

**Charter of the ESG Committee**  
**SCG Chemicals Public Company Limited**

The Board of Directors Meeting of SCG Chemicals Public Company Limited (“the Company”) No. 282 (3/2022) held on March 30, 2022 resolved to approve the first charter of the ESG Committee and endorse the continuous enforcement of the charter upon the conversion of the Company into a public limited company.

The Company believes that in addition to ensuring that the Company’s operations are in line with its business strategies in a sustainable manner, the Board of Directors also plays a major role in the implementation of the corporate governance system. Therefore, the ESG Committee has been appointed to assist the Board of Directors in determining a suitable board composition and selecting candidates with qualifications that fit such composition. The ESG Committee is also responsible for overseeing and monitoring the pursuit of business strategies for sustainability on a regular and continuous basis, taking into account impacts on the organization and all stakeholders across all dimensions, including environmental, economic, social, and governance, in conjunction with appropriate risk management amidst changes and continuous CSR activities in order to improve the quality of life in communities and society in every country in which SCG Chemicals invests, with emphasis on strengthening the community, fostering self-sufficiency, and ensuring the ability to keep pace with changes in a balanced manner for the Company’s long-term operating results.

To ensure that every member of the ESG Committee recognizes their role and responsibilities and can correctly fulfill their duties in their entirety, the Board Meeting resolved to established this Charter of the ESG Committee, which will provide assurance to and foster confidence among stakeholders as well as encourage employees across the organization to work together to drive the organization towards sustainable growth.

**1. Scope of Duties**

The duties of the ESG Committee are as follows:

**Corporate governance and sustainable development**

- (1) To determine, review and express opinions on the scope of corporate governance policies and guidelines for sustainable development, covering environmental, economic, and social dimensions in accordance with good corporate governance principles and standards at both local and international levels, as appropriate, so as to achieve the vision, key goals and business strategies, taking into account the growth of the Company’s operating results in the long term and factors affecting sustainability, either opportunities or risks, related to the Company’s business context and presenting them to the Board of Directors on a regular basis;
- (2) To establish policies and operational guidelines in an area of CSR activities for sustainable development to present to the Board of Directors for approval annually;
- (3) To ensure that the corporate governance policy for sustainable development of the Company is reviewed and improved regularly and continuously across all dimensions at least once a year to be consistent with applicable rules and standards at both local and international levels and to ensure that the policy is up-to-date and consistent with the business context as well as global trends and directions;
- (4) To recommend guidelines for corporate governance for sustainable development of the Company to the Board of Directors and to give comments to the Board of Directors on such matter;
- (5) To monitor and oversee the performance of the Board of Directors and the Management to ensure compliance with corporate governance policies and business strategies for corporate sustainability; to convene meetings to follow up on the progress, make inquiries, and give directions and recommendations to the management to include those issues as part of the annual strategy and plans; to determine appropriate key performance indicators for reflecting the implementation of business strategies for sustainability; and to determine a timeframe for follow-ups to improve operational guidelines and set future plans;

- (6) To review and improve corporate governance practices for sustainability on a regular basis and make recommendations to the Board of Directors on the corporate goals in the short term, medium term and long term, taking into account resources throughout the value chain of the business, innovation, technology, adaptation to change, and important factors in driving strategies in order to promote and support the fostering of corporate values and culture with respect to operation and ethics that respond to the expectations of stakeholders as well as to ensure suitability for business operation and compliance with practices at international levels and of the Stock Exchange of Thailand;
- (7) To consider and prepare a development plan for directors in order to enhance and develop knowledge and skills for the Board of Directors and sub-committees of the Company, so that they understand their roles and duties as well as the business, economic conditions, technology, laws or regulations related to the Company's business and its subsidiaries; and to oversee the development of knowledge and expertise of the Board of Directors and sub-committees through various arrangements, focusing on sustainability issues, in order to equip the Board of Directors and sub-committees with knowledge that will serve them in understanding corporate sustainability;
- (8) To review and make recommendations to the Board of Directors regarding any changes to the charters of the Board of Directors and sub-committees and policies to keep them current and appropriate at all times.

