

[Draft based on unaudited Financial Statements for the year ended December 31, 2016]

**Notice of 2017 Annual General Meeting of Shareholders (The 24<sup>th</sup> Meeting)  
of The Siam Cement Public Company Limited**

- Subject** Invitation to attend **2017** Annual General Meeting of Shareholders  
(The **24<sup>th</sup>** Meeting)
- To** Shareholders
- Attachments**
1. Annual Report for the year 2016 (CD-ROM)
  2. Profiles of the nominated candidates for the election of new directors in replacement of those to be retired by rotation
  3. Profiles of proposed Auditors for Year 2017
  4. Profiles of the independent directors proposed by the Company to act as proxy for shareholders
  5. Company's Articles of Association relating to the General Meeting of Shareholders
  6. Voting, counting, and announcement of the vote
  7. Map of Plaza Athenee Bangkok A Royal Meridien Hotel
  8. Registration form, documents required prior to attending the Meeting and documents for proxy, and Proxy Form A and Form B as specified by Department of Business Development, Ministry of Commerce
  9. The 2016 Annual Report and/or the Sustainability Report Requisition Form

**NOTICE IS HEREBY GIVEN** that, by virtue of the resolution of the Board of Directors of The Siam Cement Public Company Limited ("SCC") held on Wednesday, January 25, 2017, the 24<sup>th</sup> Annual General Meeting of Shareholders will be held on **Wednesday, March 29, 2017 at 14:30 hours** at **Athenee Crystal Hall, 3<sup>rd</sup> floor, Plaza Athenee Bangkok A Royal Meridien Hotel, 61 Wireless Road, Pathumwan, Bangkok 10330** to consider matters according to the agenda together with the Board's opinions as follows:

**Agenda 1**     **To acknowledge the Company's Annual Report for the year 2016**

**Preamble:** The summary of SCC's performance and major changes during the year of 2016 is shown in the Annual Report for the year 2016, which is provided here in Attachment No. 1.

**Board of Directors' opinion:** The Board requests the Meeting to acknowledge the Company's Annual Report for the year 2016 stating SCC's performance and major changes during the year 2016.

**Vote required:** This agenda is for shareholders' acknowledgment; therefore, voting is not required.

**Agenda 2**     **To consider and approve the financial statements for the year ended December 31, 2016**

**Preamble:** To be in compliance with relevant law stipulating that a company shall prepare its financial statements at the end of the fiscal year of the company and arrange for them to be audited and certified by the auditor before the submission to shareholders for approval.

**Board of Directors' opinion:** The Board requests the Meeting to consider and approve the financial statements for the year ended December 31, 2016, as duly audited and certified by the auditor from KPMG Phoomchai Audit Ltd. and reviewed by the Audit Committee. The summary of SCC's financial status and performance during the year 2016 is as follows:

**The statements of financial position and income statements**

**Unit: Million Baht**

	<b>SCC and its subsidiaries</b>	<b>SCC</b>
Total Assets	539,688	271,633
Total Liabilities	258,070	177,701
Revenue from sales	423,442	-
Total revenue	432,640	31,546
Profit for the year	56,084*	25,226
Earnings per share (Baht/Share)	46.74*	21.02

\* Represents profit for the year attributable to owners of the parent.

Details are as shown in the Company's Annual Report for the year 2016 on page XXX-XXX submitted to the shareholders together with this Notice in Attachment No. 1.

**Vote required:** Simple majority of total number of votes of the shareholders present at the meeting and eligible to vote.

**Agenda 3**

**To consider and approve the allocation of profit for the year 2016**

**Preamble:** SCC has a policy to distribute dividends at the rate of 40 - 50% of net profit as specified on the consolidated financial statements. The Company may consider changing the dividend distribution in case of necessity or extraordinary circumstances. In 2016, the consolidated financial statements showed the profit for the year (net profit) amounting to 56,084 million Baht and retained earnings applicable for the distribution of dividends to shareholders.

