

**ARTICLES OF ASSOCIATION**

**OF**

Certified Correct Copy  
-signed-  
Mr. Anan Srikasikorn  
Registrar

**Eastern Water Resources Development and Management Public Company Limited**

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**CHAPTER 1**

**General**

- Article 1. These Articles shall be called “Articles of Association of Eastern Water Resources Development and Management Public Company Limited”.
- Article 2. Unless otherwise specified in these Articles of Association, "Company" means Eastern Water Resources Development and Management Public Company Limited
- Article 3. Any amendment or alteration of these Articles of Association or the Memorandum of Association can be made only by passing a resolution of the shareholders meeting with the majority of votes of not less than three fourths of the total votes of shareholders attending the meeting and eligible to cast the votes.
- Article 4. Unless otherwise provided in these Articles of Association, the provisions of law governing public limited companies and law governing securities and exchange shall apply.

In case the Company or the subsidiaries enter into a connected transaction or a transaction relating to acquisition or disposition of assets of the Company or the subsidiaries pursuant to the Securities and Exchange Commission (“SEC”) or the Stock Exchange of Thailand (“SET”)’s notifications or the security and exchange law governing connected transaction or acquisition or disposition of assets of listed company, as the case may be, applicable and enforced at such time, the

Company shall comply with the criteria and procedures regarding the matter as prescribed by such notification.

## **CHAPTER 2**

### **Issuance and Transfer of Shares**

Article 5. The Company's shares shall be ordinary shares of the type which bear the names of shareholders and at equal value. The Company may issue preference shares, debentures, convertible bonds, or any other securities whatsoever as permitted by the securities and exchange law.

In making payment for shares, a share subscriber or a share purchaser shall not offset any debt with the Company.

Each share certificate of the Company shall be named and signed or affixed by at least two (2) directors. The Company may appoint the share registrar in accordance with the securities and exchange law to sign or affix its name on the share certificates.

Article 6. The Company may appoint either natural or juristic person to serve as the share registrar. If the Company appoints a securities registrar under the securities and exchange law to function as the Company's share registrar, the procedures in relation to any registration shall be made as specified by the share registrar.

Article 7. In the case of the death or bankruptcy of a shareholder of the Company resulting in any person being entitled to any shares, if such person has produced lawful and complete evidence of entitlement, the Company shall register such person and issue a new share certificate to such person within one (1) month from the date of receipt of complete evidence.

If the share certificate is materially damaged or defaced, and that the shareholder returns the former share certificate which has been materially damaged or defaced to the Company, the Company shall issue a new share certificate in substitution to the damaged or defaced share certificate to such shareholder. If the share certificate is lost or destroyed, the shareholder shall present evidence of report to an investigation officer or any other proper evidence to the Company showing that the old share certificate is lost or destroyed. Upon receipt of the said evidence, the Company shall issue the new share certificate

to the shareholder within a time period as prescribed by the relevant laws.

Article 8. The Company's shares shall be freely transferable without restriction, unless such transfer causes the foreign shareholding to exceed thirty percent (30%) of the total issued shares. The Company is entitled to reject any transfer of the Company's shares which exceeds a ratio of the Company's foreign shareholding .

Article 9. A transfer of shares shall be valid after the share certificate is endorsed by the transferor specifying the transferee's name and signed by the transferor and the transferee and delivered to the transferee.

Such transfer of shares shall be valid against the Company when the Company has received a request to have such transfer registered and shall be valid against third party after the Company has duly registered such transfer. When the Company considers that the transfer of shares has been made in accordance with the law, the Company shall register the transfer of shares within fourteen (14) days from the date of such request and if the transfer of shares is considered to be invalid, the Company shall within seven (7) days notify to the applicant.

Article 10. A transfer of shares listed on the Stock Exchange of Thailand shall be made in accordance with the securities and exchange law.

Article 11. The Company shall not own or accept a pledge of its own shares.

Article 11/1. Subject to these Articles of Association, Article 11 regarding the Company's ownership of its shares shall not apply to the following cases:

(1) The Company may repurchase its shares from a shareholder who votes against the resolution of the meeting of shareholders to amend these Articles of Association of the Company relating to the right to vote and the right to receive dividend payment which is unfair in view of such shareholder.

(2) The Company may repurchase its shares for the purpose of financial management when it has accumulated profits and surplus liquidity, and such repurchase shall not cause a financial problem for the Company.

The shares owned by the Company may not be counted as a quorum at a shareholders meeting, and the Company shall not be entitled to vote and to receive dividend for the repurchased shares.

