

## **11. Charter Of The Board Of Directors SCG Ceramics 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 the Management Committee and the President & CEO to ensure the accomplishment of the company'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 the company, 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:

1. Acting in a best interest of shareholders (Fiduciary Duty) by observing the following four main practices:

1.1 Performing its duties with responsibility and all due circumspection and caution (Duty of Care)

1.2 Performing its duties with faithfulness and honesty (Duty of Loyalty).

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).

1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness. (Duty of Disclosure).

2. Defining and reviewing the structure of the Board of Directors, number of directors, proportion of independent director as well as diversity of director qualifications, including knowledge, expertise, experience, and specializations to align with the company's business operations; and appointing the chairmen and members of

subcommittee to assist and support the Board of Directors.

3. Directing the company's visions, missions, and business strategies, subject to annual revision and approval, to create value to the company, customers, stakeholders, and society as a whole in a sustainable manner.

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

5. Overseeing and monitoring the implementation of the company's strategies and its 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 the company's employees.

6. 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

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

8. Overseeing and monitoring IT management and the implementation of the IT security system.

9. 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.

10. Overseeing and developing the company's corporate governance to keep it consistent with international standards to provide guidelines for business operations while monitoring to ensure compliance with SCG's corporate governance and Code of Conduct.

11. Encouraging staff at all levels to be conscious of ethics and morality and comply with the company'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.

12. Overseeing and monitoring the company's liquidity and debt service coverage together with emergency plans and mechanisms in case of problems arising

13. 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

14. Overseeing to ascertain shareholders' involvement in the decision making of the company's important matters, respecting the rights of shareholders, ensuring the equitable and transparent treatment of both major and minority 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.

15. 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.

16. Assessing the performance of the Board of Directors annually by performing two types of assessments, namely that of the Board as a whole, and that of each individual director as a self-assessment with monitoring the assessment results of the Board and its subcommittee which will be jointly deliberated by the Board of Directors as well as reviewing the assessment results of the Board and subcommittee on a regular basis.

17. Overseeing and monitoring to ensure the selection and nomination process of a director is carried out transparently and the remunerations for directors and subcommittee members are determined appropriately.

18. 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.

19. 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 the company's assets and the entering into inappropriate transactions with persons connected with the company.

20. Developing their knowledge and competency related to their duties through courses, or curricula related to directorial duties, or seminars that enhance their knowledge.

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:

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. Provides leadership and direction to the Board of Directors and chairs meetings of the Board.

2.1 Conducts a Board meeting according to the agendas, the Company's Regulations, and applicable laws.

2.2 Encourages and allocates sufficient time to each Board member to discuss and express their opinion freely with due circumspection and concern for all stakeholders

2.3 Sums up the Board meeting resolutions and the actions to take clearly

2.4 Sets up a Board meeting without the presence of the Executive Director from the Management in case of necessity.

3. Chairs meetings of shareholders according to the agendas, the Company's Articles of Association, and laws by allocating time appropriately along with providing opportunities for shareholders to express their opinions equitably and ensuring that shareholders' inquiries are responded appropriately and transparently.

4. Supports and be a role model in compliance with the principles of good corporate governance and the company's Code of Conduct.

5. Fosters a positive working relationship between the Board of Directors and the Management and supports the performance of the President & CEO and the Management in accordance with the company's policy.

6. Ensures the disclosure of information and management transparently in the event of conflicts of interest.

7. Ensures that the Board of Directors has an appropriate structure and compositions.

8. Oversees that the Board of Directors as a whole, subcommittee members, and each individual director perform their duties effectively and efficiently

9. Evaluates the performance of the Board of Directors as a whole, each individual director, and subcommittees in order to improve their performance as well as develop the competence of the Board of Directors and members of subcommittee.

### **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 5 but not more than 15 directors, each of whom shall be appointed and removed at 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 a third of the directors and shall not be less than three independent directors.

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 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 prohibited qualifications according to Notification of the Office of Securities and Exchange Commission: Qualification of Directors of Listed Company

4.2 Company directors must have a capacity of leadership, wide-ranging vision, and knowledge of the company'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 five other listed companies 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 4 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 send a notice 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, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-range business plan, 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.