

## ARTICLES OF ASSOCIATION

OF

### Khon Kaen Sugar Industry Public Company Limited

#### Section 1 General

**Clause 1.** These Articles of Association shall be called the Articles of Association of Khon Kaen Sugar Industry Public Company Limited.

**Clause 2.** The word “Company” in these Articles of Association shall mean Khon Kaen Sugar Industry Public Company Limited.

**Clause 3.** Unless otherwise provided under these Articles of Association, the provisions of law concerning Public Company Limited shall apply.

#### Section 2 Share Issuance and Share Transfer

**Clause 4.** Shares of the Company shall be ordinary shares showing names of shareholders. Each share of the Company shall be fully paid up in one single payment in money or another asset.

In making payment for the shares, the subscriber shall not set off against the Company, except in the case where the Company restructures its debts by issuing new shares for debt repayment upon the debt to equity conversion scheme which is approved by the shareholder meeting with the votes not less than three-fourths (3/4) of the total number of votes of shareholders attending the meeting and having the right to vote.

Issuing new shares for debt repayment and the debt to equity conversion program as mentioned in above paragraph shall be subject to rules and procedures stipulated in the related Ministerial Regulation.

Shares shall be indivisible. If a share is held or subscribed by two (2) or more persons, they shall appoint only one person among them to exercise the right as a shareholder or subscriber as the case may be.

The Company may issue debentures, convertible debentures, preference shares or other securities pursuant to laws concerning Securities and Stock Exchange for offering to the public or any person. In addition, the Company may convert convertible debentures or other convertible securities into ordinary shares or preference shares, or preference shares into ordinary shares in accordance with relevant laws.

**Clause 5.** The Company shall issue share certificates to the shareholders within two (2) months from the date on which the Registrar has registered the Company, or from the date of receipt of payment for the shares in full in the case of the Company issues the remaining or new issued shares after the registration of the Company.

The company share certificate shall have at least one (1) director sign or print the name. However, a director may assign the share registrar pursuant to the law concerning Securities and Stock Exchange to sign or print the name on his behalf in accordance with the law concerning Securities and Stock Exchange.

**Clause 6.** Shares of the Company shall be transferable without restriction, except the share transfer causes the alien to hold the Company's shares exceeding 40% of all the issued shares of the Company.

**Clause 7.** Subject to Clause 6 of these Articles of Association, a share transfer shall be valid upon the transferor's endorsement of the share certificate by stating the name of the transferee and having it signed by both the transferor and the transferee with delivery of the share certificate to the transferee.

The transfer of shares shall be effective against the Company upon the Company having received an application to register the transfer of the shares and effective against a third party only after the Company has registered the transfer of shares.

Upon receiving an application to register the share transfer and the Company considers such transfer to be legally valid, the Company shall register the transfer of the shares within fourteen (14) days from the date of receipt of the application. If the Company considers such transfer is incorrect or invalid, it shall inform the applicant within seven (7) days.

When the Company's shares are listed on the Stock Exchange of Thailand, the share transfer shall be in compliance with the Securities and Stock Exchange Law.

In case the Company appoints the Thailand Securities Depository Company Limited the Company's registrar, procedures concerning the share registration of the Company shall be prescribed by the registrar.

**Clause 8.** If a share certificate is materially faded or damaged, the shareholder may apply to the Company for the issuance of a new share certificate by surrendering the old share certificate. The Company shall issue a new share certificate to the shareholder within fourteen (14) days from the date of receipt of request. In case a share certificate is lost or destroyed, the shareholder must show the Company the notification to the police and the Company shall issue a new share certificate to the shareholder within fourteen (14) days from the date of receipt of request and evidence.

If a shareholder dies or is adjudged bankruptcy, a person entitled to receive the share may surrender the share certificate and show lawful evidence to the Company. The Company shall accordingly register him as a shareholder and issue a new share certificate within one (1) month from the date of receipt of full evidence.

**Clause 9.** The Company may collect a fee for its issuance of new share certificate to replace the lost, defaced or damaged share certificate, or for the copy of share register, whether in whole or in part, together with the Company's certification, at the rate as prescribed by law.

**Clause 10.** The Company shall suspend the transfer of shares during twenty-one (21) days preceding the shareholder meeting by notifying the shareholders in advance at the head office and the every branch office of the Company not less than fourteen (14) days prior to the commencement date of suspension of share transfer registration.

**Clause 11.** The Company shall not own its shares, or take its own shares in pledge, except for the following circumstances:

(1) The Company may buy back the shares from the shareholder who votes in disagreement with the resolution of shareholder meeting which approves the amendment of the Company's Articles of Association concerning the right to vote and the right to receive dividend, which the shareholder considers unfair to him/her.

(2) The Company may buy back the shares for financial management purpose when the Company gains the retained earnings and excess liquidity, provided that such buy-back scheme would not cause the Company any financial problem.

