legal entity associated with major shareholders. Moreover, refrain from being a shareholder with a substantial stake, unless exempted from such attributes for a period of at least two years prior to the appointment. This exemption is contingent upon the absence of any affiliation with major shareholders or controlling individuals within the entity providing professional services.

7. Has not been appointed to represent the Board of Directors of the Company, major shareholders, or shareholders associated with major shareholders of the Company.

8. Is not engaged in business activities identical to, competitive with, or possessing any significance to the Company's or its subsidiary's business, nor holds shares representing more than one percent of the total voting rights in any entity conducting similar business operations. This applies to directors who are involved in joint management, employees or consultants receiving regular salary, or holding more than one percent of the voting rights in other companies where there is an affiliation with major shareholders or controlling individuals within the Company.

9. Possess no other characteristics that would compromise the ability to provide independent opinions on the Company's operations.

After being appointed as an independent director and meeting criteria 1-9, an independent director may be delegated by the Company's board to make decisions on behalf of the Company, its subsidiaries, affiliated companies, or entities affiliated with major shareholders. Decisions are made collectively by the board.

4. Term of Office

Directors serve a term of three years and may be re-elected upon completion of their term.

During each annual ordinary shareholders' meeting, one-third of the total number of directors must retire from office. If the number of directors is not divisible by three, the closest number is chosen for retirement.

For the first and second years after registration, a draw will determine which director retires. Subsequently, the director with the longest tenure will retire.

In addition to the expiration of the term, a director may vacate their position due to:

1. Death
2. Resignation
3. Reaching the age of 80

4. Lack of qualifications as a company director or possessing characteristics that are legally prohibited, as stipulated by the Public Limited Companies Act, indicates an inadequacy to be entrusted with managing the affairs of a public limited company as a member of the board of directors, as outlined in Section 89/3 of the Securities and Exchange Act (No. 4), B.E. 2551.
5. At the shareholder meeting, a resolution may be passed to relieve an individual from their position, with a voting majority of not less than three-fourths (3/4) of the total number of shareholders present, entitled to vote, and whose combined shares amount to no less than half of the total shares held. This includes shareholders present, entitled to vote, and whose combined shares amount to no less than half of the total shares held.
6. Court order

Directors wishing to resign must submit their resignation to the Board Chairman.

In the case where a position on the Board of Directors of the Company becomes vacant due to reasons other than the expiration of the term, the Board of Directors has the authority to appoint a person who possesses the qualifications and is not disqualified by law to serve as a director in the subsequent interim board meeting. However, if the remaining term of the appointed director is less than two months, the Board of Directors will not appoint a new director to fill the vacancy for the remaining term of the director being replaced. The appointed director will remain in the position for the remainder of the director being replaced.

5. Duties and Responsibilities

In addition to their core role as the shareholders' representatives, directors' powers and responsibilities are governed by legal frameworks, company rules, and decisions made in shareholder gatherings.

1. Perform duties with responsibility, caution, and integrity, ensuring compliance with the law, company objectives, company regulations, and resolutions passed at shareholder meetings. Exceptions apply only to matters requiring prior approval from shareholder meetings, such as those mandated by law, transactions related to each other, or significant asset transactions as per the criteria set by the Securities and Exchange Commission (SEC) and other relevant government agencies.

2. Supervise business operations to ensure ethical conduct, including the development of governance policies, guides, and business ethics for directors, executives, and company employees. Additionally, disclose and ensure adherence to these policies.

3. Review and approve business policies, objectives, operational plans, business strategies, and the annual budget of the Company.

4. Approve appointments of individuals with qualifications and without prohibited traits as stipulated in the Public Limited Companies Act of 1992 and relevant regulations, to the position of director, in case a directorship becomes vacant for reasons other than scheduled retirement.

5. Consider appointing an independent director based on qualifications specified by the SEC, SET regulations, or proposed to shareholders for future consideration.

6. Consider the appointment of the audit committee following the criteria outlined by the SEC, SET regulations, and relevant rules of the Stock Exchange of Thailand.

7. Consider the appointment of executives, choosing from the Company's directors or employees, or external individuals, specifying the scopes, authority, responsibilities, and accountabilities of the executives.

8. Consider the appointment of subcommittees to assist in carrying out the responsibilities of the board.

9. Consider and amend changes to the name of the authorized signatory of the Company.

10. Appoint any other individual to conduct the business of the Company under the control of the Board of Directors or delegate authority for such individuals to have such relevant power. Within the time as deemed appropriate by the Board of Directors, the Board may cancel, withdraw, modify, or amend such authority.

11. Consider approving transactions or dispositions of assets unless such transactions are approved by the shareholders' meeting. In considering such approval, comply with the regulations and/or rules related to the securities market of the Stock Exchange of Thailand.

12. Consider approving transactions unless such transactions are approved by the shareholders' meeting.

13. Consider approving the distribution of interim dividends to shareholders when the Company deems it has sufficient profits to do so and provide a report on the aforementioned dividend payment to the shareholders' meeting for their knowledge at the next shareholders' meeting.

6. Meetings

1. A minimum of four meetings annually, with scheduled dates determined in advance for the entire year. Special sessions may be convened when necessary.

2. The Chairman of the Board and the CEO jointly decide on the meeting schedule.

3. The Corporate Secretary dispatches meeting invitations, agendas, and relevant documents to board members at least seven days in advance, allowing ample time for review. Urgent matters may be communicated using alternative methods, with a meeting scheduled sooner than seven days if required.

4. The Chairman of the Board has the responsibility to act as the presiding officer during meetings. Their role includes managing and allocating sufficient time for each agenda item, allowing Board members to

express their opinions independently, especially on crucial matters. The Chairman considers the interests of shareholders and stakeholders in a fair manner.

5. Individuals with significant interests in a discussed matter must leave the meeting during deliberations.

6. Decisions are made by a majority vote. If any Director objects, their dissenting opinion is recorded in the meeting report.

7. Directors have the right to inspect or examine related documents. Management is invited to provide additional details during deliberations.

8. The Corporate Secretary is responsible for recording and preparing meeting reports within 14 days. All meeting documents are retained, ensuring compliance with regulations and resolutions adopted by shareholders.

7. Quorum

For a Board meeting to proceed, at least half of the total number of Directors must be present. In the absence of the Chairman, or if they cannot fulfill their duties, a Vice Chairman (if available) presides. If neither is present or available, the attending Directors select one among themselves to act as the meeting chairman. Decisions are based on the majority of votes, with the Chairman holding the deciding vote in the event of a tie.

The Board of Directors endorsed this approval on 13 November, 2023.

Signature _____ *– Signed –*

Mr. Wiwat Theekhakhirikul

Chairman of the Board

Karmarts Public Company Limited