



Board of Directors Charter

P.S.P. Specialties Public Company Limited

Board of Directors Charter

The Board of Directors plays a fundamental role in overseeing Company management, namely determining the Company Outlook of corporate vision, mission, direction, strategy, goals, and favorable outcomes thereto with the best interests of the Company and its shareholders at heart. As the cornerstone of Company checks and balances, the board has the duties and responsibilities to decide significant organizational matters and assess the performance of various committees, among other matters, under the Corporate Compliance Policy, including overbearing legal provisions and requirements as well as Company bylaws, objectives, and shareholder meeting resolutions.

1. Composition of the Board of Directors

The board is composed as follows:

- 1.1 Whereas the total number of board members is decided by the shareholders' meeting, it must consist of no less than 5 directors and at least half have to reside in the Kingdom.
- 1.2 At least a third of the total number of board members must be independent directors, but not less than 3 members.
- 1.3 When the board Chairman is not an independent director, the board will consider appointing one independent director to jointly determine agendas in board meetings, per good Corporate Governance Principles for Listed Companies 2017.

The board must elect one director that does not hold the position of the Chief Executive Officer as its Chairman and may consider selecting one director or more as the Vice Chairperson of the board as it deems appropriate.

2. Qualifications and Qualities of Board of Directors Members

Board of Directors must:

- 2.1 Exhibit important expertise, experience, abilities, honesty, business ethics, and sufficient time to dedicate the qualities to performing Company duties.
- 2.2 Meet the qualifications criteria without exhibiting (i) any prohibited characteristics per legal requirements for public limited companies and securities and stock exchange, among other relevant laws, or (ii) characteristics indicating a lack of suitability or reliability to manage a

publicly listed company that is freely traded on the stock exchange under the SEC and other relevant criteria.

- 2.3 Have sufficient time to devote to the Company and attentively perform assigned duties and responsibilities. Directorship in other companies is allowed if it does not inhibit performing as a Company director and is in compliance with the guidelines of the Office of the Securities and Exchange Commission ("Office Kor. SEC") and the Stock Exchange of Thailand ("SET").
- 2.4 Neither is (i) operating a Competitor, i.e., any business that is of the same nature and competing with the business of the Group, nor (ii) an Inside Competitor, i.e., a partner or director of any juridical entity operating a Competitor, regardless of the beneficiary, unless it is notified to the shareholders' meeting prior to the appointment resolution.
- 2.5 Exhibit independence and the ability to avoid and prevent conflicts of interest, i.e., has at heart the best interests of all shareholders and can treat them equitably and objectively under Company bylaws and Capital Market Supervisory Board legal provisions and requirements. The Board of Directors' meeting attendance is compulsory for independent directors where their independent opinions are required.

Each independent director shall have the characteristics in accordance with the following regulations:

- (a) holding no more than one percent of the total voting shares of the applicant, parent company, subsidiary, associate company, major shareholder, or controlling person of the applicant, including shares held by the connected persons of such independent director.
- (b) not being or having been an executive director, employee, staff, advisor earning a regular monthly salary or the controlling person of the applicant, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder, or controlling person, unless the foregoing status has ended for at least two years prior to the date of filing the application with the SEC Office. In this regard, such prohibited characteristics shall exclude the case where an independent director used to be a government official or advisor of a governmental agency, which is a major shareholder or the controlling person of the applicant.

- (c) not being a person who is related by blood or legal registration as father, mother, spouse, sibling, and child, including the spouse of a child, other directors, executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the applicant or its subsidiary.
- (d) not having or having had a business relationship with the applicant, its parent company, subsidiary, associate company, major shareholder, or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the applicant, its parent company, subsidiary, associate company, major shareholder, or controlling person, unless such foregoing relationships have ended for at least two years prior to the date of filing.

The business relationship under Paragraph 1 shall include normal business transactions, rental or lease of real estate, transactions related to assets or services, or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the applicant or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the applicant or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person

- (e) not being or having been an auditor of the applicant, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the applicant, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than two years prior to the date of filing the application.

- (f) not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor and being paid a service fee of more than two million baht per year by the applicant, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than two years prior to the date of filing the application.
- (g) not being a director who is appointed as the representative of directors of the applicant, major shareholder, or shareholder who is a connected person of a majority shareholder.
- (h) not undertaking any business of the same nature and in significant competition with the business of the applicant or its subsidiary, or not being a significant partner in a partnership, or an *executive director*, employee, staff, advisor earning a regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the applicant or its subsidiary.
- (i) not having any other characteristics that cause the inability to express independent opinions on the business operation of the applicant.

