

Haad Thip Public Company Limited

– Translation –

**Key Features in relation to the Issuance and Offering of Newly Issued Ordinary Shares of Haad Thip Public Company Limited (the “Company”) to the Management and/or Employees of the Company under the Employee Stock Option Program (the “HTC ESOP Scheme”)**

**1. Objectives and Necessities**

- 1.1 To be a motivation and reward the dedicated and hard-working management and/or employees of the Company who have consistently contributed to the Company’s achievement;
- 1.2 To create mutual interest between the Company’s management and/or employees and the shareholders through the provision of an opportunity to become stakeholders and share ownership in the Company;
- 1.3 To retain key management and/or employees with long-standing dedication and outstanding performance to work with the Company in the long term, which will be beneficial to the Company in achieving commercial goals and sustainable business growth; and
- 1.4 To create shareholders’ value by encouraging the Company’s management and/or employees to perform their work to their full potential, which will result in positive operating results of the Company, thereby creating maximum returns for the shareholders of the Company in the future

**2. Preliminary Details of the Company’s newly issued ordinary shares**

Name of securities	: Ordinary shares of Haad Thip Public Company Limited (the “Shares”)
Nature	: Newly issued ordinary shares
Type	: Registered transferable ordinary shares
Offering method	: To offer the Shares (the “Offering”) by allocating them to the management and/or employees of the Company whose qualifications meet the eligibility criteria under Clause 3 (individually

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called “**ESOP Qualified Employee**”). Each ESOP Qualified Employee has the right to subscribe for the Shares according to the conditions specified in Clause 4. Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer is authorized to consider and allocate the Shares under the criteria, conditions, and methods as specified by the shareholders’ meeting

- Total number of ordinary shares to be offered : Not exceeding 1,992,180 newly issued ordinary shares, with a par value of Baht 1.00 per share which is equivalent to 1.00 percent of the total issued and paid-up shares of the Company of 199,218,000 shares.
- Offering price per share : The Company will offer the Shares priced at Baht 11.33 per share
- Source of offering price per share : The Company sets the offering price per share based on the market price with 50 percent discount (Please see section “The market price calculation” for further calculation details).
- The market price calculation : Baht 22.65 per share is the weighted average closing price of the Shares traded during 15 business days prior to the Board of Directors’ Meeting No. 5/2019 held on 6 September 2019 (between 16 August 2019 to 5 September 2019 – information from [www.set.or.th](http://www.set.or.th))
- Market comparison with offering price : The Company will offer the Shares at Baht 11.33 per share. When compared to the market price of Baht 22.65 per share, the offering price is set at 50 percent discount to the market price.

$$50 \text{ percent} = \frac{22.65 - 11.33}{22.65}$$

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- Offering period : The Company will offer the Shares within 1 year from the date that the shareholders' meeting approves the Offering of the Shares to the ESOP Qualified Employees
- Secondary market for the Shares : The Company will proceed to list the Shares on the Stock Exchange of Thailand (the "SET")
- Dilution effect to shareholders : 1. Price Dilution
- After the Offering, the price dilution will be subject to the offering price and the exercise of the rights to purchase newly issued ordinary shares of each of ESOP Qualified Employees. In the case that ESOP Qualified Employees exercise all their rights to purchase newly issued ordinary shares, the price of the Shares will be affected, being reduced at approximately 0.50 percent as shown in the calculation below:

$$\frac{\text{Market price before the Offering} - \text{Market price after the Offering}}{\text{Market price before the Offering}}$$

$$0.50 \text{ percent} = \frac{22.65 - 22.54}{22.65}$$

The market price after the Offering is calculated from:

$$\frac{(\text{Market price} \times \text{Number of paid-up shares}) + (\text{Offering price} \times \text{Number of Shares reserved for the Offering})}{\text{Number of paid-up shares} + \text{Number of Shares reserved for the Offering}}$$

*Baht per share 22.54*

$$= \frac{(22.65 \times 199,218,000) + (11.33 \times 1,992,180)}{199,218,000 + 1,992,180}$$

Remark: The market price before the Offering at Baht 22.65 per share is calculated from the weighted average closing price of the Shares traded during 15 business days prior to the Board of Directors' Meeting No. 5/2019 held on 6 September 2019 (between 16 August 2019 to 5 September 2019 – information from [www.set.or.th](http://www.set.or.th))

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## 2. Control Dilution

After the Offering, the control dilution will be subject to the exercise of the rights to purchase newly issued ordinary shares of each of ESOP Qualified Employees. In the case that ESOP Qualified Employees exercise all their rights to purchase newly issued ordinary shares, there will be control dilution to the voting rights of the existing shareholders to be decreased at approximately 0.99 percent as shown in the calculation below:

$$\frac{\text{Number of Shares reserved for the Offering}}{\text{Number of paid – up shares} + \text{Number of Shares reserved for the Offering}} \\ 0.99 \text{ percent} = \frac{1,992,180}{199,218,000 + 1,992,180}$$

