

Policy for the Appointment of Directors and Executives to Subsidiaries

1. Rationale

The appointment of directors and executives of a subsidiary to oversee and manage its operation is a key governance mechanism that ensures the subsidiary complies with SCG's policy, goals, vision, medium-term business plans, and strategic growth plans efficiently. As such, the Board of Directors approved the formulation of the policy for the appointment of directors and executives to subsidiaries.

2. The policy for the appointment of directors and executives to subsidiaries

The appointment of directors and executives to a subsidiary should be carried out with due consideration to ensure that the appointed person is qualified and knowledgeable and possesses work ethics, a sense of responsibility, and leadership qualities, all of which will enable them to manage the subsidiary efficiently, create long-term returns and added value for shareholders, inspire confidence in all stakeholders, promote proper auditing and the system of checks and balances in the subsidiary, as well as support the sustainable implementation of the company's policies.

3. The authority to appoint directors and executives to subsidiaries

The Board of Directors has assigned the President & CEO of SCG and/or the President & CEO of each of SCG's core businesses to appoint and transfer the company's representative to the Board or an executive position in a subsidiary as deemed appropriate. Such an appointment or transfer shall be in compliance with relevant conceptual frameworks and the aforementioned policy and shall be reported to the Board of Directors as stipulated in the authority manual.

4. The roles and responsibilities of the persons to be appointed as directors or executives in subsidiaries

- 1) They shall be fully qualified and shall not possess prohibited characteristics stipulated by relevant laws or requirements.
- (2) They shall possess knowledge, competency, and experience beneficial to business operations and suitable for their duties and responsibilities.

- (3) They shall demonstrate leadership and a breadth of vision necessary for the driving and achievement of objectives of SCG's subsidiaries.
 - (4) They shall be able to make rational decisions in line with corporate governance guidelines and SCG Code of Conduct.
5. The selection of the persons to be appointed as directors or executives in subsidiaries

The selection of persons to be appointed as directors or executives in subsidiaries should take into consideration their business size and complexity according to the following criteria:

 - (1) For a subsidiary which is a holding company with assets worth over 10,000 million baht:

An appropriate number of members of SCG's Management Team shall be selected for directorship in the subsidiary, taking into consideration diversity as well as checks and balances. The list should at the very least include SCG's Vice President –Finance and Investment & CFO and may also include no more than one executive officer in Level M4 from SCG.
 - (2) For a subsidiary which is a holding company with assets worth over 10,000 million baht:

The President & CEO and/or Vice Presidents of the business unit holding shares in the subsidiary shall be appointed as directors. No more than two executive officers in Level M4 may also be appointed to the subsidiary as directors.
 - (3) For a subsidiary which is an operating company with assets worth over 10,000 million baht:

Members of SCG's Management Team shall be selected for directorship in the subsidiary. The list should at the very least include SCG's Vice President –Finance and Investment & CFO, along with the President & CEO and/or Vice Presidents of the business unit holding shares in the subsidiary. Executive officers from Level M4 upwards from the aforementioned business unit may also be appointed to the subsidiary as directors.
 - (4) For a subsidiary which is an operating company with assets worth 1,000-10,000 million baht:

The President & CEO and/or Vice Presidents of the business unit holding shares in the subsidiary shall be appointed as directors. Executive officers in Level M3 upwards may also be appointed to the subsidiary as directors.
 - (5) For a subsidiary which is an operating company with assets worth under

1,000 million baht:

The President & CEO and/or Vice Presidents of the business unit holding shares in the subsidiary shall be appointed as directors. Executive officers in Level M2 upwards may also be appointed to the subsidiary as directors.

In addition to the criteria above, the appointment of such persons shall also take into consideration other unique characteristics and conditions of each subsidiary, such as:

- (1) The status of the company that involves complex or high-risk criteria or requirements, such as the status as a public company listed in the Stock Exchange of Thailand or an overseas stock exchange
- (2) The shareholding percentage in the subsidiary with other joint venture partners, in which case requirements specified in the joint venture agreement shall be taken into account
- (3) Legal requirements of the country in which the subsidiary operates or is established

6. The roles and responsibilities of the persons appointed as directors or executives in subsidiaries

- (1) They shall ensure the subsidiary's compliance with relevant laws, rules, regulations, and requirements, effective management, and adherence to SCG's corporate governance principles, code of conduct, and anti-corruption policy, as well as other policies of SCG and policies that correspond with those of SCG.
- (2) They shall provide guidance for the establishment of the subsidiary's strategic directions, policies, and business plans to ensure their alignment with SCG's directions as well as promote the adoption of additional innovation and technology to enhance the subsidiary's competitiveness.
- (3) They shall report the subsidiary's operating results and performance to SCG in an accurate, complete, and timely manner, especially material transactions that may affect the subsidiary's financial standing and operating results and any transactions other than its ordinary business transactions with significant impact on the subsidiary.
- (4) They shall oversee the subsidiary's business operations to ensure efficiency and appropriately manage SCG's return on investment in the subsidiary