3. Appointments and Term of Office of Board of Directors Members

- 3.1 The Nomination and Remuneration Committee recruits qualifying persons as specified in item 2. above for Company directorship and nominates them to the Board of Directors for consideration and subsequently to the shareholders' meeting for final voting and possible appointment. Company directors are required to hold office for a term of 3 years, whereas independent directors can hold a continuous term of office for up to 9 years and possibly longer should the board determine directorship extension is in the best interest of the Company.
- 3.2 The shareholders' meeting elects Company directors, whereas the board can appoint a candidate that satisfies the qualities specified in item 2. to directorship for vacancies of any reason other than retirement by rotation. When an early vacancy remains a term of office of 2

months or shorter, the appointed director is to serve out the position for the time remaining after the vacating director leaves. The board resolution for such an appointment must consist of no less than three-fourths of the remaining directors.

3.3 A third of the total directors are to retire from office upon the annual general shareholders' meeting that takes place every year. If a third is indivisible by 3 without leaving a remainder, the number of retiring directors is to be the closest possible to a third, where the retiring directors may be subsequently re-elected. The retirement of directors in the first and the second year after the Company's registration with the stock exchange is to be decided by lot, whereas directors with the longest time in office shall retire first in the years thereafter. In retiring by rotation, Company directors vacate their office upon:

- 1) mortality
- 2) resignation
- 3) lacking the necessary qualifications or qualities to continue service, exhibiting prohibited characteristics per legal stipulations for public limited companies, or, characteristics that indicate a lack of suitability to be entrusted with managing a publicly listed company owned by shareholders per SEC legal provisions.
- 4) The meeting of shareholders voted out of position.
- 5) dismissal by court order.

Any Company director who wishes to quit their post must submit their resignation letter to the Company.

3.4 For directorship resignations before the term of office expiry, the director is to submit a resignation letter with reasons for resigning to the Chairman of the Board of Directors at least 30 days in advance, unless necessary and appropriate.

4. Board of Directors Scope: Powers, Duties, and Responsibilities

The Board of Directors must perform supervisory duties and capacities with responsibility, caution, and honesty in pursuit of favorable outcomes and corporate objectives under Company bylaws, policies, and resolutions of the shareholders' meeting, as well as overarching legal provisions and requirements, with the best interest of the shareholders and the Company at heart. The Board of Directors is endowed with the following powers and responsibilities:

4.1 Determine the Company Outlooks of corporate vision, mission, direction, bylaws, goals, and favorable outcomes thereto and approve the Executive Framework of corporate strategies, objectives, risk management, and policies therein and the Executive Plans to manage

Company and Group business, budgets, expansions, and investments thereon, as well as the organizational structure, scopes of authority, and chains of command required in the execution thereof, as presented by the Executive Committee or the Executives. The board is also responsible for supervising the performance of the Company Chief Executive Officer, or the assigned attorney performing on their behalf, for the efficiency-effectiveness in making the most of organizational value under the Company Compliance Policy with the best benefits of the Company and shareholders at heart.

- 4.2 Consider committee and subcommittee appointments, such as the Audit and Corporate Governance Committee, the Executive Committee, and the Nomination and Remuneration Committee, among others, to assist and support the board in performing its duties as appropriately delegated. Related policy, roles, responsibilities, and standard operating procedures are clearly defined by the board and presented, along with the remuneration for the board and committee members proposed by the Nomination and Remuneration Committee, in the shareholders' meeting for approval.
- 4.3 Consider and determine the appropriate responsibilities, required authority, remuneration, and appointment of the Chief Executive Officer, as proposed by the Nomination and Remuneration Committee, and assess in-office performance and remuneration adjustments thereof.
- 4.4 Consider appointing qualifying persons as a director or executive in a Company Associate or a joint venture as a Company Representative, the former—in numbers equal to or greater than the proportion of voting shares the Company holds in that associate, the latter—where a joint venture contract is agreed. The scope of powers, duties, and responsibilities of the Company Representative at the Company Associate are clearly defined for maintaining and exercising management control across Company Associates under Company policies, encompassing the power to exercise clear discretion in (i) considering and votings in the Associate's board meetings on all important matters that require approval of the Company's Board of Directors in advance, and (ii) overseeing complete, accurate, and appropriate transactional compliance with Company bylaws and legal stipulations, namely in disclosing of financial status, operating results, connected transactions, and significant asset acquisitions or disposals, among others.

