

Regulations of Thai Textile Industry Public Company Limited

Category 1. General

No. 1. The regulation is called **The Regulations of Thai Textile Industry Public Company Limited.**

No. 2. The word “**Company**” is used in place of **Thai Textile Industry Public Company Limited.**

No. 3. Other regulations not mentioned in this article are enforced in accordance to the regulations governing a public company limited.

Category 2. Share Distribution

No. 4. Company shares are ordinary shares with value of 10 baht per par.
The Company can issue preference shares, debenture, preference shares or debentures that can be changed into ordinary shares or assets, in accordance with the law of the Stock Exchange of Thailand, to offer to the shareholders, ordinary investors, or other persons.

No. 5. The payment of shares must be a one time payment in full amount. Investors who reserved shares or bought shares cannot use the payment to reduce or payback the debt owed to the Company.

No. 6. The Company shares certificate is of the type that indicate the shareholder’s name and must have at least one signature or fingerprint of the Directors on the certificate. The Director may appoint the shares registrar, legally authorized by the Securities and Stock Exchange of Thailand, to sign or print fingerprint in place of the Director.

In the case that the Company authorized the Stock Exchange of Thailand to be the shares registrar, the shares registrar procedure will be up to the shares registrar.

No. 7. If two individuals, or more, jointly reserve or hold shares, one or many shares together, the individuals are jointly responsible for the cost of the shares, and the higher value of the shares. One individual must be assigned to be the representative, and have the right to be the person making the reservation for the shares, or hold the shares. There must be a written evidence of the representative appointment submitted to the Company or the shares registrar legally authorized by the Securities and Stock Exchange of Thailand. If no written evidence of the representative appointment is presented, the first name and address of the person on the shares reservation or shares certificate will be the only rightful person assigned to represent the group, until further evidence is presented to the Company or the Securities and Stock Exchange of Thailand.

No. 8. The Company must send the shares certificate within 2 months after the shares registrar have registered the Company, or from the day of receiving the full payment for the shares, in case the Company sold leftover shares, or new shares, after registration of the Company.

No. 9. If the shares certificate is lost, destroyed, faded, or important information was damaged, the shareholder can ask the Company to issue a new shares certificate, and the Company will issue the new shares certificate within 14 days after the request is received.

In case the shares certificate was lost or destroyed, the shareholder must present a police report to the Company. In case the shares certificate was faded or important information was damaged, the shareholder must return the shares certificate to the Company.

The shareholder will have to pay a fee for the issuance of the new shares certificate specified by the law.

No. 10. The Company is forbidden to be the owner of the shares, or accept pawning of the shares.

Category 3. Share Transfer

No. 11. The Company shares can be transferred with any conditions, except,

11.1 The transfer of shares will cause the Company to lose the rights and benefits that the Company should receive by law.

11.2 The transfer of shares will cause the number of non-immigrants to hold more than 39 percent of all shares issued by the Company.

No. 12. The transfer of shares will be complete when the transferer endorses the back of the shares certificate by writing the name of the transferer and the transferee, then giving the shares certificate to the transferee. The transfer of shares can be used against the Company only when a request had been received to register the transfer, and can be used against a third party only when the Company had registered the transfer.

When the Company certifies that the transfer of shares are legally complete, the Company must register the transfer within 14 days after receiving the request. If the Company finds the shares transfer to be incomplete, the Company must inform the person making the request within 7 days to amend the shares transfer.

The transfer of shares bought and sold in the stock market are to follow the regulations of the Securities and Stock Exchange of Thailand.

No. 13. In case the transferee wants a new shares certificate, the request must be presented to the Company with the name of the transferee and at least 1 witness, along with returning the original shares certificate to the Company. When the Company certifies that the transfer of shares is legally complete, the Company must register the transfer within 7 days from the request date, and issue a new shares certificate within 1 month from the request date.

No. 14. In case the shares certificate holder of the Company passed away or was declared bankrupt, which resulted in the rights of the shares certificate to be passed to another individual, the individual must present complete legal evidence to the Company to reissue the shares certificate under the individual's name. Once the Company certifies that the evidence is legally complete, the Company must register the individual as the shareholder and issue a new shares certificate within 1 month after receiving the request.

