

## **The Article of Association regarding the Shareholder's Meeting and Voting Procedures**

### **Section 3**

#### **The Directors and the Authorities of the Directors**

- Clause 17. The meeting of shareholders shall elect the directors in accordance with the following rules and procedures.
- 1) Each shareholder shall be entitled to the number of votes equivalent to the number of share held by him
  - 2) Each shareholder shall elect one or more directors, provided that the shareholders shall not exercise their votes in excess of the number of directors required at such time. In the case that a shareholder elects more than one director, the shareholder may exercise all the votes he has, provided that he may not split his votes among any such persons.
  - 3) The person receiving the highest number of votes in respective order shall be appointed 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 is required at such time, the Chairman of the meeting shall have a casting vote.

- Clause 18 On the date of the Annual General Meeting of Shareholder in each year, one-third of all directors, or if it is not multiple of three, then the nearest number to one-third of all directors, must retire by rotation.

The directors who must retire from the office in the first and second year after the registration of a public limited company shall be decided by drawing lots. In subsequent years, the directors who have remained in office for the longest time shall retire first.

Retiring directors may be re-elected.

### **Chapter 4**

#### **The Meeting of Shareholders**

- Clause 34 The venue of the shareholders' meeting must be in the locality where the head office of the company is located or in a nearby province or any other place where the Board shall determine.

- Clause 35 The meeting of shareholders must be held at least once a year. Such a meeting is called "General Meeting". The General Meeting shall be held within 4 months (four months) after the end of the fiscal year of the company.

The shareholder's meeting other than said meeting shall be called "Extraordinary General Meeting"

The Board of Directors may call an extraordinary meeting at any time as it deems appropriate or when one or more shareholders which has a total of not less than ten (10) percent of the total number of shares sold may submit their names in a request directing to the Board of Directors to call and extraordinary meeting, but the reasons for calling such meeting shall be clearly stated in such request. The Board of Directors shall

proceed to call a shareholder meeting within forty-five (45) days of the date of receipt of such request from the said shareholders.

In case the Board of Directors fails to convene the meeting within the specified period under paragraph three, the shareholders who have subscribed their names or the other shareholders holding the required aggregate number of shares may themselves call the meeting within forty-five (45) days from the date of expiration of the period stated in paragraph three. In such case, the meeting is deemed to be a shareholders' meeting called by the Board of Directors, and the Company shall be responsible for necessary expenses as may be incurred in the course of convening such meeting and the Company shall reasonably provide facilitation.

In case, at the shareholders' meeting called by the shareholders under paragraph four, the number of the shareholders present in the meeting does not constitute quorum as prescribed in the Article 37, the shareholders under paragraph four shall jointly compensate the Company for the expense incurred in arrangements for convening that meeting.

- Clause 36 In announcing the meeting of shareholders, The Board of Directors shall prepare the notice of the meeting, stating the venue, date, time, agenda of the meeting, and the matter shall be proposed to meeting with the appropriated detail. It must be clearly stated that such matters are proposed for acknowledgement, approval or consideration. As well as, in the notice of the meeting must state the opinions of the board toward that said matters. The notice of the meeting must be submitted to the Shareholders and the Registrar of Public Company Limited not less than 7 days prior to the meeting date. The notice of the meeting must be published in the newspaper not less than 3 days prior to the meeting date. It must be advertised for three (3) consecutive days.
- Clause 37 In the shareholder meeting, there shall be not less than 25 shareholders and proxies (if any) present or not less than half of the total number of shareholders holding the amount of shares not less than one-third of the total number of shares sold in order to meet quorum. If it appears at any shareholder meeting that the quorum is not present within one hour from the time appointed for the meeting, if such meeting was called upon the request of the shareholders, the meeting shall be cancelled. If such meeting was not called by the request of the shareholders, the meeting shall be summoned once again and the notice of that meeting shall be submitted to the shareholders not less than 7 days prior to the meeting date and a quorum is not required for this meeting.
- Clause 38 In the shareholder meeting, shareholders may appoint a proxy to attend the meeting and vote in his replacement. The proxy form must be signed by the shareholder and shall be in the form prescribed by the Registrar of Public Company Limited. The proxy form must be submitted to the Chairman or the person designated prior to the start of the meeting and must consist of following details.
- a) The number of shares held by him
  - b) The name of the shareholder granting the proxy
  - c) Time of the meeting that appointed a proxy to attend and vote
- Clause 41 In the shareholder meeting, shareholder has one vote per share.
- In case where shareholders has a stake in a particular agenda, the said member shall not be entitled to vote in that agenda, except for an appointment of a Director
- Clause 42 In normal case, to vote or approve any matter in the shareholder meeting, the majority vote of the shareholders present at the meeting and casting their votes is required.

Except as otherwise provided herein, or other cases as required by law, or in the following cases shall receive votes of not less than three-fourths of the total number of votes of the shareholders present at the meeting and entitled to vote;

1. The sale or transfer of whole or essential parts of business of the Company to other persons
2. The purchase or acceptance of transfer of business of other companies or private companies by the company
3. Entering into, amending or terminating the contract relating to the lease of the whole or in essential parts of the business of the company, the assignment to other persons to manage the business of the company, or the amalgamation of the business with other persons with the purpose of profit and loss sharing
4. Amendment of the memorandum of Association or Articles of Association of the Company
5. The increase of capital and loss
6. The issuance of debenture
7. The amalgamation or dissolution of the company

## **Chapter 6**

### **Dividends and Reserve**

Clause 50      The Company is required to allocate part of its annual net profit to be the reserve fund not less than five (5) percent of the annual net profit after deducting accumulated deficit brought forward (if any) until the reserve is not less than ten (10) percent of its registered share capital.

In addition to such reserves, the Board of Directors may propose the shareholders' meeting to pass a resolution to allocate other reserve funds deemed beneficial to the business operation of the Company

When the shareholders' meeting has approved the resolution, the Company may transfer other reserved funds, legal reserve and premium of share capital reserved fund respectively to compensate for deficit of the Company.