- 4.5 Supervise and monitor the Group's operational alignment with Company business objectives, plans, and budgets, as well as acknowledge reports and assess the performance of the Executive Committee and other subcommittees in following the objectives, plans, and budgets, and achieving them.
- 4.6 Consider and approve the Risk Management Policy and framework in determining the Company's Risk Appetite and implementing the Enterprise Risk Management System Plan, as proposed by the Executive Committee.
- 4.7 Acknowledge flagged risks and factors that may unfold, forthcome applicable and thorough advice and opinions to the Executive Committee and supervise the committee for proper management under the plan to establish and implement Enterprise Risk Management System and efficient-effective Risk Management Policy protocols and processes to ensure readiness in addressing flagged risks amidst the Company's quest for business opportunities.
- 4.8 Supervise Company internal control capacities to ensure efficient-effective Internal Control systems for auditing and consider and approve the System Sufficiency Assessment Form reviewed by the Audit and Corporate Governance Committee. Supervise a Company-wide Risk Management Policy capacity and the Enterprise Risk Management System implementation plan, including a feedback mechanism and channels for receiving complaints and taking action alongside whistleblowing venues.
- 4.9 Supervise professional development and succession plans for the Company and long-term business continuity under the plans.
- 4.10 Consider and approve investment budgets for various operations and resort to financial institutions as needed for financial assistance or credit, including guaranteeing contracts for normal Group business operations under Company bylaws and SEC—SET legal requirements.
- 4.11 Consider and approve transactions proposed by Company committees and management, as well as acknowledge and supervise Group transactional engagements in complying with relevant Securities Act and SEC—SET legal requirements, namely of connected transactions and significant asset acquisition or disposal, to the extent consistent with other laws.
- 4.12 Consider and approve entering business-as-usual contracts, operations, and transactions to support normal business activities under general trading conditions, namely financial

capacities in, e.g., opening and closing accounts, entering transactions for funds and services, transactions with commercial banks or financial institutions, among others.

- 4.13 Supervise the Group for appropriate, reliable, and efficient-effective systems in its accounting and financial reporting-auditing for financial reports preparation and financial statements disclosure under pertinent SET and legal requirements and standards for financial reporting and timeframe.
- 4.14 Consider and approve audited quarter financial statements, including audited annual financial statements, and present them to the annual general meeting of shareholders for consideration and approval.
- 4.15 Consider and approve the selection and appointment of auditors and appropriate remuneration thereof, as proposed by the Audit and Corporate Governance Committee, and present to the general shareholders' annual meeting for approval.
- 4.16 Consider and decide the interim dividend payouts to shareholders on a case-by-case basis. Consider and approve the annual dividend payouts and propose them to the shareholders at the annual general meeting for approval.
- 4.17 Consider and approve the Corporate Governance Policy, the Corporate Social Responsibilities Policy, Anti-Corruption, and Code of Conduct and issue policies in accordance with the principles of good governance and effectively adapt the policies.
- 4.18 Supervise Conflicts of Interest between stakeholder parties in the Group and Associated Company, requiring all personnel to promptly declare to the Company stakeholders of themselves as well as their legally recognized family members.
- 4.19 Acknowledge contractual performance results and assessments, taking actions according to Audit and Corporate Governance Committee recommendations to avoid Conflicts of Interest.
- 4.20 With the Audit and Corporate Governance Committee go-ahead, notify injunctive relief to contractual parties of meeting agendas with potential conflicts of interest.
- 4.21 Consider and approve the Related Party Transactions under the authorized amounts, where the shareholders' approval is not required, e.g., trade agreements under general trading conditions, connected transactions between Company Associates with potential conflicts of interest, among others, and set and authorize a management framework to overlook such

transactions and engagements in compliance with Company bylaws and legal requirements and standards.

