



Corporate Governance

P.S.P. Specialties Public Company Limited

Corporate Governance

The Board of Directors of P.S.P. Specialties Public Company Limited (the “Company”) and its subsidiaries (the “Group”) abide by the Principles of Corporate Governance of Listed Companies (2012 and 2017), namely integrity, sustainability, accountability, transparency, and verifiability as guidelines for optimal business operations that infuse confidence among Group investors, customers, partners and the public alike in the pursuit of favorable outcomes under the Company Outlook, the meeting resolutions of shareholders and Board of Directors, and the Corporate Compliance Policy, namely the Corporate Governance principles of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) as well as the legal provisions and requirements thereof.

The principles of Corporate Governance are presented in 5 categories as follows:

Section 1: The right of Shareholders

Basic shareholder rights include the right to 1) buy, sell, or transfer shares 2) share in the profit of the company 3) obtain relevant and adequate information on the company in a timely manner and on a regular basis 4) participate and vote in shareholder meetings to elect or remove members of the board, appoint the external auditor, and make decisions on any transactions that affect the company, such as dividend payment, amendments to the company's articles of association or bylaws, capital increases or decreases, or the approval of extraordinary transactions. The Company has the mission of promoting and facilitating the exercise of such shareholder's rights as follows.:

- (1) Support and encourage all shareholders' basic rights, including:
 - The right to buy, sell, and transfer shares and right to dividends.
 - The right to receive adequate, timely information.
 - To attend and vote in the shareholders' meetings per legal provisions or policy to decide important Company changes, with encouraged and facilitated attendance of shareholders and investors to the meetings.
 - To exercise other basic shareholder rights under pertaining legal provisions.
- (2) For each shareholders' meeting, a Record Date comes into force to give shareholders more time to peruse meeting notices and other information ahead of the meeting.
- (3) Information packages relating to the meeting date, time, venue, and agenda are provided together with explanations and reasons supporting each agenda, or proposals for consideration as specified in

the Notice to the Annual Meeting. Any action that limits the opportunity of the shareholders to study the information on the Company is avoided. The meeting notice must be sent to attendees and the registrar no less than 14 days before the meeting, with 3 consecutive days of advertisement through a newspaper medium and no less than 30 days of publication on the Company website before the meeting unless necessary or reasonable otherwise, in which case the Company is obliged to continually comply with relevant bylaws and announcements with the utmost ability to allow shareholders to receive information as soon as possible before the meeting date.

- (4) Facilitate all shareholder participation and voting in meetings and refrain from any action that could limit the opportunities of the shareholders to attend the meeting. The procedures for attending and voting should not be complicated or too costly for shareholders, and the meeting location should have a sufficient size and be easily accessible.
- (5) Before a scheduled meeting date, shareholders are given the opportunity to send their opinions and recommendations by clearly determining the criteria for submission of questions in advance and publishing on the Company's website.
- (6) The company encourages shareholders to use the proxy form format that shareholders can assign directions to vote and nominate independent directors at least 1 person as an alternative to shareholder's proxy. Moreover, the company provides the proxy form which is enclosed in the meeting invitation letter proxy with details of the documents and evidence.
- (7) Clearly inform the shareholders of the regulations controlling the shareholders' meeting and the voting procedures at the beginning of the meeting.
- (8) Before the meeting, the President and Chief Executive Officer explain the ballot-casting procedure and ballot-casting on each agenda item. The President and Chief Executive Officer also solicit shareholders' volunteers to witness ballot counting.
- (9) Encourage all directors and executives to attend the shareholders' meetings to respond to questions and acknowledge the opinions of shareholders.
- (10) In the Shareholders' Meeting, voting is made separately for each item in the case of several items in an agenda, such as the election of directors.
- (11) The Company will encourage the use of ballots on every agenda, for transparency and verification of vote counting.

- (12) The Company will have an independent person help in the counting of votes on each agenda and disclose to the meeting also recorded in the minutes.
- (13) The company encourages the use of technology in the Shareholders' Meetings, including registration of the attending shareholders and vote counting and reporting, so that the meeting can be conducted quickly, accurately, and precisely.
- (14) After the shareholders' meeting has been completed the company will prepare the minutes accurately and completely in all material matters, minutes of the meeting which include important questions, comments, and suggestions, for review by shareholders. The Company shall submit the resolution of the shareholders' meeting to the channel of the SET and disclose it on the Company's website for the shareholders' consideration.
- (15) The Company shall submit the resolution of the shareholders' meeting to the SET and disclose on the Company's website within 14 days after the shareholders' meeting.

