



## Appendix 7 Nomination, Remuneration and Corporate Governance Committee Report

In 2021, like the previous year, the Nomination, Remuneration and Corporate Governance Committee has fulfilled their responsibilities assigned by the Board of Directors in three key areas: recruiting qualified candidates for the positions of directors in place of directors whose terms are expired or those with other cases, determining remuneration of the Board of Directors and sub-committees, and determining and making recommendations on policies, the company's corporate governance practices and operations covering all 5 sections of the Stock Exchange of Thailand Principles of Good Corporate Governance for Listed Companies 2012 (CG Principles 2012) which is consisted of: rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, and the responsibilities of the board. This is in accordance with all eight sections of the Good Corporate Governance Principles for Listed Companies 2017 or the Corporate Governance Code (CG Code) issued by the Securities and Exchange Commission (SEC) in collaboration with a working group for sustainability development of listed companies. It consists of recognizing the roles and responsibilities of the Board of Directors as corporate leaders that create sustainable values for the business, determining the objectives and main goals of the business for sustainability, enhancing an effective recruitment of the Board of Directors and development of senior managers and personnel management, promoting innovation and responsible business operations, ensuring that there is an appropriate risk management and internal control system, maintaining financial credibility and disclosure, and supporting participation and communication with shareholders, including reviewing the implementation of the mentioned policy annually.

According to the Nomination, Remuneration and Corporate Governance Committee Charter which requires a meeting of the Nomination, Remuneration and Corporate Governance Committee as deemed necessary and appropriate of at least 2 times a year,

in 2021 the Nomination, Remuneration and Corporate Governance Committee held a total of 3 meetings, 2 of which were pre-scheduled and 1 of which was a special meeting. 100% of the directors attended the meeting.

**The summary of the key performance of duties in the year 2021 is as follows:**

### **1. Recruitment**

The Board of Directors by recommendation of the Nomination, Remuneration and Corporate Governance Committee has reviewed the criteria on giving every shareholder an opportunity to nominate a person to be considered for election as a director in place of the director who is due to retire by rotation before the 2022 Annual General meeting of shareholders every year. This has been carried out continuously for the 4th year since the general meeting.

Shareholders for the year 2019 onwards, in 2021, granted the right to minority shareholders in this matter during Friday, August 13 - Monday, November 15, 2021. In addition, the Nomination, Remuneration and Corporate Governance Committee has considered nominating a list of qualified persons by considering the diversity in the board structure (Board Diversity) in terms of professional skills, special expertise that is beneficial to the company, and independence in accordance with the rules of the SEC and the definition of the company's qualifications for proposing to the Board of Directors for consideration and proposing to the 2022 Annual General Meeting of Shareholders to consider electing a director to replace a director who will retire by rotation.

### **2. Remuneration**

The Nomination, Remuneration and Corporate Governance Committee has proposed the Board of Directors to review the criteria and rates of remuneration for the Board of Directors and various sub-committees appointed by the Board of Directors. This includes monthly remuneration and meeting allowance for the year 2022 in

accordance with the company's operating results. The review is carried out by comparing with other leading listed companies that operate the same business and regularly monitoring changes and trends in the Board of Directors' remuneration in order for the company to maintain its leadership in the industrial market and to create incentives for management. For the year 2022, the Nomination, Remuneration and Corporate Governance Committee Agreed to propose to the Board of Directors' meeting to consider and approve the monthly remuneration and meeting allowance which the 2021 General Meeting of Shareholders has approved because it is still an appropriate rate at present.

In addition, the Nomination, Remuneration and Corporate Governance Committee has considered and proposed to the Board of Directors for approval of the annual rewards for the year 2021 for employees and high-level executives of the company as well as the annual wage increase budget 2022 for senior executives. For senior executives, the remuneration is considered to be appropriate to the performance and consistent with the overall performance of the company to maintain leadership in this industrial business market which is carefully set to be in accordance with the duties and responsibilities set out in the charter. It is fair and reasonable and accordant to the authority of the company.

### **3. Governance**

In 2021, the Board of Directors resolved to approve the proposal of the Nomination, Remuneration and Corporate Governance Committee to formulate and review the company's corporate governance policies and practices as follows:

#### **3.1 Governance Policies**

- Consider and review the company's implementations of the 2017 CG Code of Conduct in parts that are added or revised from the CG Principles 2012 and the company's current guidelines in respect of which has been practiced and has complied with the CG Code and of which has not complied with the CG Code until its benefits and implementations in applying it to create sustainable value for the company are understood. In addition, the evaluation results of each company's compliance with the CG Code were also

considered in order to ensure that the aforementioned performance results and the development plan are appropriate to the business continuity based on the Apply or Explain principle. It is decided to propose the review of company's 2017 CG Code of Conduct practice to the Board of Directors for consideration at the Board of Directors' meeting on July 27, 2021. A resolution as proposed by the Nomination, Remuneration and Corporate Governance Committee was passed and can be summarized as follows:

- 1) The replacement measure has been approved for matters that the company's guidelines are not yet consistent with the CG Code as approved by the Board of Directors' meeting in 2020 for the year 2021.

- 2) It has been approved for the management to disclose the CG Code review report of the Board of Directors. Moreover, replacement measures for practices that are not yet compliant with the CG Code are set forth in the annual data sheet/annual report form (56-1 One Report Form).

- Review and propose to the Board of Directors to consider and approve the continuation of the Board of Directors' Charter and the current version of the Nomination, Remuneration and Corporate Governance Committee, which has been revised in 2020 in order to comply with the CG Code of 2017 and the continuation of the current scope of duties and practice guidelines of the company to be in accordance with the Emergency Decree on Electronic Conferencing B.E. 2020 and the Charter of the Board of Directors and the Sub-Committee of The Siam Cement Public Company Limited (SCC) (a major shareholder of the company).

#### **3.2 Corporate Governance Practices**

- Review and propose to the Board of Directors to consider approving the continued use of the performance appraisal form of the Board of Directors and the Nomination, Compensation and Corporate Governance Committee, both as a whole and self-assessment, including the current version of the Managing Director's performance appraisal form which was last revised in 2020 as it is still appropriate. It will be proposed to the Board of Directors' meeting to consider reviewing the assessment form and provide an annual evaluation. This is in order to comply with the Good Corporate Governance Principles according to the CG Code

and CG Principles of the Stock Exchange of Thailand and the IOD, and to be used as information for considering the nomination of directors who will retire by rotation in 2022. The results of the assessment of the Board of Directors and the Nomination, Remuneration and Corporate Governance Committee for the year 2021 on all topics are higher than the specified threshold at 90 percent.

As the Board of Directors recognizes the importance of corporate governance, clear guidelines have been established to give management independence to initiate and carry out continual improvements in corporate governance under the recommendations of the Executive Committee, the Nomination, Remuneration and Corporate Governance Committee, and Audit Committee. In 2021, which is the third year that the Company has been assessed on various corporate governance matters, the results are as follows:

- Received the 2021 CGR results with IOD being in the category of “Excellent” for the second year in a row (91 percent overall average) since 2020.

- Received a full score of 100 for the 3rd year in a row since 2019 by the Thai Investors Association (AGM Checklist) for the quality of the 2021 Annual General Meeting of Shareholders.

- Has been selected to be on the list “Sustainable Companies to Invest in” or the ESG Emerging List, and is listed on the Universe of the ESG 100 Securities Group for 2021.

On behalf of the Nomination, Remuneration and Corporate Governance Committee



**Boonchue Polsingkorn**  
Chairman of the Nomination, Remuneration and Corporate Governance Committee