

The Charter of the Board of Directors

The Board of Directors is the representative of the shareholders responsible for management and operations of the company, whose roles include defining the company's direction, business policies, fair treatment to the stakeholders, and ensuring operating transparency for the best interest of the company.

1. General provision

- 1.1 "Company" is defined as Gulf Energy Development Public Company Limited and subsidiaries under management of Gulf Energy Development Public Company Limited.
- 1.2 "Parent company" is defined as a company with any of the following natures.
 - (1) Company having control over the business;
 - (2) Company having control of the business as stated in (1);
 - (3) Company having control over the business as stated in (2) in respective order, commencing from having control over the business as stated in (2)
- 1.3 "Subsidiary" is defined as a company with any of the following natures.
 - (1) Company with control over the business
 - (2) Company as stated in (1) with control over business
 - (3) Company under control of company as stated in (2) in respective order, commencing from being under control of a company as stated in (2)
- 1.4 "Sister companies" is defined as 2 or more subsidiaries having the same parent company regardless of their tier in the business group.
- 1.5 "Associated company" is defined as a company or subsidiary with authority to make joint decisions relating to financial and operating policies of the company, but without control over such policies, which is neither deemed a subsidiary nor a joint venture.

In case where a company or subsidiary holds total shares, directly or indirectly, representing more than 20 percent but not exceeding 50 percent of total voting shares, such company or subsidiary shall be assumed to have the authority to make joint decision, unless the evidence states otherwise.
- 1.6 "Related person" is defined as person or ordinary partnership having relationship with person in any of the following natures.
 - (1) Spouse of such person;
 - (2) Underage child(ren) of such person;
 - (3) Ordinary partnership of which such person or person as stated in (1) or (2) is partner;
 - (4) Ordinary partnership of which person as stated in (1) or (2) is unlimited liability partner or limited liability partner holding shares of exceeding 30 percent of total shares of the said ordinary partnership;

- (5) Limited company or public limited company or person as stated in (1) or (2) or ordinary partnership as stated in (3) or (4) holding shares totaling more than 30 percent of total sold shares of the company;
 - (6) Limited company or public limited company or person as stated in (1) or (2) or ordinary partnership as stated in (3) or (4); or company as stated in (5) holding shares totaling more than 30 percent of total sold shares of the company; and
 - (7) Juristic person of which such person is authorized to act as its representative.
- 1.7 “Executive” is defined as Chief Executive Officer or CEO (Manager), or 4 executives down from CEO, or all executives holding the title equivalent to the executive of 4th tier, including executives in accounting department holding title of Department Manager or equivalent.
- 1.8 “Significant shareholder” is defined as the shareholder holding more than 10 percent of the total voting shares of the Company, including the shares held by related persons.
- 1.9 “Controlling Interest shareholder” is defined as a shareholder or other person who de facto has significant influence over policies, management, or operations of the Company, whether such influence comes from shareholdership or authorization based on an agreement or by other means, especially a person of any of the following natures.
- (1) Person directly or indirectly holding more than 25 percent of total voting shares of the Company;
 - (2) Person who de facto has influence to control the appointment or removal of directors of the Company;
 - (3) Person who de facto has control over employees responsible for determination of policy, management, or operations of the company to follow his order in relation to policy, management, or operations of the Company; and
 - (4) Person who de facto engages in the operations of the Company or is responsible for the operations of the Company in the same manner as director or executive, including a person holding a title with authority similar to such person of the Company
- 1.10 “Executive director” is defined as any director holding title of executive director and being responsible for engagement as an executive, including signatory director, unless it is clearly stated that the signatory engagement is carried out in accordance with the approved items as per the resolution of the Board of Directors and that it is joint signing with other directors.
- 1.11 “Significant shareholder” is defined as shareholders holding more than 10 percent of total voting shares of the Company, including the shares held by related persons.
- 1.12 “Independent Director” is defined as non – executive director who does not engage in normal operations and who is not the major shareholder of the Company. In addition, he shall work independently from the major shareholder or the group of major shareholder or other stakeholders i.e. he shall not represent major shareholder or the group of major shareholder or other stakeholders and shall be qualified as required by the law.