#### **Director nomination**

- (1) To consider the structure, size and composition of the Board of Directors and sub-committees to be appropriate to the size, type and complexity of the business; to determine qualifications of directors on the board and on each sub-committee in terms of knowledge, experience, as well as expertise in specific fields (“Board Skills Matrix”) to support the recruitment and nomination of persons qualified to be directors of the Company and to bring benefits to the Company's business and subsidiaries, and to sustainably create value to the business;
- (2) To review the suitability of being a director of the Company if there is any change to the qualifications of the Company's directors;
- (3) To determine processes and guidelines for recruiting and selecting persons with qualifications required by the applicable regulations and laws; to recruit qualified persons to replace any Company's director in the event of expiration of the term of office of that director or any other event, including any director on sub-committees who has been directly entrusted with power, duties and responsibilities from the Board of Directors, taking into account the diversity in the board structure in terms of knowledge, expertise, experience, gender and specific abilities that are beneficial to the Company to propose to the Board of Directors meeting and/or the shareholders meeting for approval;
- (4) To review the independence of the Company's directors, conflicts of interest that may occur in performing their duties, and the independence and qualifications of each independent director to ensure that all independent directors have qualifications that meet the relevant criteria and the applicable laws;
- (5) To propose methods of performance evaluation of the Board of Directors and sub-committees based on annual review; to monitor and summarize evaluation results to present to the Board of Directors for acknowledgment in order to improve the efficiency and to enhance the knowledge and competence of the directors;
- (6) To determine the guidelines for talent management;

#### **Directors’ remuneration**

- (1) To propose guidelines and methods for payments of monetary and non-monetary compensation, including other benefits, to the Company's directors commensurate with their tasks, duties, responsibilities and qualifications of directors and the Company's performance in order to create incentives in the short term and in the long term, and to ensure that remuneration and benefits are competitive with compensation standards in the same industry; to review conditions for offering new shares or warrants to directors (if any) and present the matter to the Board of Directors meeting or to the shareholders meeting for approval;

- (2) To review, study, and monitor changes and trends as regards remuneration of the Board of Directors and sub-committees for presenting to the Board of Directors meeting for approval;
- (3) To consider payments of remuneration to the Board of Directors and sub-committees, compared with other leading listed companies that operate the same business in order to maintain the Company's leadership in the industry and to create incentives for the productive management;

#### **Others**

- (1) To ensure that effective stakeholders participation processes are put in place. This includes communications, hearing stakeholders voices, disclosure of information obtained from the participation, and presentation of information on operating results under a sustainable business strategy to the public through various channels;
- (2) To evaluate the performance of the ESG Committee annually, as a whole and self-assessment;
- (3) To report progress and performance to the Board of Directors after all meetings of the ESG Committee;
- (4) To disclose the Company's corporate governance and sustainable development policies and implementations; and to draw up a report of the ESG Committee in the Company's annual report; and
- (5) To perform other duties as assigned by the Board of Directors

In performing their tasks within the scope of roles and responsibilities, the ESG Committee has the power to summon and instruct the management, heads of departments, or employees to give their opinions, to be present at meetings, or to submit documents that they find relevant and necessary. The ESG Committee may also seek independent opinions from any other professional advisors when deemed necessary at the expense of the Company. The engagement of such professional advisors is to be in accordance with the Company's rules and regulations.

## **2. Composition of the ESG Committee**

The compositions of the ESG Committee are to be as follows:

- (1) The ESG Committee consists of not less than 3 members.
- (2) The members of the ESG Committee shall be appointed by the Board of Directors.
- (3) A member of the ESG Committee shall be appointed by the Board of Directors or the ESG Committee as the Chairman, who may be an independent director, to play a key role in ensuring the independence of the committee in their performance of duties.
- (4) The ESG Committee shall be responsible for appointing the Secretary to the ESG Committee to provide assistances in making meeting appointments, preparing meeting agenda, distributing meeting documents, and preparing meeting minutes.

## **3. Qualifications of the ESG Committee**

- (1) Members shall be Company directors.
- (2) Members shall have all required qualifications and shall not possess any prohibited characteristics as stipulated in the Public Limited Companies Act B.E. 2535 (as amended), the Securities and Exchange Act B.E. 2535 (as amended), as well as applicable notifications, requirements, and/or regulations and shall not possess any characteristics indicating a lack of trustworthiness to be appointed a director or an executive as prescribed by the Securities and Exchange Commission and/or the Thai Capital Market Supervisory Board.

- (3) Members shall be knowledgeable and experienced and understand their qualifications, roles, and responsibilities as members of the ESG Committee as well as possess a good understanding of corporate governance and sustainable development.
- (4) Members shall have a breadth of vision and regularly keep abreast of changes in the operating results of the Company and its subsidiaries as well as changes related to corporate governance, sustainable development, and social affairs at the international level in order to improve the Company's corporate governance and sustainable development policies in various dimensions, environmental policies, and overall social affairs.
- (5) Members shall be able to perform their duties, express opinions, and report on the outcome of the assigned duties independently, openly, and transparently, as well as devote sufficient time to their duties.
- (6) Members shall maintain their neutrality and lack of prejudice in nominating and selecting qualified candidates for the Company's directorship to replace directors due to retire by rotation or for other reasons. They shall also be responsible for preparing sufficient biographical information of such candidates for the consideration of the Board of Directors.

