



## **Board of Directors Charter**

### **PTT Oil and Retail Business Public Company Limited**

**(Amended by Board of Directors Meeting No. 11/2022 on November 23, 2022)**

The Board of Directors (the “Board”) is responsible for overseeing company business operations in accordance with the laws, objectives, and articles of association, as well as the resolutions of the shareholders’ meeting. Adhering to the good corporate governance principles and guidelines for listed company directors, the Board shall perform its duties with a sense of responsibility, care, and honesty, while acting in the best interest of the company and its shareholders.

#### **1. Composition of the Board**

1.1 The Board shall comprise at least five (5) directors but no more than fifteen (15) directors.

1.2 At least half of the Board shall reside in the Kingdom of Thailand.

1.3 At least one (1) of the directors in the Board shall be an expert in the area of accounting and finance.

1.4 At least one-third (1/3) of the Board, but no fewer than three (3) directors, shall be independent directors. The Board shall include at least three (3) Audit Committee members.

The independent directors and the Audit Committee members shall possess qualifications as stipulated in notifications of the Capital Market Supervisory Board, regulations under The Securities and Exchange Commission of Thailand (SEC) and The Stock Exchange of Thailand (SET). The duties and responsibilities of the independent directors and the Audit Committee members are as specified by the SET.

In the case that the roles and responsibilities of the Chairman and the Chief Executive Officer are not clearly distinguished, for instance, the Chairman and the Chief Executive Officer are the same person, the Chairman is not an independent director, the Chairman and the Chief Executive Officer are family members, or the Chairman is a member of the management team or has been assigned a management role, the Board should ensure the balance of power and authority of the Board and between the Board and management by:

(1) having more than half of the Board be independent directors, or

(2) appointing a designated independent director to participate in setting the Board meeting agenda.

## **2. Qualifications of Directors**

2.1 Company directors must be qualified and have none of the prohibited characteristics prescribed by the Public Limited Companies Act B.E. 2535 (C.E. 1992) (including additional amendments) and the Securities and Exchange Act B.E. 2535 (C.E. 1992) (including additional amendments), or other regulations stipulated by the SEC Board. They must not have characteristics indicating a lack of appropriateness with respect to trustworthiness in managing a business whose shares are held by public shareholders as specified in the notification of the SEC.

2.2 Company directors shall be honest and trustworthy, guided by good business ethics, devoted to the company, be knowledgeable, be competent and shall have work experiences beneficial to business operations.

2.3 Company directors shall be capable of devoting sufficient time to the company; responsible; committed to the determination of the company's vision, missions, directions, and strategies; and active in expressing their opinions and seeking information beneficial to the determination of the company's business direction.

2.4 Company directors shall not operate any business of the same nature as and that is in competition with the business and its subsidiaries or become a partner or a director of any other private company or public company that operates business of the same nature as and is in competition with the business and its subsidiaries, either for his or her benefit or for the benefit of other persons, unless he or she notifies the shareholder meeting prior to the resolution for his or her appointment.

## **3. Duties and Responsibilities of the Board**

3.1 To comply with the laws, company objectives, articles of association, and resolutions of shareholders' meetings; perform its duties with responsibility, care, and honesty; and act in the best interest of the company.

3.2 To demonstrate responsibility for the shareholders; preserve and act in the best interest of shareholders; and ensure that company information disclosure is accurate, complete, compliant with relevant standards, and transparent.

3.3 To define good corporate governance policies and a code of business conduct comprising appropriate guidelines and best practices for directors, management, and employees to foster a sense of professional responsibility and understanding, which are to be complied with strictly in conjunction with the rules and regulations of the company to ensure equity to all stakeholders. In addition, the company assesses its performance under its good corporate governance policies and code of business conduct at least once a year.

3.4 To review and approve the company's and its subsidiaries' vision, missions, business strategies, directions, policies, targets, plans, and budget proposed by management.

3.5 To oversee and ensure that management's operations are efficiently and effectively executed in line with the company's vision, missions, business strategies, directions, policies, targets, plans, and budget approved by the Board to maximize economic value for the company and prosperity for shareholders.

3.6 To ensure that the company and its subsidiaries adopt suitable and efficient accounting systems and adequate and effective internal control and internal audit systems and that their internal control systems are regularly assessed to ensure suitability.

3.7 To oversee the completion of the company's financial statements at the end of each accounting year to be proposed for approval at the annual general meeting of shareholders, and ensure that annual and quarterly financial statements are audited by auditors and submitted to the SET within the legally mandated timeframe.

3.8 To give consideration to and provide opinions on the selection of auditors as well as determine the appropriateness of the remuneration submitted by the Audit Committee, before proposing it to the annual general meeting of shareholders for approval.