2. Board structure

2.1 Composition

- 2.1.1 Director of the Company shall be elected by the meeting of shareholders in compliance with the criteria and methods stated in the article of association of the Company and related legal requirements.
- 2.1.2 The Board of Directors shall comprise a minimum of 5 Directors and not less than half of the Board shall reside in the kingdom.
- 2.1.3 The Board of Director shall comprise Independent Directors at a minimum of one-third of the Board, provided that there are not less than 3 Independent Directors.
- 2.1.4 The Board of Directors shall elect a Director as the Chairman of the Board and may elect the Vice Chairman of the Board and other positions as deemed appropriate.

2.2 Directors

- 2.2.1 A Director shall be an individual; and
 - (1) is of legal age;
 - (2) shall not be a bankrupted, or incompetent, or quasi-incompetent person;
 - (3) was never imprisoned by the final verdict of being guilty in a fraudulent charge; and
 - (4) was neither dismissed nor discharged from public office, government agencies or public authorities due to fraudulent charge.
- 2.2.2 A Director shall be qualified without any forbidden trait as prescribed in the public company law, including any inappropriate characteristic which makes such person being distrusted from managing a business of which its share is held by the public as defined by the Securities and Exchange Commission or SEC.
- 2.2.3 A Director should be of knowledge, competency, expertise, and diverse skills as well as experience, which are beneficial to the business. He shall be able to fully devote his time.
- 2.2.4 A Director shall not engage in similar business, which competes against the Company, or be a partner to the ordinary partnership or unlimited liability partnership or a Director of a private company or other companies engaging in similar business, which competes against that of the Company, whether it is for the benefit of himself or others, unless such engagement was previously informed to the meeting of shareholders prior to approving the appointment.

2.3 Independent Director

- 2.3.1 An Independent Director shall hold shares of not exceeding 0.9 percent of total voting shares of the Company, the parent company,

subsidiaries, associated companies, major shareholder, or controlling interest of the Company, including shareholding of related persons of the said Independent Director.

- 2.3.2 An Independent Director neither is nor was an executive director, nor employee, staff, salaried advisor, nor person with control over the Company, subsidiaries, associated companies, sister companies, major shareholder, or controlling interest of the Company, unless such state was terminated for more than 2 years. In this regard, such forbidden characteristics exclude the case of the Independent Director serving as a government official or government advisor, who is a major shareholder or controlling interest of the Company.
- 2.3.3 An Independent Director is not related by blood or by law in a paternal, maternal, matrimonial, sibling, descendent or spouse thereof relationship with other Directors, executives, major shareholder, controlling interest, control persons or persons to be nominated as Director, executive, or control person of the Company or subsidiaries.
- 2.3.4 An Independent Director neither has nor had business relationship with the Company, parent company, subsidiaries, associated companies, major shareholder, or controlling interest of the Company in a manner that may interfere with independent exercise of his discretion; and neither is nor was a significant shareholder nor control interest of person in business relationship with the Company, parent company subsidiaries, associated companies, major shareholder, or controlling interest of the Company, unless such state was terminated not less than 2 years prior to the appointment.

Such business relationship includes trading transactions carried out at arm length, renting or letting of properties, transactions related to assets or services, or provision or acceptance of financial assistance by means of lending or borrowing or guarantee or asset collateralization, including other similar acts resulting in liabilities to be settled to or from the Company or counterparty to the agreement and vice versa, at the rate of 3 percent of the net tangible asset of the Company or 20 million baht, whichever is lower. In this regard, calculation of such liabilities shall comply with the calculation method for related transactions as per the notification of the Capital Market Supervisory Board RE: Criteria on conducting related transactions, *mutatis mutandis*. However, such calculation shall include liabilities incurred during 1 year prior to the commencing date of such business relationship with the same person.

- 2.3.5 An Independent Director neither is nor was the auditor of the Company, parent company, subsidiaries, associated companies, major shareholder, or controlling interest of the Company, nor significant shareholder, controlling interest, or partner of the audit firm whose employees are auditors of the Company, parent company, subsidiaries, associated companies, major shareholder, or controlling interest of the Company, unless such state was terminated not less than 2 years prior to the appointment.

