

**RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS  
OF TOTAL ACCESS COMMUNICATION PUBLIC COMPANY LIMITED**

(as adopted by the Board of Directors on 19 October 2012)

**1 PURPOSE**

The Board of Directors (the "**Board**") of Total Access Communication Public Company Limited (the "**Company**"), has adopted these rules of procedure for the Board (the "**Rules**") to be used as (a) the working procedures of the Board, (b) the general instructions regarding the allocation of work between the Board and the chief executive officer of the Company (the "**CEO**") and (c) the Board's power and authority.

Each member of the Board (the "**member**"), the Secretary of the Board and the CEO shall be provided with a copy of these Rules.

In addition to these Rules, the Board shall observe any further rules of procedure, instructions and guidelines as may be adopted from time to time by the Board or by the shareholder(s), including the "Rules of Procedure for the CEO", as well as any applicable laws and regulations.

In these Rules, the term "**Company**" shall, except where the context otherwise requires, mean the Company and any and all its subsidiaries.

**2 COMPOSITION, ELECTION AND RETIREMENT**

The Board shall comprise at least five (5) members and no more than twelve (12) members, half of whom shall reside in Thailand.

At least one-third of the Board, but not less than three (3) members, shall be independent directors.

Board members are elected for a period of three (3) years and one-third of the Board shall be re-elected at an annual general meeting every year.

Members shall cease to be members upon retirement, resignation or dismissal from the Board.

If any member wishes to resign from the Board, he/she shall give a notice to the Board at least one month in advance.

### **3 QUALIFICATIONS**

Members shall have the qualifications to act as directors and shall not possess any of the prohibited characteristics prescribed by laws, as well as regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Members who are independent directors shall also have the following qualifications:

- (a) holding shares not exceeding 0.5 per cent of the total voting shares of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including shares held by related persons of the independent director;
- (b) not being or having been an executive director, employee, staff, advisor who receives regular salary, or controlling person of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, unless such characteristic ceases at least two (2) years prior to the date of appointment;
- (c) not being a person related by blood or legal registration, such as father, mother, spouse, sibling and children, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling person of the Company or its subsidiary;
- (d) having no business relationship with the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, in a manner which may interfere with his/her independent judgement, and not being or having been a major shareholder, non-independent director, executive of any person having business relationship with the Company, its parent company, subsidiary, or juristic person which may have conflicts of interest, unless such characteristic ceases at least two (2) years prior to the date of appointment;
- (e) not being or having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, and not being a major shareholder, non-independent director, executive, or managing partner of the audit firm in which the auditor of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest is employed, unless such characteristic ceases at least two (2) years prior to the date of appointment;
- (f) not being or having been any professional advisor, including legal advisor or financial advisor which receives service fee of more than THB two (2) million per

year from the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, and not being a major shareholder, non-independent director, executive, or managing partner of the professional advisor which is a juristic person, unless such characteristic ceases at least two (2) years prior to the date of appointment;

- (g) not being a director appointed as representative of a director of the Company, its major shareholder, or shareholder which is a related person of the major shareholder of the Company; and
- (h) not having any characteristics which render him/her incapable of expressing independent opinion regarding the Company's business operation.

No members shall simultaneously hold more than five (5) board seats in publicly-listed companies to ensure that they can commit themselves effectively towards their responsibilities towards the Company.

#### **4 NOTICE OF BOARD MEETINGS**

By November each year, the CEO shall, after consultation with the Chairman of the Board (the "**Chairman**"), provide a proposal for a meeting plan including the main items on the agenda for the Board meetings for the next calendar year. The CEO shall attend the Board meetings, unless otherwise decided by the Board in specific cases.

Board meetings shall be called by the Chairman, or someone appointed by him/her.

If a Board member or the CEO is unable to attend a board meeting, he/she shall inform the Chairman or the Secretary of the Board without delay.

Each Board member and the CEO may request a Board meeting to be held and that specific matters are included on the agenda. The Chairman is responsible for ensuring that such request is fulfilled, and if necessary that a Board meeting is convened without undue delay after a request has been made.

