



## **Charter of the Corporate Governance, Nominating and Compensation Committee**

### **MK Restaurant Group Public Company Limited**

#### **1. Purpose**

In order to enhance the Company's corporate governance to be more efficient and effective, the Board of Directors deemed appropriate to establish the sub-committee called "The Corporate Governance, Nominating and Compensation Committee" to help the Board performing the duties regarding the corporate governance as follows:

1. Develop and review the Company's corporate governance practices and propose to the Board of Directors as well as monitor and ensure the Company's practicality to be in accordance with the good corporate governance practices as approved by the Board of Directors.
2. Nominate and propose the qualified persons to be elected as the Company's directors and the CEO to the Board of Directors or the Meeting of Shareholders for appointment.
3. Consider and propose the remunerations for the Company's directors and directors of sub-committees established by the Board of Directors and the compensation of the CEO to the Board of Directors or the Meeting of Shareholders for approval.

#### **2. Composition of the Committee**

The Board of Directors shall appoint the chairman and members of the Corporate Governance, Nominating and Compensation Committee by nominating from the non-executive directors in order to avoid the conflict of interests.

The Corporate Governance, Nominating and Compensation Committee shall comprise of at least 3 members and not less than half of the members and the chairman shall be independent directors. In this regard, the chairman of the Board of Directors should not be the chairman of the Corporate Governance, Nominating and Compensation Committee in order to allow the Corporate Governance, Nominating and Compensation Committee to perform its duties independently.

The director of the accounting and finance department is assigned to be the secretary of the Corporate Governance, Nominating and Compensation Committee.

#### **3. Term of Office**

The term of office of the members of the Corporate Governance, Nominating and Compensation Committee is 3 years and the retiring member by rotation is eligible for re-appointment.

The retiring member shall remain in office to perform his duties until the new member is appointed for the replacement.

Apart from the retiring by rotation, the member of the Corporate Governance, Nominating and Compensation Committee shall vacate office when:

- (1) pass away

- (2) resign
- (3) retire from being a director of the Company
- (4) The Board of Directors resolves to vacate from office

In case of a vacancy in the Corporate Governance, Nominating and Compensation Committee, the Board of Directors shall elect the qualified director to replace the vacancy. The substitute member shall hold office only for the remaining term of the member whom he replaces.

#### **4. Meetings**

The Corporate Governance, Nominating and Compensation Committee shall arrange the meeting as necessary in order to perform the duties as set forth in this charter but not less than 2 meetings per year.

The chairman or the secretary of the Corporate Governance, Nominating and Compensation Committee designated by the chairman of the Corporate Governance, Nominating and Compensation Committee shall call the meeting by sending the meeting's notice and supporting documents to members not less than 7 days prior to the meeting's date. To protect the Company's interest, in case of urgency, the meeting may be called by other methods or scheduled earlier.

To constitute a quorum, not less than half of the members shall attend the meeting.

In case that the chairman is not in the meeting or not able to attend the meeting, the members attending the meeting shall appoint one of the members to be the chairman of the meeting.

The resolution is required the majority votes. In case of equal votes, the chairman of the meeting shall have an additional vote as a casting vote. The member who has a conflict of interest in any agenda shall not attend and cast the vote for such agenda.

To perform its duties, the Corporate Governance, Nominating and Compensation Committee may invite the Company's management or other persons as deemed appropriate to attend the meeting in order to provide information or clarify the relevant matters.

#### **5. Roles and Responsibilities**

The roles and responsibilities of the Corporate Governance, Nominating and Compensation Committee are as follows:

##### **Corporate Governance**

1. To develop and recommend the best practice of the corporate governance principles for the Company to the Board of Directors for approval. The corporate governance principles should be consistent with SET's corporate governance principles.
2. To oversee the Company's operations to ensure the consistency with the Company's corporate governance principles as approved by the Board of Directors.
3. To review, compare the corporate governance principles of the Company with the international best practice and SET's principles and recommend changes as necessary to the Board of Directors.
4. To review the business philosophy, code of conduct for the business operation, directors, and employees as well as other related principles and recommend changes as necessary to the Board of Directors.

