

PART 2

Management and Corporate Governance

7. Company's securities and Shareholder

7.1 Securities issued by the Company

- (1) The Company registration capital is 2,800 million Baht, with paid-up of 2,300 million Baht of 230 million ordinary shares, and with par value of Baht 10 per share.
- (2) The other type of share which is difference from the ordinary share's right
-None-

7.2 Shareholding and Management Structures

(1) Major Shareholders

Major Shareholders as of 6 August 2014¹ are the following:

Rank	Major Shareholders	Shares	% Shares ²
1	Sunrise Equity Company Limited ³	80,065,840	34.81
2	Thai Roc-Cem Company Limited ³	63,289,533	27.52
3	Bangkok Broadcasting and Television Company (BBTV)	21,681,000	9.43
4	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG	6,929,500	3.01
5	Thai NDVR Co., Ltd. ⁴	6,315,428	2.75
6	STATE STREET BANK EUROPE LIMITED	3,497,837	1.52
7	Vayupak Mutual Fund by MFC Asset Management Public Company Limited	2,254,000	0.98
8	Vayupak Mutual Fund by Krungthai Asset Management Public Company Limited	2,254,000	0.98
9	Mrs. Sasithorn Ratanarak	2,110,628	0.92
10	HSBC (SINGAPORE) NOMINEES PTE LTD	2,058,323	0.89
11	AIA Company Limited- AIA D-PLUS	1,750,700	0.76
12	Krungsri Dividend Stock Fund	1,456,400	0.63
13	Miss Pilanuch Ratanarak	1,439,742	0.63

Shareholding

No.	Shareholders list	Number of Shares Held	Percentage (%) ²
1.	Ratanarak Group Company	104,360,272	45.37
2.	Holcim Group	63,289,533	27.52
3.	Others	62,350,195	27.11
	Total	230,000,000	100.00

Remark:

1. The record date was scheduled for 5 August 2014 to determine the Shareholders entitled to dividend, and the Shareholders register closing date was scheduled for 6 August 2014. During the year, the investors can access the up-to-date information at www.siamcitycement.com under the heading Investor Information.
2. The proportion of the equity interest of each of the Major Shareholders is based on the total issued and paid-up of 230 million shares, 10 Baht per share. Foreign Limit is scheduled at 49% (at 4 December 2014, foreign limit is 38.45%)
3. The majority of shareholders who are a group whose movement has a marked influence on the establishment of corporate policy and strategy.
4. The information of investors under Thai NVDR Co., Ltd. is shown on the website: www.set.or.th

7.3 Securities issued by the Company

- **Debt Securities:**

Type of security:	Unsubordinated, unsecured, and no discount debentures with a name-registered debentures certificate
Term to maturity	4 years
Value of debentures	4,000 million Baht
Number of debentures	4 million units
Par value per unit:	1,000 Baht
Offering price per unit:	1,000 Baht
Issuing date:	June 14,2013
Maturity date:	June 14,2017
Coupon rate:	3.79% per annum
Credit rating	A

Type of security:	Unsubordinated, unsecured, and no discount debentures with a name-registered debentures certificate
Term to maturity	7 years
Value of debentures	2,000 million Baht
Number of debentures	2 million units
Par value per unit:	1,000 Baht
Offering price per unit:	1,000 Baht
Issuing date:	June 14,2013
Maturity date:	June 14,2020
Coupon rate:	4.30% per annum
Credit rating	A

- **Equity Securities:**

Authorized shares:	280 million ordinary shares with the par value of 10 Baht per share.
Issued shares:	230 million ordinary shares.
Issued and outstanding shares:	230 million ordinary shares.

- **Derivatives:** None

7.4 Dividend Policy and Allocation

Dividend Policy of the Company

“The Company shall allocate dividend payment of least 60% of net profit on its consolidated financial statements. In case of negative financial situation, the Board may propose a lower percentage of dividend payment as it considers appropriate under such circumstance.”

Explanation:

This Dividend Policy was approved by the 17th Annual General Meeting of Shareholders, on 9 April 2010, as a general principle. However, in proposing dividend for the approval of Shareholders, the Company has to comply with the laws, i.e., dividend has to be paid from net profit of the Company's separate financial statements.

Siam City Cement dividend payout history is as follows

For fiscal year 2014, total dividend is 15 Baht per share

- The Board of Directors approved and made a payment of interim dividend amounting to 8.00 Baht per share on 21 July 2014.
- The Board of directors proposed for Shareholders approval on 7 April 2015 a payment of dividend amounting to 7.00 Baht per share for the second half of 2014
- Dividend payout ratio of 67.9 % (3.45 billion Baht)

For fiscal year 2013, total dividend is 15 Baht per share

- The Board of Directors approved and paid an interim dividend of 8.00 Baht per share on 1 August 2013.
- The Shareholders approved on 10 April 2014 and paid a final dividend of 7.00 Baht per share for the second half of 2013.
- Dividend payout ratio of 71.9% (3.45 billion Baht)

Dividend Policy of the Company's subsidiaries

All dividend payments by the Company's subsidiaries must be approved by a resolution of the respective shareholders meeting which must be considered on it separate financial statement and must be in compliance with the relevant laws and regulations. The Subsidiaries may from time to time pay shareholders interim dividend if their Board of Directors considers it appropriate given their profitability levels.

8. Management and Corporate Governance

8.1 Board of Directors

Structure of the Company's Board of Directors

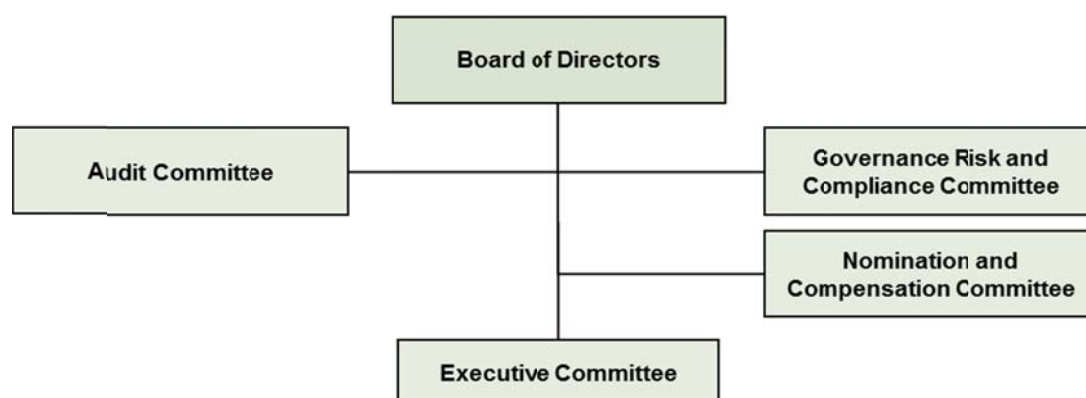
As of 31 December 2014, the Management structure of Siam City Cement Public Company Limited consisted of the Board of Directors and 3 Board Committees, which have been appointed by the Board of Directors. Said 3 Board Committees are the Audit Committee, the Governance, Risk and Compliance Committee, and the Nomination and Compensation Committee.

In accordance with Clause 11 of the Articles of Association, the number of members of the Board of Directors must be not less than 5 and not more than 13 persons.

As of 31 December 2014, the Company's Board of Directors consisted of 11 members, including:

- 10 non-executive directors, provided that;
 - 3 directors are independent directors;
 - 3 directors are the members of the Audit Committee;
 - 4 directors are the members of the Governance, Risk and Compliance Committee;
 - 4 directors are the members of the Nomination and Compensation Committee;
- and
- 1 executive director
- Names and the number of the directors who are authorized to sign and bind the Company are Mr. Paul Heinz Hugentobler, Mr. Chachchon Ratanarak, Mr. Vanchai Tosomboon and Mr. Vorathep Rangchaikul, provided that two of them jointly sign with the Company's seal affixed to bind the Company.

