



HANA Microelectronics Public Co., Ltd.

CHARTER OF THE BOARD OF DIRECTORS

The board has set this Charter to outline their roles and responsibilities, the board composition and other criteria by adopting principles of good corporate governance and practice, and in accordance with applicable laws.

Size and Composition of the Board

The Board of Directors consists of the chairman and directors having an appropriate size to fit with the company's business operations. The board shall consist of independent directors not less than 50% and at least 3 persons. The board may review and determine the size of the board that is most effective in relation to future operations and to be in line with the principles of good corporate governance.

For the nomination of a new director, the Nomination Committee will consider the candidate and propose to the board for approval. The nomination procedures shall comply with the company articles of association, the applicable rules and regulations and the diversity of the board structure by considering the necessary qualifications for a person who will serve as a director to have skill, experience, gender, expertise and the readiness to exercise duties to fit with the vacant position. At least one non-executive director has working experiences related to the Company's business.

Board Qualification

The board of directors shall possess the qualifications and have no prohibited characteristics under public law, Notification of the Stock Exchange of Thailand and other applicable rules and regulations.

To ensure that the board includes such directors who can exercise their best judgments, a director who is identified as "independent" shall be affirmatively determined that such director meets the requirement established by the Securities Exchange of Commission (SEC). In particular, an independent director is a director who:

- 1) Holds shares less than 0.5% of the total shares eligible to vote of the company, subsidiaries, associates, or controlling parties, including the shares held by the related parties of an independent director
- 2) Who is not an executive director, employee, or consultant who receives remuneration from the company or any of its subsidiaries, who is also neither a controlling person of the company or subsidiaries nor a related person at least for the past two years

- 3) Is not the person who has relationship by means of descent or legal registration as father, mother, spouse, brothers and sisters, and children, nor being spouse of daughters and sons of management, major shareholders, controlling party/person who is in the process of nomination to be the management or controlling person of the company or its subsidiary.
- 4) Have no or never have business relationship with the company, subsidiaries, associates, or related person that deprives such independence nor being a major shareholder, executive director, management of related person who has business with the company, associate and subsidiary unless the foregoing status ended at least two years
- 5) Is not or has never been the auditor of the company, subsidiaries, associates, major shareholders, or controlling person, nor being a major shareholder, controlling person, or partner of the auditing firm unless the foregoing status ended at least two years
- 6) Is not or has never been the professional service provider, nor legal or financial advisor with receive service fee more than 2 million baht per year from the company, subsidiaries, associates, major shareholders, or controlling person, and is not a major shareholder, controlling person, or partner of the above mentioned service firms unless the foregoing status ended at least two years
- 7) Is not the director who is nominated to be the representative of directors of the company, major shareholder, or any other shareholder related to the major shareholders
- 8) Does not conduct the same business and compete business with the company or subsidiary, nor being a business partner or executive director, paid employee or hold more than 1% of voting shares from other companies which have the same business and compete with the company
- 9) Has no other conditions that unable to exercise independent opinion regarding the business operation of the company

Board duties and responsibilities

The board has a fiduciary duty to act in the best interest of the Company and its shareholders. The board responsibilities are as follows:

- 1) Related to the company business - To direct the business in accordance with the relevant laws and objectives enumerated in the company's Memorandum of Association and have the authority to perform duties provided or related thereto under the resolution of the shareholder meetings
- 2) Related to the company strategy and finance - To approve the Company's vision, mission and business objectives/goals, the matters impacted to financial, debt, future business strategic and performance of the company, project with capital investment over than Baht 100,000,000, the change of capital structure and accounting policy
- 3) Related to shareholders - To approve the dividend payment, financial statement and its note, the auditor opinion, annual report, calling shareholder meeting, the change of the company's Memorandum of Association, appointment of auditors and their remuneration and the ordinary share issuance

- 4) Related to the board and executive management - To approve the appointment and removal of director and secretary of the company and its subsidiaries, delegation or empowerment the roles and responsibilities to CEO and sub-committee, the charter of board of directors and sub-committee, the other board seats held by director, CEO and executive management as well as the related party transactions/conflict of interest
- 5) Related to organization principle – To approve the corporate governance policy, the anti-corruption policy and its program, the code of conduct, social responsibility, risk management and internal control system including the oversight the implementation of those policies and program

Division of board and management's responsibilities

1) Board primary responsibility:

- Define the company's objectives/goals, vision, and mission
- Develop culture of compliance and ethical conduct and lead by example
- Ensure CEO selection and succession plan
- Assess of which directors are independent
- Establish of new committees of the Board including terms of reference and membership

2) Shared responsibilities of the board and management:

- Monitor and evaluate financial and non-financial corporate performance
- Ensure integrity of financial and non-financial information disclosures
- Ensure maintenance of a sound system of internal controls and risk management

3) Responsibility that the board to not engage with:

- Day-to-day management and decisions (such as procurement and staffing)
- On-going monitoring that conduct and operations are in compliance with the company's policies, strategies, plans and applicable laws and standards
- Not getting involved in or influencing matters in which a director may have vested interests.