3.9 To attach significance to social and environmental responsibilities in the company's business operations to enhance quality of life in Thai society in a sustainable manner.

3.10 To consider and approve the appointment of qualified candidates with no prohibited characteristics under the Public Limited Companies Act B.E. 2535 (C.E. 1992) (including additional amendments) and the Securities and Exchange Act B.E. 2535 (C.E. 1992) (including additional amendments), as well as laws, notifications, regulations, and/or other relevant rules when a director seat is vacated with other reasons besides term completion, including considering the appointment of directors to replace the directors retiring upon term completion and determine the appropriateness of the remuneration submitted by the Nomination and Remuneration Committee, before proposing it to the shareholders' meeting for approval.

3.11 To appoint board committees, such as Audit Committee, the Nomination and Remuneration Committee, and any other board committees, define their roles and responsibilities in order to assist and support the Board's performance of duties, and review these committees' remuneration before proposing it to the shareholders' meeting for approval.

3.12 To assess the performance and remuneration of the Chief Executive Officer after he or she has taken office and authorize the Chief Executive Officer to appoint executives per the definition of the Securities and Exchange Commission or the Capital Market Supervisory Board.

3.13 To appoint the Chief Executive Officer or the highest-ranking executive officer in accordance with the procedure and method stipulated in relevant laws, regulations, and criteria to ensure an appropriate, transparent, and fair nomination process.

3.14 To appoint a company secretary to support the Board's activities; define the company secretary's qualifications and experience necessary for the discharge of duties; and disclose the qualifications and experience of the company secretary in the company's annual report and on the company's website.

3.15 To approve expenditures for investments, operations, loaning or application for credits from financial institutions, and to serve as a guarantor for the company's and its subsidiaries' regular operations without budget limits in accordance with the rules and regulations of the company, and the laws and regulations stipulated by the SET and the Capital Market Supervisory Board.

3.16 To consider and approve connected transactions to be undertaken by the company, its subsidiaries, and associate companies as prescribed by the Securities and Exchange Act B.E. 2535 (C.E. 1992) (including additional amendments) and related regulations under the SET and the Capital market Supervisory Board; and to define the company's terms of ordinary business transactions which the company, its subsidiaries, and associate companies could enter into with company directors, executives, and their related persons in order to prescribe an operating framework under which the management is authorized to conduct such transactions in compliance with related laws and regulations.

3.17 To ensure that the company's and its subsidiaries' management and operations are in line with company policies, the securities and exchange law, and applicable regulations and criteria of the Capital Market Supervisory Board, the SEC, and the SET, as well as ensure the company's adequate and appropriate internal control and internal audit systems.

3.18 To approve interim dividend payments.

3.19 To determine and amend the list of authorized directors.

3.20 To seek independent professional advice to supplement decision making when necessary.

3.21 To oversee the company's operational efficiency and protect the interest of its stakeholders.

3.22 To provide each shareholder group with appropriate communication channels and oversee that the information disclosure is accurate, clear, transparent, reliable, and meets the highest standards.

3.23 To arrange an annual general meeting of shareholders within four (4) months after the end of each fiscal year, oversee the efficiency and transparency of the meeting, provide the shareholders with an opportunity to exercise their rights, and supervise the disclosure of the meeting resolutions and the preparation of the minutes of meeting.

3.24 To prepare the annual board performance report, compile and disclose the financial statements of the company and its subsidiaries to show their financial standing and operating results of the past year, and propose the statements for approval at annual general meetings of shareholders.

3.25 To perform assessment of the Board as a whole and of the individual directors on an annual basis to review the Board performance as well as issues and obstacles, the results of which are used to improve and strengthen Board efficacy.

3.26 To consider potential risk factors, formulate comprehensive risk management guidelines, ensure that management operates with efficient risk management systems and processes in place, and predict possible risks that may arise from new business opportunities.

3.27 To monitor and remedy issues related to potential conflicts of interest and connected transactions, prioritizing major transactions that will maximize benefits for shareholders and stakeholders.

3.28 The Board may authorize and/or designate individuals to perform specific tasks on its behalf. The grant of power of attorneys or sub-attorneys shall conform to the scope defined in the letter of authorization and/or in compliance with the rules, regulations, or orders prescribed by the Board of and/or the company. The authorization of the Board's roles and responsibilities shall not be in such a manner that enables the Board or the appointed attorneys, through the attorneys or sub-attorneys, to approve transactions that may benefit themselves or others who may have a vested interest (as defined in the notifications of the SEC or the Capital Market Supervisory Board) in any manner or create conflicts of interest with the company or its subsidiaries, except transactions that are in accordance with the policies and criteria approved shareholders' meetings or approved by the Board. The business-related approval shall be the company's ordinary business transactions as defined in the notifications of the SEC or the Capital Market Supervisory Board, and/or the SET, or other related institutions.