Management Structure



Board of Directors

Non-executive Directors

- | | |
|--------------------------------|----------------------|
| 1. Mr. Veraphan Teepsuwan | Chairman |
| 2. Mr. Paul Heinz Hugentobler | Vice Chairman |
| 3. Mr. Chachchon Ratanarak | Director |
| 4. Mr. Vanchai Tosomboon | Director |
| 5. Ms. Nopporn Tirawattanagool | Director |
| 6. Mr. Pongpinit Tejagupta | Director |
| 7. Mr. Ian Stuart Thackwray | Director |
| 8. Mr. Harald Link | Independent Director |
| 9. Mr. Pradap Pibulsonggram | Independent Director |
| 10. Mr. Somboon Phuvoravan | Independent Director |

Executive Director

- | | |
|------------------------------|-------------------|
| 11. Mr. Vorathep Rangchaikul | Director & CEO |
| Mr. Wutthipong Songwisit | Company Secretary |

Board Committees

Audit Committee (AC)

- | | |
|-----------------------------|-----------|
| 1. Mr. Harald Link | Chairman |
| 2. Mr. Pradap Pibulsonggram | Member |
| 3. Mr. Somboon Phuvoravan | Member |
| Mrs. Chadaporn Thitisawat | Secretary |

Governance, Risk and Compliance Committee (GRCC)

- | | |
|--------------------------------|-----------|
| 1. Mr. Pongpinit Tejagupta | Chairman |
| 2. Mr. Paul Heinz Hugentobler | Member |
| 3. Ms. Nopporn Tirawattanagool | Member |
| 4. Mr. Vanchai Tosomboon | Member |
| Mr. Wutthipong Songwisit | Secretary |

Nomination and Compensation Committee (NCC)

- | | |
|--------------------------------|-----------|
| 1. Mr. Paul Heinz Hugentobler | Chairman |
| 2. Mr. Harald Link | Member |
| 3. Ms. Nopporn Tirawattanagool | Member |
| 4. Mr. Vanchai Tosomboon | Member |
| Mr. Tasporn Chantree | Secretary |

Total attendance of Board Meetings and Board Committee Meetings for the Meetings in 2014

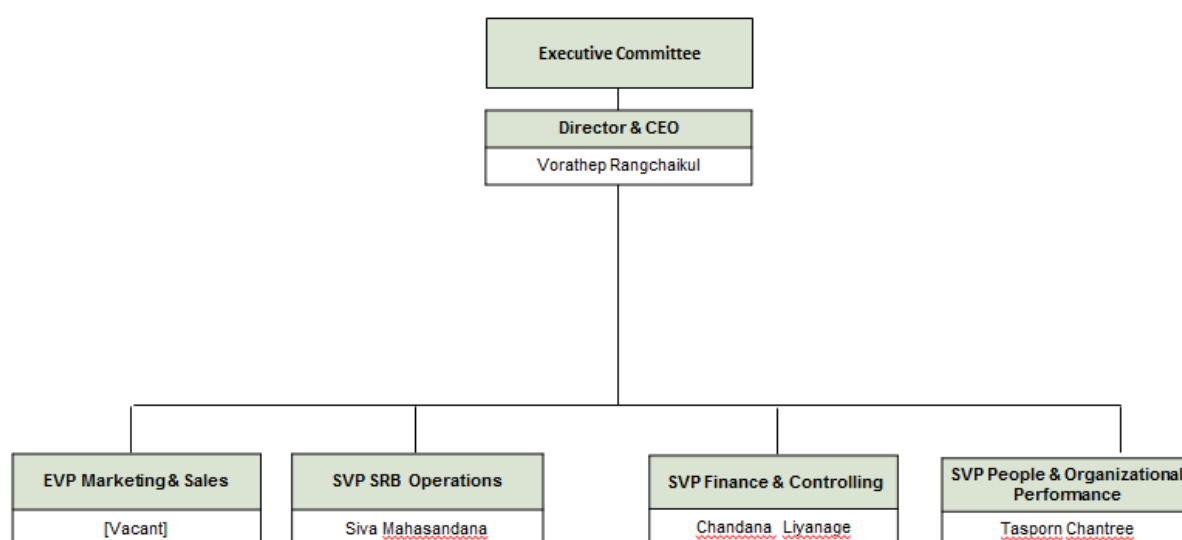
Director/Executive Officers	Total Attendance/Total Meetings				Remarks
	Board Meeting	Audit Committee Meeting	Governance, Risk and Compliance Committee	Nomination and Compensation Committee	
Non-Executive Directors					
1. Mr. Veraphan Teepsuwan	7/7	-	-	-	-
2. Mr. Paul Heinz Hugentobler	7/7	-	1/1	2/2	-
3. Mr. Chachchon Ratanarak	6/7	-	-	-	-
4. Mr. Vanchai Tosomboon	7/7	-	1/1	2/2	-
5. Ms. Nopporn Tirawattanagool	7/7	-	0/1	2/2	-
6. Mr. Pongpinit Tejagupta	7/7	9/12	1/1	-	Mr.Pongpinit was replaced by Mr. Link
7. Mr. Ian Stuart Thackwray	4/7	-	-	-	Mr. Thackwray was appointed as the director at AGM on 10 April 2014
8. Mr. Harald Link	6/7	3/12	-	0/2	Mr. Link was appointed as the Chairman of the Audit Committee at the Board meeting on 21 July 2014
9. Mr. Pradap Pibulsonggram	7/7	10/12	-	-	-
10. Mr. Somboon Phuvoravan	7/7	11/12	-	-	-
Executive Director					
11. Mr. Vorathep Rangchaikul	6/7	-	-	-	-

8.2 Executive Committee

From 1 January 2014 to 31 January 2015, there were 4 members on the Executive Committee as follows:

Executive Committee	
1. Mr. Vorathep Rangchaikul 2. Mr. Siva Mahasandana 3. Mr. Chandana Liyanage 4. Mr. Tasporn Chantree	Director & CEO and Chairman of the Executive Committee Senior Vice President (Saraburi Operations) Senior Vice President (Finance and Controlling) Senior Vice President (People & Organization Performance)

Executive Committee Structure



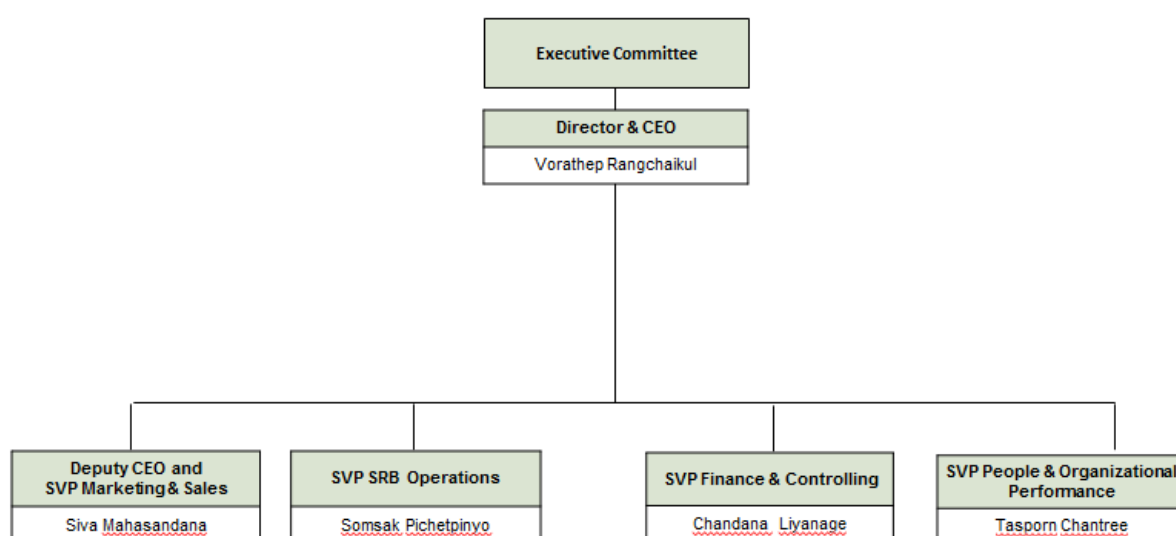
Total attendance at the Executive Committee Meetings in 2014

Executive Committee	Position	Total Attendance/Total Meeting
1. Mr. Vorathep Rangchaikul	Director & CEO and Chairman of the Executive Committee	22/23
2. Mr. Siva Mahasandana	Senior Vice President (Saraburi Operations)	21/23
3. Mr. Chandana Liyanage	Senior Vice President (Finance and Controlling)	22/23
4. Mr. Tasporn Chantree	Senior Vice President (People & Organization Performance)	22/23

Since 1 February 2015 onwards, there have been 5 members on the Executive Committee as follows:

Executive Committee	Position
1. Mr. Vorathep Rangchaikul	Director & CEO and Chairman of the Executive Committee
2. Mr. Siva Mahasandana	Deputy CEO and Senior Vice President (Marketing & Sale)
3. Mr. Chandana Liyanage	Senior Vice President (Finance and Controlling)
4. Mr. Tasporn Chantree	Senior Vice President (People & Organization Performance)
5. Mr. Somsak Pichetpinyo	Senior Vice President (Saraburi Operations)

Executive Committee Structure



8.3 Company Secretary

The Board of Directors' Meeting has appointed Mr. Wutthipong Songwisit, Head of Legal and Compliance, Legal & Corporate Affairs Department, to serve as the Company Secretary. The Company Secretary is required to perform the duties as defined in the Securities and Exchange Act (No. 4) B.E. 2551 with responsibility, care and integrity, and in compliance with the laws and regulations, the Company's objectives, resolutions of the Board of Directors' Meeting and resolutions of Shareholders' Meeting. The Company Secretary is responsible for providing legal advice and related rules and good practices on the Board related activities in adherence with the laws. The Company Secretary is responsible for arrangement of the Board of Directors' Meeting and the Shareholders' Meeting. The Company Secretary must liaise with other departments within the Company to ensure compliance with the resolutions of the Board of Directors and the Shareholders. The Company Secretary is a Company's representative who must liaise with regulatory agencies

such as the Securities and Exchange Commission and the Stock Exchange of Thailand and be responsible for the disclosure and reporting information to the regulatory agencies and the public. In addition, the Company Secretary should provide orientation for new directors and perform other duties as assigned by the Board of Directors.

