

The Company's Articles of Association governing the General Meeting of Shareholders

Chapter 5 Board of Directors

Article 16 Directors of the Company shall be elected by the Shareholder's Meeting in accordance with the following rules and procedures:

- (1) Each shareholder shall have one vote on each share.
- (2) Each shareholder shall exercise all votes he has according to (1) to elect a nominated person or nominated persons to be the Director(s). In case he elects nominated persons to be the Directors, he cannot divide his vote to any person to any or in the basis extent.
- (3) The candidates shall be ranked in order descending from the highest number of votes received to the lowest and shall be appointed as directors in that order in the amount required or ought to be in that election. Provided the event that persons receiving votes in descending order are tied in and exceeds the number of positions required or ought to be in that election, the Chairman shall have a casting vote.

Article 17 At every annual Ordinary Shareholder's Meeting, one-thirds (1/3) of the total number of Directors shall retire. If the number of Directors is not a multiple of three, the closest number of one-thirds (1/3) of the total number of Directors shall retire.

The Directors retiring from rotation may be re-elected.

The Directors retiring after the first and second year, the Directors who have held office the longest shall retire.

Article 18 Apart from retirement by rotation, the Director shall vacate his office upon:

- (1) Death
- (2) Resignation
- (3) Lack of qualification, or having prohibited characteristics under the Public Limited Companies Act and the Securities and Exchange Act
- (4) Removal by a resolution of Shareholders' Meeting following the Article 20
- (5) Removal by a court order

Article 19 Any Directors wishing to resign from his office shall submit his resignation letter to the Company and the resignation shall be effective on the date the resignation letter reaches the Company.

The Director whose resignation follows the first paragraph may inform his resignation to Registrar for acknowledgement.

Article 20 The shareholder's meeting may resolve to remove any director from office before the expiration of his term of office with the vote of no less than three-fourths (3/4) of the number of shareholders who attend the meeting and are eligible for the voting and their shares, in total, are no less than a half of the shares held by the shareholders who attend the meeting and are eligible for the voting.

Article 22 The Company's Director shall have a right to receive a Director's remuneration from the Company in the form of salary, meeting allowances, gratuities, bonuses or other forms of remuneration according to Shareholder's Meeting consideration and resolution with a vote of not less than two-thirds (2/3) of the number of shareholders who attend the meeting. The remuneration may be defined as the fixed number or as the specific criteria, and may be defined periodically, or may be effective until the Shareholder's Meeting resolves otherwise. In addition, the Company shall be entitled to receive allowances and other welfares in accordance with the regulations of the Company.

The text aforesaid in the first paragraph shall not affect the rights of the director appointed from staff or employee of the Company in order to receive remuneration and benefits as an employee of the Company.

#### **Chapter 6 The Shareholders Meeting**

Article 31 The Board of Directors shall arrange an annual general Shareholders' Meeting within four months from the last day of the accounting period of the Company.

Any other Shareholder's Meeting apart from the meeting mentioned in the first paragraph shall be called an Extraordinary General Meeting. The Board of Directors may call an Extraordinary General Meeting whenever it is deemed appropriate to do so.

One or more shareholders holding shares aggregately not less than ten percent of the total number of shares sold may, by subscribing their names, request the Board of Directors in writing to call an extraordinary general meeting at any time, but the reasons for calling such meeting shall be clearly stated in such request. In this regard, the Board of Directors shall

arrange to call a meeting of shareholders to be held within forty-five days as from the date the request in writing from the shareholders is received.

In case the Board of Directors fails to arrange for the meeting within such period under paragraph three, the shareholders who have subscribed their names or other shareholders holding the required aggregate number of shares may themselves call the meeting within forty-five days as from the date of expiration of the period under paragraph three. In such case, the meeting is deemed to be 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 arranging such meeting and the Company shall reasonably provide facilitation.

In the case where, at the meeting called by the shareholders under paragraph four, the number or the shareholders present does not constitute quorum as prescribed under the Article 33, the shareholders under paragraph four shall jointly compensate the Company for the expenses incurred in arrangement for holding such meeting.

Article 32 In calling a general Shareholders' Meeting, the Board of Directors shall send notices for the meeting specifying the place, date, time, agenda of the meeting as well as the subject matters to be submitted to the meeting together with other relevant details, by stating clearly that the agenda is submitted for the purpose of information, for approval or for consideration, as the case may be, including the opinions of the Board of Directors on such matters. Notice shall be sent to the shareholders and the Registrar for their information no less than seven days before the date of the meeting. Furthermore, publication of notices calling a meeting shall also be made in a newspaper for a period of three consecutive days and not less than three days before the date of meeting.

