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Chairman



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Member

## **THE CHARTER OF NOMINATION AND REMUNERATION COMMITTEE**

*To have a high potential Board of Directors is a key, for they could yield efficiency and effectiveness for imposing good corporate governance principles, leading to optimum benefits to all parties involved. Therefore, IRPC's Board of Directors has established a Nomination and Remuneration Committee in accordance with the guidelines of the Stock Exchange of Thailand (SET).*

*The purpose is to ensure that both processes for director nomination and director compensation will be appropriate and transparent. Moreover, the Board could more effectively perform their duties while following the good corporate governance.*

*This new set-up could also assure the shareholders, investors and all stakeholders that, there will always be highly qualified directors materializing the company's strategic goals, the levels and composition of compensation will be more appropriate for the size and complexity of the business, and quality directors could be more motivated to stay with the company.*

*In conclusion, efficient performance, the company's strategic goals, and the company and shareholder's benefits could be more achieved.*

### **1. COMPOSITIONS OF THE NOMINATION AND REMUNERATION COMMITTEE**

- 1.1 The Committee shall be appointed by the Board of Directors.
- 1.2 The Committee shall comprise at least three directors, one of whom is an independent director.
- 1.3 The member, who is not an independent director, must be a non-executive director.
- 1.4 The Chairman of the Committee should be a senior with high expertise and experience.
- 1.5 The Chairman of the Board of Directors must not be the Chairman or a member of the Committee to ensure that the Committee will be able to perform its duties more independently.
  
- 1.6 The Committee should comprise members with diverse experience and high expertise from multi-areas of business management, human development, strategic planning, law, risk

management, corporate governance, etc. , to enhance a myriad of perspectives in Board discussions and decision makings.

Appointing directors with prior experience for serving in the Committee could also help enhance knowledge transfer and smoother transition.

- 1.7 The office terms for all Committee members should not end simultaneously.

## **2. QUALIFICATIONS**

- 2.1 Possess an overall knowledge of business operations and a thorough understanding of corporate governance as well as carry out the role and responsibilities of both the Nomination Committee and the Remuneration Committee.
- 2.2 Demonstrate impartial judgment without any discrimination. Also understand skills development, diverse backgrounds and professions of individual director for recruiting suitable candidates for the company.
- 2.3 Able to devote sufficient time to fulfill director's responsibilities.

## **3. SERVICE TENURE AND COMPENSATION**

- 3.1 The members shall have either a 3-year office term or the director's office term, depending on either of which comes first.
- 3.2 The members whose terms are due to expire, may be re-appointed as the Board of Directors deems appropriate.
- 3.3 The Committee's compensation must be approved by the shareholders.

## **4. ROLES AND DUTIES**

Roles and duties of the Nomination and Remuneration Committee are divided into 2 parts

### **4.1 Part 1: NORMINATING THE DIRECTORS**

- 4.1.1 Creditably propose to the stakeholders and/or the Board of Directors for approval of the structure, size and composition of the Board of Directors and Sub-Committees to suit the business size, type and complexity by transparent methods, without any influence by controlling shareholders.
- 4.1.2 Consider characteristics of the nominees for Board members by referring to the qualification guidelines:
- 1) Have non-prohibition factors in accordance with Law, Rules, Regulations, the Good Corporate Governance Guidelines and the articles of association of the Company.
  - 2) General Characteristics: Demonstrate high standards of integrity and accountability, make fact-based decisions, uphold maturity, express different views with independence, and work with sound principles and professionalism, as well as the diverse background, knowledge, work experience, age and gender.
  - 3) Skill Characteristics: Should have relevant skills or expertise for the business and company needs which will be the company's benefits if they are in the Director Polls list.
  - 4) Be highly responsible and devote sufficient time to the company's affairs.  
REMARKS: The prospect director must not be appointed to more than 5 listed companies, while the prospect executive director should not be appointed to more than 3 listed companies.
- 4.1.3 The quality of an Independence director must be follow the company's Good Corporate Governance, rules of the Thai SEC and SET, and the no prohibited characteristic regulations.
- 4.1.4 Set up criteria and procedures for appointment and re-appointment of all directors and propose to the Board of Directors for approval.
- 4.1.5 Recruit qualified candidates to be nominated as directors, in case that the vacant position or the office term is completed, and propose to the Board of Directors and/or the Shareholders Meeting for approval as appropriate.
- 4.1.6 Consider qualified directors to nominate as Sub-Committee and propose to the Board of Directors for approval.

- 4.1.7 Perform a due diligence on candidates' background for the President or the CEO position before recommending qualified candidates to the Board of Directors for approval with optimum benefits to the Company in mind.
- 4.1.8 Determine the composition and goals of the CEO's performance to use as a basis for annual performance evaluation and compensation, such as leadership, business strategy, financial performance, relationship with the Board of Directors and Executives, succession planning, etc., and propose to the Board of Directors for approval.
- 4.1.9 Evaluate the CEO's performance, according to the approved goals and criteria by the Board of Directors. The results will be used to determine annual salary adjustment, bonus, welfare and other benefits (both monetary and non-monetary), and propose to the Board of Directors for approval.
- 4.1.10 Review the succession plan for the CEO and key Management personnel to prepare for successors in the event that those persons have retired or become unable to perform their duties, so that the company's business can continue operation.

#### **4.2 PART 2: PLANNING REMUNERATION FOR DIRECTORS**

- 4.2.1 Consider and recommend of the remuneration structures, basis and forms of salary (retainer fees), bonuses, meeting fees, and other benefits (Intensive fees) - both monetary and non-monetary for the Board of Directors' and the Sub-Committees' compensation. All must suit the business types and remuneration levels much enough to attract and retain quality directors, while generating shareholders' benefits.  
The remuneration package of Board of Directors and Sub-Committee must be approved by the shareholders' meeting.
- 4.2.2 Set up a fair and proper remuneration basis and forms for the CEO. The remuneration packages should be attractive enough to encourage, motivate and retain the CEO to continue creating company's sustainable values.  
The packages will be approved by the Board of Directors.
- 4.2.3 If necessary, the Committee may hire external consultants to advise on remuneration packages for the Directors and CEO at the company's expenses.

#### **5. MEETING AND REPORTING DUTIES**

- 5.1 The Committee's meetings must be held at least 3 times a year.
- 5.2 Each Committee member should attend at least 75% of the total number of meetings, of which each quorum requires no less than 50% of its members.
- 5.3 Resolution of the Committee shall be passed by the majority votes of the members present at the meeting. Each member shall be entitled to one vote, and in the event of an equality of votes at the meeting, the Chairman shall have a casting vote.
- 5.4 The Committee must report their performance to the Board of Directors on an annual basis, and discloses their roles and responsibilities in the annual report.
- 5.5 This Charter should be reviewed at least every 2 years.

#### **6. PERFORM ANY OTHER WORK ASSIGNED BY THE BOARD OF DIRECTORS.**

*This Charter is approved by the Board of Directors meeting no. 11/2017,  
On 21 November 2017*