

Sahamitr Pressure Container PLC

# Board of Directors Charter

(1<sup>st</sup> Revised Edition)

The Charter was approved by the Board of Directors' Meeting No. 5/2023 held on 9 November, 2023. The previous version of charter (issued on 22 December 2022) was cancelled.

## Objectives

Board of Directors is established to represent shareholders, which is an important role in driving the corporation. The Board of Directors performs management duties and supervises the company to ensure that the company's operations are correct, transparent and verifiable for the best interests of the company and shareholders as a whole.

## Structure and Qualifications of the Board of Directors

1. Being qualified, and not being under any of the prohibitions under the Public Limited Companies Act, B.E.2535 or other pertinent laws, and also the regulations of the SET, SEC, and the company.
2. Possessing leadership, vision, and independence in making decisions for the best interests of the company and shareholders.
3. Being responsible to serve as the Board, and being able to commit to the duty of the Board of Directors, and also assuming accountability to shareholders and duty of care to protect the benefit of the company.
4. Performing the duties with honesty, ethics, adherence to laws, and also good corporate governance and business ethics.
5. The Board of Directors defines the number of directors that is appropriate for the company's business size with at least 5 and no more than 12 directors in accordance with the principle of good corporate governance. The Board of Directors consists of personnel with various qualifications such as skills, experience, and expertise that are useful to the company, as well as in accordance with the Board Skill matrix.
6. The Board of Directors includes independent directors with the proportion of at least one third of the total existing directors, not fewer than three independent directors, and including with at least 3 audit committees. In addition, independent directors must have the qualifications according to Section 17 of the Capital Market Supervisory Board Announcement No. TorChor. 39/2016 dated 30 September 2016, including in the selection of independent directors. The Board of Directors must consider the independence of those who will serve as independent directors in other dimensions as well.
7. Each director must not be a partner or a director in other juristic persons with the same business nature or competing with the business of the company.
8. The Board of Directors appoints sub-committees to support the performance of duties of the Board of Directors in various matters adequately and appropriately
9. The Chairman has appropriate qualifications and support the performance of duties of the Board of Directors

### **Policy and Term of Services of the Board of Directors**

1. At every annual general meeting, one-third (1/3) of the total number of directors shall retire. If the number of directors cannot be divided exactly into one-third, then the number closest to one-third shall be applied. The directors who have been in the services for the longest time, shall retire. Directors who retire by rotation may be re-elected.
2. In addition to the retirement according to topic 1, the directors will be dismissed as following reasons
  - (1) Pass away
  - (2) Resignation by submitting a letter to the company or the board of directors
  - (3) Lack of qualifications or having characteristics prohibited by law.
  - (4) Removal by a resolution of the shareholders' meeting with a vote of not less than three-fourths of the number of shareholders attending the meeting with the right to vote, and having shares altogether not less than half of the number of shares held by shareholders attending the meeting with the right to vote.
  - (5) Dismissal by the court order
3. If the director's position becomes vacant for other reasons besides the regular rotation, the Board of Directors, with a vote of not less than three-fourths of the number of remaining directors, is to elect a person who is qualified and does not have prohibited characteristics by law, to be a replacement director for the next Board of Directors' meeting unless the remaining term of the director is less than two months and the person who becomes a replacement director has the same remaining term of the director he replaces
4. An independent director has a term of services continuously not exceeding 9 years from the date of first appointment as an independent director, unless there is a justifiable reason.
5. Each director can hold directorship in no more than 5 listed companies, without any exception.