5. To perform any other duty regarding the corporate governance matters as designated by the Board of Directors.

#### **Nomination**

1. To search for individuals qualified to become members of the Board of Directors as well as the Chief Executive Officer. The nominees for the Chief Executive Officer and members of the Board of Directors in order to replace the vacancies caused from any matters except retiring by rotation shall be approved by the Board of Directors or be proposed by the Board of Directors to the Annual General Meeting of Shareholders for approval if necessary.
2. In order to search for individuals qualified to become members of the Board of Directors as well as the Chief Executive Officer as mentioned in no.1, the Committee shall perform as follows:
  - 2.1 Define the required qualifications and characteristics for the directors and the Chief Executive Officer by taking into consideration various attributes such as knowledge, experience, expertise in required matter, leadership skill, integrity and accountability, professional, maturity and stability as well as ability to express their opinion differently and independently, etc.
  - 2.2 Consider and ensure the qualification of candidates nominated to be independent directors of the Company.
  - 2.3 Consider the time dedication to perform duties as a director. The number of meeting attendance shall be considered for the retiring directors to be reappointed for another term while the number of existing board memberships with other companies shall be considered for the new candidate.
  - 2.4 Examine carefully the qualifications of the candidates to ensure their qualifications complied with the laws and regulations of government agencies.
3. Review and make recommendation to the Board of Directors for the size and the composition of the Board of Directors to achieve the efficiency in the Board of Directors. For example, there should be enough qualified members to be assigned by the Board of Directors for members of other sub-committee. In addition, to achieve the prudence decisions in any matters, the Board of Directors shall comprise of directors with knowledge, capability, experience, and expertise in various aspects. Furthermore, the number of independent directors shall be considered to conform to the good corporate governance principles.
4. To perform any other duty regarding the nominating matters as designated by the Board of Directors.

#### **Compensation**

1. To consider the remuneration for the Board of Directors, the sub-committee assigned by the Board of Directors, and the Chief Executive Office and recommend to the Board of Directors or the Annual General Meeting of Shareholders for approval. The remunerations are including (a) Retainer which is the monthly compensation (b) Attendance fee which is the compensation paid only for the directors attending the meeting (c) Incentive which based on the Company's performance such as annual bonus (d) Other benefits as specified by the Board of Directors.

2. In order to create the transparency, fairness, and reasonability, the Committee shall consider the remuneration according to the following principles and guidelines:
  - 2.1 The compensation should be reasonable and attractive enough to retain the qualified directors and executive management. The compensation shall be compared with that of other companies with good corporate governance principles and having the same size measured by company's size such as sales size, asset size, etc., profitability and complexity.
  - 2.2 The remuneration of directors should commensurate with the duties and responsibilities of each director. Directors with more responsibilities should receive additional compensation for their increased responsibilities. The director who is the members of the sub-committee should receive the additional compensation. The chairman of the Board of Directors and the chairman of the sub-committee should receive the compensation more than the member of the Board of Directors or the member of the sub-committee.
  - 2.3 The compensation which is paid to directors in accordance with the annual performance of the Company, such as directors' annual bonus, should be linked to the payment of dividends to shareholders. If no dividend payments were paid to shareholders in any one year, the directors would also not be paid their annual bonus in that year.
  - 2.4 Executives of the Company who also serve as directors of the Company shall not be paid any additional compensation in their capacity as the directors of the Company.
3. To review and recommend on an annual basis the remuneration of directors based on the principles and guideline mentioned above to the Board of Directors to consider before propose to the Annual General Meeting of Shareholders for approval.
4. To evaluate the Chief Executive Officer's performance in order to set the Chief Executive Officer's compensation based upon these evaluation on an annual basis and propose to the Board of Directors for approval. The Committee shall evaluate the Chief Executive Officer's performance with consideration of the Company's performance, the performance of other important duties and the sustainable return to the Company and shareholders. In addition, the Committee shall compare with the performance of other comparable companies in the same industry.
5. To perform any other duty regarding the compensation matters as designated by the Board of Directors.

## **6. Outside Advisors**

The Corporate Governance, Nominating and Compensation Committee has the authority to seek advice from the outside advisors or the experts as deemed necessary in order to perform the duties as set forth in this Charter in an efficient and effective manner.

## **7. Reporting Responsibilities**

The Corporate Governance, Nominating and Compensation Committee should report the performance of its duties as set forth in this Charter as follows:

- 7.1 Report the resolutions of the meeting whenever having the meeting to the Board of Directors for acknowledgement and also report other significant matters as deemed that the Board of Directors should have been informed.
- 7.2 Report the performance of the Corporate Governance, Nominating and Compensation Committee for the past year to the shareholders by providing the report and disclose in the Company's annual report.