Board meetings shall be called with a minimum of seven (7) day's prior written notice, or shorter if the Chairman deems it appropriate.

#### **5 PRIOR PROCESSING**

Together with the Chairman, the CEO is responsible for the appropriate preparation and documentation of issues to be dealt with by the Board. Necessary preparatory documents that give an account of the issues to be dealt with shall be included as appendices to the notice of meeting, along with proposals for resolutions. The Board documentation shall contain sufficient information to

provide the Board members with an adequate basis to deliberate, and reach a decision on, the issue in question.

If the Chairman deems it appropriate, or if it is vital for the issue in question to be dealt with at the forthcoming Board meeting, Board documentation can be distributed on shorter notice or at the actual meeting.

## **6 BOARD MEETINGS**

Before a meeting of the Board can be conducted, all board members shall have been notified of the meeting. A majority of the members attending the meeting in person shall constitute a quorum.

Board members and the CEO may request issues submitted in writing to be dealt with in a physical meeting before a decision is reached.

Board meetings shall be chaired by the Chairman or, in his/her absence, by the Deputy Chairman (if any) or a member appointed by the Board.

The CEO, or someone appointed by him/her, shall be responsible for presenting each individual item on the agenda.

## **7 DECISIONS AND AUTHORITY**

A decision by the Board requires the majority of the votes cast by the members attending the meeting in person. In the event of a voting tie, the Chairman shall have the casting vote.

The Board shall observe the Company Authority Matrix of the Company.

## **8 MINUTES**

Minutes of the meetings shall be recorded (by the Secretary of the Board).

As a minimum, the minutes shall specify the date, time and place, the participants, a summary of the issues discussed and the resolutions.

The minutes shall also specify whether a decision was unanimous or who voted for and against the proposal, and those who vote against a proposal and the CEO are entitled to have their comments recorded in the minutes.

The minutes shall be prepared in English and sent to all members for approval as soon as possible after the meeting took place.

The minutes shall be signed by the Chairman and the Secretary.

## **9 ISSUES TO BE DEALT WITH BY THE BOARD**

### **9.1 General**

The Board shall perform its duties and responsibilities with due care and loyalty, taking into consideration the best interest of the Company and its shareholders.

The Board is responsible for the administration of the Company, managing the Company's long-term and strategic planning, safeguarding the proper organisation of the business, and overseeing the management of day-to-day operations.

The Board shall set the Company's direction, vision, values and leadership expectations.

The Board shall make decisions, and in certain cases grants authority to make decision, in accordance with applicable legislation, the Company's objectives and Articles of Association, decisions made by the shareholders' meetings, as well as the Company's Governing Documents.

The Board shall be involved in any issue which either individually or collectively may have a significant impact on the business of the Company, such as, but not limited to, issues within objectives and strategies, operations and finances, and organization and employees.

The authority to decide on issues which are unusual for, or of major significance to, the Company lies with the Board and may only be delegated to the CEO on a case by case basis.

### **9.2 Good Corporate Governance**

The Board shall ensure that the Company adheres to generally accepted principles for the governance and effective control of the Company's activities ("**corporate governance**"). Furthermore, the Board shall observe such standards in its own work and decision making.

### **9.3 Implementation and monitoring of Governing Documents**

The Board shall ensure the implementation of governing documents and procedures that secure adequate corporate governance in the Company and in all subsidiaries controlled directly or indirectly by the Company (the "**Governing Documents**").

The Board shall ensure that the CEO at least annually perform an assessment of the implementation of the Governing Documents and the level of compliance, and report to the Board.

#### **9.4 Specific Focus Areas**

In addition to the requirements mentioned in this Section 9, the following are specific areas where the Board shall focus its attention: -

(i) Operations and Finance

The Board shall approve and supervise targets and strategy plans and any deviations therefrom. Particular focus shall be exercised with regard to safeguarding of liquidity risk, counterparty risk, interest rate risk and currency risk.