The Company shall dispose of the shares repurchased under paragraph one within the timeframe prescribed in the rules and procedures under the laws on public limited companies and relevant laws; or in case that the Company does not fully dispose of all the shares within such period, the Company shall reduce its paid-up share capital by canceling the remaining registered share capital indisposable.

The repurchase of the shares under paragraph one and the disposition of the shares and cancellation of the shares under paragraph three shall be in accordance with the rules and procedures prescribed in the laws on public limited companies and relevant laws.

The Company must obtain approval of the shareholders meeting for repurchase of its share, except in the case where the share repurchase does not exceed ten percent (10%) of the paid-up share capital, which shall be the power of the board of directors of the Company.

- Article 12. In the case of preference shares, any shareholder who wishes to convert such shares into ordinary shares shall apply for conversion to the Company and return the relevant share certificates to the Company.

The conversion made in accordance with the first paragraph shall be effective on the date of request. In this regard, the Company shall issue new share certificates to such shareholders within fourteen (14) days from the receipt of such request.

- Article 13. During the period of twenty-one (21) days prior to the date of a meeting of shareholders, the Company shall close the share register book and suspend registration of share transfer by posting up a notice for information of shareholders in advance at the head office and every branch office for a period not less than fourteen (14) days prior to the date of commencement of share transfer suspension.

### **CHAPTER 3**

#### **Directors and Authorities of Directors**

- Article 14. The Company shall have one board of directors consisting of at least 5 directors and not exceeding 12 directors elected by consideration of a general meeting of shareholders. The board of directors shall elect one member as the chairman of the board, and may select a vice chairman of the board, a chief executive officer, and any other posts as deemed appropriate. Directors not less than half of the total number of directors shall have residence in the Kingdom.

The Directors shall be entitled to receive remuneration from the Company in forms of award, meeting allowance, pension, bonus or any other benefits in accordance with these Articles of Association or as approved by the shareholders' meeting. The remuneration may be

fixed from time to time or for a specified time until changes are made. The directors shall also have the right to receive allowances and fringe benefits in accordance with the Company's regulations. The payment of remuneration stated above shall not be contrary to the securities and exchange laws with respect to the maintenance of independent directors' qualifications.

The provision in the second paragraph shall not prejudice the rights of the Company's staffs or employees who are appointed to be directors in respect of their entitlement to receive remuneration and benefits as staffs or employees of the Company

Article 15. Directors shall be elected by the meeting of shareholders in accordance with rules and procedures as follows:

- (1) One shareholder has one vote for one share ;
- (2) Each shareholder may use all his/her votes under (1) to elect one or more than one director but the votes shall not be divided ;
- (3) Persons who receive highest votes arranged in order from higher to lower in a number equal to the number of directors to be required or be elected in that time are elected directors of the Company. In the event of a tie at a lower place which would make the number of directors greater than that required or elected in that time, the chairman of the meeting shall have the casting vote.

Article 16. The Company's directors are not necessarily required to be the Company's shareholders.

Article 17. At every annual ordinary meeting, one-third (1/3) of the directors shall retire from office. If their number is not a multiple of three, the number of nearest to one-third (1/3) must retire from office.

The directors to retire in the 1st year and in the 2nd year after the Company registration shall be decided by drawing. For the subsequent years, the directors assuming the position for the longest term shall retire.

A retiring director is eligible for re-election.

Article 18. Apart from retirement by rotation, the directors may vacate office upon:

- (1) Death;
- (2) Resignation;
- (3) Lack of qualifications or having the prohibited characteristics as provided in the public limited company law;
- (4) Removal by resolution of the shareholders meeting;
- (5) Dismissal by Court's order.

- Article 19. Any director who intends to resign from the office shall submit a resignation letter to the Company. Such resignation shall be effective as from the date the resignation letter reaches the Company.

A director who resigns pursuant to paragraph one may also notify the registrar of his/her resignation.

- Article 20. In case of vacancy in the number of directors, other than a retirement by rotation, the board of directors shall elect a person who is qualified and not prohibited by the law governing public companies to fill the vacancy at the next board of directors' meeting except that the remaining term of the former director is less than two (2) months.

The replacement director shall retain his/her office only during the remaining period for which the former director was entitled to retain.

The resolution of the board of directors under the first paragraph shall represent the three-quarters (3/4) vote of the remaining directors.