Duties and Responsibilities of the Chairman of the board

The Chairman of the board has additional responsibilities more than other directors as follows.

- 1) Together with CEO, to call the board and shareholder meetings and set the agendas of the meetings
- 2) To act as Chair at meetings of the board and shareholders including review and sign minutes of meetings
- 3) To cast a vote to break a tie for the board and shareholder meetings

Duties and Responsibilities of Chief Executive Officer

The board delegate authority and responsibility for the conduct of the company's business to CEO who has following responsibilities:-

- 1) To manage and monitor the company's daily operations and performance consistent with the company's objectives, strategies and relevant policies
- 2) To recommend to the board any significant operational changes and major capital expenditures beyond delegated authority
- 3) To consider the company profit/loss and propose to the board of interim and/or annual dividend payment
- 4) To assign responsibilities to the senior management and supervising the work of executive directors
- 5) To empower the engagement and commitment for the company in accordance with all applicable laws and the company's standards and policies
- 6) To conduct other duties in accordance with the resolutions of the board meetings and/or shareholder meetings

Board terms

The director shall be elected for three-year terms. At every annual general meeting, one-third (1/3) of directors shall retire. If the number of directors cannot be divided into three parts, the number of directors closest to one-third (1/3) shall retire for re-appointment by shareholders.

With a view to enhancing good governance, the term of service of independent directors shall be nine years. Apart from retirement by rotation, the directors shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Loss of qualifications or disqualification under section 68 of Public Companies Limited Act B.E. 2535
- 4) Removal by a resolution of the shareholder's meeting
- 5) Removal by a court order

Any director wishing to resign from his office shall submit his resignation letter to the company and the resignation shall be effective on the date the resignation letter reaches the company. In case a directorship becomes vacant other than on retirement by rotation, the board of directors shall elect a person who has qualifications and who is not disqualified under the Public Companies Limited Act as replacement at subsequent meeting of the board of directors. Unless the remaining duration of the director's term of office is less than two months, the replacing director shall hold office for the remaining term of office of the director whom he replaces.

Service on Other Boards

In order to give proper attention and contribution to the assigned responsibilities, the board has set the policy that directors including CEO and top executives should limit their services to sit on other boards not more than three boards of publicly traded companies without condition in addition to Hana and its subsidiaries. Any board position held in other public firms shall be approved by the board. The board shall consider the existing performance and the necessity to hold the position in other firms.

Orientation and Training

The newly appointed director shall get the orientation regarding the company's business and duties and responsibilities of directors. The orientation session shall be scheduled and led by the chief executive officer, chief financial officer or his appointee. All other necessary information shall be given by the company secretary. The board supports the continuous training/seminar for the director to develop their knowledge and skills.

Board Meeting

The Chairman of the Board and the Chief Executive Officer or his appointee will establish the agenda for each Board meeting, and the notice of the meeting shall be given at least 5 days in advance. The Chairman of the Board and CEO or his appointee shall set the date, time and place for the meeting. The yearly plan of meeting is scheduled so that the directors can prepare themselves ahead. The meeting is set at least 6 times a year.

The Chairman acts as a lead director in running the agendas in an order, encourage board member to participate in the meeting such as ask questions or observation, advise or make suggestion to the executive director or support the company direction but will not interfere the management duties and responsibilities.

The non-executive directors of the board shall meet independently as determined appropriate in order to discuss issues or any concern in an open forum without Hana management to be present.

The director who has the conflict of interest shall decline to participate in discussion and decision on that matter.

The company secretary shall make the minutes of meetings, filing the minutes and supporting documentation and follow-up the compliance with board resolutions and other applicable laws.

Quorum and Voting

At a meeting of the board of directors, there shall be directors attending the meeting at not less than one half of the total number of directors in order to constitute a quorum. While making the decision, the attendance must have at least 2/3 of the total directors and the decision of the meeting shall be made by majority vote. An absolute majority is needed to carry out resolutions. In the case where directors are equally divided upon an issue, the Chairman is granted a casting vote.

Information Disclosure

The board places importance on the disclosure of information both with financial and non-financial related with accuracy, completeness, transparency, timely and in accordance with the rules and regulations of Stock Exchange of Thailand, Securities and Exchange Commission and other applicable laws.

The board and management of the company shall report their conflict of interest to the board meeting every case (according to Policy and Procedure to Report on Interest of Directors, Executives and Related Persons).

The board and management of the company shall also require to report the share trading or the movement to the board meeting every time as following procedures.

- 1) The director and the management shall inform the plan or requirement to trade the company shares, 1 day in advance.
- 2) Report the actual trading on the day of execution or within following working day to the company secretary.
- 3) The company secretary report to the board on a monthly basis.

Board and CEO Evaluation

On an annual basis, the board shall conduct the evaluation of its performance according to the criteria being set. All directors are free to make suggestions to improve board's performance. For CEO performance appraisal, the non-executive directors shall perform an evaluation annually.

Charter Review

The Board shall assess the adequacy of this Charter annually and shall make any changes deemed necessary or appropriate.

Reviewed and approved by: Board of Directors on 13 December 2018