



Appendix 7 Report of the Nomination, Remuneration, and Corporate Governance Committee

In 2022, as in previous years, the Nomination, Remuneration, and Corporate Governance Committee (NRC) fulfilled their responsibilities assigned by the Board of Directors in three key areas: recruiting qualified candidates in replacement of a director who resigned or in other cases, determining remuneration for the Board of Directors and various committees, and conducting as well as recommending policies, guidelines, and corporate governance implementation of the company. The corporate governance implementation covers all five categories of good corporate governance principles for listed companies 2012 (CG Principles 2012) of the Stock Exchange of Thailand Principles of Good Corporate Governance for Listed Companies 2012 (CG Principles 2012) which consists of: rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, and the responsibilities of the board. This is in line with all eight categories 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) with the cooperation of the Listed Company's Social and Environmental Responsibility Working Group. It consists of: establishing clear leadership roles and responsibilities of the Board of Directors; defining objectives that promote sustainable value creation; sustainability strengthening an effective board of directors; recruiting and ensuring effective senior management and people management; nurturing innovation and responsible business; strengthening effective risk management and internal control; ensuring disclosure and financial integrity;

and ensuring engagement and communication with shareholders including reviewing the implementation of such policies annually.

As required by the Nomination, Remuneration and Corporate Governance Committee Charter, meetings must be convened as deemed necessary and appropriate by NRC, at least twice a year. In 2022, the NRC held a total of three meetings, two of which were scheduled in advance, and one was a special meeting. 100% of the directors attended the meeting.

Summary of key performance of duties in 2022 is as follows:

1. Nomination

The Board of Directors, by recommendation of the the Nomination, Remuneration and Corporate Governance Committee, reviewed the criteria for allowing all shareholders to nominate candidates for election as directors in place of those who were due to retire by rotation before the Annual General Meeting of Shareholders, which has been continuing for the fifth year since the 2019 Annual General Meeting of Shareholders onwards. In 2022, minority shareholders have been given the right to nominate during the week of Monday, August 1 – Wednesday, November 30, 2022. In addition, the NRC considered recruiting qualified people by taking into account the Board's diversity in terms of professional skills and specializations that are beneficial to the company and independence according to the SEC rules and according to the definition of the company's qualifications for proposing to the Board of Directors for consideration and proposing to the 2023 Annual General Meeting of Shareholders to consider the election of directors in replacement of those who are due to retire by rotation.

In 2022, NRC has considered and approved the Board of Directors' meeting to approve the policy, requirements, and processes related to the nomination of directors, which are as follows:

- 1) Policy on qualifications and nomination of company directors
- 2) Core qualifications of company directors
- 3) Board skills matrix and board skills metric
- 4) The independent director's term of office policy and the review of independent director qualifications
- 5) Guidelines for nomination of persons to be elected as directors in replacement of directors who are due to retire by rotation in 2023

2. Remuneration

The Nomination, Remuneration and Corporate Governance Committee has proposed the Board of Directors to review the criteria and remuneration rates for the Board of Directors and sub-committees appointed by the Board of Directors, which include monthly remuneration and meeting allowances for the year 2023, to be in line with the company's performance. The review is done by comparing with other leading listed companies that operate the same business and regularly monitoring changes and trends in remuneration for the Board of Directors in order for the company to maintain its leadership in this industrial business market and to create incentives for management. For the year 2023, 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 allowances. The Annual General Meeting of Shareholders for the year 2022 approved the remuneration and allowances proposed because they saw that it is still a reasonable rate at present.

In addition, the Nomination, Remuneration and Corporate Governance Committee proposed

to the Board of Directors to consider and approve the 2022 annual reward for SCG's employees and senior executives, as well as the 2023 annual salary increase budget for senior executives, so that it is appropriate with their performance and consistent with the overall performance of the company. This also aims to maintain leadership in this industrial business market, which is in accordance with the duties and responsibilities carefully stipulated in the charter as fair and reasonable according to the authority of the company.

3. Corporate Governance

In 2022, 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 Corporate Governance Policy

- The principles of compliance with the 2017 CG Code in parts that are newly added or formatted from the 2012 CG Principles were reviewed, as well as the Company's current operational guidelines in matters that have been implemented and complied or not complied with the CG Code until the benefits and principles are understood and put into practice to create sustainable value for the Company. Furthermore, the results of the assessment of compliance with each item of the Company's CG Code were considered to ensure that the aforementioned performance and development plans are consistent with the business on the basis of Apply or Explain principles. These mentioned proposals were approved to be proposed to the Board of Directors' Meeting held on December 1, 2022 for consideration. Resolutions proposed by the NRC can be summarized as follows:

- 1) Approved the maintenance of alternative measures for practices that are still inconsistent with the CG Code as approved by the Board of Directors' meeting in 2021 for the year 2022.

- 2) Approved the Management to disclose the report on the review of the Board of

Directors' compliance with the CG Code and determined alternative measures for practices that are inconsistent with the CG Code in the annual information disclosure form/annual report (Form 56-1 One report).

- Considered and approved for the Board of Directors' meeting to approve policies and matters related to SCG Corporate Governance as follows:

- 1) Minimum quorum policy when voting in the Board of Directors' meeting

- 2) Risk Management Policy

- 3) Appointment of the Sustainable Development Committee: SDC

- 4) Sustainable Management Policy

- Proposed to the Board of Directors for approval the amendment of the Board of Directors' Charter to be in line with the aforementioned minimum quorum policy required when voting in the Board of Directors' meetings and maintained the current NRC Charter, last updated in 2020, to be in line with the 2017 CG Code and the Company's current scope of duties and practices and in accordance with the Charter of the Board of Directors and Subcommittees of The Siam Cement Public Company Limited (SCC) (the major shareholder of the company).

3.2. Corporate Governance Practices

- Considered and proposed to the Board of Directors to consider and approve the use of the performance assessment form for the Board of Directors and the NRC, both as a whole assessment and as a self-assessment, as well as the current version of the performance evaluation form of the Managing Director, which has been updated in 2020 and remains appropriate. It will be proposed at the Board of Directors' meeting to consider and review the assessment form and arrange an annual evaluation. This is in order to comply with good corporate governance principles according to the CG Code of the Stock Exchange of Thailand and IOD and to be used as information for consideration of the nomination of directors who will retire by

rotation in 2023. The Board of Directors and the NRC Committee for the year 2022, both in their overall assessment (known as 'as a whole') and self-assessment, obtained an average score of more than 90 percent.

As the Board of Directors recognizes the importance of corporate governance, clear guidelines have been established to give the Management the freedom to initiate and continuously improve SCG corporate governance under the recommendation of the Board, the NRC, and the Audit Committee. In 2022, the Company was assessed on various corporate governance matters as follows:

- Received the results of the 2022 CGR survey with the IOD rated "Excellent" for the third year in a row (93% overall average score) since 2020.

- Assessed the quality of the 2022 Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association with 100 full scores for the 4th consecutive year since 2019.

- Was selected in the list of Sustainable Stocks for the year 2022 (Thailand Sustainability Investment: THSI) from the Stock Exchange of Thailand for the first year.

- Received the Rising Star Sustainability Awards in the category of Sustainability Excellence from the SET Awards 2022 event from the Stock Exchange of Thailand.

On behalf of the Nomination, Remuneration and Corporate Governance Committee



Mr. Damri Tunshevavong

Chairman of the Nomination, Compensation and Corporate Governance Committee