

## **CHARTER OF THE BOARD OF DIRECTORS**

### **THE SIAM CEMENT PUBLIC COMPANY LIMITED**

The Board of Directors is the driving force of the organization. Its roles and duties are to set strategies and policies pertaining to business operation of the company. The Board of Directors must perform its duties responsibly, carefully, loyally, and in the best interest of the Company on the basis of social and environmental responsibility and fairness to all stakeholders under the principles of good corporate governance. In addition, the board plays an important role in overseeing and assessing the performance of SCG Management Committee and the President & CEO to ensure the accomplishment of SCG's action plan. The Board of Directors has thus resolved to adopt this Charter of the Board of Directors so that every director is aware of his/her duties and responsibilities and performs them correctly and completely, so as to create value to SCG, customers, stakeholders, and society as a whole in a sustainable manner.

#### **1. Scope of Duties**

The duties of the Board of Directors are as follows:

Take responsibility as the leaders who sustainably bring value to the Company's business

- 1.1 Acting in a best interest of shareholders (Fiduciary Duty) by observing the following four main practices:
  - 1.1.1 Performing its duties with responsibility and all due circumspection and caution (Duty of Care).
  - 1.1.2 Performing its duties with faithfulness and honesty (Duty of Loyalty).
  - 1.1.3 Performing its duties in compliance with laws, objectives, Company's Articles of Association, the resolution of the board of directors, and resolutions of shareholders' meetings (Duty of Obedience).
  - 1.1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness. (Duty of Disclosure).
- 1.2 Directing SCG's visions, missions, and business strategies, subject to annual revision and approval, to create value to SCG, customers, stakeholders, and society as a whole in a sustainable manner.
- 1.3 Directing the Company's operation in compliance with the laws, objectives, Articles of Association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings in good faith and with care, prudence, and integrity to preserve the highest interests of the Company with fairness to all stakeholders.

- 1.4 Overseeing and developing SCG's corporate governance to keep it consistent with international standards to provide guidelines for business operations while monitoring to ensure compliance and being a role model in complying with the principles of good corporate governance and SCG Code of Conduct.

Define key objectives and business goals that promote sustainable value creation

- 1.5 Reviewing the major operating plan, budgets, business goals, and business policies and enhancing the capabilities of SCG to reach a globally competitive level.

Strengthen Board effectiveness

- 1.6 Defining and reviewing the structure of the Board of Directors, number of directors, proportion of independent director as well as Board diversity and director qualifications, including knowledge, expertise, experience, and specializations to align with SCG's business operations; and appointing the chairmen and members of sub-committees to assist and support the board's discharge of duties.
- 1.7 Assessing the performance of the Board of Directors annually by performing three types of assessments, namely that of the Board and its Sub-committees as a whole, that of each individual director as a self-assessment, and that of the chairman together with monitoring the assessment results of the Board and its Sub-committees which will be jointly deliberated by the Board of Directors as well as reviewing the assessment results of the Board and Sub-committees on a regular basis.
- 1.8 Overseeing and monitoring to ensure the selection and nomination process of a director is carried out transparently and the remunerations for directors and Sub-committee members are determined appropriately.
- 1.9 Devoting sufficient time to performing their duties, attending all meetings of the Board of Directors and Shareholders' Meetings, except in unavoidable circumstances. The directors who are unable to attend a meeting must notify the Chairman or the Secretary to the Board in advance of the meeting.
- 1.10 Developing their knowledge and competency related to their duties through courses or curricula related to directorial duties or seminars that enhance their knowledge.

Nominate top executives and encourage development of their skills, and manage the Company personnel

- 1.11 Reviewing top executive development plans and the succession plan for the President & CEO while overseeing to ensure the effective performance assessment of top executives on an annual basis and determining appropriate remuneration in line with the Company's operating results to provide both short-term and long-term incentives.