Section 2: Equitable Treatment of Shareholders

The Group has devised policies and guidelines for fair treatment of all shareholders, whether minor investors or institutional ones, both in and outside the country, to exercise their rights as follows: :

- (1) Shareholders are entitled to vote in accordance with the number of shares that they hold, and all users have equal access to information and functionality.
- (2) The board of directors should ensure that the company releases its annual general meeting notice, with detailed agenda and explanatory circulars, not less than prescribes by laws before the date of the meeting.
- (3) The Company will set rules on how to provide shareholders, to nominate a director, by submitting details of nominees and consent letters to the Chairman of the Board prior to the Shareholders' Meeting. Including, supporting information for consideration, such as detailed information on the qualifications of the proposed candidates, and the candidates' letters of consent.
- (4) The board, in advance of the meeting date, should have pre-determined criteria for allowing shareholders to propose any agenda item and screening those proposed by them.

- (5) If a shareholder in a management position wishes to add any agenda item, he/she should notify other shareholders in advance, especially if it is an issue that will require shareholders to spend a good deal of time studying before deciding.
- (6) In each conducted shareholders 'meeting, the company will provide an equal opportunity for all shareholders. Before the meeting starts, the Chairman will inform the rules of the meeting, the shareholder voting process, and how the shareholders can vote on each item.
- (7) The process used in the election of directors should allow shareholders to vote on individual nominees.
- (8) The board should require that directors inform the board of their conflicts of interest regarding each agenda item before consideration by the board; such conflicts should be minuted. Including, board members are prohibited to abstain from participating in the board discussion on a particular agenda item in which a given director has a conflict of interest.
- (9) The group should be written procedures concerning the use and protection of inside information in order to establish these procedures and communicate them to everyone in the company.
- (10) Every director and executive should regularly submit to the board a report on their ownership of the company's shares and this information should be disclosed in the firm's annual report.

Section 3: The Role of Interested Persons

The Group values and prioritizes the rights of stakeholders, be they internal stakeholders, such as shareholders and Group employees, or external stakeholders, such as partners and customers. The support and opinions from all stakeholding groups are beneficial to operational success and business development. The Group thus complies with pertinent legal provisions, requirements, and bylaws and any actions that can be considered in violation of stakeholders' legal rights should be prohibited. Any violation should be effectively addressed with policies set to treat each group according to their unique rights and existing agreements without violating the rights of any stakeholder.

The Group accounts for the rights of all stakeholding groups in conducting business and follows the Company Code of Conduct guidelines for fair, open, and accessible treatment to all.

Stakeholders may at any time query Company details and report complaints or clues on wrongdoing through the designated whistleblowing channel, composed of independent Company directors or the Audit and Corporate Governance Committee, be it inaccurate financial reports, insider trading, defective internal control systems, or other violations of Company bylaws. The Company keeps reported complaints and submits whistleblowing clues and evidence confidential while the designated whistleblowing agent investigates the case, finds, and reports solutions to the Board of Directors, if any.

Section 4: Information Disclosure and Transparency

Paramount importance is placed on the disclosure of accurate, complete, timely, and transparent Group information under SEC—SET standards, be it financial reports or other information that may affect the price of Company securities and the decision-making outcome of investors and stakeholders as follows:

- (1) Set its meeting schedule and agenda in advance and notify each director of the schedule so that each member of the board can manage time to attend meetings.
- (2) An Investor Relations Unit (IRU) is established to communicate with investors and shareholders. Company financial and general information is disclosed to shareholders, securities analysts, credit rating agencies, and other relevant agencies through various channels, namely the SEC and SET, including the Company's website. While Company information is disclosed in Thai regularly, it is also disclosed on the Company's website in English for foreign shareholders to receive regular updates. The information on the Company's website is constantly updated and includes the Company vision and mission, financial statements, press releases, and Annual Reports, as well as the structures of the Company, shareholdings, major shareholders, the Board of Directors, subcommittees, and executives, along with meeting invitations and other information.
- (3) The Company shall not disclose the company's significant information which has not yet been disclosed to the public to any unauthorized employee, any persons, or other parties (including investors, the media, and analysts) until such information has been disclosed to the public. Where disclosure is necessary, the company shall adhere to the rules, regulations, announcements, or notifications. Also, the company is obliged to disclose such information to the authority or an authorized person, be it an auditor, government agent, an adviser of financial, banking, legal, or other capacities, the Company will take steps to ensure that such person takes precautions in maintaining

confidentiality. Where necessary, the Company immediately notifies the SET to temporarily suspend trading of securities that have been made public without authorization.