**Board of Directors' opinion:** The Board recommends the Meeting to consider and approve the distribution of dividends for the year 2016 at 19.00 Baht per share, totaling an amount of 22,800 million Baht, or 41% of profit for the year listed on the consolidated financial statements in compliance with the Company's dividend payment policy. This includes 8.5 Baht per share of an interim dividend paid on Thursday, August 25, 2016. The final payment of dividend shall be 10.50 Baht per share, totaling 12,600 million Baht, derived from the profits which were subject to corporate income tax of 20%. The tax credit shall be the product of dividend times 20/80<sup>1</sup>.

Comparison of dividend distribution in the year 2016 to the preceding year is as follows:

<b>Details of dividend payment</b>	<b>Year 2016</b>	<b>Year 2015</b>
1. Profit for the year on consolidated financial statements (million Baht)	56,084	45,400
2. Shares (million shares)	1,200	1,200
3. Dividend (Baht/share)	19.00	16.00
- Interim dividend (Baht/share)	8.50	7.50
- Final dividend (Baht/share)	10.50	8.50
4. Total approximate amount of dividends paid (million Baht)	22,800	19,200
5. Proportion of dividends on profit for the year on consolidated financial statements	41%	42%

The above dividend distribution shall be payable to the shareholders entitled to receive the dividend in accordance with the Company's Articles of Association and who were listed on the record date on Friday, April 7, 2017 and whose names were collected on the closing date on Monday, April 10, 2017 for the right to receive the dividend. (The XD, or the date on which a share purchaser will not be entitled to receive the dividend, will be on Tuesday, April 4, 2017.) The dividend payment will be made on Thursday, April 27, 2017. The receipt of such dividend shall be within 10 years.

**Note:** 1. An individual shareholder shall be entitled to a tax credit according to Section 47 bis of The Revenue Code.

**Vote required:** Simple majority of total number of votes of the shareholders present at the meeting and eligible to vote.

#### **Agenda 4**

#### **To consider and elect the directors in replacement of those to be retired by rotation**

**Preamble:** In compliance with the Public Limited Companies Act and Clause 36 of the Company's Articles of Association, one-third of the directors must retire from office by rotation at the Annual General Meeting of Shareholders. Four Directors to be retired by rotation in this Meeting are as follows:

- 1) Mr. Sumet Tantivejkul Independent Director, Chairman, the Governance and Nomination Committee and Member of CSR Committee for Sustainable Development
- 2) Mr. Pricha Attavipach Independent Director, Member of the Audit Committee and Member of the Governance and Nomination Committee

- |                         |                                                                                              |
|-------------------------|----------------------------------------------------------------------------------------------|
| 3) Mr. Yos Euarchukiati | Member of the Remuneration Committee and Member of CSR Committee for Sustainable Development |
| 4) Mr. Kan Trakulhoon   | Member of CSR Committee for Sustainable Development                                          |

During September 1 - November 30, 2016, when SCC provided an opportunity to minority shareholders to propose agenda for the meeting and nominate qualified candidate(s) for the directorship, there was no proposal from minority shareholders for consideration.

The Governance and Nomination Committee then considered, in accordance with Company's Nomination Guidelines as approved by the Board of Directors, which requires that the Committee nominate persons who are qualified as directors from the expert and eminent candidates, including the chartered directors from the Director Pool, by taking into consideration the qualification of candidates as stipulated by the relevant laws and the Company's Articles of Association, as well as attributes of leadership, far-sighted vision, good morals and ethical principles, clear and unblemished career records, and ability to express their opinions independently. In addition, the Committee also took into account diversity and composition of knowledge and particular professional skills that are needed or missing by utilizing the Board Skill Matrix.