- 4.22 Consider and approve the acquisition or disposal of assets, new business investments, and other engagements where the transaction size does not require shareholder's consideration, in compliance with the applicable laws, notifications, regulations, and relevant rules.
- 4.23 Arrange the annual general meeting of shareholders within 4 months after the end of the Company's financial year.
- 4.24 Provide appropriate communication channels for each shareholders group and supervise the disclosure of information to ensure accuracy, clarity, transparency, and credibility of the highest standards.
- 4.25 Prepare the Annual Report and the disclosure of financial statements to reflect the Company's financial operating results and status of the past year to be presented to the shareholders' meeting.
- 4.26 Consider and approve the Company Signatory Authority Roster, i.e., a list of directors who can sign legally binding contracts on behalf of the Company, as well as roster revisions.
- 4.27 Consider where necessary to obtain the professional opinions of experts in making appropriate and informed decisions.
- 4.28 Consider appointing the Company Secretary to assist the board in performing its duties to ensure business operations comply with relevant legal provisions and requirements.
- 4.29 Assign one or more directors or other persons to act on behalf of the board where appropriate.
- 4.30 Consider performance assessment results of committees and provide opinions and suggestions for performance improvement.

In the delegation of board duties and responsibilities, it must not be to allow the board or its designee to approve any transaction with conflicts of interest, either of themselves or another conflicted person, regardless of the incurred benefit or the beneficiary, except for transactions approved by a shareholders' meeting resolution or the Board of Directors under existing Company bylaws and criteria, as well as relevant SEC and Capital Market Supervisory Board legal requirements.

5. Board of Directors Meetings

- 5.1 The Board of Directors meeting is held at least once per quarter, with the meeting dates scheduled in advance throughout the year and special meetings added as necessary.
- 5.2 In calling a board meeting, the invitation letter together with the meeting agenda and supporting documents must be sent to all directors at least 3 days before the meeting date to allow the directors sufficient time to study the information. For urgent matters that require immediate resolution to preserve a significant right or benefit of the Company, invitation letters can be notified to attendees electronically along with other means to notify the earlier than usual date.
- 5.3 The board Chairman calls Board of Directors meetings. In the absence of or position vacancy thereof, the board's Vice Chairperson calls the meeting. In the absence thereof, two or more directors may jointly call the meeting.
- 5.4 When two or more directors call a board meeting, the board's Chairman or their designee may schedule the meeting date within 14 days from the date the meeting was called.
- 5.5 The board meeting may be held via teleconference when conducted under bylaws and criteria as well as relevant legal provisions and requirements.
- 5.6 A director with any conflicts of interest related to a meeting agenda being voted must abstain from attending and voting on that agenda, allowing it to continue with open discussions and independent opinions.
- 5.7 The board's Chairman is responsible for chairing and controlling board meeting discussions under the meeting agenda as well as encouraging open and full participation from all attending directors in, e.g., asking and answering questions, making remarks or suggestions, and giving advice to executives and supporting Company business.
- 5.8 The Board shall encourage the Non-Executive Directors to have a meeting, when necessary, with no Executive attended, to discuss any concerned difficulties in management, and inform the result of the Meeting to the Chief Executive Officer.

6. Quorum and Voting

- 6.1 At least half of all board members must be present at the meeting to constitute a Board of Directors quorum. When the Chairman is absent or incapacitated, the board's Vice Chairman present at the meeting chairs the meeting. When the Vice Chairman is absent or incapacitated, or the position is vacant, the directors present at the meeting may elect one of the directors to chair the meeting.
- 6.2 Board meeting resolutions are based on the majority vote.
- 6.3 In board meeting votings, each attendee has the right to 1 vote. Directors with any conflicts of interest related to a board meeting agenda must abstain from attending and voting on that agenda. For tied vote counts, the meeting Chairman can cast a tiebreaker vote to decide the resolution.

7. Performance Assessment of the Board of Directors

- 7.1 A performance assessment is arranged for the board at least once a year, i.e., the annual performance assessment, assessing the board both as a group and individually per board member, either by self-assessment or cross-assessment, to evaluate board performance and problems as well as propose solutions to improve operational efficiency.
- 7.2 For the annual board performance assessment, the board may appoint external consultants to jointly consider, determine guidelines, and suggest areas for assessment at least every third year and disclose the results in the annual report (56-1 One Report).

8. Remuneration

The board determines the remuneration policy for board and sub-committee members, both monetary and non-monetary, as proposed by the Nomination and Remuneration Committee. The remuneration process must be transparent and appropriate. The remuneration rate must be fair and comparable, considering the duties, responsibilities, and competitive standards in the same industry, and approved by the shareholders' meeting.

9. Charter Review

This charter is reviewed at least once a year, with improvement recommendations as appropriate.

This Board of Directors Charter is approved by the Board of Directors and is effective from the 19th of December 2023, onwards.