

Policy on the Determination of Director Qualifications and the Nomination of Directors
SCG Chemicals Public Company Limited

The Board of Directors Meeting of SCG Chemicals Public Company Limited (“the Company”) No. 276 (12/2021) held on September 22, 2021 resolved to approve the first Policy on the Determination of Director Qualifications and the Nomination of Directors, and the Board Meeting No. 282 (3/2022) held on March 30, 2022 subsequently endorsed the continuous enforcement of the Policy upon the conversion of the Company into a public limited company.

1. Principles

Recognizing that director nomination and selection consistent with the good corporate governance principles is of paramount importance as the Board of Directors plays a critical role in formulating strategies and business directions for the sustainable growth, as such, the aforesaid Board of Directors Meeting has developed the Policy on the Determination of Director Qualifications and the Nomination of Directors. This is to create transparent and clear procedure supporting the recruitment and nomination of persons qualified to be directors of the Company, as well as appropriate size and type of Board’s structure and composition while covering a diverse range of qualifications, skills, professional knowledge, abilities, expertise and experience that strengthens business strategies and long-term growth of the organization.

2. Policy on the Determination of Director Qualifications and the Nomination of Directors

The Board of Directors shall be fully composed of those having all required qualifications and shall not possess any prohibited characteristics as stipulated by the laws, and covering a diverse range of skills, experiences, professional knowledge and capabilities, and expertise that are beneficial to business operation of the Company, including considering the appropriate proportion of independent directors and female directors without any restriction or discrimination on the grounds of gender, age, ethnicity, nationality, religion, place of origin, culture, custom etc. This is to enable the Company to achieve its business objectives and goals, as well as support the Company to keep its management compliant with Corporate Governance principles of SCG Chemicals, to ensure fairness and transparency while generating returns and creating values for shareholders in the long run and inspire trust in all related stakeholders, all of which will lead SCG Chemicals towards sustainable growth.

3. Qualifications of Company Directors

The Board of Directors has entrusted the ESG Committee with the task of nominating qualified candidates for directorship to replace directors retiring by rotation or under other circumstances to the Board of Directors and/or the meeting of shareholders for election. The ESG Committee selects candidates from a pool of qualified individuals with background and expertise from various disciplines who possess leadership, a breadth of vision, integrity and ethics, clear and unblemished career records, as well as the ability to express opinion independently. The following factors shall be taken into account in director nomination process:

3.1 Required qualifications in each director:

The ESG Committee should determine and establish individual qualities of those to be nominated as directors in each aspect. For instance:

- Integrity and accountability;
- Informed judgment;
- Maturity, firmness and the ability to listen well and express independent opinion;
- Commitment to principles and standards with professionalism; and

- Other qualifications the ESG Committee deems important

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knowledge and expertise requirements

for the Board of Directors and formulate the Board Skills Matrix to be used in the selection and nomination of qualified candidates. These requirements should encompass knowledge and areas of expertise that will enhance the ability of the Board of Directors to formulate strategies and policies as well as ensure their effective implementation including:

- knowledge of core business or business chain;
- accounting and finance;
- organization management for sustainable growth in all ESG aspects including risk management and crisis management;
- innovation and research and development;
- technology and information management for the industry and business sector, and safeguard of the information security system;
- expertise or experience in business environment and society under the good governance practice (ESG)
- other areas of expertise that deem to be beneficial to the Company in the next 3-5 years.

3.3 Diversity of the Board of Directors

In addition to the two aforementioned factors, the ESG Committee may also establish guidelines relevant to diversity of the Board of Directors, such as gender, age, ethnicity, nationality, place of origin, culture and custom etc.