The Governance and Nomination Committee, chaired by Mr. Panas Simasathien, and excluding Mr. Sumet Tantivejkul and Mr. Pricha Attavipach who were due to retire by rotation in the 2017 Annual General Meeting of Shareholders, considered four candidates proposed by Directors, all of whom are retiring Directors. The Committee considered qualifications of each individual candidate with all due circumspection, then unanimously resolved to propose to the Board the re-election of the following four retiring Directors, namely Mr. Sumet Tantivejkul, Mr. Pricha Attavipach, Mr. Yos Euarchukiati, and Mr. Kan Trakulhoon as the Directors of the Company for another term since they are eminent individuals with expertise in the management of large organizations, economics and investment. In addition, they have various experiences pertinent to business strategies of SCG, together with attributes of leadership, far-sighted vision, good morals and ethical principles, clear and unblemished career records, and had well performed their duties as Directors and Sub-committee members.

**Board of Directors' opinion:** The Board of Directors, excluding the Directors to be retired by rotation in the 2017 Annual General Meeting of Shareholders, has extensively discussed and thoroughly considered all nominated candidates and the qualification of each candidate to ensure their suitability. The Board thus agreed with the Governance and Nomination Committee and recommends the 2017 Annual General Meeting to elect four retiring Directors, namely Mr. Sumet Tantivejkul, Mr. Pricha Attavipach, Mr. Yos Euarchukiati, and Mr. Kan Trakulhoon to be Directors for another term.

The four retiring Directors have no directorship or management positions in other organizations with conflicts of interests with the Company. The Board is confident that Mr. Sumet Tantivejkul, and Mr. Pricha Attavipach, who are qualified as

Independent Directors with more than nine years in their directorship, are capable of giving comments independently and their qualifications are in accordance with relevant rules and regulations. They have brought about their extensive experience, knowledge and expertise to make recommendations beneficial in strategy formulation and business operation of SCG in accordance with sustainable development guideline.

Profiles and expertise of the nominated candidates, directorship duration, attendances at meetings of the Board and sub-committees in the last year, numbers of shares held in SCC, positions as Directors or executives in listed companies and other businesses, as well as relationships of the proposed candidates, are provided here as Attachment No. 2.

**Note:** Clause 30 of the Articles of Association of the Company stipulates voting procedures as follows:

- (1) A shareholder shall have one vote for each share he holds or represents.
- (2) The shareholders shall vote for each individual candidate nominated for Directors, but not exceeding the number of Directors required for that election. The vote shall not be distributed.
- (3) The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as Directors in that order until all of the Director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of Directors to be exceeded, the remaining appointment shall be made by the chairman of the meeting who shall have a casting vote.

**Vote required:** The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as Directors in that order until all of the Director positions are filled.

## **Agenda 5**

### **To consider and appoint the auditors and fix the audit fees for the year 2017**

**Preamble:** In 2014, the Audit Committee considered and selected KPMG Phoomchai Audit Ltd., to be the audit firm for SCC and its subsidiaries for the years 2015-2017 as KPMG Phoomchai Audit Ltd. has high professional standards with expertise in auditing and good performance. In addition, the audit fee proposed by KPMG Phoomchai Audit Ltd. was considered reasonable, compared to audit fees for similar quantities of work charged to other listed companies at the same professional level.

**Board of Directors' opinion:** The Board agrees with the Audit Committee to select KPMG Phoomchai Audit Ltd. to be the audit firm of SCC and recommends the 2017 Annual General Meeting of Shareholders to consider and approve the appointment of the auditors and audit fees as follows:

- 1) The appointment of the auditors from KPMG Phoomchai Audit Ltd. for The Siam Cement Public Company Limited for the year 2017:
  - Mr. Winid Silamongkol (Certified Public Accountant No. 3378) or
  - Mr. Viroj Jindamaneepitak (Certified Public Accountant No. 3565) or
  - Ms. Pornthip Rimdusit (Certified Public Accountant No. 5565) or
  - Ms. Thanyalux Keadkeaw (Certified Public Accountant No. 8179)

The auditors have qualifications that comply with the guidelines of the Securities and Exchange Commission.