The Shareholders' Meeting shall be held in the province where the Company's headquarter is located or nearby provinces or in any location which is stipulated by the Board of Directors.

Article 33 At a general Shareholder's Meeting, there should be no less than twenty-five (25) of the shareholders and proxies (if any) or no less than one-half of the total shareholders shall be present holding aggregate shares of no less than one-thirds (1/3) of the total number of the Company's issued shares to constitute the quorum.

If no quorum, as described in the first paragraph, is formed after one hour has lapsed in any Shareholders' Meeting, if it is an extraordinary meeting called upon the request of shareholders, the meeting shall be dissolved. But if it is a meeting which was not called upon

the request of shareholders, another meeting shall be called. Notice of such a new meeting shall be sent to the shareholders, and another meeting shall be called. Notices of such a new meeting shall be sent to the shareholders at least seven days in advance and the quorum for the next meeting is not required.

Article 34 The Chairman of the Board shall act as the Chairman of the Shareholders' Meeting. If at any time the Chairman is absent or is unable to perform his duty and there is a Vice Chairman, the Vice Chairman shall act as the Chairman of the meeting. If there is no Vice Chairman or the Vice chairman is absent or is unable to perform his duty, the meeting participants shall elect one of the shareholders present in that meeting to act as a Chairman of the meeting.

Article 35 To vote for a resolution in the Shareholders' Meeting, one share shall equal one vote. If any shareholder bears an interest in any matter, that shareholder has no right to vote in such a matter except in the case of voting for a Director. The resolutions of the Shareholders' Meeting shall be supported by the following votes:

- (1) In an ordinary event, the majority vote of the shareholders present at the meeting and casting their votes shall be required. In case of an equality of votes, the Chairman of the meeting shall have the deciding vote.
- (2) In the following cases, a majority vote of no less than three-fourths (3/4) of the vote of the total shareholders present at the meeting with the right to vote shall be required;
  - a. An acquisition or disposition of the total or partial essential assets to other persons
  - b. An acquisition or disposition of business of other private companies or public companies which becomes the Company's business
  - c. The performance, amendment or cancelation of contracts concerning the Company's all or partial leasing of businesses, assignation of other persons to operate the Company's business or entering a joint venture with other persons with the objective of profit and loss sharing
  - d. The amendment of the Memorandum of Association or Articles of Association
  - e. The increase or reduction of the capital of the Company

- f. The liquidation of the Company
- g. The debenture issuance of the Company and other securities under the Securities and Exchange Act
- h. A merger of the Company with another company

Article 36 An agenda of an annual general meeting shall include the following items.

- (1) Consider report of the Board of Directors proposed to the meeting indicating the Company's business operation in the past year.
- (2) Consider and approve the balance sheet and profit and loss statements.
- (3) Consider and approve the profit allocation and dividend payment.
- (4) Consider and approve the new Directors to replace the Directors whose term have completed.
- (5) Consider and specify the Director remuneration.
- (6) Consider and approve auditor and specify his remuneration; and
- (7) Other transactions.

#### **Chapter 7 Account, Finance and Audit**

Article 39 The Board of Directors shall prepare balance sheets and profit and loss statements at the end of the accounting period of the Company and propose to the Annual General Meeting to be considered for approval. The Board of Directors shall arrange balance sheets as well as profit and loss statements to be duly certified by the auditor prior to proposing to the Shareholders' Meeting.

Article 40 The Board of Directors shall send the following documents to the shareholders, together with notices calling an annual ordinary general meeting.

- (1) Copies of the balance sheet and the profit and loss already examined by the auditor together with the audit report of the auditor.
- (2) Annual report of the Board of Directors, including other related documents to supplement the presentation.

**Chapter 8 Dividend and Reserve**

Article 44 No dividend shall be paid other than out of profit. In the case where a Company has accumulated losses, no dividend shall be paid.

A dividend shall be paid according to the number of shares, each share being equally paid except the case where the Company has issued preferred stocks and required the different dividend payment from ordinary stocks, and the payment of dividend shall require the approval of the Shareholder's Meeting.

The Board of Directors may pay the shareholders such interim dividends as may be justified by the profits of the Company. When these dividends are paid, such dividend payment shall be notified in the next meeting of shareholders.

Dividend must be paid within one (1) month after the resolution of the meeting of shareholders or of the Board of Directors is passed, as the case may be. Notice of distribution of dividend in writing must be sent to the shareholders and publication of the notice of the payment of dividend shall also be made in a newspaper not less than three (3) consecutive days.

Article 45 The Company shall retain the proportion of net profit as a reserve not less than five (5) percent of the annual net profit deducted with the accumulated loss carried forward (if any) until such reserve reaches not less than ten (10) percent of the total capital.