#### Promote innovation and responsible business

- 1.12 Overseeing to ascertain shareholders' involvement in the decision making of SCG's important matters, respecting the rights of shareholders, ensuring the equitable and transparent treatment of shareholders and other stakeholders, establishing a clear process and channels for receiving and handling complaints from informants or stakeholders effectively and ensuring an opportunity for every stakeholder to contact or lodge complaints about potential issues directly to the Board of Directors.
- 1.13 Overseeing and monitoring IT management and the implementation of the IT security system.
- 1.14 Overseeing and monitoring the implementation of the Company's strategies; overseeing and monitoring of each business unit's and SCG's overall performance by requiring their performance reports periodically; and setting policies to develop and improve the business operations with concern for safety, hygiene, social and environmental responsibility and development of SCG's employees.

#### Monitor the implementation of effective risk management and internal control systems

- 1.15 Specifying risk management policies and overseeing to ensure effective risk management systems and internal control together with reviewing and assessing the systems periodically and in the wake of a change in risk levels.
- 1.16 Encouraging staff at all levels to be conscious of ethics and morality and comply with SCG's principles of corporate governance, Code of Conduct and the Anti-corruption policy while overseeing the proper internal control system and internal audits to reduce the risk of fraud and abuse of authority and prevent any illegal act.
- 1.17 Monitoring and managing any potential conflicts of interest between the Company, the Management, the Board of Directors, or shareholders as well as overseeing to prevent misuse of SCG's assets and the entering into inappropriate transactions with persons connected with SCG.

#### Ensure disclosure and financial Integrity

- 1.18 Overseeing and monitoring the Company's liquidity and debt service coverage together with emergency plans and mechanisms in case of problems arising.
- 1.19 Overseeing and monitoring to ensure that the preparation of financial statements and disclosure of material information are accurate, sufficient, and timely and are in compliance with the relevant regulations and guidelines.

Ensure engagement and communication with shareholders

- 1.20 Overseeing and supporting the creation of innovations that create value for SCG as well as all stakeholders. Acting with social and environmental responsibility, and ensuring that the Management manages and allocates resources effectively and efficiently.

In performing its duties, the Board of Directors may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate.

**2. Scope of Authority of the Chairman of the Board of Directors**

The Chairman of the Board of Directors has the following authority:

- 2.1 Sets Board meeting agenda in consultation with the President & CEO and oversees to ensure Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision-making process.
- 2.2 Provides leadership and direction to the Board of Directors and chairs meetings of the Board.
  - 2.2.1 Conducts a Board meeting according to the agendas, the Company's Regulations, and applicable laws.
  - 2.2.2 Encourages and allocates sufficient time to each Board member to discuss and express their free and frank opinion with due circumspection and concern for all stakeholders.
  - 2.2.3 Sums up the Board meeting resolutions and the actions to take clearly.
  - 2.2.4 Sets up a Board meeting without the presence of the Executive Director.
- 2.3 Chairs meetings of shareholders according to the agendas, the Company's Articles of Association, and relevant laws by allocating time appropriately along with providing opportunities for shareholders to express their opinions equitably and ensuring that shareholders' inquiries are responded to appropriately and transparently.
- 2.4 Supports and be a role model in compliance with the principles of good corporate governance and SCG Code of Conduct.
- 2.5 Fosters a positive working relationship between the Board of Directors and the Management and supports the performance of the duties of the President & CEO and the Management in accordance with the Company's policy.
- 2.6 Oversees to ensure the transparent disclosure of information and management in the event of conflicts of interest.
- 2.7 Oversees to ensure the Board of Directors has appropriate structure and composition.
- 2.8 Oversees that the Board of Directors as a whole, Sub-committee members, and each individual director perform their duties effectively and efficiently

### **3. Composition of the Board of Directors**

The compositions of the Board of Directors are as follows:

- 3.1 The Board of Directors consists of not less than 9 but not more than 15 directors, each of whom shall be appointed and removed by shareholders' meeting. Not less than half of the directors shall be residents of the Kingdom.
- 3.2 The Board of Directors consists of independent directors which shall total up not less than half of the directors, representatives of major shareholders, and directors from SCG Management.
- 3.3 The Board of Directors shall elect one of their members to be the Chairman of the Board. When a person is appointed as a director of the Company, the Company shall provide he/she with SCG's director orientation and present to every new director a Director's Manual and various relevant information so that he/she acknowledges his/her roles and duties as a director of the Company.