When the Company's shares are listed securities on the Stock Exchange of Thailand, the buy-back of shares must receive an approval from the shareholder meeting, except in the case that the Company will buy back the shares not exceeding ten (10) % of paid up capital where the Board of Directors is authorized to approve the buy-back of shares.

The shares held by the Company are not counted as quorum in the shareholders' meeting and carry no right to vote and right to receive dividend.

The Company must dispose the buy-back shares within the time prescribed in the Ministerial Regulation. In case the Company does not dispose or is unable to dispose all the buy-back shares within the prescribed time, the Company shall decrease the paid-up capital by writing-off the register shares that are not duly disposed.

The repurchase, disposal and write-off of the buy-back shares shall be in accordance with the rules and procedures as prescribed in the related Ministerial Regulation.

### **Section 3 Board of Directors**

**Clause 12.** The Company's Board of Directors shall consist of at the least five (5) directors, provided that not less than half (1/2) of all Directors shall have residence in the Kingdom. All of the Company's Directors shall have the qualifications and shall not possess prohibited characteristics as prescribed by laws.

**Clause 13.** The election of directors at a shareholder meeting shall be carried out in accordance with the following rules and procedures:

(1) Each shareholder shall have one vote per one share;

(2) Each shareholder shall vote for the nominated person as per individual. A nominated person shall get the total votes not exceeding the number of shares held by the shareholder pursuant to (1). A shareholder may not apportion his votes to several nominated persons. The elected candidates shall be ranked in order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied to exceed the number of directors, the Chairman of meeting shall have a casting vote.

**Clause 14.** At every annual general meeting, one-third (1/3) of the directors shall retire. If the number of directors cannot be divided into three (3) parts exactly, the number nearest to one-third (1/3) shall retire.

The directors retiring from office in the first and second year after the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have stayed longest in office shall retire. A retiring director may be re-elected.

**Clause 15.** Directors are entitled to receive remuneration from the Company in forms of money, meeting allowances, gratuities, bonuses or other types of remuneration approved by the shareholders meeting which may set either a fixed amount or criteria for specific time or until any change is made. In addition, the directors may receive per diem and other welfare according to the Company's regulations.

Provisions in the first paragraph shall not affect the right of the Company's employee or staff, who has been elected director, to receive remuneration and other benefits as an employee or staff.

**Clause 16.** Apart from vacation upon the expiry of his term, a director shall vacate office upon:

- (1) Death;
- (2) Resignation;
- (3) Lack of qualification or prohibited characteristics;
- (4) Vacation by a resolution of the shareholder meeting;
- (5) Vacation by a court order.

**Clause 17.** No director shall operate any business, or become a partner in an ordinary partnership, or become a partner with unlimited liability in a limited partnership, or become a director of a private limited company or other public limited companies, which operate a business of the same nature as and that is in competition with the Company's business, unless he/she notifies the shareholders' meeting prior to the resolution for his/her appointment.

**Clause 18.** A director shall notify the Company without delay when he/she has a direct or indirect interest in any transaction which is made by the Company during the fiscal year, or increases or reduces holding of shares or debentures of the Company or the Company's affiliates during the fiscal year.

**Clause 19.** Any director wishing to resign from office shall submit a resignation letter to the Company. The resignation shall be effective as from the date on which the resignation letter reaches the Company.

A director who has resigned as above may notify the Registrar of such resignation.

**Clause 20.** Subject to Clause 21, in the case of vacancy in the Board for reasons other than the expiration of the directors' term of office, the Board in the next meeting shall elect a person, having the qualifications and no prohibited characteristics under the law, a director, unless the remaining term of directorship is less than two (2) months. The replacing director shall hold office only for the remaining term of office of the director whom he replaces.

The resolution of the Board under the first paragraph must not less than three-fourths (3/4) of the number of remaining directors.

**Clause 21.** In case of vacancy in the Board resulting in the number of directors being less than the number required for a quorum, the remaining directors may perform any act in the name of the Board only in matters relating to the calling of a shareholders' meeting to elect directors to replace all the vacancies.

The shareholders' meeting under the first paragraph shall be held within one (1) month from the date that the number of directors falls below the number required for a quorum. The replacing director under the first paragraph shall hold office only for the remaining term of the director whom he/she replaces.

**Clause 22.** A shareholders' meeting may pass a resolution removing any director from office prior to retirement cycle, with a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and holding shares totaling not less than half (1/2) of the number of shares held by the shareholders attending the meeting and having the right to vote.

**Clause 23.** The Board shall elect one of their members to be Chairman and may elect one or several directors to be Vice Chairman as they deem fit. The Board may appoint one or more directors to perform the duty on behalf of the Board.