## 3. Earnings per Share Dilution

After the Offering, the earnings per share dilution will be subject to the exercise of the rights to purchase newly issued ordinary shares of each of ESOP Qualified Employees. In the case that ESOP Qualified Employees exercise all their rights to purchase newly issued ordinary shares, the earnings per share will be affected, being reduced at approximately 0.99 percent as shown in the calculation below:

$$\frac{\text{EPS before the Offering} - \text{EPS after the Offering}}{\text{EPS before the Offering}} \\ 0.99 \text{ percent} = \frac{2.05 - 2.03}{2.05}$$

EPS before the Offering is calculated from:

$$\frac{\text{Net Profit}}{\text{Number of paid – up shares}} \\ \text{Baht per share } 2.05 = \frac{408,319,999}{199,218,000}$$

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and EPS after the Offering is calculated from:

$$\text{Baht per share 2.03} = \frac{\text{Net Profit}}{\text{Number of paid – up shares} + \text{Number of Shares reserved for the Offering}}$$

$$= \frac{408,319,999}{199,218,000 + 1,992,180}$$

Remark: Net profit is calculated from the net profit attributable to the parent company during 12-month period from 1 July 2018 to 30 June 2019.

### 3. Criteria, condition and method for Offering of Shares under HTC ESOP Scheme

#### 3.1 Method for Offering of the Shares under HTC ESOP Scheme

The Company will offer the Shares of not exceeding 1,992,180 shares to the ESOP Qualified Employees under the HTC ESOP Scheme. Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer is authorized to determine the subscription period, the list of ESOP Qualified Employees and the number of the Shares to be offered to each ESOP Qualified Employee, as well as other details regarding the HTC ESOP Scheme as far as not contrary to the Notification of the Capital Market Supervisory Board No. Tor Jor. 32/2551 Re: Offer for Sale of Newly-issued Securities to Directors or Employees dated 15 December 2008 (including any amendment thereto) ("**Notification No. Tor Jor. 32/2551**"). In this regard, the number of the Shares that Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer will offer to each ESOP Qualified Employee is limited to 5 percent of the total number of the Shares offered under the HTC ESOP Scheme.

In case where there are shares remaining from the subscription for the Shares under the HTC ESOP Scheme to ESOP Qualified Employees, Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer is authorized to consider and allocate such remaining shares to other ESOP Qualified Employees who has declared his/her intention to oversubscribe the Shares. However, the allocation of such oversubscribed shares shall not cause any of ESOP Qualified Employee being allocated the Shares, both by allocation according

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to his/her right and by oversubscription, in excess of 5 percent of the Shares offered under the HTC ESOP Scheme.

In the event that there are shares remaining from the allocation to the abovementioned ESOP Qualified Employees, the Company shall proceed with capital decrease by cancelling the Shares which have not been allocated accordingly.

**3.2 Eligibility criteria for the Offering under the HTC ESOP Scheme**

- (1) An ESOP Qualified Employee must be an employee of the Company on the Board of Directors' Meeting No. 5/2019 held on 6 September 2019 (the "**Determination Date**").
- (2) An ESOP Qualified Employee has declared his/her intention to participate in the HTC ESOP Scheme according to the terms, conditions, rules, procedures, and within period of time prescribed by the Company.
- (3) The number of the Shares to be offered to each of ESOP Qualified Employees does not have to be equal, but may be varied depending on his/her duration of their services and/or job position and/or scope of their duties and responsibilities during the relevant period, including their past dedications and contributions to the Company. Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer has the discretion to specify names of the management and/or employees and determine and/or change the number of the Shares to be offered to each ESOP Qualified Employee under the HTC ESOP Scheme.

**4. Conditions for subscription for the Shares under the HTC ESOP Scheme**

- 4.1 Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer is authorized to specify the date for the subscription of the Shares to be offered to the ESOP Qualified Employees. Moreover, Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer has the discretion to limit the number of the Shares to be subscribed on the subscription date and take any action necessary and appropriate for determining all other details for subscribing for the

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Shares under the HTC ESOP Scheme as far as not contrary to the Notification No. Tor Jor. 32/2551.