### **4 Qualifications of Company Directors**

- 4.1 Company directors must be qualified pursuant to the requirements set forth in the Public Limited Company Act and Company's Articles of Association, they must not have any trustworthiness according to Notification of the Office of Securities and Exchange Commission.
- 4.2 Company directors must have a capacity of leadership, wide-ranging vision, and knowledge of SCG's business.
- 4.3 Each company director must be able to perform his/her duty and express opinions independently, and be able to devote sufficient time to perform his/her duties.
- 4.4 Each company director must not hold directorship in no more than a total of four other listed companies apart from SCG on The Stock Exchange of Thailand.

### **5 Terms of Office**

At the annual general meeting of shareholders, one third of the directors, or if their number is not multiple of three, then the number nearest to one-third must retire from the office. The director who has held office longest shall retire. However, a retiring director is eligible for re-election.

Apart from the vacancy upon the expiration under the Company's Articles of Association, a director shall vacate office when:

- 1) he/she is no longer qualified for the office according to the Company's Articles of Association or any laws and regulations.

- 2) he/she gives notice of resignation to the Board of Directors, which shall be effective from the date that on which the Company receives the resignation letter;
- 3) he/she has been absent from three consecutive regular meetings of the Board of Directors without leave of absence, and the Board of Directors has passed a resolution by a vote of not less than half of all the directors that he/she retire from his/her office;
- 4) The shareholders pass a resolution removing him/her from office in accordance with the provisions of the Public Limited Company Act;
- 5) the court so orders;
- 6) he/she dies.

In case of vacancies of all members in the Board of Directors, the said Board of Directors may perform any act in the name of the Board of Directors only in matters necessary until a new Board of Directors takes over.

In case of a vacancy in the Board of Directors for any reason other than the expiration of the director's term of office, the Board of Directors shall elect a person who is fully qualified as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than 2 months. The substitute director shall hold office only for the remaining term of office of the director whom he/she replaces.

## **6 Meetings of the Board of Directors**

The Company has stipulated that there shall be at least 8 meetings of the Board of Directors per year. For each meeting, the main items of the agenda are to be clearly determined in advance. Special meetings may be called to consider important or urgent matters. The Chairman and the President& CEO will together determine the agenda and their matters to be considered at the meeting.

In calling a meeting of the Board of Directors, the Chairman or the Secretary to the Board of Directors, by order of the Chairman, shall serve a written notice calling for such meeting to the directors not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods and an earlier meeting date may be choosing.

In a board meeting, the Chairman of the Board of Directors or the chairman of the meeting may choose to conduct the meeting electronically according to defined criteria and methods to enable discussions and exchange of opinions among attendees who may not be in the same location.

## **7 Quorum**

At a meeting of the Board of Directors at least half the number of directors must attend to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty but the Vice-Chairman is present, the Vice-Chairman shall perform the duty on behalf of the Chairman. If there is no Vice-Chairman or such Vice-Chairman is not present at the meeting, or cannot perform his or her duties, the directors in attendance shall appoint one director to perform the duty on behalf of the Chairman.

Decision in the meeting shall be made by a simple majority vote. Each director is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

Each director is entitled to one vote, but a director who has an interest in any matter shall not be entitled to vote on such matter.

In case of vacancies in the Board of Directors resulting in the number of directors being less than the number required for a quorum, the remaining directors may perform any act in the name of the Board of Directors only in matters relating to the calling of a shareholders' meeting to elect directors to replace all the vacancies, and that such shareholders' meeting shall be held within one month from the date the number of directors falls below the number required for a quorum.

## **8 The Board of Directors' Authorization**

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's regulations, Articles of Association, the Board of Directors charter, and the shareholders' meeting resolutions. Such matters include delegation of authority, defining and reviewing corporate vision, mission, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-range business plan. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, significant connected transactions, merger and acquisition, corporate spin-off, and joint venture deals.

## **9 Remuneration**

The directors shall be paid a remuneration, the amount of which shall be fixed by the shareholders' meeting.

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Revised and effective from 27 October, 2022 onwards  
According to the resolution of the Board Meeting on 26 October 2022

Air Chief Marshal                      *-signed-*  
(Satitpong Sukvimol)  
Chairman of the Board of Directors