No. 15. Within 21 days before the shareholders meeting, the Company will close the registrar book by announcing to the shareholders 14 days in advance of the registrar book closure at the head office and all subsidiary offices.

Category 4: Board of Directors

No. 16

The number of Directors in the Company will be established by the Shareholders Meeting; however, there must be at least 5 members but no more than 17 members on Board, which at least half of the members must have residency in Thailand

No. 17

The Directors must have the following qualities:

- 17.1 Be mature age
- 17.2 Non bankrupt and fully capable
- 17.3 Never been sentenced by the highest court to serve jail term for crimes committed
- 17.4 Never been laid off or fired from a company or government agency for crimes committed

No. 18

Shareholders are to elect the Directors based on the following:

- 18.1 Each shareholder_s share equals to one vote
- 18.2 Each shareholder must use all their shares, according to 18.1, to vote for one or many to be Directors, but cannot separate number of votes to each individual.
- 18.3 The Board members will be selected accordingly to the number of votes received from highest to lowest, until the required number of Directors is fulfilled. In case the number of Directors exceeded the required number, the Chairman of the Board can cast a vote as the final say.

No. 19

Directors may be shareholders of the Company.

No. 20

At each Shareholders Meeting, 1/3 or closest to 1/3 of the total number of Directors are to be deemed to have completed their term of duty. For the first and second year after registration of the Company, the Directors that must leave the Board are selected by raffle method. For the remaining years, the Directors that are on the Board the longest will rotate off the Board. The Directors that are rotated off the Board have the right to be voted back on to the Board.

No. 21

The Directors may also leave the Board if they meet the following criteria:

- 21.1 Died
- 21.2 Resigned
- 21.3 Disqualified
- 21.4 The Shareholders Meeting voted out
- 21.5 Court order to leave the Board

No. 22

Any Director wishing to resign must present a resignation letter to the Company and effective immediately when the Company receives the resignation letter.

The Director may also inform the council member if they wish to do so.

No. 23

If the entire Board of Directors are voted out, they may remain on Board to manage the Company until a new Board of Directors are selected and voted in, unless the Court ordered the resignation as per 21.5

The Board of Directors must hold a Shareholders Meeting to select a new Board of Directors within 1 month after the dissolution of the Board. The invitation to the Shareholders Meeting must be sent out at least 14 days before the meeting.

No. 24

If a seat on the Board of Directors is open due to circumstances other than being rotated out, the Board of Directors may select a person, who meets the criteria in No. 17, to fill the open seat, unless the term on the Board is less than 2 months left.

The Board of Directors decision must receive at least 3 / 4 of the votes from the entire Board of Directors.

The person replacing the Director can only be on Board for as long as the term of the Director that had left.

No. 25

Any Director on the Board may be voted off the Board of Directors during the Shareholders Meeting, if there are at least 3 / 4 votes of all the shareholders, who have voting rights, and the total number of shares equal to at least half of all the shares of those attending the Shareholders Meeting.

No. 26

In case the Board has fewer Directors than needed to run the Shareholders Meeting, the remaining Directors on the Board may call a Shareholders Meeting to select and elect new Directors to fill the Board of Directors.

The Shareholders Meeting is to be held within 1 month after the Directors on the Board are less than the required number to call a formal meeting.

The person replacing the Director can only be on Board for as long as the term of the previous Director had left.

No. 27

The Board of Directors will elect one Director to be the Chairman of the Board.

The Board of Directors may select one or more Directors to be the Deputy Chairman, which their duties will be as the Chairman of the Board assigned.

No. 28

The Board of Directors must meet at least every 3 months at the Company head office or any location, which the Board of Directors deem appropriate.

No. 29

At the Board of Directors Meeting, there must be at least 1 / 4 of all the Board Directors present to have a formal meeting. In case the Chairman of the Board is not present, the Deputy Chairman will act as the Chairman of the Board and conduct the meeting. If the Deputy Chairman is not able to conduct the meeting for any reason, then the Directors of the Board will select a Director to Chairman of the meeting and conduct the meeting.

The decision from the Board of Directors meeting will be made by majority rule.

Each Director will have 1 vote for each session, unless the Director has a conflict of interest, then the Director is excused from voting on that session. If the result is a tie, then the Chairman of the meeting will have a final vote.

