

กฎบัตรคณะกรรมการบริษัท
Charter of the Board of Directors
บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)
East Coast Furnitech Public Company Limited

Charter of the Board of Directors

1. Objectives

The Board of Directors of East Coast Furnitech Public Company Limited (“Company”) on behalf of the shareholders plays an important role in determining the direction of the Company's business, as well as supervising the Company's business to be in accordance with the law, the Company's objectives, and Articles of Association to create long-term values for the business and for the best benefit of the Company and shareholders.

The Board of Directors has realized the importance of governance principles in building trustfulness among shareholders and all stakeholders. Each Director shall perform their duties with responsibility, honesty and carefulness, protect the Company's interests as well as to comply with the laws, the Company's objectives, and Articles of Association, and the resolutions of the Board of Directors including the resolutions of the shareholders' meetings.

Therefore, this Charter of the Board of Directors shall aim to enable the Company's Directors to understand their roles, duties and responsibilities towards the shareholders of the Company, and then reflect their performance of such duties with efficiency, effectiveness and transparency.

2. Composition

2.1 The Board of Directors needs not be the Company's shareholders.

2.2 The Company's Board of Directors consists of at least five (5) Directors but not over fifteen(15) Directors, and not less than half of the Directors shall be residents of the Kingdom. The Board of Directors must have qualifications as prescribed by law.

2.3 The structure of the Board of Directors shall consist of at least one-third of all Directors but not less than 3 Directors, the Independent Directors must be independent from the control of management and major shareholder, and must not have any involvement or interest in financial and business management, as well as have full qualifications according to the qualification criteria of Independent Director as stipulated in the Notification of the Capital Market Supervisory Board No. TorChor. 39/2559, Re: Application for and Approval of Offer for Sale of Newly Issued Shares (Codified Edition) (“Notification No. TorChor. 39/2559”).

2.4 The Board of Directors consists of not less than 3 members of the Audit Committee, this Audit Committee must have all the qualifications in accordance with the Notification No. TorChor. 39/2559, as well as the scope of duties and responsibilities as specified by the Notification of the Stock Exchange of Thailand. (“SET”).

2.5 The Board of Directors shall select and appoint one Director to hold the position of the Chairman of the Board. In the event that the Board of Directors may consider and deem appropriate to select and appoint one or more directors to be Vice Chairman of the Board of Directors.

2.6 The Company has a policy that the Chairman of the Board of Directors shall be an Independent Director and must not be the same person as the Managing Director.

3. Qualifications

3.1 Directors shall have knowledge, abilities and experience useful to the Company's business operations, have honesty, integrity, adhere to business ethics, and contribute sufficient time to dedicate knowledge, competency and perform duties for the Company to the best of their effort.

3.2 Directors must have qualification and neither have prohibited characteristics under the requirements by the Limited Public Company and the Securities and Exchange Act nor possess any characteristic which represents a lack of suitability to be entrusted with business management in a publicly held company as defined by the Securities and Exchange Commission. Directors shall be listed in the database of directors and executives of securities issuing companies under the Notification of the Capital Market Supervisory Board, Re: Rules for Listing Names of Persons on Database of Directors and Executives of Securities Issuing Companies

3.3 Directors are prohibited from engaging in or serving as a director in any business of the same nature as or in competition with the Company's business or from entering into a partnership or holding a directorship in another legal entity of the same nature as and in competition with the Company's business, whether for personal gain or for others, unless such information has been reported to the shareholders' meeting prior to passage of a resolution for appointment.

3.4 Directors shall inform the Company without delay should he/she have any direct or indirect interest in a contract executed by the Company or hold securities or debentures, or there be any change in his/her holding of securities in the Company or its affiliated companies.