### **Roles, Duties and Responsibilities of the Board of Directors**

1. Perform duties with responsibility, caution and honesty, by proceeding as follows:
  - 1.1 Perform duties in accordance with the law, objectives, regulations of the company, as well as the resolutions of the shareholders' meeting with responsibilities, duty of loyalty, duty of care. Company directors must use their discretion in considering various matters on the basic principle that the decisions are made with honesty, integrity, and reasonableness based on adequate and appropriate information. Taking into account the interests of all stakeholders to ensure that the performances of duties of directors are truly for the best interest of the company and shareholders as a whole.
  - 1.2 Annually consider and approve important matters related to the company's operations such as vision, mission, strategies, financial goals, risks, anti-corruption measures, plans and budgets, by taking into account the interests of all stakeholders. The Board also has to monitor and supervise the management team to operate in accordance with the policies and plans with efficiency and effectiveness for sustainable development.
  - 1.3 Ensure that important matters as required by law or issues that may affect the company's business operations are included in the meeting agenda for the Board of Directors. In such meetings, the company directors must ensure that the management team provides and present appropriate, reliable and sufficient information for consideration. Making observations and asking questions must be raised for each issue, especially issues that are crucial to business operations, financial status, and operating results. As well as the issues that may lead the inappropriate action or cause a conflict of interest must be pointed out.

- 1.4 Consider the frequency of holding the Board of Directors' meetings to be appropriate and enough to follow and supervise the company to operate efficiently. This is especially crucial in cases where indications of adverse company behavior are found. The Board also has to supervise and ensure that the company records meeting minutes, opinions of each director, and the complete and accurate reasons used in the consideration. So that it will be the evidence to support the duty performances of the Board of Directors.
2. Ensure that listed companies have efficient, adequate, and appropriate internal control systems by doing the following:
  - 2.1 Consider, review and supervise the company to have an internal control system that is efficient and appropriate. The internal audit function must consist of personnels with sufficient knowledge and ability to perform their duties and are independent from the management team. They should report directly to the Audit Committee.
  - 2.2 Authorize the management team to approve transactions or payment for various expenses approved according to the business plan. It must be in line with the criteria and table of authority of the company. Company's Board of Directors reviews and approves Table of Authority to suit the changing conditions and size of business operations. The Board of Directors also ensures that there are checks and balances for approval of transactions independently and appropriately. The Board of Directors approves the amount of money that exceeds the authority of the management team. Besides, the Board also approves the principles for conducting matters related to the interests of the company as proposed by the management team, except for matters that are required by law to be approved by a shareholder meeting before proceeding.
  - 2.3 Consider the suitability of resource allocation in various areas for executing strategies and annual plans.
  - 2.4 If the company significantly expands its business scope internationally. Board of Directors must ensure that the company's overall internal control system is able to detect abnormalities and prevent corruption that may arise from transactions and operations of the subsidiaries.
  - 2.5 Review the suitability of the acceptable level of risk. The Board has to consider and approve the policy framework of risk management that is in line with the main goals and strategies of the business, as well as regularly assess the effectiveness of risk management.
3. Supervising and following up on transactions involving the acquisition or disposal of assets with Material Transaction ("MT") and Related Party Transactions ("RPT"), including fundraising transactions of listed companies, by proceeding as follows:
  - 3.1 Consider approving the connected transactions or transactions that may have conflicts of interest on an arm-length basis, as well as having guidelines for managing such transactions in accordance with the procedures. The Board is to disclose the information and seek approval from the shareholders' meeting, if eligible, in accordance with the announcement of the Stock Exchange of Thailand or the Securities and Exchange Commission or as required by law for the benefit of the company and its shareholders. The stakeholder committee will not participate in decision-making. Complete disclosure of information is to be conducted in every annual report.
  - 3.2 Consider approving the transaction of assets trading, acquisition, merger, division, and joint ventures with other persons or juristic persons as well as having guidelines for managing such transactions to be in accordance with the procedures. The Board is to disclose the information and seek approval from the shareholders' meeting, if eligible, in accordance with the announcement of the Stock Exchange of Thailand or the Securities and Exchange Commission or as required by law.