3.29 To review the Board charter once a year.

3.30 To encourage company directors and management to attend courses and seminars organized by the Thai Institute of Directors (IOD) or by other institutions that are relevant to their roles and responsibilities.

3.31 To prescribe and approve employment and appointment criteria and procedures and approve the transfer, promotion, disciplinary action, dismissal, and employment termination upon resignation, early retirement, or retirement before the age of 60 of the President, a Senior Executive Vice President, or an officer of an equivalent rank.

3.32 To review and approve the company's salary structure.

#### **4. Term of Directorship**

4.1 At each annual general meeting, one-third (1/3) of the directors shall retire. If the number is not divisible by three (3), then the number nearest to one-third (1/3) shall retire. A retiring director is eligible for re-election.

4.2 Apart from retirement upon expiration of the term of office, a director shall vacate office upon:

1) death;

2) resignation;

3) lacking qualifications or possession of prohibited characteristics under the law governing public limited companies and the securities and exchange law, and the company's Articles of Association;

4) removal by a resolution of the shareholders meeting;

5) removal by a court order.

In the case of a vacancy on the Board for any reason other than the expiration of the director's term of office, the Board shall elect a person who is qualified and possesses no prohibited characteristics under the law governing public limited companies and the securities and exchange law as the substitute director at the following meeting of the Board, unless the remaining term of office of the vacating director is less than two (2) months. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces. The resolution of the Board under the first paragraph shall require a vote of no less than three-quarters (3/4) of the number of directors remaining.

## **5. Meeting of the Board**

5.1 A meeting of the Board shall be held at least once a month at the date and venue set in advance. If necessary, ad-hoc meetings can be held. The Chairman may determine that the Board meeting be organized and held through electronic media. In such an event, the Board meeting shall be conducted in accordance with the criteria and methods specified by related laws and the company's Articles of Association.

5.2 As a policy, the Board requires that at least one (1) internal meeting between independent directors and non-executive directors be convened per year.

5.3 Directors shall attend Board meetings regularly. Each director should attend no less than 75 percent of all Board meetings convened in a year.

5.4 The meeting agenda must be set in advance for each Board meeting by the Chairman and a designated independent director, with the support of the company secretary. Board meeting documents shall be delivered to each director at least seven (7) days prior to each meeting. In case of urgent matters, an ad-hoc meeting can be arranged, the meeting notice can be submitted in other forms and the meeting date can be set at an earlier date to protect the company's interest.

5.5 In calling a meeting of the Board, the Chairman or the person designated by the Chairman shall serve notice calling for such a meeting. In case of a request by two (2) or more directors, the Chairman or the person designated by the Chairman shall convene the Board meeting within fourteen (14) days from the date of the request.

5.6 The directors shall be notified of the dates of the Board meetings for the upcoming year by the end of each year to enable the directors to allocate their time for the meetings.

5.7 The Board meeting requires the attendance of no less than one-half (1/2) of the total number of directors to constitute a quorum.

5.8 A decision by the Board requires a majority vote. A director who has a vested interest in any matter shall not be entitled to vote on such a matter. In the case of a voting tie, the chairman of the meeting shall cast a deciding vote.



For Board meeting agenda concerning guidelines on dividing the scope of business operations between PTT Public Company Limited (PTT) and OR and its subsidiaries, directors who have a vested interest and are not entitled to vote on such matter shall include representative directors from PTT and the Ministry of Finance.

## **6. Board Committees**

The Board may appoint one or more board committees, as deemed appropriate, to assist their performance of duties as well as to review specific matters of importance. The Board is responsible for nominating directors to each board committee and establishing a charter for each board committee to specify its rules, composition, scope of duties and responsibilities, and other related matters as deemed appropriate. The Board shall review these committees' charters on a yearly basis.

## **7. Remuneration**

The Board, on the suggestion of the Nomination and Remuneration Committee, shall determine the policy of both monetary and non-monetary remuneration, taking into consideration transparency and commensuration with their duty and responsibility, as well as the standards of the same industry. Directors' remuneration shall be approved by resolution of the shareholders' meeting. The amended Charter of the Board of Directors shall take effect from the date of the announcement onwards.

Announced on November 23, 2022

*-Auttapol Rerkpiboon-*

(Mr. Auttapol Rerkpiboon)

Chairman of the Board

PTT Oil and Retail Business Public Company Limited