

## The Selection of Directors

### Criteria

In consideration of the Company's nature of business and future plan, the Compensation and Nomination Committee determined the qualifications of the directors by taking into account the following elements.

1) Prerequisite qualifications

The Compensation and Nomination Committee should consider and define the specific characteristics of the director-nominees, such as integrity and accountability, informative and rational decision-making, maturity and firmness, good listening and assertive expression of different opinions, independence, working by principles and professional standards, and other characteristics deemed essential.

2) Skills and Expertise

The Compensation and Nomination Committee should consider and define the required expertise in the directors to enable the Board to establish policy and strategy as well as effectively governing the execution in compliance with the policy.

3) Diversity of the Board of Director

The Compensation and Nomination Committee explores the development of Board Skill Matrix to enhance diversity and qualification of the Directors such as age, knowledge, expertise, experience, hard skills, and soft skills. Determination of director nominees is based on the qualifications required to ensure the appropriate mix of skills and expertise needed for the Company's successful business operation. Moreover, the Compensation and Nominating Committee uses the Board Skill Matrix as a tool for appointing new directors in replacement of the vacating directors after their terms of office expired. The skill matrix is categorized into 3 dimensions as listed below:

3.1) Macro-management expertise: Expertise is required in different areas including industry-specific expertise, enterprise administration, human resource management either the public or private sector, economics, investment, strategic planning related to marketing, public relations, foreign affairs, and risk management.

3.2) Specific Knowledge, Experience or Expertise: Three areas of specific expertise are required as follows:

- (1) Legal expertise, including knowledge of government regulations relating to business operations.
  - (2) Accounting and finance expertise, with knowledge and understanding of financial statements, accounting standards, or be a member of audit committee of listed companies.
  - (3) Expertise in transportation, real estate, and engineering, which adds diversity to the Board and supports the maximum efficiency of the Board's duties.
- 3.3) Corporate Governance Expertise: The expertise can be specified into 2 areas as follows:
- (1) Corporate governance and formulation of the policy and related guidelines.
  - (2) Stakeholders' treatment.

### **Selection criteria of independent directors (Qualification/ Recruitment Process)**

In appointing the Directors, the Compensation and Nomination Committee comprises 2 independent directors out of the total 3 members, with the responsibilities for nomination and selection of well-qualified candidates according to the regulations of the Company. The candidates must be knowledgeable with diverse backgrounds and experiences that are beneficial to the Company's business operation. The Director Pool database will be applied for consideration of the nomination, the structure and composition of the Board of Directors. The Compensation and Nomination Committee will provide opinions to the Board of Directors for approval prior to proposing the candidate for the shareholders' meeting in accordance with the rules and procedures specified in the Company's Articles of Association and the requirements of relevant laws.

The Compensation and Nomination Committee shall propose to the Board to consider the nomination of directors and the Board of Directors shall propose to the shareholder's meeting to approve the appointment of directors under the following criteria and procedures:

- 1) Each shareholder shall have a number of votes equal to one share per one vote.
- 2) Each shareholder must exercise all the votes he/ she has under (1) to appoint an individual or several persons to be director(s) but shall not split his/ her votes among any person or group of persons.
- 3) The persons receiving the highest number of votes in descending order shall be appointed as directors depending on the requirement of directors set at such time. In the event that a number of persons receive an equal number of votes for the last directorship rendering the number of directors more than which is required, the chairman of the meeting shall have a casting vote.