#### **4. Terms of Office**

The term of office of the members of the ESG Committee shall equal to the individual term of office and ends at the annual general meeting of shareholders.. A member retiring by rotation is eligible for re-appointment and shall serve in the interim until a new member is appointed in their place, except in the event that the retiring member is not re-elected as directors of the Company.

In addition to the vacancy upon the expiration of their term as aforementioned, a member of the ESG Committee shall vacate office upon:

- a) resignation;
- b) being disqualified from the ESG Committee as specified in this charter or by the law;
- c) being removed by a resolution of a board meeting or a meeting of shareholders
- d) expiration of directorship
- e) death
- f) being removed by a court order.

A member of the ESG Committee wishing to resign from the committee shall give sufficient notice of resignation to the Chairman of the Board of Directors and specify the reason, so that the Board of Directors may appoint a qualified candidate to replace them.

In the event that all members of the ESG Committee vacate office, the entire ESG Committee must serve in the interim until a new ESG Committee takes over the duties.

In the event that a member position of the ESG Committee becomes vacant for reason other than expiration of the term of office, the Board of Directors shall appoint a fully qualified person without prohibited characteristics as a member of the ESG Committee in their place, to complete the composition of the ESG Committee as prescribed by the Board of Directors and ensure the operational continuity of the ESG Committee. The substitute member shall hold office only for the remaining term of office of the member whom they replace.

#### **5. Meetings**

Meetings of the ESG Committee are to be called as the committee or the Chairman of the Committee sees fit. However, at least four meetings should be convened per year.

In calling a meeting of the ESG Committee, the Chairman or the Secretary of the ESG Committee, by order of the Chairman of the ESG Committee, shall serve a notice via electronic method or other methods calling for such meeting to members of the ESG Committee not less than 5 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called on an earlier meeting date. For each meeting, the agenda should be clearly defined, and meeting documents should be distributed to the ESG Committee and attendees reasonably in advance of the meeting, so as to allow sufficient time for review or request for additional information.

In a meeting of the ESG Committee, the Chairman of the ESG Committee or the chairman of the meeting may choose to conduct the meeting electronically in compliance with prescribed criteria and methods to enable discussions and exchange of opinions among attendees who may not be in the same location.

The ESG Committee should hold meetings to discuss matters within its scope of duties set forth in this charter.

The ESG Committee may invite relevant parties, such as the Company's legal advisors, external legal advisors, and/or other concerned parties, to join a meeting to participate in discussions, offer clarification, or answer inquiries.

## **6. Quorum and vote casting**

At a meeting of the ESG Committee, at least half the number of the members of the ESG Committee must attend to constitute a quorum. In case the Chairman is absent or unable to perform their duty, the ESG Committee shall appoint a member present at the meeting to chair the meeting.

Decisions in the meeting shall be by a simple majority vote.

Each member of the ESG Committee is entitled to one vote, except when they have a vested interest in the matter being voted on, in which case they shall not be entitled to vote. In the event of a tie vote, the Chairman of the meeting shall have a casting vote.

A resolution of the ESG Committee may be made without a meeting and shall be deemed valid as if it were made at the meeting when all members of the ESG Committee have adopted it by their signatures.

## **7. Minutes of meetings of the ESG Committee**

The Secretary to the ESG Committee or a person designated by the ESG Committee is responsible for preparing minutes of meetings of the ESG Committee and distributing them to members of the committee for consideration in advance before they are proposed for approval as the first agenda of the subsequent meeting and certified by the Chairman of the meeting with a signature. Members of the ESG Committee may make comments and propose corrections to the minutes to ensure their accuracy. The minutes must be certified by the ESG Committee, and the Chairman of the ESG Committee shall be responsible for reporting on the meeting at a board meeting to keep the Board of Directors informed of the activities of the ESG Committee

## **8. Remuneration**

The ESG Committee shall be entitled to remuneration in the amount approved by the shareholders meeting.

This Charter shall be effective from November 24, 2022 onwards.

**Announced on November 24, 2022**

*-signed by-*

**(Mr. Chumpol NaLamlieng)  
Chairman of the Board of Directors**

Note:

\*The first amendment to this Charter of the ESG Committee was made pursuant to the resolution of the Board of Directors Meeting No. 282 (3/2022) on March 30, 2022. The name of the committee was changed from the Nomination and Remuneration Committee and the social, environmental (ESG) and sustainable aspects were added to the scope of work.

\*The second amendment to this Charter of the ESG Committee was made pursuant to the resolution of the Board of Directors Meeting No. 7 (7/2022) on November 24, 2022.