The Board shall ensure the accuracy and completeness of the Company's operational and financial reporting to all shareholders and general investors.

The Board shall be informed of ongoing operations *via* reports on operating and financial conditions, and approve the accounts. The Board shall have adequate oversight of internal control over financial reporting (ICFR) to ensure that these controls adhere to its objectives, are compliant with legal requirements and the Company's Governing Documents.

The Board shall evaluate and discuss statements, reports and/or assertions made by the CEO relating to ICFR for the preparation of external financial statements and assurances regarding reliability on an annual or more frequent basis.

The Board shall implement necessary controls for the Company's accounts and administration of funds.

The Board shall evaluate and discuss the Company's capital structure, the optimal capital structure, the dividend policy, the funding strategy and the optimal funding composition on a regular basis.

The Board is empowered to declare interim dividends to shareholders from time to time when the Board is of the view that the Company has derived sufficient profits to do so.

(ii) Annual Financial Reports (Annual Accounts)

The Board is responsible for reviewing the management's draft of the annual accounts. The Board shall ensure that the accounts are accurately and completely prepared and that they reflect the Company's financial condition and results of operation for the benefits of all shareholders and general investors.

Together with the management, the Board shall compile the annual report, which includes the Board's proposal for the allocation of profit or coverage of loss, and the reports and documentation that are required by the prevailing legislation.

After the final annual accounts and annual report have been examined by the auditor, they shall be reviewed at the next Board meeting and approved by the Board as required by applicable law.

(iii) Control with Business Operation

The Board shall oversee and determine the overall organisation of the Company's and its key subsidiaries' operations. The Board shall be informed of any condition that may have important impact on the operational activities, such as key market trends and conditions as well as customer relations. The Board shall monitor key subsidiaries' organisation, administration and operations in an appropriate manner and shall ensure that the board of such key subsidiaries provide the Board with the information necessary to be able to assess the Company's position, and the result of the Company's operation.

(iv) Business Risk Management

The Board shall ensure that risk management activities are in place to proactively identify and deal with critical business risks related to the Company. All strategic, operational (financial and non-financial) and legal risks of importance shall be taken into consideration.

The Board shall adopt a structured approach towards risk identification when dealing with the annual strategy planning to ensure that risk is an integral and explicit part of the strategy discussions.

The Board shall safeguard that the management aligns its decision making to the level of risk identified. The Board shall require that the management prepare and present an annual risk report outlining key risks, risk ownership and how identified risk has been and will be responded to. In addition, the Board shall keep itself updated on the most significant risks for the Company.

(v) Conflicts of Interest

The Board shall oversee that transactions with potential conflicts of interest of management, Board members and shareholders, including their related persons, are undertaken on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and the Company's minority shareholders.

The Board shall give a general mandate for recurrent transactions of a revenue or trading nature or those necessary for day-to-day operations of the Company (but not in respect of the purchase or sale of assets, undertakings or businesses) that

may be carried out with the interested persons in order to enhance the Company's ability to pursue business opportunities in a timely manner.

The Board shall ensure that adequate procedures for managing and reviewing these transactions have been established and maintained, and monitor that they are carried out in accordance with the general mandate and applicable laws and regulations.

The Board shall request that the management prepare and present a summary report of the transactions, including names of the interested persons and types and values of the transactions, for its review on an annual basis.

(vi) Internal Control

The Board shall ensure that the Company has adequate and appropriate internal controls (including the establishment of an internal audit unit) in place, and that they are included as an integral part of operations and procedures of the Company in order to provide reasonable assurance regarding the achievement of the following objectives: effective and efficient use of resources, safeguarding the Company's assets, reliability of internal and external financial reporting, and compliance with the Company's Governing Documents and applicable laws and regulations.

The Board shall ensure that an internal audit unit is established and maintained to monitor the Company's internal controls and report any significant failures or weaknesses thereof, together with recommendations of corrective action.