No. 30

The Chairman of the Board will call the Board of Directors Meeting and can assign a person to notify the Directors with an invitation letter no less than 7 days before the meeting. In the case of an emergency to protect the benefits of the Company, the Chairman of the Board can

call a Board of Directors Meeting by other means and set a meeting date to be earlier accordingly.

Two or more Directors on the Board can call a Board of Directors Meeting, which the Chairman of the Board will set a meeting date to be within 14 days after receiving the notice from the Directors.

No. 31

The Directors must inform the Company immediately when the following occurs:

- 31.1 A conflict of interest, either directly or indirectly, in business during the fiscal year by stating clearly the conditions, those involved, and the conflict involving the Directors, if any.
- 31.2 Were holding shares or loans from the Company or Subsidiary Company, which may have increased or decreased during the fiscal year.

No. 32

The Directors must comply to the rules and regulations, and mission of the Company.

The Board of Directors may assign a Director, or many Directors, or any person to act in proxy of the Board of Directors.

No. 33

The Directors have the right to remuneration, bonuses, or other benefits as given by the Shareholders Meeting, which could be an exact amount or a rough estimate amount for as long as a change is called for. The Directors will also receive allowances and benefits according to the Company.

This should not affect the rights and benefits of the employees of the Company, should they be elected as the Director of the Board of the Company.

No. 34

The Board of Directors has the authority to form a group of Managing Directors to manage the Company as per the instructions of the Board of Directors, and appoint a Director to be the Chairman of the Managing Directors.

The Managing Directors have the rights to receive benefits and allowances specified by at the Board of Directors Meeting, without any impact to them receiving these benefits and allowances.

No. 35

The Board of Directors have the authority to appoint 2 Directors to act as representatives of the Company and sign documents and use company seal which binds the Company.

Category 5. Shareholders Meeting

No. 36. The Board of Directors must arrange to have an Annual Extraordinary Shareholders Meeting within 4 months after the end of the fiscal year of the Company.

Other shareholders meeting other than the above will be called Extraordinary Shareholders Meeting.

The Board of Directors can call a shareholders meeting as an Extraordinary Shareholders Meeting any time they see fit.

No. 37. The shareholders with a combined number of shares of no less than 1 in 5 of all shares, or shareholders no less than 25 individuals, who have a combined number of shares to be no less than 1 in 10 of all shares, can present a written and signed petition, with clearly specified agendas, to request the Board of Directors to call an Extraordinary Shareholders Meeting at any time. In this case, the Board of Directors must call an Extraordinary Shareholders Meeting within 1 month after receiving the request.

No. 38. For the invitation to the shareholders meeting, the Board of Directors must send out a written letter indicating the place, date, time, agenda, and proposals to the meeting in detail. Each agenda and proposal must clearly indicate whether it is for acknowledgement, for approval, or for evaluation, depending on each case, as well as the opinions of the Board of Directors for each case. The invitation must be sent out to the shareholders at least 7 days before the shareholders meeting, and an advertisement in the newspaper for 3 consecutive days, with at least 3 days before the meeting date.

The shareholders meeting can be held at the head office, subsidiary office, nearby provinces, or any location depending on the Chairman of the Board of Directors, or the person authorized by the Chairman of the Board.

No. 39. The shareholders meeting must have at least 25 shareholders or proxies, or at least half of the total shareholders with at least one third number of shares of all the shares available for sale, to have a quorum for the meeting.

For every shareholders meeting, if 1 hour had past and the number of shareholders attending the meeting does not meet the criterias above, and if the shareholders meeting was requested by the shareholders, as per conditions stated in No. 37, then the meeting is adjourned. If the shareholders meeting wasn't requested by the shareholders, as per conditions stated in No. 37, then a new meeting date will be scheduled, and an invitation letter sent out to the shareholders at least 7 days before the meeting date. For the re-scheduled meeting, it is not necessary to have a quorum to proceed with the meeting.

No. 40. The Chairman of the Board of Directors, is the Chairman of the shareholders meeting. In case the Chairman is not present or not able to perform the duties, if the Vice Chairman of the Board is present at the meeting, the Vice Chairman of the Board will be the acting Chairman. If the Vice Chairman of the Board is not present, or not able to perform the duties, then the shareholders attending the meeting will select one shareholder to be the acting Chairman.