**Clause 24.** The Board shall hold a meeting at least once (1) every three (3) months. The Chairman or the director assigned by the Chairman shall convene the meeting of the Board. The meeting venue may be the locality, in which the head office of the company is situated, or any other province around the Kingdom or even in a foreign country. The Board' meeting may be held via electronic means in accordance with the law on electronic meetings. In this case, the location of the Company's head office shall be deemed to be the place of such electronic meeting.

Two (2) or more directors may request that the Chairman convene a meeting of the Board. In such circumstance, the Chairman or the director assigned by the Chairman shall fix the date of the meeting within fourteen (14) days from the date of receipt of such request.

In convening a meeting of the Board, the Chairman or the director assigned by the Chairman shall send a written notice to convene a meeting to the directors not less than three (3) days prior to the date of the meeting, except in an urgent case to protect the rights or benefits of the Company, the meeting may be convened by electronic means or by any other methods and an earlier meeting date may be scheduled.

In this regard, a notice of meeting and supporting documents may be sent via electronic. The person responsible for the meeting must keep a copy of notice of a meeting of shareholders and supporting documents as evidence, which may be collected in electronic format.

**Clause 25.** At a meeting of the Board, at least one-half (1/2) of the total number of directors shall form a quorum. If the Chairman of the Board is not present at a meeting, or cannot perform his duty, and if there is a Vice-Chairman, the Vice-Chairman present at the meeting shall be Chairman of the meeting. If there is no Vice-Chairman, or if the Vice-Chairman cannot perform his duty, the directors present at the meeting shall elect one director to be Chairman of the meeting.

Decisions of meeting of the Board shall be made by majority votes. Each director has one (1) vote, except a director who has an interest in any matter shall not vote on such matter. In case of equal votes, Chairman of the meeting shall have a casting vote.

**Clause 26.** Two (2) directors shall be authorized to sign and affix the seal of the Company. The Board shall be empowered to designate or change the authorized directors who act on behalf of the Company.

**Clause 27.** A director shall perform his duty in compliance with law, objectives, Articles of Association and a resolution adopted by a shareholders' meeting.

The Board may appoint other persons to carry out the Company's business under the Board of Directors' supervision or may confer upon such other persons such powers as they think fit and for such time as they think expedient, and may revoke, withdraw, alter or vary any of such powers.

#### **Section 4 Shareholders Meetings**

**Clause 28.** The Board is required to arrange the Annual General Shareholders meeting within four (4) months of the last day of the fiscal year of the Company.

Other shareholders meetings are called extraordinary meetings. The Board may call an extraordinary general meeting of shareholders any time the Board considers it expedient to do so, or Shareholders with total holdings of at least one-fifths (1/5) of the shares sold, or shareholders numbering not less than 25 (twenty five) persons holding shares amounting to not less than one-tenths (1/10) of the shares sold may file a written request for extraordinary shareholders meetings. Reasons for the meeting must be specified in the written request. The Board, then, is supposed to hold a shareholders meeting within (1) one month after receiving the written request from the shareholders.

**Clause 29.** To call for a shareholders meeting, the Board of Directors shall prepare a written notice of the meeting that includes the venue, date, time, agendas, and any matters to be ratified at the meeting with sufficient detail. The matters should be specified as to be informed, to be approved, or to be considered. The Board's opinions on the matters should be included. The written notice should be delivered to shareholders and registrar at least seven (7) day prior to the date of meeting. The writing notice is required to be published in newspapers or via electronic means in accordance with the rules stipulated by the law and the registrar for at least three (3) consecutive days prior to the date of meeting.

A notice of a meeting of shareholders may be sent via electronic means, provided that the shareholders have declared their intentions or consents to the Company or the Board for sending a notice of meeting or documents via electronic means, the sending thereof shall be subject to the criteria prescribed by the registrar.

Shareholders meetings may be held at the area where the Company's head office or branch office, is located or other provinces in the Kingdom of Thailand as the Chairman of the Board or a person designated by the Chairman of the Board deems appropriate.

If the meeting is held via electronic means in accordance with the law on electronic meetings. In this case, the location of the Company's head office shall be deemed to be the place of such electronic meeting.

**Clause 30.** Shareholders may appoint proxies to attend the meetings and vote. Proxy forms must be signed by the principal and in the format prepared by the registrar.

The proxy forms shall be submitted to the Chairman of the Board or the person appointed by the Chairman at the meeting before proxies attend the meetings.

The foregoing appointment of proxy may be made by electronic means instead, provided that it requires a secure and reliable method to prove that such proxy has been appointed by the shareholder in accordance with the rules stipulated by the registrar.

**Clause 31.** A shareholders meeting consists of at least twenty-five (25) shareholders and proxies (if any) with total holdings of at least one-thirds (1/3) of the shares sold, or at least half (1/2) of all the Company's shareholders/ their proxies with total holdings of at least one-thirds (1/3) of the paid-up shares sold, to be a quorum.