The proposed auditing firm and auditors have no relationship or conflict of interest with SCC/subsidiaries/ managerial staff/ major shareholders, or persons related to the said parties. Profiles of the proposed auditors are provided here as Attachment No. 3.

- 2) To approve the annual audit fees and quarterly review fees for SCC's 2017 financial statements and its consolidated financial statements totaling 6.03 million Baht (An increase of 0.60 million Baht from the year 2016) as follows:

Audit fees	Year 2017	Year 2016
1. Annual audit fee for SCC's financial statements	260,000 Baht	255,000 Baht
2. Annual audit fee for consolidated financial statements, and quarterly review fee for the financial statements of SCC and SCC's consolidated financial statements	5.77 million Baht	5.17 million Baht
<b>Total audit fees</b>	<b>6.03 million Baht</b>	<b>5.43 million Baht</b>

The above audit fee for the year 2016 excluded non-audit fee paid for the assurance fee of the sustainability report totaling 1.50 million Baht.

- 3) To acknowledge the annual audit fee for 2017 financial statements of the Company's subsidiaries, and quarterly review fees of listed subsidiaries audited by KPMG Phoomchai Audit Ltd. in Thailand and other countries, the fees of which are borne by each subsidiary as follows:

Audit fee	Year 2017	Year 2016
1. Annual audit fees of the Company's subsidiaries in Thailand and quarterly review fees of listed subsidiaries		
– Number of subsidiaries	127 companies	126 companies
– Amount of fee	23.29 million Baht	23.37 million Baht
2. Annual audit fees of the subsidiaries outside Thailand		
– Number of subsidiaries	68 companies	68 companies
– Amount of fee	26.61 million Baht	26.49 million Baht
<b>Total audit fees of the subsidiaries</b>	<b>49.90 million Baht</b>	<b>49.86 million Baht</b>

(The audit fees of subsidiaries for the year 2017 are subject to change pursuant to the actual number of subsidiaries and/or actual workload.)

The above audit fee for the year 2016 excluded non-audit fees paid by subsidiaries for the review of compliance with conditions of the Thai government's Board of Investment Promotion Certificate of 2.86 million Baht and for tax consulting and other services totaling 7.60 million Baht.

- Notes:**
- The guideline of the Securities and Exchange Commission (SEC) stipulates that the auditor of listed companies who has performed his or her duty in reviewing, auditing and giving opinion on the financial statements of the company for five consecutive fiscal years shall be rotated. In such case,

the former auditor may be re-appointed after terminating the office of such auditor not less than two consecutive fiscal years.

2. Details of the appointment of the proposed auditors as the Company's auditors are as follows:
  - 2.1 Mr. Winid Silamongkoln was appointed as the Company's auditor for the years 2004-2008 and 2011-2016 and signed the Company's financial statement in the year 2004-2008 and 2014-2016.
  - 2.2 Mr. Viroj Jindamaneepitak was appointed as the Company's auditor for the years 2016.
  - 2.3 Ms. Pornthip Rimdusit was appointed as the Company's auditor for the years 2014-2016
  - 2.4 Ms. Thanyalux Keadkeaw has been proposed to be the Company's auditor for the first time in 2017.

The above rotation of auditors will help broaden SCC's perspectives from their extensive knowledge and experiences.

3. In 2017, the Board has agreed to propose Mr. Viroj Jindamaneepitak or Mr. Charoen Phosamritlert or Ms. Pornthip Rimdusit or Ms. Thanyalux Keadkeaw or Ms. Dussanee Yimsuwan or Mr. Chokechai Ngamwutikul from KPMG Phoomchai Audit Ltd. to be the auditors of Company's subsidiaries in Thailand.
4. KPMG Phoomchai Audit Ltd. proposed the audit fee for SCC's financial statements and the audit fee of its subsidiaries in Thailand by considering the types of businesses, workload and the audit hours. The audit fee for SCC's financial statements is fairly low compared with the annual audit fee of the listed subsidiaries since SCC is a holding company. Most of its assets are investments in subsidiaries and associates, without production, purchasing and selling transactions.
5. Non-audit fee in 2017 (if any) shall vary according to categories and workload serviced by KPMG Phoomchai Audit Ltd.