No. 41. The Chairman of the shareholders meeting have the duty to control the meeting to follow the Company's regulations on the shareholders meeting, and follow the agenda accordingly as per the invitation letter sent out to the shareholders, unless there is a 2 out of 3 resolution by the shareholders to change the order of the agenda.

No. 42. The shareholder can assign a proxy to attend and vote at the shareholders meeting; however, the proxy must present the proxy form that the registrar had prepared and approved by the Chairman of the Board, or the Chairman approved the proxy to attend the meeting before the proxy entered into the meeting room.

No. 43. The vote counting, no matter what method was used, will count 1 share as 1 vote. If the shareholder have a conflict of interest for any particular agenda, the shareholder will not have the right to vote for that agenda, and can only vote on the agenda to choose the Directors.

No. 44. The resolution at the shareholders meeting consists of the following:

44.1 In the normal case, the resolution will follow the majority vote of the shareholders who attended the meeting. If the votes are equal, the Chairman of the meeting will cast a decisive vote.

44.2 In the following case, the votes have to be 3 out of 4 of all the votes cast by the attending shareholders authorized to vote.

(a) Sale or transfer, all or part, of the business of the Company to others.

(b) Buy or accept transfer businesses of other companies to be under the Company.

(c) Make an agreement, made an amendment, or end an agreement concerning the operation of part or all of the businesses of the Company. The appointment of other individuals to manage the businesses of the Company. The joining of businesses with other individuals for the purpose of sharing profit and loss.

No. 45. The activity of Annual Extraordinary Shareholders Meeting should be as follow:

45.1 Consider to accept the annual report of the Board of Directors

45.2 Consider to approve the Balance Sheet and Statements of Income.

45.3 Consider to approve the profit sharing.

45.4 Consider to vote new Directors to replace the Directors whose term have ended.

45.5 Consider to appoint an auditor and the remuneration for the auditors.

45.6 Consider other points, if any.

Category 6. Finance Accounting and Auditing

No. 46. The accounting fiscal year of the Company starts from January 1st, and end on December 31st of each year.

No. 47. The Company will keep the financial records, as well as audit records, in accordance to the law, and must complete a Balance Sheet and Statements of Income at least once in 12 months during the fiscal year.

No. 48. The Board of Directors must send the following documents along with the invitation to the Annual Extraordinary Shareholders Meeting:

48.1 Copy of the Balance Sheet and Statements of Income that have been audited, together with auditor's report.

48.2 The Board of Directors Annual Report.

No. 49. The dividend payment must come from the Company profit only. If the Company is making a loss, no dividend will be paid. The dividend is divided equally to each share, unless otherwise specified.

In case the Company have not sold all the shares that were registered, or the Company registered recapitalization, the Company can pay dividend to all shares, or some of the shares by issuing common shares to the shareholders after receiving the consensus from the shareholders meeting.

The Board of Directors can distribute dividend during the year on occasions if the Company have enough profit to do so, and will report to the shareholders at the next meeting.

The dividend payment will be made 1 month after the shareholders meeting or the Board of Directors approved, depending on the case. A letter would be sent to the shareholders, and an advertisement of the dividend payment will be placed in the newspaper as well.

No. 50. The Company must allocate at least 5 percent of the net profit for fund reservation, minus the net loss, if any, until the fund reservation is at least 10 percent of the registered capital, unless the law specified the fund reservation needs to be more.

No. 51. The auditor must not be a director, an employee, a worker, or hold any position at the Company.

No. 52. It is the duty of the auditor to attend every shareholders meeting of the Company that discuss the Balance Sheet and Statements of Income, and issues with the accounting of the Company, to answer any questions that the shareholders may have.

Category 7. Additional Subject

No. 53. The Company seal is as follow:

No. 54. If the regulations needed to be revised and amended, the shareholders meeting will discuss the changes according to the law.

No. 55. If the Company, or the Subsidiary, decided to do interrelated business, or acquire or dispose of assets of the Company or the Subsidiary, as per the definition of the Stock Exchange of Thailand governing the registered company doing interrelated business, or the acquire or dispose of registered company, depending on the situation, the Company is to follow the regulations announced for each situation accordingly.