

Policy on Director Qualifications and Nomination

1. Principle

In accordance with SCG Corporate Governance Principle, director nomination and selection is of paramount importance as the Board of Directors plays a critical role in formulating strategies and business directions for the sustainable growth of SCG. As such, the Board of Directors has deemed it appropriate to establish a policy on director qualifications and nomination.

2. Policy on Director Qualifications and Nomination

The Board of Directors must be composed of Directors who have all qualifications and possess none of the prohibited characteristics prescribed by the law and the Company's Article of Association, and should consist of a diverse range (Board Diversity) of skills, experiences, knowledge, and expertise beneficial to the Company without any discrimination on the grounds of gender, age, ethnicity, nationality, country of origin, cultural background, tradition, and religion, including the proportion of independent directors and women directors must be appropriate and in accordance with the good corporate governance principles, so to enable to the Company to achieve its objectives and business goals and promote a management system guided by the Corporate Governance Principle in order to bring about fairness and transparency as well as the ability to generate returns and added values in the long term to shareholders and inspire trust in all stakeholders, all of which will lead the Company towards sustainable growth.

3. Qualification of Company Directors

The Board of Directors has entrusted the Nomination, Remuneration, and Corporate Governance 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 Nomination, Remuneration, and Corporate Governance 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. Director nomination should take into account the following factors.

3.1 Required qualifications in each director:

The Nomination, Remuneration, and Corporate Governance 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
- Other qualifications the Corporate Governance and Nomination Committee deems important.

3.2 Required knowledge and expertise of the Board of Directors

The Nomination, Remuneration, and Corporate Governance Committee should prescribe a set of knowledge and expertise requirements for the Board of Directors and formulate the Board Skill 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, such as expertise in the main industry or business of the Company, marketing, accounting and finance, organization management, vision and strategic planning, innovation and technology, laws, risk management, economy and investment, Environment, Social, and Governance (ESG), and other areas of expertise that deem to be beneficial to the Company in the next 3-5 years, such as E-commerce, Research and Development, Merger and Acquisition, Cybersecurity technology, Data Management, Retail Business, Supply Chain, Health and Safety, and regional or global organization management experience.

3.3 Diversity of the Board of Directors

In addition to the two aforementioned factors, the Nomination, Remuneration, and Corporate Governance Committee may also establish guidelines relevant to diversity of the Board of Directors, such as diversity in gender, age, ethnicity, race, nationality, origin, cultural background, and religion.

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 Nomination, Remuneration, and Corporate Governance Committee to determine guidelines and plans for nominating individuals with appropriate qualifications for thorough and timely consideration of new directors' election, the Company Secretary are required to perform the following duties and propose for the Nomination, Remuneration, and Corporate Governance Committee's consideration:

- Review the director's knowledge, capabilities, skills, and experiences in the Board Skill 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 the Company's Corporate Governance, 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).
- Propose a process timeline in compliance with the meeting schedule of the Nomination, Remuneration, and Corporate Governance 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:

4.2.1 Nomination of new directors

To ensure the implementation of a procedure which enables minor shareholders to participate in the nomination and appointment of directors and ensure that minor shareholders can 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. Moreover, the Board of Directors may nominate candidates that are deemed qualified according to the Board Skill Matrix and business strategies. The Nomination, Remuneration, and Corporate Governance Committee shall consider and propose the Board meeting to approve an appropriate and sufficient period to consider the selection and election in the next steps, whereas the Company Secretary shall inform SET about the timeline and other details, as well as publishing such information on the Company's website.

4.2.2 Aggregation of candidate list from reliable sources

The Company Secretary shall aggregate lists of candidates in the Chartered Director of the Thai Institute of Directors as well as lists of directors of SET listed companies who match the Company's Board Skill Matrix and proposed such lists to the meeting of the Nomination, Remuneration, and Corporate Governance Committee as supporting materials for consideration.

4.3 Selection

The Company Secretary shall aggregate the lists acquired from step 4.2 to be proposed to the meeting of the Nomination, Remuneration, and Corporate Governance Committee for consideration. The meeting of the Nomination, Remuneration, and Corporate Governance Committee (excluding directors having interests in such a matter) shall determine the director's qualifications from the Board Skill Matrix to screen the lists of candidates qualified for the new director's positions from step 4.2. This must comply with the Policy on Qualification and Nomination of Company Directors. The Nomination, Remuneration, and Corporate Governance 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.

Should any director be nominated to continue his/her directorship for another term, time devotion to his/her duties, performance during his/her directorship and the number of other companies in which he/she holds directorship, which must not exceed five listed companies by Stock Exchange of Thailand, shall be taken into account to ensure that his/her work efficiency will not diminish.

In the case of independent directors' nomination, the consideration shall be based on the directors' independence corresponding to the criteria stipulated by The Securities and Exchange Commission and by the Company. The necessity of additional selection of independent directors shall also be taken into account upon the lack of qualifications of the current independent directors to ensure that the composition of the Board of Directors is in compliance with the policies prescribed by the Board of Directors. In regard to the determination of independent directors' terms of service, an independent director who is to continue his/her position for another term shall hold his/her position for no more than nine consecutive years from the date of his/her first appointment as an independent director. If an independent director is appointed to continue his/her position, the Board should consider the reasonable necessity.

4.4 Election

4.4.1 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 Nomination, Remuneration, and Corporate Governance Committee before proposing the nomination of qualified individuals to the shareholders' meeting to consider director election. In addition, the Board Meeting may appoint the Managing Director 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.

4.4.2 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 cases 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.