8.4 Remuneration of the Board of Directors and the Executives

The process of granting remuneration for the Board members has been carried out in a transparent manner by obtaining approval from the Shareholders. The Shareholders approved the Director's Remuneration in Principle at the Annual General Meeting of Shareholders No.17 on 9 April 2010 as follows;

“Remuneration of Directors consists of director fees payable on a monthly basis and bonus on an annual basis. The payment of remuneration of Directors shall be made in accordance with the following principle from the day the resolution is passed by a vote of the Shareholders onwards and until the Shareholders' meeting determines otherwise.

Director Monthly Fee: The Board shall receive the director fee on monthly basis, at the aggregate amount of not more than Baht 1.5 million per month. The Chairman and the Vice Chairman of the Board shall consider the appropriate allocation of the same for each Board member, accordingly.

Bonuses: The Board shall receive the annual bonuses at the aggregated amount not exceeding Baht 5 million. The Chairman and the Vice Chairman of the Board shall consider the appropriate allocation of the same for each Board member, accordingly.

The provisions of the foregoing paragraphs shall not affect the right of any officers or employees of the Company who are elected and appointed as Directors to receive their remuneration and benefits as officers or employees of the Company.”

Directors' remuneration in cash for the Board Members for 2014 including Monthly Director fees and bonus are as follows:

	List of Directors	Total of Monthly Director fee paid in 2014				Bonus for 2013 paid in 2014	Total amount paid in 2014
		Board of Directors	Audit Committee	Governance, Risk & Compliance Committee (Aug-Dec)	Nomination & Compensation Committee (Aug-Dec)		
		(Baht)	(Baht)	(Baht)	(Baht)	(Baht)	(Baht)
	Non-Executive Directors						
1	Mr. Veraphan Teepsuwan	2,400,000	-	-	-	610,500	3,010,500
2	Mr. Pual Heinz Hugentobler	1,800,000	-	250,000	350,000	500,500	2,900,500
3	Mr. Chachchon Ratanarak	1,200,000	-	-	-	407,000	1,607,000
4	Mr. Vanchai Tosomboon	1,200,000	-	250,000	250,000	407,000	2,107,000
5	Ms. Nopporn Tirawattanagool	1,200,000	-	250,000	250,000	407,000	2,107,000
6	Mr. Pongpinit Tejagupta	1,200,000	(Jan-July) 490,000	350,000	-	423,500	2,463,500
7	Mr. Ian Stuart Thackwray ¹	866,667	-	-	-	-	866,667
	Independent Directors						
8	Mr. Harald Link	1,200,000	(Aug-Dec) 350,000	-	250,000	407,000	2,207,000
9	Mr. Pradap Pibulsonggram	1,200,000	600,000	-	-	418,000	2,218,000
10	Mr. Somboon Phuvoravan	1,200,000	600,000	-	-	279,400	2,079,400
11	Mr. Prabhol Buranasiri ²	-	-	-	-	138,600	138,600
	Executive Directors						
12	Mr. Vorathep Rangchaikul	1,200,000	-	-	-	-	1,200,000
13	Mr. Philippe Arto ³	-	-	-	-	407,000	407,000
	Total	14,666,667	2,040,000	1,100,000	1,100,000	4,405,500	23,312,167

Remarks

1. Mr. Ian Thackwray was appointed as a director at the Annual General Meeting of Shareholders in April 2014.
2. Mr. Prabhol Buranasiri completed his term at the Annual General Meeting of Shareholders in April 2013 and received partial monthly director fee and bonus which was paid in 2014.
1. Mr. Philippe Arto resigned from his directorship with effect on 1 January 2014 and received partial bonus for his performance in 2013 which was paid in 2014.

Remuneration for 4 members of the Company's Executive Committee was Baht 71.57 million, including salary and bonus paid in 2014.

Other Remunerations

For Directors: None

For Executives:

- Contributions to Provident Fund of total Baht 2.57 million;
- Contributions to Employee Joint Investment Program (EJIP) for its executives was Baht 2.39 million; and
- Company cars provided for the members of the Executive Committee to use in performing his/her duty.

8.5 Personnel

Number of employees:

	Number of employees at the end of 2012 (persons)	Number of employees at the end of 2013 (persons)	Number of employees at the end of 2014 (persons)
Production	1,158	1,284	1,304
Logistics	356	424	368
Marketing and Sales	296	259	366
Finance and Controlling	122	128	134
Others	184	145	164
Total	2,116	2,240	2,336

Number of employees and employee costs:

	Separate financial statements		
	2012	2013	2014
Number of employees at end of year (persons)	2,116	2,240	2,336
Employee costs for the year (Baht)	1,647,003,968.67	1,829,751,340.34	1,968,615.825.28

Employee Development Policy

People Development Policy

Every member of INSEE Family is the most important element and the foundation of our business. We believe that our success and growth depends on the employees who represent the core values and competencies aligned with our vision, the business direction and future aspiration of the employees. Thus SCCC aims to develop and improve people management and development to achieve the global standards in leadership, knowledge, capabilities and management, transforming our organization to the leader in construction materials in Thailand and Asia. We foster good citizenship, ethics, safety, and environmental and social concern in our employees and also encourage them to take part in managing the organization and driving our business to the competitive edge and sustainable growth of the future society.

People Development Guideline and Approach

SCCC has established INSEE Academy under the People & Organizational Performance function as a center of both short and long-term people development strategy of SCCC Group which includes Mixed cement, Portland cement, INSEE Mortar, INSEE Concrete, Conwood, INSEE Superblock and Geocycle. For every employee from operations to the first/mid/top management levels, INSEE Academy has built people development roadmap and blended-style learning interventions like the Induction & On-board Program for new joiners, Management & Leadership Development Program, Leadership Competencies Development Program, Operational Performance Improvement & Coaching Program, Technical & Functional Skills Development Program, OH&S and Environmental Program, Business Ethic & Compliance Program and Sustainable Development Program.

With the commitment to nurture employees on awareness, knowledge, ways of working, true understanding of our organization and developing human capitals to address the organizational objectives and expected outcomes, SCCC has a strong passion in modern people development approaches focusing on the learners' needs and 70-20-10 concepts emphasizing learning by experience, on the job coaching, sharing best practices and learned lessons and encouraging continuous learning anywhere anyplace and anytime via self-learning, digital learning and the corporate knowledge management platform.

SCCC puts strong focus on building INSEE Leaders to develop our human capital on leadership, knowledge, capability and experience in managing the business so they are able to perform in their current and future positions, and establish career development and succession plan accommodating both individual and organizational needs. Our employee performance evaluation policy provides a solid standard for evaluating employees with capability and potential for higher crucial positions in the organization so that they are ready by the expected time and business needs such as business expansion and management retirement. INSEE Academy works with other human resources and Line Managers in each function to equip our first/mid/senior management employees with essential leadership/management and other required competencies by implementing various development programs like Executive Coaching, Employee Exchange Program (EEP), Assessment Center for Development, Corporate Project Assignments, sharing best practices with both domestic and international companies.

Besides the focus on management capability building, SCCC also focuses on operational and front line employees as they are the key in our business operations: manufacturing, marketing and sales, logistics, and other enabling functions. INSEE Academy has been providing fundamental and technical development programs by internal Subject Matter Experts and external institutes, ensuring that every employee has the right knowledge and skills required to perform their work correctly, efficiently and safely at the expected standard so that every product and service is effectively and efficiently delivered to our customers, partners and related parties beyond their expectation.

Not only the business stakeholders, our cares for the community is demonstrated by our knowledge and experience sharing in the business, management, people management, role-modeling, ethics and many other topics to the community intellect's and other leaders including mass media in- and outside Thailand. SCCC is proud of the contribution towards Thailand's prosperity in the level of institute, society and country. Strengthening our relationship with the community and society, activity is part of our commitment to being a learning organization where knowledge and experience are synergized to expand our thinking and vision in people management.

In 2014, SCCC delivered a variety of learning and development interventions to our employees as follow:

1. Transitional Development Program 5,661.25 hours;
2. Leadership Development Program 16,173.48 hours;
3. Technical/Functional Development Program 101,206.49 hours;
4. On-boarding Program 13,681.81 hours; and
5. OH&S and Sustainable Development Program 36,533.07 hours.

Summary Report

Unit: Hours per person per year

1) Training Hour (Per employee per year)	2012	2013	2014
Employee and management	48.35	44.60	47.42

Unit: Baht

2) Training and Development Investment	2012	2013	2014
Employee and management (per employee per year)	22,066.42	23,383.61	17,625.13
Total Investment *	59,667,611.78	67,181,115.95	64,402,236.66

*Excluding accommodation expenses, travel expenses and miscellaneous disbursements.

9. Corporate Governance

9.1 Corporate Governance Policy

The Company's Board of Directors has established a Corporate Governance Policy for Siam City Cement Public Company Limited, and its subsidiaries. The policy reflects the guidelines on how our business is governed, and the role and duty of the Board of Directors who initiated action and took part in the preparation of the Policy by assigning the Governance, Risk and Compliance Committee to consider the relevant matters in details for presentation to Board of Directors for consideration on the approval of such Policy.