- Article 21. The meeting of shareholders may pass a resolution to remove any directors prior to the expiration of his or her term of office with votes not less than three-fourths (3/4) of number of shareholders attending the meeting and having the right to vote and the total number of shares being of not less than one half (1/2) of number of shares held by shareholders attending the meeting and having the right to vote

- Article 22. In summoning a board of directors' meeting, the chairman of the board or a person assigned by him shall send a notice of the meeting to the directors not less than 7 days prior to the date of the meeting except in the case of necessity and urgency to safeguard the rights or interests of the Company, a notice of the appointed meeting may be made by another approach and the meeting date may be scheduled sooner. In case where two or more of directors request summoning of a board of directors' meeting, the chairman shall schedule a meeting date within 14 days from the receiving date of such request.

- Article 23. Not less than half of the total number of directors must attend the board of directors meeting to constitute a quorum.

In case the chairman of the board is not present at the meeting or is unable to perform his/her duty, if there is a vice chairman, the vice chairman shall act as chairman of the meeting. If there is no vice chairman or if there is a vice chairman, but he/she is unable to perform his/her duties, the directors who are present at the meeting shall elect one among themselves to preside over the meeting.

- Article 24. The board of directors is responsible for handling all of the businesses of the Company and has an operational power and duty within a scope of laws, objectives and these Articles of Association as well as the resolutions of the shareholders meeting, and has the power to take any

action as stated in the Memorandum of Association or relating-matters thereof.

The board of directors may authorised one or more directors or any other persons to perform any acts on behalf of the board of directors.

The Company's authorised signatories shall be joint signatures of two directors with the Company seal affixed. The board of directors may designate directors whose signatories shall bind the Company.

- Article 25. The Company shall have the chief executive officer to handle the Company's affairs, subject to the directing of the board of directors. The board of directors shall have a duty to recruit, select, appoint, fix the rate of a monthly salary and remuneration in any other forms, evaluate the work performance and remove the chief executive officer.

In the event that the Company does not have the chief executive officer or if there is the chief executive officer but he/she is unable to perform his/her duty, the board of directors shall appoint an Executive Vice President or any other post as deemed appropriate to perform the chief executive officer's duties.

The chief executive officer shall retain his/her office for a period specified by the board of directors, not exceeding three (3) years. The retiring chief executive officer is eligible for re-appointment.

- Article 26. All resolutions of the meeting of the board of directors shall be made by a majority vote of directors appearing in the meeting. Each director shall have one vote except that a director who has an interest in any matter shall not be entitled to vote on such matter.

In case of an equality of votes, the chairman of the meeting shall have additional vote as casting vote.

- Article 27. The directors shall inform the Company without delay if he/she has interests directly or indirectly in any contract entered into by the Company; or holds an increase or decrease in shares or debentures in the Company or its affiliated companies.

- Article 28. The board of directors shall hold a meeting at least once every 3 months.

- Article 29. Any business operator engaging in a business of the same nature as and in competition with the Company's business, being a partner in an ordinary partnership or a partner of limited liability in a limited partnership, or being a director in a private company or public company engaging in a business of the same nature as and in competition with the Company's business, either on his own account or on account of another person, shall be prohibited from being the

Company's director, unless the meeting had been notified prior to appointment thereto.

The Company's directors are forbidden to operate a business of the same nature as and in competition with that of the Company, or to enter to be a partner in an ordinary partnership or a partner of limited liability in a limited partnership or a director of a private company or other company which operates a business of the same nature as and in competition with that of the Company, whether for their own or others' benefit.

- Article 30. The board of directors meeting shall be held at a location in which the Company's headquarter is situated or a nearby province or any place as prescribed by the chairman of the board of directors or any other person entrusted by the chairman of the board of directors.
- Article 31. Subject to the public limited companies law and the Company's objectives, the board of directors has a power to approve to sell or mortgage the Company's real property or lease the Company's real property for the period more than 3 years, or give or compromise or bring an action to the Court or refer any dispute to arbitration.

#### **CHAPTER 4**

##### **Shareholders Meeting**

- Article 32. The meetings of shareholders shall be held at a location in which the Company's headquarter is situated or nearby provinces or any place as prescribed by the board of directors.
- Article 33. The meetings of shareholders shall be held at least once a year. This kind of meeting shall be called "the annual ordinary meeting of shareholders". The said annual ordinary meeting of shareholders shall be organised within 4 months from the end of the fiscal year of the Company. All other meetings of shareholders apart from the above mentioned shall be called "the extraordinary meeting of shareholders".