4. Director nomination and selection process

The nomination and selection of new directors involves a total of four steps as the following details:

4.1 Planning

For the ESG Committee to determine guidelines and plans for nominating individuals with appropriate qualifications for thorough and timely consideration of new director election, the Company Secretary is required to perform the following duties and propose for the ESG Committee's consideration:

- Review the director's knowledge, capabilities, skills and experiences in the Board Skills Matrix;
- Prepare a schedule for the rotation terms of the Board of Directors and the sub-committee for each director;
- Review the Company's Qualifications of Independent Directors.
- Aggregate guidelines for director nomination, qualifications of individuals who will be directors as approved by the Board of Directors, relevant practices of SCG Chemicals's Corporate Governance principles, and practices of good Corporate Governance concerning director nomination according to relevant divisions/ organizations, such as the Securities and Exchange Commission)SEC(and the Thai Institute of Directors)IOD(; and
- Propose a process timeline in compliance with the meeting schedule of the ESG Committee, the Board of Directors and the shareholders meetings

4.2 Nomination of Candidates

Nomination of qualified candidates for the consideration of new director election should be based on the following:

(a) Nomination of new directors by the Board of Directors

The Chairman of the ESG Committee shall propose at the Board meeting to nominate

candidates that are deemed qualified according to the Board Skills Matrix and business strategies within the specific time.

(b) Nomination of new directors by the shareholders

To ensure the implementation of a procedure which enables all shareholders to participate in the nomination and appointment of directors and ensure that all shareholders are able to elect independent directors to reserve their own benefits, the Company must allow at least 3 months for all shareholders to nominate candidates to be considered for the election as new directors according to the specified criteria and procedures. The ESG Committee shall consider and propose the Board meeting to approve an appropriate and sufficient period of time to consider the selection and election in the next steps, where the Company Secretary shall inform SET about the timeline and other details, as well as publishing such information on the Company's website.

(c) Aggregation of candidate list from reliable sources

The Company Secretary shall aggregate lists of candidates in the Chartered Director of IOD as well as lists of directors of SET listed companies who match the Company's Board Skills Matrix and proposed such lists to the meeting of ESG Committee as supporting materials for consideration.

4.3 Selection

The Company Secretary shall aggregate the lists acquired from the step 4.2 to be proposed to the meeting of ESG Committee for consideration.

The meeting of the ESG Committee (excluding directors having interests in such a matter) shall determine the director's qualifications from the Board Skills Matrix to screen the lists of candidates qualified for the new director's positions from the step 4.2. This must comply with the Policy on the Determination of Director Qualifications and the Nomination of Directors. The ESG Committee shall also take into account diversity of the Board of Directors structure and the directors' devotion of time to their duties, and select the individuals with knowledge, expertise or experiences in providing beneficial advices for business operation strategies and policies in accordance with sustainable development approaches, before proposing to the Board of Directors meeting for consideration.

The Company Secretary shall review the basic qualifications of the nominated persons from public sources regarding their directorship or executive positions in other businesses that may lead to conflicts of interests with the Company, and the qualifications of independent directors.

4.4 Election

(a) Election of directors in replacement of those retiring by rotation

The Board of Directors (excluding directors having interests in such a matter) shall thoroughly and carefully consider the qualifications of the candidates which are individually nominated by the ESG Committee before proposing the nomination of qualified individuals to the shareholders' meeting to consider director election.

In addition, the Board Meeting may appoint the Chief Executive Officer and President and/or appropriate directors to approach the individuals of whom the Board of Directors has given consent to participate in the director election, and report the progress of approaching said nominated persons for the Board of Directors' acknowledgement/consideration.

(b) Election of directors in replacement of those resigning before their terms

Election of directors in replacement of those resigning before their terms shall be proceeded through the same process as that of the election of directors replacing those retiring by rotation. However, the meeting of the Board of Directors shall consider the election of directors without proposing to the shareholders meeting

for consideration.

In addition, in case where the remaining terms of office of directors resigning before their terms are less than two months, the shareholders meeting is required by the laws to elect directors to replace said resigning directors.

This Policy shall be effective from October 20, 2022 onwards.

Announced on October 20, 2022

-signed by-

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

Note:

*The first amendment to this Policy on the Determination of Director Qualifications and the Nomination of Directors was made pursuant to the resolution of the Board of Directors Meeting No. 282 (3/2022) on March 30, 2022.

*The second amendment to this Policy on the Determination of Director Qualifications and the Nomination of Directors was made pursuant to the resolution of the Board of Directors Meeting No. 6 (6/2022) on October 20, 2022.