

Independent Directors

There is a need to ensure that independent directors are critical to good governance, looking after the interests of Bangchak and its shareholders by imposing checks and balances on Board decision-making and commanding awareness of their duties with due regard for righteousness and free views from any party's influence.

The Board therefore devised **definitions and qualifications of independent directors in Section 3 of the corporate governance policy, with stricter shareholding requirements than those of SEC and SET, that is, 0.5% against the legal maximum of 1%** of the total eligible voting shares of Bangchak, its parent company, subsidiaries, associates, major shareholders or controllers, and independent directors' related parties.

The Board consists of at least one-third being independent directors, each of whom must comply with the following:

- (1) An Independent Director must hold no more than 0.5% of all the voting shares of Bangchak and its parent company, subsidiaries, affiliates, major shareholders or controlling persons. An Independent Director's shares must include those held by related person to that Independent Director.
 - (2) An Independent Director must not be nor ever have been a director who is involved with management, an employee, a salaried adviser, or a controlling individual of Bangchak, its parent company or any of its subsidiaries, affiliates, peer companies under the same parent company, major Shareholders or controlling individuals/entities. An exception is made in the case of a candidate who used to hold one of the positions mentioned above but left it at least two years prior. An individual who was a civil servant of or an adviser to a government agency that was a Bangchak major shareholder or controlling entity is not forbidden from being a Bangchak Independent Director.
 - (3) Independent Directors must not have familial (blood ties or legal) relations to individuals such as a parent, spouse, sibling, child, spouse of the child of another Director, an Executive, a major Shareholder, a controlling individual, or an individual who is about to be nominated as a Director, an Executive or a controlling individual of Bangchak or any of its subsidiaries.
 - (4) Independent Directors must not have nor ever had a business relationship with Bangchak, its parent company or any of its subsidiaries, affiliates, major Shareholders or controlling individuals/entities in a manner that might obstruct their independent use of discretion. In addition, they must not be nor have ever been a significant Shareholder or a controlling individual of an entity having a business relationship with Bangchak, its parent company or any of its subsidiaries, affiliates, major Shareholders or Bangchak controlling individuals/entities. An
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exception is made in the case of a candidate who used to have such a relationship or hold one of the positions mentioned above but ended it or left it at least two years prior.

- (5) An Independent Director must not be nor ever have been an auditor of Bangchak, its parent company or any of its subsidiaries, affiliates, major Shareholders or controlling individuals/entities. In addition, he/she must not be a significant Shareholder, a controlling individual or a partner of the audit firm where the auditors of Bangchak, its parent company, or any of its subsidiaries, affiliates, major Shareholders or controlling individuals/entities work. An exception is made in the case of a candidate who used to hold any of the positions mentioned above but left it at least two years prior.
- (6) An Independent Director must not be nor ever have been a provider of any professional service (including services as a legal or financial adviser) who receives compensation to the amount of over two million baht per year from Bangchak or any of its subsidiaries, affiliates, major Shareholders or controlling individuals/entities. In addition, he/she must not be a significant Shareholder, a controlling individual, or a partner of a provider of such professional services. An exception is made in the case of a candidate who used to hold any of the positions mentioned above but left it at least two years prior.
- (7) Independent Directors must not own businesses that are in the same industry and significant competition to the business of Bangchak or any of its subsidiaries. They must not be significant partners in a limited partnership or directors who are involved in management, employees, and salaried advisers or own more than one percent of all voting shares of another firm that runs a business that is in the same industry as and is in significant competition with the business of Bangchak or any of its subsidiaries.
- (8) An Independent Director must not be appointed as an agent of another Bangchak Director, a major Bangchak Shareholder or a Bangchak Shareholder connected with a major Bangchak Shareholder.
- (9) An Independent Director must not have any other characteristics that might hinder the free expression of their opinions about Bangchak operations.

Contact Information

Audit Committee

Tel: +66 2 335 4566

E-mail: ico@bangchak.co.th