The Board shall oversee the work, function and performance of the internal audit unit and the process of internal control over financial reporting through the Audit Committee.

(vii) Preparation of Shareholders' Meetings

The Board shall prepare issues to be dealt with at shareholders' meetings.

(viii) Election and Remuneration of Directors

The Board shall establish a formal and transparent Board nomination and election process for the Company and its key subsidiaries.

The Board shall identify potential candidates with the appropriate knowledge, competencies and expertise to complement the existing skills of the Board and the board of its key subsidiaries.

The Board shall make recommendations on qualified candidates, with full disclosure of the experience and background of the candidates, for election as directors of the Company and its key subsidiaries.

The Board shall review the structure, size and composition of the Board taking into account the current requirements and future development of the Company, and make any adjustments as deemed necessary. The composition of the Board should ensure that the Board can attend to the interests of all shareholders and meets the Company's need for expertise, capacity and diversity.

The Board shall review and make recommendations on remuneration of directors to shareholders for approval.

When reviewing the remuneration of directors, the Board shall take into consideration factors, including, but not limited to, the Company's business operations and performance, the market and industry norms, the current economic situation and the duties and responsibilities of the directors.

(ix) CEO and Employees

The Board shall appoint (and dismiss) the Company's CEO. The Board shall set the CEO's terms of employment. The same applies to employment terms for other members of the executive management if they have been appointed by the Board.

The Board shall devise rules of procedure for the CEO position.

The Board shall oversee and undertake an annual evaluation of the CEO's execution of his/her duties and regularly evaluate these.

The Board shall oversee and satisfy itself with plans for the succession of the CEO.

(x) Safety and security risks

The Board shall oversee that both safety and security risks are managed proportionally and effectively to ensure protection of personnel, information and other assets.

(xi) Corruption Risks

The Board shall ensure that the Company has adequate procedures in place to prevent the Company from being involved in corruption. The Board shall as a minimum follow-up that the CEO conducts a yearly risk-based review of such corruption risk procedures and ensure that any weaknesses, if discovered, are remediated. The review shall be dealt with by the Board in a Board meeting.

(xii) Self Evaluation

The Board shall carry out an evaluation once a year of its work, functions, performance as well as monitoring of ICFR for the preparation of external financial statements and the safeguarding of assets. The Chairman is responsible for the execution of the evaluation.

The Board may initiate the investigations it considers to be necessary in order to carry out its administrative and supervisory tasks.

**10 DIVISION OF WORK BETWEEN THE BOARD AND THE CEO**

The CEO is responsible for the day-to-day management of the Company's operations, and shall adhere to the guidelines and instructions provided by the Board, including the Rules of Procedure for the CEO.

The CEO's authority does not extend to matters outside the scope of the responsibilities of the CEO pursuant to applicable laws (i.e. matters that given the situation of the Company are unusual in nature or of major importance), these Rules or other instructions adopted or decisions made by the Board.

The CEO shall ensure that the Company's accounts are prepared in accordance with legislation and regulations and that the capital management is organised satisfactorily.

The Board can, at any given time, request the CEO to provide the Board with a detailed account of specific issues. This can also be requested by individual Board members.

As often as the Board deems it necessary, the CEO shall, either in writing or in a meeting, report to the Board on the Company's operation and its situation, as well as on the profit performance as determined by the Board and/or described in the Rules of Procedure for the CEO.

**11 DISQUALIFICATION**

Members are not permitted to participate in the decision making process if they or any of their related parties, including immediate family members or companies that such members represent or are employed, have interest on the matter.

Members are also not permitted to participate in the discussions nor have access to minutes of meeting of any agenda item if they or any of their related parties, including immediate family members or companies that such members represent or are employed, engage in, or hold significant shares in a company that engages in, a business that competes or is likely to compete, directly or indirectly, with the Company.

## **12 CONFIDENTIALITY**

All information and documentation received by the members shall be treated as confidential.

The confidentiality obligation shall continue to apply after the members cease to be a member of the Company.