The Corporate Governance Policy thoroughly covers matters on the protection of the legitimate interests of our shareholders including institutional shareholders to exercise their rights to cover fundamental rights in accordance with the law and protections of the shareholders even more than their rights provided by laws which, in this respect, all groups of the shareholders are equally treated; and each group of shareholders impartially treated. We pursue a policy on social corporate responsibility (CSR), information disclosures, transparency and the Board of Directors' responsibility in accordance with good corporate governance principles of the Stock Exchange of Thailand (SET) and ASEAN CG Scorecard.

Prior to the announcement on the implementation of Corporate Governance Policy, the Board of Directors has established a Code of Business Conduct in writing to reflect our corporate culture in various aspects such as our care for society, environment and communities, our commitment to communicate in an open and transparent manner, and our commitment to be in compliance with laws, regulations, and good Corporate Governance (CG) principles which is the Policy we are committed to adhere to throughout the period of times.

The Board of Directors stipulates requirements on the deployments of communications and trainings, to enable all personnel in the organization to grasp understanding on the Policy, and activities as well as the channels in order to enhance them to comply with CG Policy and Code of Business Conduct continuously followed by the performance evaluation in compliance with such Policy once a year. In addition, the Code of Business Conduct Manuals are prepared for Directors, Executives and employees in order for all personnel in the organization to have the express and accurate practical guidelines easy to understand to be adhered to. In this respect, such Policy and Manual shall be improved and always kept up-to-date and suitable to the situations at hand. (Details of the Practical Guidelines on the Corporate Governance can be viewed by visiting the Company website: <http://www.siamcitycement.com>).

Our Code of Business Conduct is described as follows:

(1) Corporate Governance

Corporate Governance aims at protecting the legitimate interests of our stakeholders in an appropriate and effective way.

Corporate Governance considerations are consistently reflected in our evolving organizational structure and procedures.

(2) Corporate Social Responsibility

We recognize our social responsibility and aim to improve the quality of life of our workforce, their families and the communities around our operations.

We pursue a clear policy dealing with employment practices, occupational health and safety, community involvement as well as customer and supplier relations.

(3) Sustainable Environmental Performance

We strive to preserve the environment for future generations by striking a balance between economic growth and continuously improving environmental performance and social responsibility.

(4) Compliance

Appropriate measures are put in place to assist in complying with applicable laws and regulations in the businesses and the Kingdom of Thailand. In particular with regard to:

- Fair Competition

We respect the principles and rules of fair competition prohibiting anti-competitive behaviors and the abuse of a dominant market position.

- Bribery and corruption

We will not utilize bribery and corruption in conducting our business. We will not offer or provide, either directly or indirectly, any undue pecuniary or other advantage for the purpose of obtaining, retaining, directing or securing any improper business advantage.

- Insider Trading

Each of us who has access to insider information, likely, to result in substantial movements in the price of the stock or any other financial instruments of an involved Company, shall comply with applicable insider trading laws.

(5) Use and Protection of Assets and Information

Each of us, entrusted with property belonging to or controlled by the Group, is responsible for the careful use, protection, expenditure and administration of such assets.

We use and protect confidential proprietary information, except to the extent we are

required to disclose such information in the proper course of our duties.

We pay particular attention to IT aspects such as data protection and data security.

(6) Conflict of Interest

In situations in which our personal or financial interests may conflict materially with those of Group, we are expected to fully disclose them.

We shall not take part in any business activities of the Group where we may be influenced by our personal relations that are, or may be, construed as a hindrance to objective decision making.

If we see ourselves in a potential conflict of interest, we shall seek advice from line management or from our legal counsel so that an appropriate solution can be identified and advised.

(7) Gifts and Donations

We are prohibited from offering, soliciting or accepting gifts and donations related to our business. However, entertainment and gifts of insignificant monetary value arising out of ordinary corporate hospitality or appropriate gifts of insignificant monetary value under our culture are acceptable.

Donations for political or social purposes are permitted only within the limits of local laws and in complete transparency.

(8) Records and Accounting

All business transactions are recorded in a true, fair and timely fashion.

In accordance with established procedures, appropriate accounting systems, controls and audits, we ensure the reliability and accuracy of our accounts, records and reports.

(9) Communication

We have a clear communications policy with our shareholders, employees and other stakeholders. We commit ourselves to open, transparent, impartial and timely information.

(10) Responsibility

Each of us is responsible to know the relevant laws and regulations including this Code of Business Conduct.

In all business situations where the requirements of the law or this Code of Business Conduct appear incomplete or unclear, each of us shall use good judgment and common sense, and if needed, seek advice from line management or our legal counsel.

All of us are expected to adhere to this Code of Business Conduct in both the letter and the spirit. Violations against this Code of Business Conduct will not be tolerated and applied with disciplinary sanctions. Non-compliance may be subject to disciplinary actions including up to termination of employment.

Siam City Cement Public Company Limited complies with the principles of good Corporate Governance of the Stock Exchange of Thailand as follows:

Chapter 1: Rights of Shareholders

Siam City Cement is firmly committed to protect the rights and benefits of every group of our Shareholders. We are aware of the rights of all groups of our shareholders including the institutional shareholders even more than those provided by laws. Such rights are as follows:

1. Attend and vote at any shareholders' meeting, whether in person or by proxy and to appoint proxies to attend meeting and vote on their behalf;
2. Cast her/his/its vote to make decision on the matter raised at a shareholders' meeting such as election of directors, director's bonuses, appointment of auditor(s);
3. Sufficient information in a timely manner;
4. Information and expressing her/his/its opinions;
5. Dividends; and
6. Buy, sell or transfer shares.

The key actions to ensure Shareholders rights include:

Shareholders' Right	Minimum Law Requirements	Doing Better	Key Point
Delegation of Proxy	Standard proxy form used	<p>We make efforts in calling Shareholders as well as Institutional Shareholders and encouraging them to attend meetings either in person or by proxy.</p> <p>Each Shareholder may appoint any one of our independent directors listed on the proxy form as the proxy of his/her choice, such letters of proxy in Form A, B, and C are provided to shareholders. Institutional shareholders are facilitated in verifying names, number of shares and documents supporting the delegation of proxy before the meeting.</p>	<p>- We support and encourage all shareholders to exercise their rights in attending the meetings.</p> <p>-In case where the shareholders cannot attend the meeting, they are facilitated with the option of proxy.</p>
Voting	Shareholders are entitled to cast the votes as provided by law on the principle of one-share-one-vote.	<p>Clear voting procedure is explained in the meeting notice. Digitalized bar-code system is used to ensure the accuracy and expedience of vote counting.</p> <p>An independent legal advisor and volunteer shareholders are engaged to supervise the ballot casting counting.</p> <p>Ballots are collected and counted separately for each agenda item.</p>	<p>- Voting is conducted in a transparent manner with the stakeholders being the witnesses on voting slip collections and counting.</p> <p>- Voting opportunity in passing a resolution must not be limited. Voting procedures must not consist of complicated steps.</p>

Right to information	Sufficient information contained in the annual reports, disclosure to SET, and notices of shareholders' meetings.	SCCC's website is an additional channel for Shareholders' and the public's access to the information about the Company. Through our website, Shareholders can send inquiries, nominations for Directors election, and proposals for the meeting agenda.	Shareholders are able to receive important, full scale and up-to-date information through the Company website and that the rights of the shareholders in studying information of the Company must not be derogated.
Dividend	Sufficient information about retained earnings and statutory reserve	Despite the Company business requiring high investment capital, the Company has exerted all efforts to provide dividend payments at the maximum rate, higher than that specified under the dividend payment policy in the past several years.	The Company's clear dividend policy facilitates the Shareholder's investment decision making.
Share Transfer	Share transfer procedure is set in the Company's Articles of Association	No additional restrictions are imposed by the Company other than those provided by law that impedes free transfer of the Company shares. We put emphasis on "Insider Policy" to prevent illegitimate insider trading, which ultimately help safeguard Shareholders' interest.	All Shareholders are treated equally and have the right to trade and transfer shares without unnecessary restriction imposed by the Company.

Siam City Cement's shareholders' meetings are organized in accordance with the laws and good corporate governance principles. The Board of Directors gives direction to ensure that Shareholders' meetings are conducted effectively and provide the shareholders with enough

information about the meeting (i.e. date and time, agenda, venue, facts and reasons of the matters to be transacted at the meeting), an opportunity to propose matters to be transacted at the meeting, an opportunity to nominate persons for directorship, and to post their questions to be asked at a meeting in advance on the Company's website before the meeting. Notice of the meetings and the meeting procedures as well as the procedure for proposing matters to be transacted at the meeting, and the nomination for directorship are published on the Company's website in addition to conventional media.

Siam City Cement encourages all shareholders to attend shareholders' meetings. Any Shareholder unable to attend at any Shareholders' meeting in person may appoint a proxy to attend and vote at on her/his/its behalf at that meeting. Moreover, the meeting is held in a convenient location that is easy to commute to.

Adequate opportunity is always given to shareholders for discussion, suggestions, debate, or asking questions before casting votes on each matter on the agenda. Shareholders' questions, comments, and suggestions are responded to by the members of the Board and executives officers of the Company. Shareholders' suggestions, opinions and comments are noted for further actions as the Company deems fit.

Voting is conducted in strict compliance with the law. Shareholders are free to vote for or against or abstain from voting on any item on the agenda. In general, the matter in question is decided by a simple majority vote. Each share entitles its holder one vote. In the case of tie votes, the Chairman of the meeting has the casting vote.

