



Charter of the Nomination and Remuneration Committee

Principal Capital Public Company Limited

Revision No. 1 dated 27 February 2026

1. Objective

The Board of Directors deems it appropriate to establish the Charter of the Nomination and Remuneration Committee in order to compile the composition, duties, responsibilities, and operational guidelines as assigned by the Board of Directors. This is to ensure that the Nomination and Remuneration Committee performs its duties fairly, appropriately, and transparently in accordance with the principles of good corporate governance, thereby creating confidence and credibility among stakeholders.

2. Composition

The Nomination and Remuneration Committee shall consist of at least three (3) directors, with at least one (1) independent director. Notwithstanding any vacancies in the positions, the remaining directors may continue to perform the Committee's duties. However, if the number of directors falls below the quorum requirement, the remaining directors may only act for the purpose of convening a meeting to enable the Board of Directors to appoint additional directors to fill all vacant positions.

3. Qualifications

3.1. Members of the Nomination and Remuneration Committee shall possess knowledge, competence, and experience, as well as an understanding of the qualifications, duties, and responsibilities of serving as members of the Nomination and Remuneration Committee.

3.2. The Chairman of the Nomination and Remuneration Committee should be an independent director in order to serve as the key driving force in ensuring that the Committee performs its duties independently.

4. Term of Appointment

4.1. Members of the Nomination and Remuneration Committee shall hold office for a term of three (3) years or equal to the remaining term of their directorship on the Board of Directors, as the case may be. Members who retire by rotation may be reappointed.

4.2. The Nomination and Remuneration Committee members shall vacate their positions when

- (1) Completion of the term of appointment
- (2) Termination of directorship
- (3) Resignation
- (4) Death
- (5) Resolution of the Board of Directors or the shareholders' meeting to terminate such member
- (6) Court order

4.3. In the event that a member of the Nomination and Remuneration Committee vacates office prior to the expiration of the term, the Board of Directors shall appoint a qualified director to serve as a replacement.

5. Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall perform duties and responsibilities as assigned by the Board of Directors, including but not limited to the following:

- 5.1. Determine appropriate qualifications, policies, criteria, and procedures for the nomination of directors, including conducting the nomination and selection of individuals who possess qualifications as prescribed by relevant regulations and laws, and who have appropriate knowledge, experience, and expertise beneficial to the Company. Such individuals should have experience in the Company's core business or industry and/or be listed in the director registry of the Institute of Directors Association (IOD Chartered Director). The Committee shall prepare a Board Skill Matrix to ensure that the nomination of directors is aligned with the Company's business direction, and shall propose such nominations to the Board of Directors and/or the shareholders' meeting (as the case may be) for consideration and approval of appointment as directors.
- 5.2. Determine policies, criteria, and procedures for the determination of remuneration, both monetary and non-monetary, for the Board of Directors and sub-committees, ensuring appropriateness in relation to duties and responsibilities, consistency with the Company's performance, and alignment with market conditions, and propose such matters to the Board of Directors for consideration and to the shareholders' meeting for approval.
- 5.3. Ensure that the Board of Directors comprises appropriate composition in accordance with the changing environment and circumstances, whereby the Board should consist of individuals possessing knowledge, capabilities, and experience in various fields.
- 5.4. Determine appropriate qualifications, policies, criteria, and procedures for the nomination of the Managing Director, Chief Executive Officer, and executives at the C-Level and above, including executives whose job grade is equivalent to C1A and above who directly report to the Managing Director. The Committee shall also conduct the nomination and selection of individuals with qualifications as prescribed by relevant regulations and laws, possessing appropriate knowledge, experience, and expertise beneficial to the Company, and having experience in the Company's core business or industry, in order to propose their appointment as Managing Director, Chief Executive Officer, and C-Level executives, including executives who directly report to the Managing Director.
- 5.5. Determine necessary and appropriate remuneration, both monetary and non-monetary, in order to attract and retain the Board of Directors, sub-committees, the Managing Director, Chief Executive Officer, and executives at the C-Level and above, including executives who directly report to the Managing Director.
- 5.6. Establish guidelines and evaluate the performance of directors, the Managing Director, the Chief Executive Officer, and the Chief Financial Officer in order to consider annual remuneration adjustments, taking into account their duties and responsibilities as well as associated risks, while also emphasizing the enhancement of long-term shareholder value as part of the performance evaluation process.

In addition, performance evaluation reports of other C-Level executives shall also be presented to the Nomination and Remuneration Committee.

- 5.7. Disclose policies and details of the nomination process, policies relating to remuneration determination, and remuneration in various forms. The Committee shall also prepare a remuneration report which shall at least include details concerning objectives, operations, and opinions of the Nomination and Remuneration Committee, to be included in the Company's Annual Report.
- 5.8. Review the Charter of the Nomination and Remuneration Committee on an annual basis. In the event that the Committee deems it necessary to amend the provisions of this Charter to ensure alignment with regulations, rules, and changing circumstances, the Nomination and Remuneration Committee shall propose such amendments to the Board of Directors for consideration.
- 5.9. Prepare continuous training and development plans relating to the performance of directors' duties and knowledge relevant to the Company's business for the Board of Directors, the Managing Director, the Chief Executive Officer, and executives at the C-Level and above, including executives who directly report to the Managing Director, in order to enhance the capabilities of the Company's senior executives.
- 5.10. Promote the development of knowledge for both existing and newly appointed directors to ensure their understanding of the Company's business, the roles and responsibilities of directors, and significant developments such as industry conditions, regulations, or laws relevant to the Company's business. In the case of newly appointed directors, the Nomination and Remuneration Committee shall ensure that the Company provides an orientation program and useful information to facilitate the effective performance of their duties.
- 5.11. Plan and prepare a succession plan for the Company's executives and propose it to the Board of Directors for consideration and approval in order to ensure the preparation and readiness of personnel in key positions critical to the Company's business operations.
- 5.12. Appoint or seek advice from independent external consultants, when necessary, with the Company bearing the related expenses.
- 5.13. Perform any other duties as assigned by the Board of Directors.

6. Meetings

- 6.1. The Nomination and Remuneration Committee shall convene meetings at least two (2) times per year.
- 6.2. A quorum shall consist of not less than one-half of the total number of Committee members.
- 6.3. In the absence of the Chairperson of the Nomination and Remuneration Committee, or if the Chairperson is unable to perform his/her duties, the Committee members present at the meeting shall elect one member to act as the chairperson of that meeting.
- 6.4. Resolutions of the meeting shall be passed by a majority vote. In the event of a tie vote, the chairperson of the meeting shall have a casting vote.

7. Reporting

- 7.1. The Nomination and Remuneration Committee shall report the results of its operations from each meeting to the Board of Directors in the following month.
- 7.2. The Committee shall report its performance to the shareholders' meeting through the Annual Report (Form 56-1 One Report).