- 2.3.6 An Independent Director neither is nor was professional service provider, including legal or financial advisor, receiving service fee of more than 2 million baht per year from the Company, parent company, subsidiaries, associated companies, major shareholder, or controlling interest of the Company, nor significant shareholder, controlling interest, or partner of such professional service provision firm, unless such state was terminated not less than 2 years prior to the appointment.
- 2.3.7 An Independent Director is not the Director appointed to represent Directors of the Company, major shareholder or shareholders related to major shareholder.
- 2.3.8 An Independent Director neither engages in similar business, which substantially competes against the Company or subsidiaries, nor is a significant partner or executive director, employees, staff, salaried advisor, nor holds more than 1 percent share of the total voting shares of companies engaging in similar business, which substantially compete against the Company or subsidiaries.
- 2.3.9 An Independent Director does not carry other traits which impede him from independent view about the business operations.
- 2.3.10 After being appointed as an independent director with the qualifications stipulated in accordance with Clauses 2.3.1 – 2.3.9, the independent director may be assigned by the Board of Directors to make a decision on the business operation of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person in the form of collective decision.
- 2.3.11 The Company may appoint a person who has or used to have a business relationship or provides professional services at a value exceeding the specified amount described in Clauses 2.3.4 or 2.3.6 as an independent director provided that the Board of Directors carefully considers and is of the opinion that appointment of such person does not affect the performance of duties and the giving of independent opinions. Following information must be disclosed in the notice calling the shareholders' meeting under the agenda for the appointment of independent director:
- (1) The nature of the business relationship or professional service that excludes the nominated independent director from the standard requirements.
 - (2) The reason and necessity for keeping or appointing such person as an independent director.
 - (3) The Board of Directors' opinion on proposing the appointment of such person as an independent director.

2.4 Appointment, term of office, and removal

- 2.4.1 The meeting of shareholders shall elect Directors whereby the numbers of elected persons receiving the highest tallies shall follow the required quota. In case the candidates received equal votes, which will exceed the required numbers of Director to be elected, they shall draw lot to ensure the number of elected Directors fit the required quota.

- 2.4.2 One-third of the Board of Directors shall retire at each annual general meeting of shareholders. If total numbers of Directors could not be divided by 3, the closest numbers shall be adopted. Retiring Directors shall be ones with the longest length of service. However, they maybe re-elected for another term.
- 2.4.3 The meeting of shareholders may resolve to remove any Director prior to his end of term, provided that the votes are not less than three-fourth of all the attending shareholders with the voting right, and that total shares are not less than half of all shares held by shareholders with voting rights who attend the meeting.
- 2.4.4 Director shall end the term of office in the following events.
- (1) Death;
 - (2) Resignation;
 - (3) Becoming disqualified or forbidden by law;
 - (4) Being removed by the resolution of the shareholders meeting;
 - (5) Being removed by the court order.
- 2.4.5 Any Director could resign by tendering resignation with the Company, which shall be deemed effective on the date the document is received by the Company.
- 2.4.6 In case where the numbers of the Directors could not constitute a quorum, the remaining Directors are allowed to act on behalf of the Board of Directors only to call for a meeting of shareholders in order to elect new Directors to fill in such vacancy. Such election shall be made within 1 month of such vacancy and the substituting Directors shall serve for a period equivalent to the remaining term of the previous Directors.
- 2.4.7 In case of vacancy due to reasons other than retirement by rotation, the Board of Directors shall select qualified persons without any forbidden characteristics as stated in the public limited company law to fill in such vacancy in the following meeting of the Board (except in a case where the remaining term of office of such Director is less than 2 months) or in a case where the remaining numbers of the Directors could not constitute a quorum as stated in clause 2.4.6). The resolution of the Board of Directors shall constitute not less than three-fourth of the remaining Directors. Such substituting Directors shall serve for a period equivalent to the remaining term of office of the previous Directors.
- 2.4.8 In a case where the entire Board of Directors is removed, such removed Directors shall remain in the position to continue the business as deemed necessary until the new Board of Directors commences its duty, unless ordered otherwise by the court order in a case where the Board of Directors is terminated following the court order. In this regard, the terminated Board of Directors shall call for the meeting of shareholders to elect the new Board of Directors within 1 month of the termination, provided that the invitation to the meeting of shareholders are delivered not less than 14 days prior to the meeting date.

2.5 Company Secretary

- 2.5.1 Company secretary is appointed by the Board of Directors to act on behalf of the Company or the Board of Directors.
- (1) To prepare and maintain the register of the Board, invitation to the Board of Directors meetings, invitation to the meeting of shareholders, minutes of the Board meeting, minutes of the meeting of shareholders, and annual report of the Company
 - (2) To maintain the stakeholder report presented to the meeting of shareholders
 - (3) To take actions following the notifications of the Capital Market Supervisory Board.
- 2.5.2 The company secretary shall fulfill duty with accountability, prudence, and honesty in compliance with laws, articles of association, resolution of the Board of Directors as well as the resolution of the shareholders meeting.
- 2.5.3 The Board of Directors may resolve to dismiss the company secretary.
- 2.5.4 In case the company secretary is terminated or could not continue his duty, a new company secretary shall be appointed within 90 days of the date the former company secretary is dismissed or could not continue to serve. The Board of Directors shall assign any Director to fill in such vacancy on a temporary basis. The Chairman of the Board is required to notify the name of the person assuming the responsibility of the company secretary within 14 days of the assigned date.