- 3.3 Ensure to have a mechanism for checking or appropriately review reasonableness before making company transactions, also review the internal control system to be consistent with such transactions. Especially when the company raises funds, the Board of Directors must ensure that the company has a system in place to monitor the funds usage to meet the disclosed objectives. In addition, after the transaction has been approved, the Board of Directors must enhance a mechanism for monitoring and reporting the progress of such transactions to keep the Board of Directors and shareholders informed continuously and appropriately. If any transactions does not significantly conform to the plans, goals, or financial estimates that have been previously disclosed or approved by shareholders, the Board of Directors must analyze the causes, reasons, including the effects that may occur, along with disclosing the matters to shareholders.
  - 3.4 Ensure that the company has a system for disclosing transaction information and conducting business correctly, appropriately, completely, and equally for all groups of investors. The Board of Directors must ensure that the company has a system to control, supervise, and follow up on securities trading by company directors, executives, and employees who may have access to important internal information in a strict and appropriate manner. The Board of Directors sets the policy of information disclosure, manage confidential information to avoid leakage which may affect the price of securities.
  - 3.5 Report on one's own interests or related persons which are related to business management of the company. The Board is to ensure that the operation can be examined, thus transparency.
  - 3.6 If there are any indications of adverse behavior that may cause damage to the company, the Board of Directors must expedite discussions with relevant people to jointly put in place measures to quickly stop and prevent damages that may affect the company and shareholders.
4. Communication to shareholders, as follows:
    - 4.1 Ensure that there are communication channels with shareholders and stakeholders appropriately. Arrange for someone to communicate company information to relevant people. Such persons must provide information that affects investors' decisions in a complete, accurate, appropriate, and within the time frame specified by laws and regulations. They must be able to understand the perspective and the expectations of outsiders towards the company.
    - 4.2 Organize an annual general meeting for shareholders within 4 months from the end of the company's accounting period. The Board of Directors must ensure that directors, executives, and auditors, in particular, the Chairman of the Audit Committee participate in the shareholder meeting to explain, and answer questions along with acknowledge any remarks or concerns that shareholders may have towards the company, in order to jointly determine measures to deal with. Also the shareholders' meeting is to be held orderly, transparently, and effectively, thus shareholders are able exercise their rights. The Board ensures that the disclosure of meeting resolutions and the preparation of meeting minutes are complete, accurate, and do not cause misunderstandings in any major issues. Therefore, the investors who does not attend the shareholder meeting can use the minutes as reference.
    - 4.3 Prepare the annual report of the Board of Directors. The Board also has to be responsible for the preparation and disclosure of financial statements and operating results in the past year, and present to the shareholders' meeting at the annual general meeting.
    - 4.4 Establish a policy for overseeing the use of internal information, including having an appropriate protection system of data access, in order to prevent the use of the company's internal information for the benefit of any group of persons. This may create an advantage and lead to unfair actions regarding securities trading, which affects the creditability of the company.

5. Encourage the company to comply with the Principles of Good Corporate Governance for Listed Company 2017 (“CG Code”) and participate in various assessments of related agencies as follows:
  - 5.1 Review and supervise compliance with the corporate governance policy, business Ethics and Sustainable Development as well as annually review the mentioned policy.
  - 5.2 Arrange the clear implementation for anyone who shall inform any suspicious or vested interest directly to the company or via website channel, by indicating the complaint channel through the directors, audit committees, or the assigned persons by the committees. Also to arrange an investigation according to the company’s process, and report findings to the board. The Board has to supervise to comply with the whistle blowing policy, which covers the monitoring, and whistleblower protection.
  - 5.3 Give importance to business conducting with social responsibility, environment, and sustainable well-being of Thai society.
  