The voting procedure and the method of displaying the voting results are well explained to the Shareholders before the meeting starts. In the minutes of each meeting, the information about the present and absent members of the Board and the voting results (i.e. the numbers of affirmative votes, negative votes, and the abstain ones) on each matter on the agenda are recorded.

Computerized and Barcode systems are used in the registration of the attending Shareholders and in the vote counting to ensure accuracy and efficiency in conducting the Shareholders' Meeting. Vote counting is performed by independent persons.

Chapter 2: Equitable Treatment to Shareholders

The 30-day Blackout Period has been adopted by the Board of Directors whereby Board members and designated relevant employees are prohibited from trading SIAM CITY CEMENT shares during the period of 30 days prior to the Company's financial statements being published. This is a measurement to prevent abusive use of inside information in SCCC stock trading. Moreover, the Directors and Executives have the duty to report their

and their spouses' and the minor children's holdings of SCCC shares and other interest in the Company. The said reporting is presented at Board meetings for acknowledgement. In addition, such information of Directors' and Executives' holding in SCCC shares is disclosed in the annual reports.

At a Shareholders' meeting or a Board of Directors' meeting, the interested director(s) may not be present while the meeting is considering the matter in which that director has interest and may not vote on that matter.

Siam City Cement's treatment to all Shareholders is equitable and transparent. This is reflected in the Company's practice of quick and efficient dissemination of information to Shareholders. In 2014, the Company made 30 disclosures via the SET electronic publication (www.set.or.th). The published information is also available, in both Thai and English, on the Company's website: www.siamcitycement.com.

Chapter 3: Roles of Stakeholders

The Company takes into account and gives importance on the creation value to all stakeholders continuously by taking into account the rights of the stakeholders in accordance with the law. For such reasons, the Board of Directors, therefore, maps out a practical guideline in treating the stakeholders in order to assure all personnel in the organization to firmly adhere to in practicing and participation. SCCC focally aims to improve the quality of life of its workforce, their families and the communities around its operations; promote and continue acceptable relations, and trust in one another with all stakeholders regardless of whether they are shareholders, employees, customers, trading partners, creditors, communities and societies.

In addition, the Company has enhanced the consciousness of the environmental conservation with all stakeholders to the extent that the Company has been bestowed the Green Industry Awards Level 5: Green Network that thoroughly covers the supply chain making the Company the first recipient in Thailand to receive the Award fully accounting for all factories.

The Company's actions in accordance with the policy on the practices regarding its stakeholders can be briefly illustrated as follows:

Shareholders: The Company gives importance on the treatments of all shareholders equally and transparently. Shareholders will receive important, full and up-to-date information and conveniences in studying information of the Company and, more importantly, there will be, in the Shareholders' meeting, no additions to the Meeting Agenda

or any change in any significant information without notifications first being made to the shareholders in advance.

Employees: The Company aims to place emphasis on fixing suitable and equitable remunerations and welfare for all levels of employees as well as enabling them to consistently make developments and progress in their career path without discrimination, and by respecting their rights in accordance with the Principles of Human Rights and heedfully tending to their safety and occupational health.

Customers: The Company is firmly committed to developing goods and services in response to all demands of its customers.

Trading Partners: The Company follows a code of ethics with sellers of goods and services in selecting trading partners by implementing management procedures through strategic procurement and through ways of creation of sustainable relations with the trading partners. Accordingly, such practices constitute a confidence on equity and a competitive and transparent negotiation process as well as an increase in business opportunities and sustainable growth remains for all.

Creditor: The Company places importance on and takes responsibility with honesty of the conditions on debt payments, agreements and related rules and regulations and firmly adheres to honest practices, keeps creditors' secrecy in strict confidence and gives accurate information in an expeditious manner without concealing any information which may cause damage to a creditor.

Community and Society: The Company provides support on community developments for all communities around its business establishments and on social developments in Thailand by reiterating the importance of 3 key aspects: the aspect of learning and educational promotion, the aspect of sustainable development promotion, and the aspect of essential fundamental public utility development through joint community participation and joint workings with related outside organizations.

Chapter 4: Disclosure and Transparency

Siam City Cement made full, timely and transparent disclosure of financial and non-financial information pursuant to the standards and regulations as mandated by the Securities and Exchange Commission (SEC), the Office of SEC and The Stock Exchange of Thailand (SET). In addition to the mandatory disclosure of information under the applicable laws and regulations and the Principles of Good Corporate Governance through the channels of the SET, annual registration statement (Form 56-1), and annual reports, Siam City Cement discloses information, both in Thai and English, via the Company's web site www.siamcitycement.com.

Chapter 5: Responsibilities of the Board of Directors

In addition, the Board of Directors has put special attention on the responsibility of managing. The Board has set stringent decision making procedures on certain matters. For example, any capital expenditure in excess of Baht 10 million must be approved by the Board of Directors even though the Articles of Association requires the Board decision in the case of those above the level of Baht 100 million.

According to good governance principles at Siam City Cement, the function of the Chairman of the Board of Directors and CEO are separate, in order to keep balance and transparent management of the Company.

SCCC is proud to present that its initiative on Conflict of Interest Declaration provides good awareness among employees. All personnel in the functions under the supervision of the CEO and the Chief Financial Officer, and personnel holding position at the levels of division managers and above, inclusive of members of the Executive Committee who are employees, are required to submit a Conflict of Interest Declaration twice a year. The report on this exercise is reviewed and discussed by the Executive Committee and the Audit Committee. At the level of the Board, the Board also approved the principles, procedures and reporting format for the "Report on Interest of Directors and Executives" in order to promote the fiduciary duties of the Directors and Executives where they shall make decisions without interest, either directly or indirectly.

The Board of Directors' meetings are held regularly to allow all members of the Board to consider the Board performance and solve any problems that may arise. At the Board Meeting, the CFO shall be present to provide information to the Board. Other Executives will join when matters relating to them are on the agenda.

The Board of Directors encourages and facilitates trainings for all internal parties related to corporate governance and executive development and succession planning.

9.2 Committees

The Committees Structure comprises of the Board of Directors and 3 Board Committees which are the Audit Committee, the Governance, Risk and Compliance Committee and the Nomination and Compensation Committee and Executive Committee. (Names of Directors in each group and the Executives are as appearing under the topic of the Management Structure).

Two Board Committees appointed in 2014 are the Governance, Risk and Compliance Committee and the Nomination and Compensation Committee.

There is 1 Executive Director in the Executive Committee assuming duty as the Chairman in order to create a sufficient audit and balancing and that there is a clear delegation of authority between the Board of Directors and the Management.

Both the Board of Directors and Executive Committee are subject to the Organizational Regulations which embrace their roles and responsibilities set forth in the Articles of Association, the laws, and expectation of Shareholders as the Charter of their frameworks, while the 3 Committees which are the Audit Committee, the Governance, Risk and Compliance Committee and the Nomination and Compensation Committee each have the Charter as their framework.

(1) Board of Directors

Roles and Responsibilities of the Board

The Board of Directors considers and approves important matters concerning Company operations. Siam City Cement has specified the policy and regulations of practices, responsibilities and operations of the Board of Directors, Chairman and Vice Chairman and those of the Executive Committee. The duties and responsibilities of the Board and the management are separated clearly. The Board of Directors has the duty to consider and make decision on the important issues on the operations of Siam City Cement such as the visions, missions, strategies, goals, plans, financial targets, budgets and risks management, while the Executive committee has the duty to efficiently carry out the vision, mission and strategies and provide good management and controlling system so approved by the Board of Directors.

The structure of the Board and management is sufficient for checks and balances. It determines to have independent directors, at least one third of the total directorship, but not less than three persons. The Audit Committee consists of three independent directors, and performs and undertakes in accordance with the Charter of the Audit Committee and SET regulations. Additionally, the authorization of the Board of Directors and Management are clearly segregated.

Balance of Power for Non-Executive Directors

Members of the Board of Directors are appointed by Shareholders' meetings, or by the Board of Directors' meetings, in case of replacement of vacancy other than retirement by rotation. At present, there are 10 non-executive directors among a total of 11 Directors.

Aggregation versus Segregation of Positions

According to good governance principles at Siam City Cement, the function of the Chairman of the Board of Directors and the Chairman of the Executive Committee are separated in order to keep balance and transparent management in the Company.

Main duties of the Chairman and CEO are as follows:

Chairman:

- Being elected among the Board of Directors, serving 3 years for each term, the Chairman shall handle all activities responsible by the Board of Directors, setting meeting agenda, providing information about the Board of Directors, proceeding the meetings at which opportunity is granted for discussion and expression of opinion;
- In making a decision, the Chairman has the deciding or casting vote in the event of a tie vote;
- The Chairman is not an executive and is not the same person as the Managing Director or the CEO.

Chief Executive Officer (CEO):

- The CEO is appointed by the Board of Directors, and chairs the Executive Committee;
- The CEO is responsible for management of the Company in general and shall periodically make reports to the Board of Directors.

