

Qualification of Independent Directors

People's Garment Public Company Limited has defined the qualification of independent director which is more intensive than the minimum principal of the Securities and Exchange Commission and the Stock Exchange of Thailand. The details are following;

1. Holding not more than 0.50 percent of total voting shares of company or its parent company, its subsidiaries, its associated companies, including stocks held by connected persons of the independent.
2. Not being or never been board member who participated in management of its parent company or an executive director, employee, staff, advisor who receives salary of a controlling person of company, its parent company, its subsidiaries, its associated companies, same-level subsidiaries or a juristic person who may have conflicts of interest unless the foregoing status has ended for more than 2 years, excluding independent director who ever be government official or advisor for government service which is major shareholder or controlling person of company.
3. Not being a person related by consanguinity or legal registration, such as father, mother, spouse, sibling and child, including spouse of the children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of company or its subsidiaries.
4. Not having or never had a business relationship with company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his independent judgment, or is not or has not ever been a major shareholder, non-independent director or management of any person having business relationship with company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years.

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the applicant or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies concerning the Connected Transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of 2 years prior to the date on which the business relationship with the person commences.

5. Not being or never been an auditor of company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest and is not a major shareholder, non-independent director, management or partner of an audit firm which employs auditors of company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years.
6. Not being or never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding 2 million Baht from company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, and is not a major shareholder, non-independent director, management or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years.
7. Not being a representative of company director or its major shareholder or a shareholder who is related to company's major shareholder.
8. Not being a director in other organization that compete with or related to company, its subsidiaries, or not being a partnership of organization that compete with or related to company, and not being an executive director, employee, staff, advisor who receives salary, and not holding share more than 1 percent of total voting shares of organization that compete with or related to company.
9. Not having characteristics which lead to incapable of expressing independent opinions regarding company's business.

After appointed to be independent director who qualifies as stated all above (According to paragraph 1-9) , such independent director may be assigned by the Board of Director for taking part in the business decision of company, its parent company, its subsidiaries, its associated companies, same level subsidiaries, major shareholder or controlling person on the condition that such decision must be a collective one (Collective decision).