**Vote required:** Simple majority of total number of votes of the shareholders present at the meeting and eligible to vote.

## **Agenda 6**

### **To consider and approve the remuneration of the Company's Directors and Sub-committee members for the year 2017**

**Preamble:** According to Clause 42 of the Company's Articles of Association, the Directors' remuneration and bonus shall be approved by the Shareholders' Meeting. The 11<sup>th</sup> Annual General Meeting of Shareholders held on March 24, 2004 has approved the Board's remuneration and the 18<sup>th</sup> Annual General Meeting of Shareholders held on March 30, 2011 approved the remuneration of the Sub-committee members as follows; both of which were effective from the date of approval until the Meeting resolves otherwise:

#### **1. Directors' remuneration**

##### **- Monthly remuneration**

The Board would receive monthly remuneration at the total amount of 1.8 million Baht per month which would be distributed among the Directors in such manner as they themselves determined.

- **Bonus**

The Board of Directors would receive a bonus in the amount not exceeding 0.5 percent of the dividend distributed to the Shareholders. The Board of Directors would fix the appropriate amount which would be distributed among the Directors in such manner as they themselves determined.

- **Other remuneration and benefits**                      None

**2. Sub-committee Members' Remuneration**

	<b>Position</b>	<b>Retainer Fee (Baht/person/year)</b>	<b>Attendance fee (Baht/person/time)</b>
Audit Committee	Chairman	180,000	45,000
	Member	120,000	30,000
Governance and Nomination Committee Remuneration Committee	Chairman	150,000	37,500
	Member	100,000	25,000

**Board of Directors' opinion:** The Board agrees that the remuneration of the Directors and Sub-committee members shall be subject to the approval of the General Meeting of Shareholders year by year even though there is no adjustment on the remuneration rate. The Board of Directors with recommendation of the Remuneration Committee deems it appropriate to propose to the meeting to approve the retention of the remuneration of the Directors and Sub-committee members for the year 2017, after all due circumspection of various reference data such as roles and responsibilities of the Board of Directors and the Sub-committees, SCC's business performance, and the rate compared with other companies within the same industry of similar size.

In 2016, the remuneration and bonus paid to the Board of Directors was approximately 85 million Baht, not exceeding the rate approved by the above meetings of shareholders. Details are as shown in the Annual Report for the year 2016. Details of the roles and responsibilities of the Sub-committees and the remuneration paid to the Sub-committees in the year 2016 are also shown in the Annual Report for the year 2016 on page XXX-XXX.

**Vote required:** Not less than two-thirds of the total number of votes of the shareholders present at the meeting.

**Agenda 7**

**To consider and approve the increase of another 50,000 million Baht to the ceiling of the issuance and offering of SCC debenture, totaling 300,000 million Baht.**

**Preamble:** The 22<sup>nd</sup> Annual General Meeting of Shareholders held on March 25 2015 had passed the resolution to approve SCC to issue and offer SCC debenture at the amount not exceeding 250,000 million and to empower the Board of Directors to authorize the issuance and offering of new debenture to replace the redeemed debenture in various forms, in one whole lot or in many placements,

provided that the amount of the debenture issued shall not exceed the above ceiling. Since the issuance of debenture being one of other means to raise funds to support SCG's future investments both locally and regionally, the Board of Directors deems it appropriate to propose for approval of the issuance and offering of the additional 50,000 million Baht ceiling of SCC debenture, totaling 300,000 million Baht, with the authorization of the Board of Directors or the authorized Directors to consider issuing and offering conditions for sale of the debenture whereby the debenture issued under 300,000 million Baht ceiling shall contain key features as follows:

- Type : Non-convertible debenture, and debenture without warrants, whichever suit prevailing market conditions.
- Currency : Baht or any foreign currency.
- Amount : Not exceeding 300,000 million Baht or equivalent.  
Debenture could be newly or additionally issued, and/or replaced the redeemed debenture provided that the total debentures issued shall not exceed the above ceiling at any time.
- Offering : Public offering and/or private placement and/or to institutional investors and/or high net worth investors according to any related announcements in one whole lot, or in many placements.
- Interest : Subject to prevailing market conditions at the time of issue and offer for sale.
- Others : The authorization of the Board of Directors or the authorized Directors shall have the right to design features of the debenture, including but not limited to type, tenor, currency, interest rate, terms and conditions according to related law and regulation as deemed appropriate, subject to prevailing market conditions at the time of issue and offer for sale.

**Board of Directors' opinion:** The Board recommends the Meeting to approve the additional 50,000 million Baht ceiling of SCC debenture, totaling 300,000 million Baht, with the features presented above.

**Vote required:** Not less than three-quarters of the total number of votes of the shareholders present at the meeting and eligible to vote.

All shareholders are cordially invited to attend 2017 Annual General Meeting of Shareholders to be held on **Wednesday, March 29, 2017 at 14:30 hours at Athenee Crystal Hall, 3<sup>rd</sup> floor, Plaza Athenee Bangkok A Royal Meridien Hotel, 61 Wireless Road, Pathumwan, Bangkok 10330.** The commencement for registration to attend the Meeting will be from 12:30 hours.

For your convenience, if you wish to appoint a person to attend and vote at the Meeting on your behalf, please complete and duly execute only one of the two Proxy Forms (Form A or Form B) attached in Attachment No. 8, or alternatively you may download only one of three Proxy Forms: Form A, Form B or Form C (Form C is only for foreign investors who authorize the custodian in Thailand to keep and safeguard their shares.) from [www.scg.co.th](http://www.scg.co.th).

In addition, you may appoint an Independent Director not to be retired by rotation in 2017 Annual General Meeting of Shareholders from and among the following Independent Directors:

- 1) Mr. Arsa Sarasin
- 2) Mr. Chumpol NaLamlieng
- 3) Mr. Tarrin Nimmanahaeminda
- 4) Mr. Pramon Sutivong
- 5) Mrs. Tarisa Watanagase

Profiles of the Independent Directors proposed by the Company to act as proxy for shareholders are provided here as Attachment No.4.

You are kindly requested to submit the completed Proxy Form to the Company by Tuesday, March 28, 2017. For your convenience, SCC will facilitate in affixing the stamp duty when registering to attend the Meeting.

Yours faithfully,

Bangkok, February 16, 2017

By the instruction of the Board of Directors

Mr. Worapol Jennapar

Secretary to the Board

- Notes:**
1. The Notice to shareholders and its attachments are also publicized in SCC's website ([www.scg.co.th](http://www.scg.co.th)). For any queries, please forward your questions to the E-mail address: [corporate@scg.co.th](mailto:corporate@scg.co.th) or registered post to Corporate Secretary Office, The Siam Cement Public Company Limited, 19<sup>th</sup> Floor, SCG 100<sup>th</sup> Year Building, 1 Siam Cement Road, Bangsue District, Bangsue Sub-District, Bangkok 10800 or fax to 02-586-3007, with the complete contact information.
  2. Should you need the printed The 2016 Annual Report and/or the 2016 Sustainability Report for the year 2016, please fill the details in the "2016 Annual Report Requisition Form" attached in Attachment No. 9.
  3. For shareholders with escorts, please be informed that your escorts are welcome to join the guest area during the meeting.

**For more information, please contact:**

Ms. Praiya Bhrommanop or Ms. Nantanat Hattathammanoon  
Corporate Secretary Office, The Siam Cement Public Company Limited  
Phone: 02-586-3078, 02-586-3010 Fax: 02-586-3007