3. Scope of authority, duties, and responsibilities of the Board of Directors

3.1 Policies and corporate governance

- 3.1.1 To ensure compliance with the laws, article of association, and resolutions of the shareholders meeting with honesty and prudence for the best interest of the Company
- 3.1.2 To determine overall policies and endorse operations of the Company such as vision, directions, strategies, including approval of business plan, annual budget, investment plans, and financial decisions
- 3.1.3 To follow up on the performance of the Company to ensure that the operations are in line with the business goals and plans
- 3.1.4 To issue policies on corporate governance in writing and disclose such policies to shareholders in the annual report, which should be reviewed by the Board of Directors at least on an annual basis
- 3.1.5 To put in place the Code of Conduct and business ethics in writing, which will be referred to as the operating standard by Directors,

executives, and employees; and to closely monitor compliance thereof

- 3.1.6 To encourage Directors, executives, and employees to comply with the corporate governance policies and Code of Conduct of the Company
- 3.1.7 To put in place maintenance of documents and evidence relating to disclosure of information, to ensure correctness and completeness of such documents or evidence for a period of not less than 5 years of the date they were issued, as well as maintenance of the same by the computer or any systems which allow retrieval without any changes in content
- 3.1.8 To put in place subcommittees to recommend, consider as well as act on matters as determined and endorsed by the Board of directors
- 3.1.9 To authorize any executives or employees to act on behalf of the Board of Directors in writing or in written records following the resolution of the Board of Directors meeting

3.2 Finance

- 3.2.1 To ensure bookkeeping and audit thereof as required by the law
- 3.2.2 To prepare the balance sheet and the profit and loss statement at least once every calendar year which falls on the accounting period of the Company
- 3.2.3 To prepare the balance sheet and profit and loss statement at of the ending date of the calendar year in the accounting year of the Company, which will be proposed to the shareholders in the annual general meeting of shareholders for approval, provided that the Board of Directors arranged for them to be audited by auditors prior to such proposal.

3.3 Control and audit and risk management

- 3.3.1 To put in place the Audit Committee which consists of at least 3 committee members following the criteria below;
 - (1) Members are appointed by the Board of Directors or the meeting of shareholders.
 - (2) Members are Independent Directors who are qualified without any forbidden characteristics; and they are neither Directors assigned by the Board of Directors to engage in business decisions of the Company, parent company, subsidiaries, affiliated companies, sister companies, major shareholder, or control persons of the Company, nor Directors of the parent company, subsidiaries, or listed sister companies.
 - (3) Members have duties as prescribed by the Stock Exchange of Thailand or SET regarding the qualification and scope of engagement of the Audit Committee.

- (4) Members have qualified knowledge and experience to serve as the members of the Audit Committee. In this regard, at least a member of the Audit Committee shall have sufficient knowledge and experience to review the reliability of the financial statements.
- 3.3.2 To put in place the risk management policy, management and control thereof of the entire organization
- 3.3.3 To review the system or evaluate the efficiency of the internal control system and risk management at least on an annual basis

3.4 Human resources

- 3.4.1 To recruit and screen for the right candidates and to ensure that the persons to serve as Directors or key executives are of suitable knowledge, competency, and experience
- 3.4.2 To determine appropriate remuneration for Directors and key executives, which reflects their authority, duty, and scope of responsibility as well as competency for the job
- 3.4.3 To endorse the succession plan for key executive positions