The board of directors may summon the extraordinary meeting of shareholders any time whenever it thinks fit. The shareholders holding shares in aggregate not less than one fifth (1/5) of all issued shares or not less than twenty-five (25) shareholders holding shares in aggregate not less than one tenth (1/10) of all issued shares may affix their name in the same written request to the board of directors to summon an extraordinary meeting by clearly specifying therein a reason of such request. The board shall call a shareholders meeting within one (1) month from the date the shareholders' request is received.

- Article 34. In summoning a shareholders' meeting, the board of directors shall prepare a notice specifying the place, date, time, agenda and matters to



be proposed to the meeting together with adequate details by clearly indicating whether such matters are proposed for acknowledgement, for approval or for consideration, as well as the board's opinions on such matters and send to the shareholders and the registrar not less than seven (7) days prior to the date of the meeting.

The notice summoning the meeting shall be published in a newspaper for three (3) consecutive days not less than three (3) days prior to the date of the meeting.

Article 35. In the meeting of shareholders, there shall be shareholders and proxies (if any) present at the meeting in a number not less than twenty-five (25) or not less than one half (1/2) of the total number of shareholders and holding shares amounting to not less than one-third (1/3) of the total number of issued shares to constitute quorum.

In the event of shareholders meeting due to requested by the shareholders, upon the lapse of one (1) hour from the time fixed for the meeting commencement and that the number of shareholders present does not meet the required number to constitute a quorum, it shall be cancelled. But if such meeting is convened not because the shareholders have requested, it shall be reconvened and the notice of meeting shall be sent to the shareholders not less than seven (7) days before the date of meeting. In the subsequent meeting no quorum is required.

Article 36. In the shareholders meeting, a shareholder may appoint a proxy to attend the meeting or vote on his/her behalf. Proxy shall be made in writing with a signature of the shareholder who appoints the proxy. The proxy instrument shall be made in the form prescribed by the public company's registrar and contain at least the following particulars:

- a. The amount of shares held by the shareholder
- b. The name of the proxy
- c. The number of the meeting in which the proxy is appointed to attend and vote.

The proxy instrument shall be submitted to the chairman or his/her designated person at the venue of the meeting before the proxy attends the meeting.

Article 37. If the meeting cannot consider and conclude the matters according to the sequence of the agenda or the matters raised by shareholders holding shares in aggregate not less than one-third (1/3) of the total number of issued shares, as the case may be, and it is necessary to postpone the consideration of the meeting, the meeting shall determine the place, date and time for the next meeting and the board of directors shall, not less than seven (7) days prior to the date of the next meeting, deliver to the shareholders a notice calling the meeting which indicates the place, date, time and the agenda of the meeting. The notice calling

the meeting shall also be published in a newspaper not less than three (3) days prior to the date of the meeting.

Article 38. The chairman of the board of director shall preside over the meeting of shareholders. In the case where the chairman is absent or unable to perform the duty, the vice-chairman, if there is any, shall act as the meeting chairman. In the case where vice-chairman is absent or unable to perform the duty, the shareholders present shall elect one among themselves to act as the meeting chairman.

Article 39. In the meeting of shareholders, each shareholder shall have one vote per share.

In case where a shareholder has a special interest in any matter, such shareholder shall be forbidden to vote in that matter unless it is a vote cast for electing the director.

For the vote for any resolution or approval of any business, the shareholders meeting must gain approval by the majority votes of the shareholders who are present and vote. Except for the following cases, it shall be adopted by the votes of not less than three fourth of the total votes of shareholders who are present and entitled to vote.

- (a) Sale or transfer of the whole or substantial part of the Company's business to other persons;
- (b) Purchase or acceptance of transfer of business of other public or private companies to the Company;
- (c) Execution, amendment or termination of a contract in relation to the leasing of the whole or substantial part of the Company's business, entrusting another person to manage the Company's business or merging with another entity with an object to share profit and loss.

Article 40. The businesses to be transacted at the annual ordinary meeting are as follows:

- (1) To consider the report of the board of directors concerning the activities carried out in the past year;
- (2) To consider and approve a balance sheet;
- (3) To consider appropriation of profit;
- (4) To elect directors to replace those retiring by rotation;
- (5) To appoint an auditor;
- (6) Other business.

## **CHAPTER 5**

### **Increase and decrease of Capital**

Article 41. The Company may increase its registered share capital by the issuance of new shares by a resolution of the meeting of shareholders with votes

of not less than three-fourth (3/4) of the total votes of shareholders who are present and entitled to vote.