4. Scope of Duties and Responsibilities

The Board of Directors has powers, duties, and responsibilities in managing the Company to comply with the laws, the Company's objectives and Articles of Association, as well as the resolutions of lawful shareholders' meeting with honesty, integrity and carefulness to protect the Company's interests including significant powers, duties and responsibilities as follows:

4.1 Convene the annual ordinary general meeting of shareholders within four (4) months from the end of the Company's accounting period, provided that the Company should submit an invitation notice of the Board

of Directors' meeting and meeting agenda, including supporting documents in advance within a reasonable period of time but not less than that as specified in the Company's Articles of Association;

4.2 Convene the Board of Directors' meetings for at least 1 meeting per quarter, and all Directors' attendance to each meeting would be required when there is any significant matter or transaction to be considered and voted, and it shall include any transaction on acquisition or disposition of assets of the Company and its subsidiaries which has a material impact on the Company, significant transaction of asset purchase or sale, expansion of investment projects, consideration and approval of execution of connected transactions in accordance with the requirements of the Office of the Securities and Exchange Commission, Table of Authority, and establishment of policies for financial management and risk management of the Company's businesses, etc.;

4.3 Arrange for an accounting system, financial reporting and auditing which are reliable, as well as supervise to ensure a document filing system which is capable of subsequent verification, including internal control, internal audit and risk management with efficiency and effectiveness;

4.4 Prepare the financial statements at the end of the Company's accounting period to accurately present the financial position and operational results of the previous year which are true, complete, correct and in accordance with generally accepted accounting standards, as well as ensuring to have it audited by the Company's Auditor prior to submission of the same to the shareholders' meeting for consideration and approval.

4.5 Establish goals, direction, policies, business plans, budget and approval authority chart of the Company, conduct monitoring and supervision of management and administration by the Management to ensure compliance with the Company's determined policies, plans and budget with efficiency and effectiveness;

In addition, the Board of Directors also has a scope of duties to supervise the Company including subsidiaries and associated companies to comply with the Securities and Exchange Act, the Notifications the Capital Market Supervisory Board, requirements of the SET such as entering into connected transactions and the transaction on acquisition or disposition of significant assets or laws related to the Company's business.

4.6 Consider, review, examine and approve the business expansion plan, large scale investment projects, including any joint investment with other entrepreneurs as proposed by the Management;

4.7 Execute the control policy and the mechanism of corporate governance to the businesses invested by the Company with subsidiaries or associated companies, including:

1. Perform the duties in accordance with the scope of duties and responsibilities as established for the Directors who have been approved by the Board of Directors' meeting to hold a directorship or the management of the subsidiary in proportion to Company's shareholding in that subsidiary.

2. Continuously monitor the operating results of subsidiaries and associated companies to be in accordance with the plans and budgets.

3. Completely and correctly monitor and supervise the subsidiaries to disclose the information related to the financial position and operating results, entering into connected transactions and acquisition or disposition of material assets to the Company.

4. In case that the subsidiary has made a transaction with a connected person, acquired or disposed asset or made any other significant transactions, the Board of Directors, especially the Director or any other person who has been approved by the Board of Directors' meeting to be appointed as a Director or an executive in a subsidiary who has a duty to supervise the subsidiary to comply with the regulatory mechanism relating to transactions with connected persons, acquisition or disposition of assets including significant transactions determined by the Company. Such transactions of the subsidiary shall be considered the same as transactions in the same criteria, characteristic and size as the Company must be approved by the Board of Directors' meeting, or the shareholders' meeting of the Company, as the case may be.

4.8 Consider and resolve to appoint or change the persons to hold office as Directors or executives of subsidiaries or associated companies in a number as in proportion to the Company's shareholding percentage in such subsidiaries or associated companies, and determine the use of control policies and mechanisms to supervise the businesses invested by the Company in subsidiaries or associated companies to reflect that the Company has a mechanism to supervise the subsidiaries as stipulated in the Notification No. TorChor. 39/2559, Re: Application for and Approval of Offer for Sale of Newly Issued Shares (Codified Edition)..