Performance of the Board:

Putting the utmost effort into its many duties, the Board sets a meeting schedule on a yearly basis. The CEO submits a notice with supporting documentation and agenda in advance and early enough before each board meeting takes place. There is a clear guideline any such

agenda will be proposed or approved by the Executive Committee or by the Audit Committee, or by the Board of Directors, or by the Shareholders (as the case may be). Information on the Company's operations is presented so that the Board can make inquiries or express opinions. Every Board member is encouraged to express their opinion and comment freely.

(2) Audit Committee

The Audit Committee comprises of 3 independent Directors, appointed by the Board of Directors and are selected from independent Directors who are not Executives with the approval of the Board of Directors. All of them possess the knowledge and experience in reviewing companies' financial statements and well-versed in the Company's business as well as having management experiences with reputable companies in Thailand

Qualification of Audit Committee Members

1. Being an independent director;
2. Not being a director of the parent Company or any subsidiary or associated Company;
3. Possessing sufficient experience to perform the duty of an Audit Committee member. At least one of the members must have sufficient experience in reviewing financial statements and the reliability thereof;
4. Possessing the qualifications prescribed by the SET, SEC or the other relevant governing bodies.

Role and Responsibility of Audit committee

Role and duty of the Audit Committee in accordance with the Charter of the Audit Committee are as follows:

1. To review the Company's and its subsidiaries' financial reporting process to ensure its accuracy and adequacy, and coordinating with the external auditors and members of the Executive Committee responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest issues to be reviewed or audited by the external auditors during their audit of the Company.
2. To review the internal control systems and internal audit system to ensure that they are suitable and efficient, and to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the Chief of Internal Audit unit or any other unit in charge of an internal audit.

3. To review compliance with the Securities and Exchange Act, including the rules, notifications, and regulations thereof and the rules and regulations of The Stock Exchange of Thailand (“SET”), The Securities and Exchange Commission (“SEC”), the Good Corporate Governance Charter and any other relevant laws.
4. To consider, select, nominate and recommend remuneration of the Company’s external auditors. To ensure the independence of the external auditor, the Audit Committee shall consider factors such as non-audit services that may conflict with the auditor’s independence, efficiency and professionalism. To freely discuss significant issues, the Audit Committee shall meet privately with the external auditor at least once a year, without the Management team present.
5. To review the connected transactions or transactions that may lead to conflicts of interests, including the accuracy and completeness of the Company’s disclosure of such information, to ensure that they are in compliance with the laws and the SET’s regulations, are reasonable and are for the highest benefit of the Company.
6. To prepare a report on the activities of the Audit Committee for the Company’s annual report. The Chairman of the Audit Committee shall sign this report, which consists of at least the following information:
 - an opinion on the accuracy, completeness and credibility of Company’s financial report and the disclosure of its financial information;
 - an opinion on the adequacy of the Company’s internal control systems;
 - an opinion on the suitability of the Company’s external auditor and the re-appointment;
 - an opinion on compliance with the Securities and Exchange Act, and the rules, notifications, and regulations thereof including the rules and regulations of the SET, and any other relevant laws; an opinion on the transactions that may lead to conflicts of interests; the number of audit committee meetings, and the attendance of such meetings by each committee member; other transactions which, according to the audit committee’s opinion, should be

known to the Shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and other comments or statements as required by the Securities and Exchange Act, and the rules, notifications, and regulations thereof including the rules and regulations of the SET, and any other relevant laws.

7. To perform other duties as required by the Securities and Exchange Act, and the rules, notifications, and regulations thereof including the rules and regulations of the SET, and any other relevant laws.

Audit Committee's Practices

The Audit Committee meets on a regular basis, at least once every quarter before the Board of Directors' meeting. The Audit Committee reports its findings and gives its suggestions to the Board of Directors. The Chairman of the Audit Committee may sometimes call a special meeting of the Audit Committee or invite any management of the Company to join and consider in certain particular financial matters or other matters.

However, under current practice the Audit Committee has met every month. Schedule of the monthly and quarterly meetings are being scheduled in advance for the whole year.

The Audit Committee shall regularly report to the Board of Directors about the performance of their duties and responsibilities as specified in Clause 1 above. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the period of time that the Audit Committee deems fit:

- a transaction which causes a conflict of interest;
- any fraud, irregularity, or material defect in the internal control system; or
- an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

If the Company's Board of Directors or Management fails to make a rectification within the period of time under the first paragraph, any Audit Committee member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Exchange.

(3) Governance, Risk and Compliance Committee

The Governance, Risk and Compliance Committee comprises of 4 Directors of non-Executive nature. All of them possess the knowledge and experience and well-versed in the Company's business as well as having management experiences with leading companies deploying good corporate governance.

Role and Responsibility of the Governance, Risk and Compliance Committee

The role and responsibility of the Governance, Risk and Compliance Committee set forth under the Charter of Governance, Risk and Compliance Committee are as follows:

1. To prescribe the scope of Corporate Governance Practices for use in the Company Group and submit such established Corporate Governance Practices to the Board of Directors for approval and to have the duty to monitor controls and keep surveillance over the practices of the Management;
2. To review the corporate risk management process and corporate risk mitigation measure being currently practiced by the Management and review corporate business risk and risk compliance assessment plan;
3. To oversee the use of efforts in monitoring controls over the business of the Company Group on the aspect of Group policies, Code of Business Conduct of the Company Group, related laws and regulations applicable to the business and business operations of the Company Group;
4. To oversee the investigation on the practical performance in accordance with the compliance programs of the Company Group and may request for an investigation in the case where there is a non-compliance with the compliance programs; and
5. To perform other duties as assigned by the Board of Directors.

(4) Nomination and Compensation Committee

The Nomination and Compensation Committee comprises of 4 Directors of non-Executive nature. All of them possess the knowledge and experience and well-versed in the Company's business as well as having management experiences with leading companies deploying good corporate governance.

Role and Responsibility of the Nomination and Compensation Committee

The role and responsibility of Nomination and Compensation Committee set forth under the Charter of Nomination and Compensation Committee are as follows:

The NCC has the following responsibilities and duties:

a. Nomination, Composition & Structure

- i) To annually review the composition of the Board including the structures of all subsidiaries' and/or associate's Boards and Board Committees applicable throughout the Group and submit for the Board's consideration at least 90 days prior to the AGM.
- ii) To consider, appraise/evaluate and recommend selection of the Board membership candidates for nomination and/or re-appointment as forwarded by shareholder(s), Board member(s) and/or executives for the Board's review and recommendation at least 90 days before passing on to the final shareholders' selection at the AGM or at least 30 days prior to the upcoming Board's meeting in case of the interim vacancy for the replacement by the Board's decision.
- iii) To identify, assess and recommend potential candidates for key positions in the Group such as
 - Chief Executive Officer of the Company;
 - Executive Committee Members of the Company;
 - Chief Executive Officers of Subsidiary Companies;
 - Directors of Subsidiary Companies; and
 - Company Representatives on the Board of Associated Companies.
- iv) To review the Chief Executive Officer's ("CEO") proposals of potential candidates for the Executive Committee of the Company ("EXCO") and the Chief Executive Officer of Subsidiary Companies, and to independently assess these candidates with regard to their respective expertise, skills, experience, performance as well as personal and professional qualifications. Suitable candidates shall be recommended by the Committee to the Board for approval.
- v) To carry out such other duties as may be delegated to it by the Board.

b. Management Development and Succession Planning

- i) To oversee the talent pipeline, the development process and the individual developmental plans for all Top Management Level ("TML") job holders and candidates for such positions in the Group.

- ii) To annually review the succession plans for the Board and its committee members.
- iii) To annually review the succession plans for board members of Subsidiaries Companies and the Company's representatives on boards of associated companies.
- iv) To half-yearly review with the CEO the succession plans for all TML positions in the Group.
- v) To participate regularly in meetings with the leadership talents of the Group.
- vi) To carry out such other duties as may be delegated to it by the Board.

c. Remuneration

- i) To provide that the compensation policies and programs throughout the Group are designed to enable the Group and its individual companies to recruit, retain and align all employees to its overall aspiration and core values of the Group, and at the same time creating a pay-for-performance linkage.
- ii) To review and recommend to the Board the compensation of each member of the Board, its Committees and Chairman thereof.
- iii) To review the performance of the CEO and to recommend his/her compensation to the Board for approval.
- iv) To review the performance of the members of the EXCO and the CEOs of the subsidiaries as proposed by the CEO, and to approve their compensation on annual basis.
- v) To review the annual compensation and salary increases as well as annual bonus procedures for the Company and the subsidiary Companies as proposed by the CEO for approval by the Board.
- vi) To carry out such other duties as may be delegated to it by the Board.

(5) Executive Committee

The Executive Committee comprises of the 4 highest Executives of Marketing and Sale, Saraburi Operations, Finance and Controlling and People & Organizational Performance and 1 Director as the CEO to perform as the Executive Committee Chairman.

The Executive Committee holds the meetings twice a month which may be extended as necessary. The issue brought up to the meeting for consideration by the Committee will be the issue on the aspect of the safety and occupational health, production, business administration, finance and accounting, risk management, important financial transactions, Company's plan, and Company's budget. The primary consideration will be made and further proposed to the Board of Directors for acknowledgement and/or approval.

The Executive Committee must report the result of performance, as well as clarify and make recommendations to the Board of Directors upon the found or essential issues, including the market development, goals and strategies. Additionally, it is also required to report the Board immediately when the unusual circumstances arise.