6. Support and promote the performance of personnel and departments within listed company as follows:
  - 6.1 Ensure the management team to support the information or take any necessary actions to ensure that the staffs and departments involved in the company’s corporate governance system, works efficiently, specially departments in relation to the audit of the internal control system, and company’s financial reports. They must be truly independent from the control of the board of directors and management team, in order to make the operations of the company both related to general operations, and the preparation of financial reports are transparent and can be trusted. Including considering supporting other actions. The board also should support other appropriate cases, such as requesting professional opinions from outsider, If necessary, in order to make appropriate decisions.
  - 6.2 Appoint a qualified company secretary with experiences in order to provide legal and regulatory advice requirements which the Board of Directors must acknowledge and comply with. The company secretary has to manage the activities of the directors, as well as coordinating the implementation of the resolutions of the Board of Directors and the shareholders’ meeting.
  - 6.3 Encourage directors and management team of the company to attend various seminar courses of the Thai Institute of Directors Association and other institutions of the courses related to the duties and responsibilities of directors and executives. Besides, directors should attend training courses related to finance, internal control, accounting, law and corporate governance. Each director should participate training on the said topics at least 4 hours per year.
  - 6.4 Promote and support groups of people or departments involved in the company’s corporate governance system, attend training to upgrade knowledge and skills necessary. A knowledge development plan and capabilities should be prepared and reviewed on a regular basis
  
7. Recruitment, selection, appointment, performance evaluation. and review the remuneration structure of directors and executives by proceeding as follows:
  - 7.1 Consider recruiting, selecting and proposing the appointment of directors and managing director with a transparent process, as well as defining the authority of sub-committees and managing director. The Board also has to support the duties in various matters adequately and appropriately for efficient operation and benefit for the shareholders.
  - 7.2 Evaluate the performance of the whole committee, and individual director to review their performance problems and drawbacks each year, thus be able to use the assessment results for development and improvement.

- 7.3 Consider and review the structure and remuneration of directors to be appropriate, then present to the shareholders' meeting for approval.
  - 7.4 Set various indicators for clearly evaluating the performance of the management team.
  - 7.5 Regularly monitor the progress of the performance of the management team to ensure that it is in accordance with the policies, objectives or resolutions of the Board of Directors.
  - 7.6 Review the remuneration structure, and criteria for evaluating the performance of the Managing Director which is in line with the strategic plan of the business both short term and long term. The Board also has to authorize the Managing Director to appoint executive position according to the definition set by the Securities and Exchange Commission, or the Capital Market Supervisory Board
8. Recruiting, selecting and proposing the appointment of auditors and financial reporting and accounting systems as follows:
    - 8.1 Consider approving the selection and appointment of the auditor and its appropriate remuneration as presented by the Audit Committee before presenting to the shareholders' meeting at the annual general meeting for approval.
    - 8.2 Set up a financial and accounting reporting system, balance sheet preparation and profit and loss statement at the end of the company's fiscal year in order present to the shareholders at the annual general meeting for approval. The Board also has to arrange for submission of annual and quarterly financial statements that have been audited by an auditor to the Stock Exchange of Thailand. The Board has to also disclose the information to the public and investors, which is accurate in accordance with acceptable accounting standards, transparent and sufficient for decision making, as well as comply with relevant legal requirements.

#### **Other Regulations**

1. Review and amend the charter of Board of Directors and sub-committees on a regular basis, usually once a year to suit the environment of the organization and in line with the company's strategic plan, hence achieve the objectives and goals of the organization efficiently and effectively.
2. Set the Board of Directors' meeting more than 6 times per year, which is the regular agenda 6 times per year. This appropriate number of meetings helps the Board of Directors to perform their duties effectively. The management team or related persons may be invited to attend the meeting to provide the relevant information, complying with the policy regarding the meeting of the Board of Directors specified in the Company's Code of Conduct.
3. Board of Directors together with the Remuneration Committee propose remuneration of the Board of Directors and all sub-committees, then present to the shareholders' meeting for approval.

Mr. Vinai Vittavasgarnevej  
Chairman

#### References:

1. Circular letter No. SEC.Nor.Ror(W) 35/2023 dated 27 October 2023, regarding rehearsal of understanding roles and duties of company directors
2. Good practice guidelines for the Board of Directors to prevent and suppress inappropriate behavior of listed company.