4.9 Consider and establish the Company's management structure, has a power to appoint the Board of executives, Directors, Managers and other sub-committees as appropriate, including the Audit Committee, the Nomination Committee, the Remuneration Committee, The Risk Management Committee, etc., as well as determine the scope of authorities and duties including remuneration of all appointed sub-committees.

However, the delegation of powers under the specified scope of powers must not be in the nature of a power of attorney that causes Board of Directors Managing Director and such various sub-committees can consider and approve Transactions that may have conflicts of interest, interests or other conflicts of interest with the Company or its subsidiaries (if any), except for the approval of transactions that are in accordance with the policies and rules that the Board has considered and approved.

When the Board of Directors authorizes Managing Director or other persons to act on behalf of the Board of Directors in any matter, such authorization shall be made in writing or recorded in a resolution of the Board of Directors in the minutes of its meeting, and the scope of authorities and duties of such authorized person shall be clearly specified therein.

4.10 The Board of Directors may authorize one or several directors or any other person(s) to take any action on behalf of the Board of Directors, subject to its monitoring and supervision, or may authorize such person(s) to have powers as the Board of Directors deems appropriate and for the period of time as the Board of

Directors deems appropriate, which such authorization may be cancelled, revoked, changed or amended by the Board of Directors as it deems appropriate.

The said authorization shall not be construed to empower such authorized person(s) to consider and approve any transaction in which such person(s) may have a conflict, interest, or which may give rise to any other conflicts of interest, to be executed with the Company or subsidiaries (if any), except for approval of such transaction in the ordinary course of business on the general trading conditions, or in accordance with the policies and criteria considered and approved by the Board of Directors, subject to rules, conditions and procedures as specified in relation to connected transactions and transactions on acquisition or disposition of material assets of listed companies under the Notifications of the Capital Market Supervisory Board and/or any other notifications of the relevant authorities.

4.11 Directors and executives shall report their interests or the interests of related persons which are involved in the management of the Company's business or its subsidiaries to the Company in accordance with the rules, conditions and procedures prescribed in the Notification of the Capital Market Supervisory Board.

4.12 Directors and executives shall jointly be liable to persons who trade in the Company's securities in any damage arising from the disclosure of information to shareholders or public by showing false statement of subject matter or concealing facts that should be disclosed in subject matter as prescribed in the Securities and Exchange Act, unless such Director and executive can prove that he/she is unable, by his/her position and duties, to know the truthfulness of information or the lack of information that should be reported.

4.13 Directors, executives, including their spouses and children who are not of legal age of Directors or executives are prohibited from using inside information of the Company and its subsidiaries or associated companies, whether obtained from the performance of duties or in any other way that have or may have a significant impact on the Company, subsidiaries or associated companies, for their benefit or the benefit of others, directly or indirectly, and whether or not they have received a return.

4.14 Directors and executives of the Company including related persons of the said Directors and executives have a duty to notify the Company about the relationship and transactions with the Company, its subsidiaries or associated companies in a manner that may cause conflicts of interest, and avoid any transactions that may cause conflicts of interest to the Company or its subsidiaries or associated company.

5. Term of Office and Election

5.1 The election of Directors shall be in accordance with the Company's Articles of Association and related laws, with transparency and clarity in the nomination of Directors, taking into account their educational background and professional experience, including their qualifications and absence of prohibited characteristics. The details for consideration should be sufficient for the decisions of the Board of Directors and shareholders.

5.2 At every annual general meeting of shareholders, one-third (1/3) of Directors shall retire by rotation. If the number of Directors is not divisible by three, then the number nearest to one-third (1/3) shall retire by rotation. In this regard, directors to retire by rotation in the first and second years after the registration of the Company shall be determined by drawing lots. In subsequent years, directors who have served the longest term of office shall retire by rotation. The Directors retiring by rotation may be reappointed.