- (4) The Company will disclose the financial statements that have been reviewed or audited by the Company's auditor, knowledge, expertise, and qualify as specified by law, and ensure that information dissemination is made in accordance with the specified requirements and through the Stock Exchange's channel for the benefits of shareholders and investors. Moreover, the Board of Directors assigns the Audit and Corporate Governance Committee to be responsible for reviewing the reliability and accuracy of financial reporting.
- (5) The board should encourage the company to make a Management Discussion and Analysis (MD&A) for each quarterly financial statement, to help investors better understand changes in the company's financial status and performance each quarter, not just be presented with the figures by themselves.
- (6) The board should ensure that its roles and responsibilities, together with those of its committees, the number of meetings held, the attendance record of each director, and the results of tasks assigned, including ongoing professional education or training of its directors, are disclosed in the annual report.
- (7) The disclosure of its remuneration according to regulations, should also disclose remuneration policies for directors and executives that correspond to the contributions and responsibilities of each person. Also, the board should disclose the forms and the amounts of payment to each person. If any director of the company is also a director of its subsidiaries, the amount paid by each subsidiary to each director should be disclosed per relevant legal requirements and bylaws as well.
- (8) Disclose auditors' audit and non-audit fees. In addition to disclosing information as specified in regulations through the SET, annual statements (Form 56-1), and annual reports, the board should disclose information, both in Thai and English, via other channels, such as the company's website. All disclosed information should be up to date.
- (9) The director and executive are required to file with the company a report on his interest or a related person's interest in relation to the management of the company or the subsidiary by filling out the Form for Reporting on Interest of the Director and Executive as per announced Capital Market Supervisory Board guidelines. A person appointed as a director, or an executive is required to submit a stakeholder report of their own or any related parties within thirty days from the appointment. Also, directors or executives and require to immediately report and submit the conflict of interest report form with

specified details of changes, either of themselves or their related person to the company. Conflicts of interest are reported in Board of Directors meetings quarterly.

Section 5: Roles and responsibilities of the board

1. Structure of the Board of Directors and Committees

The Board of Directors consists of persons with knowledge, skills, and experiences that can benefit the company. The board will play an important role in making policy and corporate overviews as well as supervising, monitoring, and evaluating the Company's performance in accordance with the plan.

The Board of Directors consists of at least 5 directors and shall consist of independent directors at least one-third of the number of the directors in the Board of Directors. But not be less than 3 persons have to be independent directors to appropriately balance the views and votes on various matters. All independent directors shall have qualifications as prescribed by the Capital Market Supervisory Board, regulations under stipulation from the Securities and Exchange Commission and Stock Exchange of Thailand, including laws and other related rules.

Independent directors have a term of office of 3 consecutive years but not more than 9 terms under the law unless there is an overriding necessity as deemed appropriate by the Board. Company directors can h

The Board of Directors has set up the following sub-committees to assist in the supervision of the company's operations. as follows:

(1) The Executive Committee consists of at least 3 executive directors to assist the Board of Directors in overseeing and monitoring the administration, including risk management in accordance with the policies, rules, regulations, plan and set forth within the framework assigned by the Board of Directors.

(2) The Audit and Corporate Governance Committee must consist of at least three independent directors, in order to provide oversight of business operations and management under proper, internal control, and to comply with relevant laws, including preparing financial reports and ensuring that Company operations and information disclosure are transparent and reliable.

(3) The Nomination and Remuneration Committee consists of not less than 3 members, with the majority being independent directors. The Chairman must be elected from and by the committee and must be an independent director. Including, reviewing and considering remuneration forms and criteria on the Board of Directors, subcommittees, and Chief Executive Officer in order to propose to the shareholder's meeting for approval accordingly.

The company has appointed the Company Secretary to perform duties related to the Board of Directors meetings and the shareholders' meetings. Including, serving the board by providing legal advice, taking care of the board's activities, and monitoring compliance with board resolutions.

2. Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors is responsible to the shareholders in overseeing the company's business operations to set the corporate vision, direct policies and important action plans, and align them with long-term benefits to shareholders under the framework of regulations and code of conduct. The Company also considers the benefits of all stakeholders. The board is responsible for Company operations under the following policies:

(1) Corporate Governance

The Company shall afford a good corporate governance policy and propose it to the board of directors for approval. Moreover, corporate governance is intended to serve the directors, executives, and employees as internal guidelines and practices and make regular reviews thereof within the proper timeframe to ensure updated and alignment with the current circumstances.

(2) Code of Conduct

The Company is committed to conducting its business with transparency, morality, and accountability to its stakeholders. The company has set a written code of conduct which is approved by the Board of Directors and has set the code of conduct for the Board of Directors, executives, and employees to strictly adhere to and follow.

(3) Conflicts of Interest Policy

The Company has carefully established a policy to help eliminate conflicts of interest with honesty, reasonableness, and independence under a framework of good ethics, taking into account, primarily, the interest of the Group. Transactions between the Company and/or its subsidiaries and connected persons and/or conflicting persons of the Company which may lead to conflicts of interest must be thoroughly considered by the Company's Audit and Corporate Governance Committee. Important related transactions and/or connected transactions must be approved by the Board of Directors or the shareholders' meeting, or both, as the case may be. The nature and size of the transaction must be in accordance with the relevant Capital Market Supervisory Board and the Securities and Exchange Commission regulations, whereby the parties involved or connected to the transaction are required to disclose stakeholders and relationship information to the Company and forfeit their rights to participate in the consideration and approve such transactions. However,

if the company and/or its subsidiaries need to enter into a related transaction and/or a connected transaction with a person who may have a conflict of interest and/or become a connected person of the company, the entering into such transaction must be under general commercial terms with fair prices and on a fair and at arms' length basis. In the event a fair price cannot be determined, the reports of an independent expert appointed by the Company will be relied upon to determine a fair price for both parties.

The Company has the policy to enter related transactions and/or connected transactions that are in line with the laws and regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, the SEC Office, and the Stock Exchange of Thailand, whereby the items are disclosed in the Annual Registration Statement/Annual Report (Form 56-1 One Report), as well as disclosed in the Company's financial statements in accordance with relevant financial reporting standards.

(4) Internal Control

The Company's Internal Control system is responsible for assuring supervisory and operational effectiveness-efficiency, reliable financial reporting, and compliance with laws, regulations, and policies, while the Internal Audit Unit (IAU) is responsible for evaluating the adequacy and efficiency of the Internal Control system under the audit plans approved by the Audit and Corporate Governance Committee, reporting audit results to the committee for consideration, and proposing to the Board of Directors for acknowledgment.

(5) Risk Management

The Company has set up a risk management policy or risk management process to minimize the impact on the Company's business properly. The Executive Committee set the following risk management and control internal and external of the company that is consistent with the direction, and strategies of the Company and presents it to the board for approval.

(6) Professional Development of directors, executives, and employees

Company representatives are approved and appointed by the Board of Directors to directorships in subsidiaries or associates ("Associate") to supervise and report operational results to the board every quarter. The proportion of representatives should according to the shareholding proportion of the Company and/or the agreement between the subsidiary and associated companies. Such a representative needs approval from a Board meeting. Moreover, in setting important policies on any important agenda of a subsidiary, the company needs approval by the board of directors in advance.

For Company subsidiaries, the representative is also responsible for supervising its (i) disclosure of the Company related transactions and any person who may have conflicts including acquisition-disposition of assets and reporting it to the Company for acknowledgment, (ii) preparation of financial statements that are accurate, complete, and timely for the Company's consolidated financial statements, and (iii) compliance with relevant legal stipulations, requirements, standards, and bylaws in so doing.

(7) **Whistleblowing Channels**

There should be an effective way for stakeholders to communicate to the board any concerns about illegal or unethical practices, incorrect financial reporting, insufficient internal control, etc. The rights of any person who communicates such concerns should be protected. However, Whistleblowing mechanisms and channels are put in place for whistleblowers to report or file complaints against Code of Conduct violations, be it unlawful wrongdoing, financial report inaccuracy, or defective internal control, among others. The Company whistleblowing authority is composed of independent directors and Audit and Corporate Governance Committee members. Complaints and reported clues remain confidential throughout the investigation-solution process, if any, and are reported to the board for acknowledgment.