3.5 Conflict of interest management

- 3.5.1 To prohibit Directors with conflict of interest in an agenda to vote in such agenda
- 3.5.2 To prohibit Directors from engaging in similar business, which competes against the Company; or being partner of ordinary partnership or unlimited liability partner of a limited partnership; or serving as Directors of a private or other company engaging in similar business, which competes against the Company, whether for their own interest or that of others, unless so notified to the meeting of shareholders prior to the appointment
- 3.5.3 To prohibit the Company from lending, providing guarantee for sale or purchase of clean bill discount and guarantee for borrowing of Directors as stated below;
 - (1) Lending, providing guarantee for sale or purchase of clean bill discount, and guarantee for loans to spouse or underage child(ren) of Directors
 - (2) Lending, providing guarantee for sale or purchase of clean bill discount, and guarantee for loans to ordinary partnership where Directors, spouse, or underage child(ren) of Directors are partners
 - (3) Lending, providing guarantee for sale or purchase of clean bill discount, and guarantee for loans to limited partnership where Directors, spouse, or underage child(ren) of Directors are unlimited liability partners

- (4) Lending, providing guarantee for sale or purchase of clean bill discount, and guarantee for loans to any other or private company where Directors, spouse, or underage child(ren) of Directors hold shares totaling more than half of total shares of such company

Exception is made to lending, guarantee for sale or purchase of clean bill discount, and guarantee for loans in compliance with the regulations on employee and staff welfare.

- 3.5.4 To prohibit the Company from settle payment or assets to Directors, except for remuneration as stated in the article of association. If it is not so stated in the article of association, remuneration shall be made in accordance with the resolution of shareholders meeting, which consists of not less than two-third of the votes of shareholders attending the meeting
- 3.5.5 To consent on purchase or sale of any assets from or to the Company by any Director, or transaction made between the said parties, regardless of such being made on behalf of that Director or other persons; otherwise, such transaction shall not be binding to the Company
- 3.5.6 A Director shall immediately notify the following events to the Company.
 - (1) Any direct or indirect stake in any contracts entered into by the Company during the accounting year, with facts on type of agreement, name of counterparty to the agreement, and stake of Director in that contract (if any)
 - (2) Increased or decreased numbers of held shares or debentures of the Company and group companies during the accounting period (if any)

3.6 Communication with shareholders

- 3.6.1 To organize the annual general meeting of shareholders within 4 months of the end of accounting year of the Company. Other meetings shall be called an extraordinary meeting
- 3.6.2 To disclose significant information to shareholders in the financial statements and reports prepared for shareholders. Such information should be disclosed through the SET systems first; and afterwards on the website of the Company. The Investor Relations Department should be established to be responsible for information disclosure

3.7 Others

- 3.7.1 To appoint company secretary in compliance with the securities and exchange laws
- 3.7.2 To put in place the charter of the Board of Directors, and subcommittees as well as to endorse matters proposed by subcommittees to revise

the charter so as to ensure it is up-to-date and corresponding to the changing rules, requirements, and situations

- 3.7.3 To fulfill other duties as determined in the notifications, requirements, acts, or laws governing the Company

4. Meeting

- 4.1 The meeting of Board of Directors shall be organized at a minimum of every 3 months. Each director shall attend, at minimum, 75% of all meetings of the Board of the Directors throughout the year.
- 4.2 The Board of Directors shall elect a Director to serve as Chairman of the Board. If deemed appropriate, the Board could choose one or more Directors to serve as Vice Chairman of the Board.
- 4.3 The Chairman of the Board shall call for the meeting of Board of Directors. It takes 2 or more Directors to request for an extraordinary meeting. In this regard, the Chairman of the Board or assigned persons shall determine the meeting date within 14 days of the request.
- 4.4 The Chairman of the Board or assigned persons shall submit the invitation to the meeting to Directors not less than 7 days prior to the meeting date, except for any urgent matter to protect the right or interest of the Company whereby other methods may be adopted in making meeting appointment or earlier meeting date could be set.
- 4.5 The company secretary shall prepare the minutes of meeting within 14 days of the meeting date.

5. Quorum

- 5.1 At the time of casting vote, a minimum of not less than two-thirds of the total members of the Board is required to constitute a quorum.
- 5.2 The Chairman of the Board shall act as the Chairman of the meeting. In a case where the Chairman of the Board is not present in the meeting or could not carry out his/her duty, the Vice Chairman, if available, shall convene the meeting as the Chairman of the meeting. In a case where the Vice Chairman of the Board is not available or could not carry out his/her duty, the members of the Board present in the meeting shall elect a member to be the Chairman of the meeting.
- 5.3 The final decision of the meeting of the Board of Directors shall be by the majority voting, whereby a Director has 1 vote. If the tallies are tie, the Chairman shall have the deciding vote. In this regard, any vested Director is not entitled to vote in the agenda where he has conflict of interest.