The Executive Committee is the key driver that drives the Company to good performance, good corporate governance and to become an attractive Company for high potential people. The Executive Committee has aligned all managers who are parts of senior leaders of the Company in collaboration for driving organization to achieve its missions and goals.

9.3 Nomination of Director and Executive

(1) Nomination of Independent Director

By the establishment of the Nomination and Compensation Committee (NCC) in 2014, the selection of the candidates for the post of independent directors is conducted by the Board of Directors through the nomination of NCC, taking into account the qualifications of the candidates, e.g. the relevant knowledge and experience.

"Independent Director" of the Company must have at least the necessary qualifications set by the Stock Exchange of Thailand, the Securities and Exchange Commission, the Capital Market Supervisory Board, and other relevant regulatory bodies as follows:

1. Holding not over one per cent of the voting shares of the Company or the Company's parent Company, subsidiary, associate, major shareholder or controlling person. The shares held by the independent director's related person are counted as if they are held by the independent director;
2. Neither being nor used to be an executive director, employee, staff, paid advisor, or controlling person of the Company or the Company's parent Company, subsidiary, associate, same-level subsidiary of common parent, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of

filing the application with the Office. Such prohibited characteristics does not apply in the case where the independent director hold or used to hold such position as representative of a government unit which is a major shareholder or controlling person of the Company;

3. Not being, whether by consanguinity or affinity, a parent, spouse, sister, brother, child, the child's spouse, of any executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or the Company's subsidiary;
4. Neither having nor used to have a business relationship with the Company, its parent Company, subsidiary, associate, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, the Company's parent Company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.

The term 'business relationship' in the first paragraph includes any normal business transaction, rental or lease of immovable property, transaction related to assets or services or granting or receiving financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other transaction of similar nature, which results in that the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board and the governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness includes indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. Neither being nor used to be an auditor of the Company, the Company's parent Company, subsidiary, associate, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs the auditors of the Company, the Company's parent Company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
6. Neither being nor used to be a provider of any professional services, including legal advisor or financial advisor who receives service fees exceeding two million Baht per

year from the Company, the Company's parent Company, subsidiary, associate, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;

7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to a major shareholder;
8. Not undertaking any business of the same nature and in competition with that of the Company or the Company's subsidiary, or not being a significant partner in a partnership or being an executive director, employee, staff, paid advisor or holding shares over one per cent of the total voting shares of other Company which undertakes business of the same nature and in competition with that of the Company or the Company's subsidiary;
9. Not having any other characteristics which causes the inability to express independent opinions with regard to the Company's business operations

(2) Nomination of Directors

As similar to the nomination of an independent director, the Nomination and Compensation Committee shall contemplate the potential directors who will be selected from a field of qualified and experienced professionals that benefit the Company's business and be able to manage the Company as a part of the Board of Directors.

The election of each director is made by the majority votes of Shareholders. Every year, the Company invites the Shareholders to propose director nomination for AGM approval.

The nominated directors must meet the qualifications of the Company's AOA, laws, regulations of SET, SEC and Capital Market Supervisory Committee.

Re-election of Directors whose terms are expired by rotation at the AGM has criteria and guidelines as follows:

1. One share, one vote;
2. No cumulative voting. Shareholders shall cast their vote for one director at a time; and
3. If there are more nominations than the vacant positions, those who received highest votes will be directors. In case of tie-vote, the Chairman of the Board shall have a casting vote.

For the case of fulfillment of director vacancy other than retirement, the Board shall select a qualified person at the next meeting by obtaining consent of at least 3/4 from the remaining directors, unless the remaining office is less than 2 months.

If the remaining directors are less than the quorum, such remaining directors can act on behalf of the Board only on calling for Shareholders' meeting to elect replacing directors. The replacing director(s), if elected by the Board, shall be in the office only up to the remaining tenor.

(3) Nomination of Executives and Top Management

By the virtue delegated by the Board of Directors, the Nomination and Compensation Committee is authorized to review and justify the nomination proposal of the Managing Director/Chief Executive Officer on potential candidates to the Top Management positions.

For those candidates to complete the body of the Executive Committee, the Nomination and Compensation Committee shall review and recommend the list of potential candidates subject to appropriate qualification and experience to the review and approval of the Board of Directors.

For the candidates in Top Management Level (TML), including the Vice President and the CEO of subsidiaries, the Nomination and Compensation Committee is authorized to approve the proposal of candidacy from the Managing Director/Chief Executive Officer and to report to the Board of Directors as required.

Meanwhile, the Nomination and Compensation Committee shall exercise the knowledge and experience, advising appropriate conducts and practices to line functions and People and Organizational Performance (Human Resource) Function, for managing and developing talents to these high-ranked positions

9.4 Corporate Governance for Subsidiaries and Associated Company

The Board of Directors meeting shall approve and appoint the Company's representatives to be Directors and high level Executives of its subsidiaries and associate companies including all companies in which the Company has put the investments in order to maintain the benefits on the investment capitals. Such representatives shall oversee and ensure that such particular companies comply with the policy and rules set out by the Company. In this connection, there are processes deployed for making follow-ups and overseeing the operations of its subsidiaries and associate companies including mapping out the policy, guidelines, practical procedures for persons appointed as the Directors and Executives in its subsidiaries and associate companies

to strictly comply with which, in this respect, report on the operational result must be submitted to the Board of Directors on a regular basis. In addition, the disclosures of important information of the Company Group must be made in a clear, transparent and within a suitably timely manner.

In undertaking the important transactions between the Company and its subsidiaries and associate companies, the price in accordance with the market price must be fixed and be under the same conditions as those of the general customers. Furthermore, the Articles of Association of all subsidiaries must be complied with; connected transactions, acquisitions or disposals of the assets specified or the undertaking of any other important transactions of such Company fully and properly carried out which, in this respect, the rules relating to the disclosures of information and the undertaking of the transactions abovementioned in the same nature as those of the Company must be applied for use. Most importantly, the Company's representatives must keep track in overseeing to ensure that the Articles of Association are strictly complied with including monitoring controls over the keeping of the information, accounting records of the subsidiaries and associate companies to enable the Company to verify and compile such information in preparing financial statements and various reports for completion in a timely manner with efficiency, as well.

9.5 Supervision of the use of insider information

In order to comply with the principles of good corporate governance on the matter of preventive measures in the case where a Director, an Executive or an employee has used insider information to exploit benefits through abusive self-dealings for their own self or for another person, the Directors and the Executives have given importance on the compliance with the Company's Code of Business Conduct Policy. In this connection, the Board of Directors has implemented the Blackout Period Policy under which the Directors, Executives and employees as well as the persons perceiving the inside information are prohibited from trading the Company's shares during the period of 30 days before the disseminations of the information on financial statements and significant financial information to be assured that there are no exploitations of benefits from the information undisclosed publicly which would lead to the taking of an advantage over outsiders. Directors and Executives must produce and submit a report on the holding of assets in accordance with the requirements of the Office of the Security and Exchange Commission (SEC) under Section 59 of the Security and Exchange Act, B.E. 2535 (1992) within 3 days from the date of the change and that the Company Secretary shall be notified accordingly in order for a summary on the number of the securities of the Directors and Executives individually can be made for submission to the Board of Directors in their meetings every time and that the information on the holding of

such securities shall be disclosed in the Annual Report with a notification on the penalty in the case of a violation or non-compliance with the Policy and such requirements, as well.

The Company Code of Business Conduct being yet another way in preventing the use of inside information that the Board of Directors has prescribed in writing are as follows:

Code of Business Conduct that related to inside information is the following.

Code of Business Conduct No 4: Compliance

Appropriate measures are put in place to assist in complying with applicable laws and regulations in the businesses and the Kingdom of Thailand. In particular with regard to:

Insider Trading

- Employees shall refrain from exploiting benefits from inside information relating to the Company's turnovers which would have an effect on the prices of the shares or securities of the Company.

The Company shall review names of insider persons to suit the current situation, map out the guidelines in safeguarding internal information and notify all personnel within the organization on the aforementioned policies and guidelines to comply with and make follow-ups on the compliance with such policies and guidelines regularly.

Code of Business Conduct No 6: Conflict of Interest

In situations in which our personal or financial interests may conflict materially with those of the Group, we are expected to fully disclose them.

- We shall not take part in any business activities of the Group where we may be influenced by our personal relations that are, or maybe, construed as a hindrance to objective decision making.
- If we see ourselves in a potential conflict of interest, we shall seek advice from line management or from our legal counsel so that an appropriate solution can be found.

The Company has implemented an activity on Conflict of Interest Online Declaration, assigning personnel who may be involved in approving a process or procuring a product or service, either by themselves or by their relatives, with the Company or its subsidiaries within the period of 12 months. This activity is taken on a semi-annual basis by electronic media.

The declaration of conflict of interest activity has continuously been active for many years and the Company found that the employee shall take more awareness in transparency declaration.

9.6 Auditor's Fee

In 2014, EY Office Limited (former name was Ernst & Young Office Limited) received from the Company and its subsidiaries audit fees of Baht 5,195,000 and other services fee (non-audit fee) of Baht 300,000.