Article 42. The Company may offer to sell its increased shares by issuance of new shares in whole or in part, and may offer to sell them to shareholders in proportion to the existing number of shares held by each shareholder or may make an offering of the new shares to the public or other persons in whole or in part in compliance with resolution of the meeting of shareholders.

Article 43. The Company may reduce its registered share capital by lowering the par value of each share or reduction of the number of shares by resolution of the meeting of shareholders with votes of not less than three-fourths (3/4) of the total votes of shareholders who are present and entitled to vote.

The Company may not reduce its capital below one-fourth (1/4) of the total share capital.

Article 44. When the Company desires to reduce its share capital, a written notice of the resolution of reduction of its share capital shall be sent to the Company's creditors within fourteen (14) days from the date on which the meeting of shareholders passes its resolution with a time period fixed for sending opposition within two (2) months from the date of receipt of such notice of the said resolution and the said resolution shall be published in a newspaper within a period of fourteen (14) days.

## **CHAPTER 6**

### **Dividend and Reserves**

Article 45. No dividend may be declared except by resolution passed by the meeting of shareholders or the board of directors in case of payment of interim dividends.

A written notice on payment of dividends shall be sent to shareholders and published for at least three (3) consecutive days in a local newspaper. The said dividends shall be paid out with one (1) month from the date of passing such resolution.

Article 46. The board of directors may pay interim dividends to the shareholders from time to time when it appears to the board that the Company earns sufficient profits to do so. Such payment, once made, shall be reported to the shareholders at the next shareholders' meeting.

Article 47. Each dividend shall be equally divided according to each of the shares unless otherwise specified for the preference shares.

- Article 48. The Company shall allocate at least five (5) percent of its annual net profits less the accumulated losses brought forward (if any) as reserve fund until this reserve fund attains an amount of at least ten (10) percent of the registered share capital.

In addition to the said reserve fund, the board of directors may propose the meeting of shareholders to pass its resolution appropriating other reserve funds viewed as useful for the Company's operation.

## **CHAPTER 7**

### **Debentures**

- Article 49. Borrowing by the Company by issuance of debentures for offering to the public shall be in accordance with the law governing securities and securities exchange.

The resolution to issue the debentures in the first paragraph must be exercised through resolution of the meeting of shareholders by votes of not less than three-fourths (3/4) of the total votes of the shareholders who attend the meeting and are entitled to vote.

## **CHAPTER 8**

### **Book, Accounting and Audit**

- Article 50. The Company's fiscal year shall commence on 1 January and end on 31 December of every year.
- Article 51. The board of directors shall procure for the preparation and keeping the accounts including having them audited in accordance with the applicable laws.
- Article 52. The board of directors shall procure for preparation of the balance sheet, the profit and loss statements at least once for every twelve months, which is the fiscal year of the Company
- Article 53. The board of directors shall prepare the balance sheet and the profit and loss statements at the end of the Company's fiscal year in order to submit them to the annual general meeting of shareholders for approval thereof. The board of directors shall have the auditor complete the audit of the balance sheet and the profit and loss statement before submitting them to the annual general meeting of shareholders for approval.
- Article 54. The board of directors shall forward the following documents together with the notice of the annual general meeting to the shareholders:

- (1) Copies of the balance sheet and profit and loss statement which have been audited by the auditor together with the auditor's report;
- (2) Annual report prepared by the board of directors and supporting documents for such report.

- Article 55. The board of directors shall make available a register of directors, minutes of the board of directors meetings and shareholders meetings, and all the resolutions passed by the meetings recorded as correct evidence. This evidence shall be kept at the Company's head office or by any person assigned for its maintenance at the location in which the Company's head office is situated or a nearby province subject to prior notice to the registrar.
- Article 56. The annual ordinary meeting of shareholders shall appoint an auditor. The auditor vacating his or her office may be re-appointed to be an auditor.
- Article 57. The meeting of shareholders shall determine the amount of remuneration payable to the auditor.
- Article 58. The auditor shall not be a director, staff, employee, or person holding any position in the Company.
- Article 59. The auditor is required to attend the shareholders meeting having agenda to consider balance sheet, profit and loss statement, and accounting problems of the Company to clarify the audit of the accounts to the shareholders. The Company shall send reports and documents to the shareholders for the shareholders meeting to the auditor.

## **CHAPTER 9**

### **Miscellaneous**

- Article 60. The Company's seal shall be as follows: