

## The Company's Articles of Association concerning the Shareholders' Meeting

### A. Shareholders' Meeting, Proxy and Voting

**Article 29.** The Board of Directors shall call a shareholders' meeting as an Annual General Meeting within four months from the ending of the fiscal year of the Company. An Annual General Meeting shall normally be called for the purpose of:

- (1) acknowledging the annual report of the Board of Directors;
- (2) considering and approving the balance sheet and the income statements;
- (3) considering an appropriation of earnings;
- (4) appointing new directors to replace those who retired on the expiration of their terms;
- (5) appointing an auditor and fixing his remuneration; and
- (6) considering other business.

All other shareholders' meeting are called Extraordinary General Meeting. The Board of Directors may call an Extraordinary General Meeting whenever it deems appropriate. An Extraordinary General Meeting shall be summoned if requested in writing by shareholders holding not less than one-fifth of the total issued shares of the Company, or by at least twenty five shareholders together holding not least than one-tenth of the total issued shares of the Company. The request must specify the objectives for which the meeting is to be summoned. Whenever a request is made, the Board of Directors shall summon such meeting within one month after the date receiving the request in writing from the shareholders.

**Article 30.** Notice of every shareholders' meeting shall specify the place, date, time, agenda and nature of business to be discussed at the meeting together with appropriate details thereof. The notice shall specify whether the matters are proposed for acknowledgement, approval or consideration, as the case may be, and shall include opinion of the Board of Directors on such matter. The notice shall be sent to shareholders and the registrar at least seven days prior to the date of the meeting and shall be announced in a newspaper for three consecutive days for at least three days prior to the meeting.

A shareholders' meeting shall be summoned at the head office or any other place as determined by the Board of Directors.

**Article 31.** A shareholder may appoint a proxy who is a person of legally mature age to attend a meeting and cast a vote on his/her behalf.

The appointment of proxy shall be made essentially in the form prescribed by the registrar and the proxy shall be submitted to the Chairman or the authorized persons appointed by the Chairman prior to the meeting.

In casting vote, the proxy shall have votes equal to the votes held in aggregate by the shareholders who appoint the proxy and have voting right for such meeting unless the proxy declares to the meeting prior to a vote casting that he/she will cast votes on behalf of a specific shareholder by specifying the name of such shareholder who makes the appointment and respective number of shares held by him/her.

**Article 32.** At every shareholders' meeting a quorum shall be constituted when at least twenty five shareholders or one half of total number of shareholders together holding at least one third of total issued shares of the Company are present in person or by proxy.

If within one hour from the time of the meeting the quorum is not present, the meeting, if summoned upon the request of shareholders, shall be dissolved. If the shareholders' meeting had not been summoned upon the request of the shareholders, another shareholders' meeting shall be summoned by a notice of the meeting sent at least seven days prior to the meeting and at such meeting no quorum shall be necessary.

**Article 33.** The Chairman shall preside over every shareholders' meeting. If the Chairman is not present or is unable to carry out his duties, the shareholders present at the meeting may elect one of their members to be the chairman of the meeting.

**Article 34.** The chairman of the shareholders' meeting is responsible for conducting the meeting in compliance with the Company's Articles of Association regarding meeting. In doing so, the meeting shall be conducted in accordance with the agenda specified in the notice of the meeting unless the meeting resolves to amend the agenda with a vote of at least two thirds of the total number of shareholders present at the meeting.

When the meeting is concluded under paragraph one, shareholders who together hold at least one third of the total issued shares may request the meeting to discuss other matters not specified in the notice of the meeting.

In case where the meeting must be adjourned by a reason that the meeting has not finished discussing the matters according to the agenda under paragraph one or the matters proposed by the shareholders under paragraph two, as the case may be, the meeting shall fix the place, time and date of the adjourned meeting and the Board of Directors shall send the notice of the adjourned meeting specifying the place, time, date and agenda to the shareholders at least seven day prior to the date of the adjourned meeting and make the announcement in a newspaper for three consecutive days for at least three days prior to the meeting.

**Article 35.** Voting at every shareholders' meeting shall be made as follows:

(1) unless otherwise stipulated herein, each shareholder shall have one vote for each share he/she holds;

(2) the voting shall be made by a show of hands unless at least five shareholders request and the meeting resolves that the voting be made by secret ballot where the chairman of the meeting shall prescribe the method of such secret ballot;

(3) a shareholder who has a special interest in the subject matter of the resolution cannot vote on such resolution, except for the election of directors.

**Article 36.** Unless otherwise stipulated herein, the resolution of the shareholders' meeting on any matter shall be passed as follows:

(1) on general matters, a simple majority of vote by shareholders present with voting right. In case of equality of vote, the chairman of the meeting shall have a casting vote;

(2) on the following matters, a vote of at least three fourths of the total votes of shareholders present with voting right is required:

- (a) To sell or transfer to third party the business of the Company in whole or in material part;
- (b) To purchase or accept transfer of the business of other public or private limited company;
- (c) To execute, amend or terminate any agreement in relation to leasing out the business of the Company in whole or in material part;
- (d) To appoint third party to manage the business of the Company;
- (e) To amalgamate with third party with a purpose of sharing profit and loss;
- (f) To amend the Memorandum of Association or the Articles of Association;
- (g) To increase or decrease the capital of the Company or to issue bonds or debentures; and
- (h) To merge or dissolve the Company.

**B. Director's Qualifications, Director's Remuneration and Rotation of Directors**

**Article 13.** The Board of Directors shall consist of qualified directors who do not possess any prohibited characteristics pursuant to the law. The Board of Directors shall be elected by a shareholders' meeting and consist of at least seven directors and not more than thirteen directors where at least one half of the directors shall be a resident of the Kingdom of Thailand.