(8) **Financial Reports**

The Audit and Corporate Governance Committee is responsible for reviewing financial reports alongside the accounting department and auditors and presenting them to the board quarterly, whereas the board is responsible for the Company's financial statements and information published in the Annual Report.

3. **The Board of Directors' Code of Conduct**

Principle 1: Establish Clear Leadership Roles and Responsibilities of the Board

The board should demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance.

Principle 2: Define Objectives that Promote Sustainable Value Creation

To achieve sustainable value creation, the board should exercise its leadership role and pursue the following governance outcomes.

Principle 3: Strengthen Board Effectiveness

The board should ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties and that the company operates in accordance with applicable laws and standards.

Principle 4: Ensure Effective Chief Executive Officer and People Management

The board should demonstrate a thorough understanding of the division of board and management responsibilities. The board should clearly define the roles and responsibilities of management and monitor management's proper performance of its duties.

Principle 5: Nurture Innovation and Responsible Business

The board should prioritize and promote innovation that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of the sustainable growth of the company and ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the company to meet its objectives.

Principle 6: Strengthen Effective Risk Management and Internal Control

The board should ensure that the company has effective and appropriate risk management and internal control systems that are aligned with the company's objectives, goals and strategies, and comply with applicable laws and standards. Moreover, the board should manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

Principle 7: Ensure Disclosure and Financial Integrity

The board must ensure the integrity of the company's financial reporting system and that timely and accurate disclosure of all material information regarding the company is made consistent with applicable requirements.

Moreover, the board should ensure that risks to the financial position of the company or financial difficulties are promptly identified, managed, and mitigated and that the company's governance framework provides for the consideration of stakeholder rights.

Principle 8: Ensure Engagement and Communication with Shareholders

The board should ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

4. Board of Directors Meetings and Self-Assessment

The Board should set its meeting at least once per quarter and hold additional special meetings as and when necessary, in advance. In summoning a meeting of the board of directors, the company shall send a written notice summoning a meeting to directors not less than three days prior to the date of the meeting except that, in the case of necessity or urgency for the purpose of protecting rights or benefits of the company, a summons of a meeting may be notified by other means and an earlier date of the meeting may be fixed. Special agendas can be added as necessary, provided there is proper documentation of meeting minutes and supporting documents for future reference. Meeting attendance of executives and persons with useful agenda-related knowledge is necessary to provide accurate and timely information in the decision-making process. Besides, The Board shall encourage the Non-Executive Directors to have a meeting, when necessary, with no Executives attended, to discuss any concerned difficulties in management, and inform the result of the Meeting to the Chief Executive Officer.

The board meeting resolutions of the Company and its subsidiary are decided by the majority vote, where every attendee is entitled to one 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.

The board encourages performance assessment at least once a year to keep abreast of potential business improvements, whereby the board and subcommittees undergo a self-assessment as a collective panel. SET assessment guidelines suitable to the nature and structure of the board are adopted with clearly defined assessment topics in advance. Useful opinions from completed assessments are gathered and presented in a board meeting, where the criteria, procedures, and overall evaluation results are disclosed in the subsequent annual report.

5. Remuneration

Board remuneration should be comparable to the industry level in which the company operates, and reflect the experience, obligations, scope of work, accountability, responsibilities, and contributions of each director. Members who are assigned to more tasks, such as committees, should be paid more. Presented by the Nomination and Remuneration Committee, the board decides the remuneration policy for board members and subcommittee members, monetary and non-monetary, where the shareholders' meeting decides and approves remuneration for the board. The remuneration process must be transparent and suitable for considering the prescribed work scope and comparable to business practices in the same industry.

6. Board and management training

The board should encourage and facilitate training for all internal parties related to corporate governance such as directors, members of the Audit and Corporate Governance Committee, executives, and the company secretary, etc. Training will enable them to continuously improve their performance and can be either internal or external training. New directors should be provided with all the documents and information useful to perform their duties, including an introduction to the nature of the business and the operations of the company.

The board should request the managing director to present them with the firm's succession plan on a regular basis. The managing director and top executives should assign successors in case they cannot perform their duties.

This Corporate Governance Policy is approved by the Board of Directors and is effective from the 19th of December 2023 onwards.