General Mandate: Frequently asked questions

Q: Is the company allowed to seek a capital increase under General Mandate at an extraordinary general meeting (EGM), or only at an annual general meeting (AGM) ?
A: Yes, the company is allowed to seek General Mandate at either an AGM or an EGM, but it will be more convenient and cost-saving if the proposal is made at the AGM.

Q: How much of a majority vote is necessary at a shareholder meeting in order to pass a proposal for a capital increase under General Mandate ?
A: At least three-fourths of the total votes of attending shareholders with voting rights (Under the Public Companies Limited Act, B.E. 2535, Section 136).

Q: Can the proposal for a capital increase under General Mandate be stated in terms of a stipulated ratio to the company's paid-up capital, rather than a given number of shares ?
A: No, the resolution must state the number of shares allotted through each fund-raising process (RO, PO or PP) in accordance with Section 136 and 137 of the Public Companies Limited Act, B.E. 2535.

Q: If shareholders have already approved a capital increase under General Mandate, but later the company needs a larger amount of new capital, what should the company do ?
A: The company can follow the current procedures of capital increase with specifying the purpose of capital uses that is to call for another shareholder meeting to seek capital increase approval. The complete information in details shall be disclosed for shareholders' consideration.

Q: If the company would like to seek shareholder approval for a capital increase under General Mandate with the same conditions approved in the previous year, what should the company do ?
A: If the company has unsold shares, the company must cancel the unsubscribed capital and then seek shareholder approval for the capital increase under General Mandate.

Since shareholders approve the new share number and type of allotment in advance and authorize board of directors to decide about allotment as they see fit, how would shareholders calculate the dilution effect that may occur ?

No matter what type of allotment is used, the maximum dilution effect will be 20 percent of the paid-up capital.

How does increasing capital under General Mandate reduce procedures and shorten time by four to ten weeks ?

The company does not need to seek shareholder meeting approval every time it needs new capital, as shareholders have approved the capital increase amount for each allotment type in advance. When new capital is needed, the board of directors can immediately decide on its allotment as deemed appropriate. This will reduce procedures and time for holding a shareholder meeting as follows:

- Shorten time by 4-10 weeks.
- No shareholder meeting approval each time funds are needed.
- Be able to estimate dilution effect over one year.

Types of Capital Increase

1. Capital increase with specific objectives of issuance, allotment and usage of funds
   - Normal practice of capital increase
   - Alternative approach for capital increase

2. Capital increase under general mandate

Benefits of issuing and offering

- Enhance flexibility of fund raising to cope with volatile market and relevant factors.
- Reduce procedures and time by 4-10 weeks, as no shareholder meeting is required for each capital increase approval.
- Reduce expenses of holding a shareholder meeting to approve a capital increase each time funds are needed.
- Get another option for fund-raising.

Shareholders

- Provide stand-by working capital in accordance with the firm's business needs and proper circumstances to ultimately generate returns or shareholders.
- Protect shareholders' interest under the General Mandate conditions.
- Be able to estimate dilution effect over one year.

Listed Company Development Department, The Stock Exchange of Thailand

62 The Stock Exchange of Thailand Building, Rachadapisek road, Klongtoey, Bangkok 10110

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or www.set.or.th

>> Financial Instruments
>> General Mandate
### Conditions for capital increase under General Mandate

<table>
<thead>
<tr>
<th>Number of Shares (Size Limit)</th>
<th>Rights offering (RO)</th>
<th>Non-rights offering (NRO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not exceeding 30%</td>
<td>Not exceeding 20%</td>
<td>Not exceeding 10%</td>
</tr>
<tr>
<td>Total paid-up capital of new shares to not exceed 30% and issue via non-rights offering to not exceed 20%</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Offering Price (Price limit)</th>
<th>Issuance and allotment period (Time limit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not defined</td>
<td>Within the next AGM or the date required by law for the next AGM (whichever comes first)</td>
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**Note:** TSR means Transferable Subscription Rights

**If company would like to increase its capital at a price lower than the registered par value, the company must comply with General Mandate.