**Article 14.** In conducting their duties, directors are entitled to remuneration such as salary, meeting allowance, bonus or remuneration in other natures as a shareholders' meeting shall fix in exact amount or prescribe in principle to be effective from time to time or until further amendment. In addition, the directors shall be entitled to other allowances and fringe benefits in accordance with the Company's regulations.

Payment of remuneration in paragraph one shall not be in conflict with the independent qualifications of directors as prescribed by the law governing securities and exchange.

The provision in paragraph one shall not prejudice to the right of the Company's officers and employees elected as directors to receive remuneration and benefits in their capacities as the officers or employees of the Company.

**Article 15.** The Board of Directors shall be responsible for the Company's affairs and shall be authorized to ensure the Company's compliance with the law, its Objects, the Articles of Association and resolutions of shareholders' meeting, to do any act or deed under the scope of the Memorandum of Association or matters relating thereto. The Board of Directors may appoint one or more directors or any person to do any act or deed on its behalf.

**Article 16.** The shareholders' meeting shall elect directors under the following criteria and procedures.

(1) each shareholder shall have a number of votes equivalent to a number of shares held by him where one share equals one vote;

(2) each shareholder may cast his vote to nominate one or several directors provided that the number of directors nominated by him shall not exceed the maximum number of directors to be elected at such election;

(3) in casting vote to nominate more than one director, a shareholder shall cast votes currently held by him in whole for all directors nominated by him. His number of votes shall not be unequally split among directors nominated by him;

(4) the number of directors to be elected on such election shall be elected from the persons ranked by votes received from the highest amount of votes. In case of equality of votes which results in the number of persons, ranked by the amount of votes received, exceeding the number of directors to be elected on such election, the chairman of the meeting shall have a casting vote to elect the person to make up the number of directors to be elected on such election.

**Article 17.** At each Annual General Meeting, one third of the directors, or if their number is not a multiple of three, then the number nearest to one third shall retire from office.

At the first Annual General Meeting after the registration of the Company and at the Annual General Meeting of a subsequent year, the retired directors shall be decided by lot drawing. On succeeding years, directors with the longest stay in office shall retire.

A retiring director by a rotation of office may be re-elected.

**Article 18.** Apart from a rotation of office, a director may retire by reason of

- (1) death;
- (2) resignation;
- (3) lack of qualification or possession of prohibited characteristics pursuant the law governing the public company limited;
- (4) a resolution of a shareholders' meeting with a majority of votes of at least three fourths of a total number of shareholders present with voting right who hold shares in aggregate of at least one half of the total amount of shares held by shareholders present with voting right;
- (5) court order;
- (6) the President shall retire from office at the end of the Annual General Meeting held subsequently to the date on which the President reaches a full age of sixty years old.

**Article 19.** A director who wishes to resign from office shall submit his resignation letter which shall be effective on the date his resignation letter is received by the Company.

The director who resigns under paragraph one may inform the registrar of his resignation.

**Article 20.** If any office of a director is left vacant by reasons other than a rotation of office, the Board of Directors shall elect a shareholder or any other person who have required qualifications and do not possess any prohibited characteristics pursuant to the law governing the public company limited to fill such vacancy at the next meeting of Board of Directors except the remaining term of the vacant office is less than two months. Any person so appointed shall retain his office during such time only as the vacating director was entitled to retain the same.

A resolution of the Board of Directors under paragraph one shall be passed by a vote of at least three fourths of total number of subsisting directors.

**Article 21.** If any vacancy leaves the number of directors below the number necessary to form a quorum, the subsisting directors may act for the purpose of summoning a shareholders' meeting to fill the vacancy but for no other purpose.

The shareholders' meeting summoned under paragraph one shall be called within one month from the date of which any vacancy leaves the number of directors below the number necessary to form a quorum.

Any person so appointed under paragraph one shall retain his office during such time only as the vacating Director was entitled to retain the same.

**Article 22.** Directors may or may not be shareholders of the Company.

### **C. Dividend Payment and Net Profit Appropriation**

**Article 42.** No dividend shall be paid otherwise than out of profits. If the Company has incurred retained losses, no dividend may be paid.

Dividend shall be allocated equally per each share, and in proportion to the number of shares, with the approval of the shareholders' meeting.

The Board of Directors may from time to time pay to shareholders such interim dividend as appear to the Board to be justified by the profits of the Company. Such payment shall be reported at the next shareholders' meeting.

Dividend shall be paid within one month from the date a resolution has passed for such purpose by the shareholders' meeting or the Board of Directors' meeting, as the case may be shareholders shall be informed in writing and announcement of dividend payment shall be made in a newspaper.

**Article 43.** The Company must appropriate into reserve an amount of not less than five percent of the annual profits less retained loss brought forward, if any, until the legal reserve reaches at least ten percent of the registered capital of the Company.

The Board of Directors may submit to the shareholders' meeting a request for a resolution to appropriate into other reserves as it may deem beneficial to the Company.

### **D. Appointment of Auditor and Determination of the Auditor's Remuneration**

**Article 44.** An Annual General Meeting shall appoint an auditor. A retired auditor may be re-elected.

**Article 45.** An Annual General Meeting shall fix the remuneration of the auditor.

**Article 46.** No auditor shall be appointed from directors, officers, employees or persons currently holding any position in the Company.

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The full version of the Company's Articles of Association shall be found on the Company's website, [www.ratch.co.th](http://www.ratch.co.th).