If a shareholders meeting requested by shareholders has continued for one (1) hour with the number of shareholders present less than required, the meeting shall be cancelled. If the meeting is not requested by shareholders, another meeting should be scheduled. Written notices should be sent to shareholders at least seven (7) days prior to the date of the meeting. At such meeting a quorum is not required.

The Chairman of the Board is the Chairman of the meeting. Should there be no Chairman of the Board or the Chairman of the Board not be present or unable to function as the Chairman of the meeting. The Vice Chairman of the Board is the Chairman of the meeting. If there is no Vice Chairman or the Vice Chairman of the Board is not present or unable to function as the Chairman of the meeting, the shareholders present elect a shareholder to be the Chairman of the meeting. Voting must be done as specified in Clause 32.

**Clause 32.** In voting, one (1) share holding represents one (1) vote. The following numbers of votes are required for resolutions of shareholders meetings:

(1) Normally, a majority of votes of shareholders who are present and vote is required. In the event of a tied first vote, the Chairman of the meeting has the final vote.

(2) In the following situations, at least three-fourths (3/4) of the total votes of shareholders who are present and vote are required:

(a) The sale or transfer of all or important part of the Company's businesses to outsiders

(b) The Company's buying and transfer businesses of another public limited company or limited company

(c) The making, amending or terminating agreements concerning leasing all or important part of the Company's businesses; appointing an outsider to manage the Company's operations; or consolidation with another business with the purpose of sharing the profit and loss

(d) The addition to or amendment of the Company's Memorandum or Articles of Association;

(e) Increase or decrease in the Company's capital; issuing debentures to be offered to the public

(f) The Merger and Dissolution of the Company

**Clause 33.** The Annual General Meeting has the following business:

(1) To consider the Company's annual operation results presented by the Board

(2) To consider and approve the company's annual balance sheets and profit and loss accounts

(3) To consider profit sharing

(4) To elect directors in replacement of those whose terms have ended

(5) To consider and appoint and auditor; determine the audit fee

(6) Other Business

**Clause 34.** Once the Company has issued and undertaken public offering, the Company's/ subsidiaries' related transactions; or acquisition or sale of the Company's/subsidiaries' assets as defined in legislation of the Stock Exchange of Thailand regarding related transactions of listed companies or trading of listed companies assets must be in line with regulations and procedures specified in the legislation.

### **Section 5 Account, Finance and Auditing**

**Clause 35.** The Fiscal year of the Company shall start from 1<sup>st</sup> November and end on 31<sup>th</sup> October of every year.

**Clause 36.** The Company must provide and keep accounts including the auditing of accounts as required by the relevant law. The Company must also provide a balance sheet and profit and loss statement at least once during twelve (12) month period which is a fiscal accounting year of the Company.

**Clause 37.** The Board must provide the balance sheet and the profit and loss statement as the last day of fiscal year of the Company for submission to the shareholders' meeting for consideration and approval and must manage to have the auditor audit the said financial statements before submitting to the shareholders' meeting.

**Clause 38.** The Board must deliver the following documents to the shareholders along with written notices convening for an annual general meeting:

- (1) Copies of the balance sheet and the statement of profit and loss which have been audited by the auditor together with the audit report of the auditor;
- (2) The annual report of the Board.

### **Section 6 Dividend and Reserve**

**Clause 39.** Dividends shall not be paid other than out of profits. If the Company still has on accumulated loss, no dividends shall be distributed.

Dividends shall be distributed to the number of shares, with each share receiving an equal amount.

The Board may pay interim dividends to the shareholder from time to time if the Board considers that the profits of the Company justify such payment and report such dividend payment to the shareholders at the next shareholders' meeting.

In case the number of shares sold by the Company has not reached the number registered or the Company has already registered an increase of its capital, the Company may pay dividends, in whole or in part, by issuing new ordinary shares to the shareholders, provided that it has the approval of the shareholders' meeting.

Payment of dividends shall be made within one (1) month of the date of the resolution of the shareholders' meeting or of the meeting of the Board, as the case may be. The Shareholders shall be notified in writing of such payment of dividends, and the notice shall also be published in a newspaper or via electronic media in accordance with the rules stipulated by the law and the registrar for at least three (3) consecutive days.

**Clause 40.** The Company shall allocate its annual net profit for legal reserve being not less than five (5) percent of annual net profit less the accumulated losses brought forward (if any) until the reserve becomes not less than ten (10) percent of the registered capital. In addition to the reserve, the Board of Directors may propose to a shareholders' meeting to vote for the allocation of any other reserve as the Board may deem appropriate for the company operation.

**Section 7 Additional Provision**

**Clause 41.** Company seal is affixed here below:-



**Company Seal**