The board of directors is authorized to conduct share offerings one or more times, at the offer to the allotted shares to one particular group of shareholders or several groups simultaneously. The newly-issued shares shall not exceed 30 percent of the total paid-up capital as of the date the company's board resolves to propose the agenda of capital increase to shareholders, which, in this case, equals 30 million shares. If the newly-issued shares will be allotted via public offering or private placement, the total of these allotments shall not exceed 20 percent of the total paid-up capital as of the date the company's board resolves to propose the agenda of capital increase to shareholders, which, in this case, equals 20 million shares. The board is also authorized to stipulate the offering price, date and time of share offering, and other details and conditions relevant to the allotment.

### Disclosure of capital increase under General Mandate

#### Information to be disclosed in the capital increase report form

- Clearly specify the number of new shares allocated to each category of investor
- For RO: Record date for subscription rights Share allotment Rate (RO/RO) ≤ Not specified
- For PP: Details of person(s) / relationships pricing criteria, impact to shareholder (Offshore effect) For private persons: specify business, major shareholders, etc.
- Objectives of the capital increase and use of the proceeds:
  - For the purpose: Investment budget, timeframe to completion / generating income
  - For asset acquisition: Property conditions, pricing, appraisal value, obligations
  - For debt repayment: Reason for altering due date, new debt, specific objectives
- Benefits to the company from the capital increase
- Benefits to the shareholders from the capital increase: dividend policy, rights to receive dividends of new share subscribers, etc.
- Schedule of actions for the allotment
- Note: ⭕ Must disclose  ⭝ Disclose (if any)  ✗ Not required to disclose

#### Capital increase with specific objectives

- Seek shareholders’ approval on capital increase framework
- Board decides allotment
- Once shares are allotted.

#### Capital increase under General Mandate

<table>
<thead>
<tr>
<th>Capital increase with specific objectives</th>
<th>Allotment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raise funds</td>
<td>2 business days</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital increase under General Mandate</th>
<th>Allotment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raise funds</td>
<td>14 days from subscription and share payment period</td>
</tr>
</tbody>
</table>

**Example of shareholder meeting’s resolution for General Mandate**

Company A now has a registered and paid-up capital of THB 100 million, representing 100 million Ordinary shares at a par value of THB 1.00. The company proposes to issue THB 60 million capital increase through issuing 60 million new ordinary shares at a par value of THB 1.00.

**Agenda No. T…..**

The board of directors’ meeting approves to increase the capital through issuance of 60 million new ordinary shares, with a par value of THB 1.00. Allocation will be as follows: 30 million shares via a rights offerings, 20 million shares via a public offering, and 10 million shares via a private placement.

The board of directors is authorized to conduct share offerings one or more times, at the offer to the allotted shares to one particular group of shareholders or several groups simultaneously. The newly-issued shares shall not exceed 30 percent of the total paid-up capital as of the date the company's board resolves to propose the agenda of capital increase to shareholders, which, in this case, equals 30 million shares. If the newly-issued shares will be allotted via public offering or private placement, the total of these allotments shall not exceed 20 percent of the total paid-up capital as of the date the company's board resolves to propose the agenda of capital increase to shareholders, which, in this case, equals 20 million shares. The board is also authorized to stipulate the offering price, date and time of share offering, and other details and conditions relevant to the allotment.

The allotment shall be completed either by the date of the company’s next shareholders’ annual general meeting (AGM) or the date required by laws to hold the next AGM, whichever comes first.

**Explanation for example above:**

In order to reserve for maximum share allotment for each category, the company must get shareholders approval to increase registered capital by 60 million shares (which is equal to 60 percent of total paid-up capital). However, the firm is allowed to issue maximum not exceeding 30 million new shares or 30 percent of total paid-up capital, of which a maximum share allotment via NRO is 20 percent which the company’s allotment via RO must not exceed 10 percent and the remaining shares are allotted via PO.

In General Mandate, as the board of directors is authorized by shareholders to issue and allot capital increase shares as the board deems appropriate; the board shall operate with duty of care and loyalty, seeking to maximize benefits to the company and its shareholders.