- 4.2 Unless otherwise specified in Clause 4.3, an ESOP Qualified Employee who will subscribe for the Shares on the specified subscription date must be an employee of the Company as at the relevant subscription date.
- 4.3 Unless Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer resolves otherwise, if any ESOP Qualified Employee's employment status with the Company is terminated or discharged before or on the relevant subscription date as a result of his/her voluntary resignation, retirement pursuant to the Company's regulations, misconduct from the position of the management and/or employee or being sentenced to imprisonment, it shall be acknowledged that employee has no right to subscribe for a portion of the Shares to which he/she is entitled, and that any declaration of intention made by him/her to the Company (if any) is extinguished as from the date of termination of his/her employment status with the Company. Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer shall re-allocate such remaining shares to other ESOP Qualified Employees, as deemed appropriate. Such re-allocation shall not cause any of ESOP Qualified Employees to be offered in aggregate of more than 5 percent of the total number of the Shares offered under the HTC ESOP Scheme.
- 4.4 In any case, the allocation of the Shares under the HTC ESOP Scheme shall not cause any shareholders of the Company (including the person prescribed in Section 258 of the Securities and Exchange Act B.E. 2535 (including any amendment thereto) of such shareholder) to hold shares in the following manners:
- (a) holding of shares in an amount that reaches or surpasses the trigger point requiring such person to make a tender offer as required by the Notification of the Capital Market Supervisory Board No. Tor Jor. 12/2554 Re: Rules, Condition and Procedures for the Acquisition of Securities for Business Takeovers (including any amendment thereto) ("**Notification No. Tor Jor. 12/2554**") (except such shareholder is waived

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from the obligation to make a tender offer for all of the securities of the Company as prescribed in the Notification No. Tor Jor. 12/2554); or

- (b) violating the foreign shareholding limitation as specified in the Articles of Association of the Company which currently allows foreigners to hold shares in the Company not exceeding 35 percent of the total issued and paid-up shares of the Company, and the Company reserves the right not to allocate the Shares to any ESOP Qualified Employees if such allocation causes or may result in violation of any law or regulations relating to the issuance and offering of securities under Thai law.

- 4.5 Unless Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer resolves otherwise, in case where any ESOP Qualified Employee's employment status with the Company is terminated or discharged before or on the date falling three years after the date on which he/she becomes the legal owner of the Shares under the HTC ESOP Scheme as a result of his/her voluntary resignation, misconduct from the position of the management and/or employee, employment termination or removal from his/her position or being sentenced to imprisonment, such events will be a condition for such ESOP Qualified Employee to sell the Shares under the HTC ESOP Scheme held by that employee in the SET where the amount of proceeds that such employee will be entitled to receive is equivalent to (i) the subscription payment by such employee or (ii) the proceeds from shares sales, whichever is lower.

In case of voluntary resignation, the Company shall also reimburse capital gain tax (if any) arising directly from subscription of the Shares to the resigning ESOP Qualified Employee, provided that he/she shall submit personal income tax documents filed with the Revenue Department (e.g. P.N.D.91) of the taxation year in which he/she subscribes the Shares and/or other documents as the Company deems appropriate to the Company to be an evidence for the reimbursement to such resigning ESOP Qualified Employee.



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4.6 Each ESOP Qualified Employee must subscribe for the Shares based on his/her rights and pay the subscription price on the subscription date or any date as may be extended by Maj. Gen. Patchara Rattakul, the Chief Executive Officer, or any person designated by the Chief Executive Officer.

**5. Agreement between the Company and the ESOP Qualified Employees**

Once an ESOP Qualified Employee exercises the subscription right and is allocated the Shares under the HTC ESOP Scheme, he/she shall enter into an agreement relating to the sales of the Shares that have been allocated in accordance with Clause 4.5 and the prohibition of the disposition of all the Shares under the Offering for a period of three years from the date on which he/she becomes the legal owner of the Shares (the “**Lock-up Conditions**”).

In this regard, the Board of Directors and/or Chief Executive Officer preserve rights to amend the Lock-up Conditions, as well as the duration of the lock-up period at their own discretion, without further diminishing or confining the rights of the management and/or employees of the Company from the existing conditions.

**6. Application for official authorization to offer the Shares**

6.1 The Company shall seek for an approval from the Extraordinary General Meeting of Shareholders No.1/2019 on 21 October 2019.

6.2 The Company shall apply for registration of the increase of registered capital and the amendment of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce in accordance to the capital increase.

6.3 The Company shall apply for approval from the SET to register the newly issued ordinary shares as listed securities in the SET.

6.4 The Company shall proceed to offer the Shares to its management and/or employees. The Shares are subject to the regulations, conditions and standards prescribed in the Notification No. Tor Jor. 32/2551.

**7. Right of shareholders to oppose the Offering**

The Offering of the Shares under the HTC ESOP Scheme must be approved by the shareholders' meeting by not less than three-quarters (3/4) of the total votes of the shareholders attending the meeting and having the right to vote and no shareholder(s) having an aggregate shareholding of more than 10 percent of the votes of the shareholders attending the meeting shall vote in opposition to the Offering under the HTC ESOP Scheme.

**8. List of independent directors whom the shareholders may appoint as their proxies to attend the shareholders' meeting**

Shareholders can appoint any of the following independent directors as their proxies to exercise right on behalf of the shareholders according to the details and procedures specified in the notice of the shareholders' meeting.

- 1) Mr. Prakit Pradipasen
- 2) Ms. Smornluk Mahasmiti
- 3) Mr. Yanyong Maethapanich