5.3 In addition to the above retirement by rotation, Directors shall retire from office upon:

- Death
- Resignation
- Disqualification or possessing characteristics prohibited under the law on public companies, and/or the Securities and Exchange Act.
- Being removed from office by resolution of the meeting of shareholders with not less than three-fourth of all votes by attending shareholders with voting rights, and holding shares in aggregate not less than half of the number of shares held by the attending shareholders with voting rights.
- Being removed by court order.

5.4 A Director may resign by submitting notice of resignation to the Company and the resignation shall be effective on the same date. The resigning Director may notify his/her resignation to the Public Limited Company Registrar.

5.5 If a position of director on the Board of Directors becomes vacant for reasons other than retirement by rotation, the Board of Directors shall appoint a person who is qualified and does not possess prohibited characteristics under the law on public companies, and the Securities and Exchange Act, to assume the vacant position at the next Board of Directors' meeting, except when such vacant position has a remaining term of less than two (2) months, a person appointed to assume the vacant position may remain in office only for the remaining term of the director whom he/she replaces.

6. Meetings

6.1 A minimum of three (3) Board of Directors' meetings shall be held in the span of one year in accordance with the requirements of laws and the Company's Articles of Association. The Chairman of the Board of Directors shall be responsible for calling the Board of Directors' meetings; however, in case the Chairman of the Board of Directors is on leave or unable to perform this duty for any cause, the Vice Chairman of the Board of Directors shall call the meeting on his behalf. If the Vice Chairman is also on leave or unable to perform this duty for any cause, the Chairman shall appoint the Managing Director to call the meeting on his behalf. In the absence of such an appointee, the Directors shall elect from amongst themselves one person based on the seniority order determined by the Board to call the meeting on the behalf of the Chairman.

In calling a meeting of the Board of Directors, the Chairman of the Board of Directors or the delegated person shall send notice of invitation to the meeting containing date, time, place and the agenda items to Directors by email or by hand at least seven days in advance of the meeting date. However, in case of an emergency where the rights or interests of the Company must be protected, the notice of invitation to the meeting may be delivered by a different manner or the date of the meeting may be set with shorter notice than stipulated by this required notice period.

In the case of two or more directors requesting a Board of Directors' meeting, the Chairman of the Board shall determine the date for the meeting within fourteen days from the receipt date of such request.

6.2 At the Board of Directors' meeting, attendance of at least half the total number of Directors shall be required in order to constitute a quorum. If the Chairman of the Board of Directors is not present at the meeting or cannot perform his/her duties, in case that the Vice-Chairman is present, the Vice-Chairman shall preside over the meeting. If there is no Vice-Chairman or such Vice-Chairman is present at the meeting but cannot perform his/her duties, the attending Directors shall elect one director to preside over the meeting.

6.3 One Director shall have one vote, except for a Director who has an interest in any matter, who will not have the right to vote on such matter. In case of a tied vote, the Chairman of the meeting shall cast one extra vote to reach a final decision.

6.4 The Chairman of the Board or the Director delegated by the Chairman of the Board shall determine date, time and place of the Board of Directors' meeting, the meeting place may be determined in the area other than the area where the Company's head office is located or nearby provinces. If the Chairman or delegated Director has not determined the meeting place, the Company's head office shall serve the meeting place.

6.5 The Company Secretary or a person delegated by the Company Secretary shall have the duty to record, prepare and complete the minutes of meetings soonest. The Company Secretary shall also keep record of minutes of meetings along with supporting documents, and shall ensure that the Board of Directors performs its duties in compliance with the law, the Articles of Association and resolutions of the shareholders' meetings, and shall coordinate with relevant persons.

7. Performance Evaluation

The performance of the Board of Directors shall be evaluated at least once a year using the score result and comments of the Directors to improve the annual duty performance of the Board of Directors, and to enable the Board of Directors to work for more effectiveness.

This Charter was proposed to the meeting of the Board of Directors No. 7/2022 on November 10, 2022 for final consideration and review.