9.7 Compliance with SET's Code of best practice

The Company strictly follows the Corporate Governance for registered companies under the guidelines prescribed by the SET. The Company's disclosure and report was prepared by following the self- assessment of SET's Code of best practices.

10 Corporate Social Responsibilities (CSR)

The Company has separately made the Corporate Social Responsibility Report continuously since 1999. It is a part of the “Sustainable Development Report” that has been sent to shareholders together with the Annual Report and the Notice of the AGM. It is also disclosed on the Company website.

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Anti-Bribery and Corruption

The Anti-Bribery and Corruption Directive has been implemented and enforced in our Company. As a Company policy, SCCC takes a zero-tolerance approach to bribery and corruption, so all directors and employees must observe the policy at all times. To counter bribery effectively, the provision at responsibilities and guidelines in concerned issues or suspicion of malpractices are periodically communicated to all employees through training and on line media and included as part of the induction program for all new hires. Furthermore, SCCC’s zero-tolerance approach to bribery and corruption must be likewise shared with our business relationship including suppliers, contractors, vendors and other business counterparts since the initial engagement.

SCCC, as a Company, must keep financial records and have appropriate internal controls in place. No accounts must be kept “off-book” to facilitate or conceal improper payments. Accounting and reporting functions of the respective Company are responsible to strictly verify the evidence demonstrating a proper business reason prior to making payment to any third parties. Internal audit functions are assigned for establishing regular internal audits to provide assurance that the systems are effective in countering bribery and corruption as well. SCCC coordinate closely with Business Risk Management functions on annual basis to consider in relation to fraud risk management processes and any actual or potential bribery or other corruption offences that potentially have taken place already or in the future. All concerned issues will definitely be repeated for the management to determine further actions.

In 2015, the Company joined the declaration of Collection Action Coalition under the Private Sector Collection Action Coalition Council under the lead of Thai Institute of Directors.

11 Internal Control and Risk Management

The Company provides proper and adequate internal control system in order to monitor controls over the Company's business operations to be carried out in accordance with objectives and goals, related laws and regulations. The internal controls are designed to sustain efficiency and mitigate operational risks assuring corruption prevention. Measures adopted in internal control by the Company include fair and transparent procurement practices and prescribed methods of supplier selection.

The Board of Directors has conducted assessments on the internal control through the Audit Committee. The Audit Committee Report acknowledges 5 key elements of the Company's internal control system, i.e. organizational internal control, risk assessment, operational control, IT system and communication, and monitoring system and in the opinion of the Board of Directors, are proper and adequate. The Company has provided personnel sufficient for carrying out control activities in accordance with the system efficiently as well as employing internal controls over the conduct of the subsidiaries' business operations. Further, the assets of the Company and its subsidiaries are safeguarded from being used through abusive self-dealing or without the authority by a Director or an Executive including review of conflict of interest with connected persons.

The Audit Committee appointed Mrs. Chadaporn Thitisawat to be the Head of Internal Audit of the Company and Secretary to the Audit Committee in 16 January 2010 as she is experienced in internal audit works and well-versed in the operations of the Company and therefore; considered to be suitable to perform such duties. A consideration and an approval for the appointment, removal or transfer of the Head of Internal Audit of the Company must be approved or assented by the Audit Committee.

Duties and responsibilities of the Head of Internal Audit are as follows:

- To develop the Annual Audit Plan which shall be flexible and suitable to the risk level as the determinant which includes any risks or important operational issues as prescribed by the Management or in the Business Planning and Risk Management (BPRM) or others. The Audit Plan is periodically revised and forwarded to the Audit Committee for reviewing and submission to the Board of Directors for approval;
- To coordinate the work with the external auditor, other internal organizations and controlling function for the purpose of the audit efficiency and optimizing expenses;

- To carry out actions in accordance with the approved Annual Audit Plan including works specially assigned or project upon request by the Management and the Audit Committee;
- In each Internal Audit Project, a Report is issued giving the Observations and Recommendations on the operations for submission to the Executive Committee and Audit Committee and that a periodic report summarizing the result of the auditing activities shall be made for submission to the Executive Committee and the Audit Committee, as well;
- To review and check the operations in accordance with the Plan agreed upon and provide assistance to the Management that proper remedial actions are taken; and
- To maintain professional auditors who have adequate knowledge, skills and experiences and have been recognized as competent to attain the requirements set forth under the Charter of the Internal Audit.

The Company has assigned Mr. Wutthipong Songwisit to be the Head of Legal & Compliance to perform duty of overseeing the Company's business operations conducted in accordance with the laws, rules, regulations, policy of the working units including the Code of Business Conduct of the Company and, in 2014 was appointed as the Secretary of Governance Risk and Compliance Committee, taking the vital role in the implementation of a governance structure for the entire group.

The qualification of head of internal audit, and head of Legal and Compliance appear in the Attachment 3.

12 Connected transactions

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. They also include companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, and key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Company	Type of Transaction	Amount (Unit : Million Baht)						Transfer Pricing Policy	Rational and necessity
		SCCC	Siam City Concrete	Conwood	Siam City Power	Energy and Environmental Services	INSEE Superblock		
1. Transaction with associate which SCCC held 44.99% of Lanna Resources Plc. Ltd. and had related directors, namely, Mr. Paul Heinz Hugentobler, Mr. Vanchai Tosomboon and Mr. Vorathep Rangchaikul.									
Lanna Resources Plc. Ltd.	Purchases of goods	1,846	-	-	-	-	-	Market price for the same industrial sector	The transactions were considered under ordinary course of business with general commercial terms and basis by the authorities of each party who are independent of each other.
	Dividend income	177	-	-	-	-	-	At the declared rate	The transactions were considered under normal course of business.
2. Transaction with associate which SCCC held directly 4.72% of Thai Agro Energy Plc. Ltd. and indirectly 22.95% through Lanna Resources Plc. Ltd.									
Thai Agro Energy Plc. Ltd.	Dividend income	5	-	-	-	-	-	At the declared rate	The transactions were considered under normal course of business.

Company	Type of Transaction	Amount (Unit : Million Baht)						Transfer Pricing Policy	Rational and necessity
		SCCC	Siam City Concrete	Conwood	Siam City Power	Energy and Environmental Services	INSEE Superblock		
3. Transaction with other companies that related by common shareholders which is Holcim Ltd. and related executive committee is Mr. Ian Stuart Thackwray who is the director of SCCC and executive committee of Holcim Ltd.									
Holcim Technology Ltd.	Technical assistance fee and other additional services fee	108	4	-	1	-	-	Trade agreements in the same manner that a responsible person would dealt with in the same manner as general partners.	HTEC is a technical expert associated with cement business including the quality control of raw materials, cement manufacturing, development and usage of products, advise on mineralogy, project management and project engineering.
Holcim Group Service Ltd.	Service fee	6	3	-	-	-	-	Trade agreements in the same manner that a responsible person would dealt with in the same manner as general partners.	HGS provides corporate consultancy supports in economics, related to cost and profit structure, strategy for the Company, the possibility of the new business or the new market, structure and work procedures for the organization, industrial ecology and also provides the systematic and sustained service.
	Management fee	2	-	-	-	-	-		
Bank of Ayudhya Plc. Ltd.	Interest income	2	1	0.3	0.2	1	0.1	Market interest rate.	The transactions were considered under normal course of business.
	Interest expenses	0.1	-	45	-	-	12		
Holcim Trading PTE Ltd.	Sales of goods	1	-	-	-	-	-	Market price for same industrial sector	The transactions were considered under normal course of business with general price and benefit.
Holcim Trading S.A.	Sales of goods	62	-	-	-	-	-	Market price for same industrial sector	The transactions were considered under normal course of business with general price and benefit.
	Consultant fee	1	-	-	-	-	-	Trade agreements in the same manner that a responsible person would dealt with in the same manner as general	The transactions were considered under normal course of business with general price and benefit.
Holcim Services (Asia) Ltd.	IT and special project support fee	124	29	12	-	0.3	0.2	Trade agreements in the same manner that a responsible person would dealt with in the same manner as general partners.	HSEA owns information program called "CONNECT TEMPLATE" that is necessary to administer SCCC's business. Also, HSEA is knowledgeable about the process for the core business of SCCC which made SCCC to be complied with the conditions or terms of business of the Group better than SCCC employed other providers themselves.

Company	Type of Transaction	Amount (Unit : Million Baht)						Transfer Pricing Policy	Rational and necessity
		SCCC	Siam City Concrete	Conwood	Siam City Power	Energy and Environmental Services	INSEE Superblock		
PT Holcim Indonesia Tbk.	Other support services	-	0.04	-	-	-	-	Trade agreements in the same manner that a responsible person would dealt with in the same manner as general	The transactions were considered under normal course of business with general price and benefit.
Holcim Service (South Asia) Ltd.	Other support services	-	-	2	-	-	-	Trade agreements in the same manner that a responsible person would dealt with in the same manner as general	The transactions were considered under normal course of business with general price and benefit.
Holcim Technology (Singapore) Pte Ltd.	Other support services	0.5	-	-	-	-	-	Trade agreements in the same manner that a responsible person would dealt with in the same manner as general partners.	The transactions were considered under normal course of business with general price and benefit.
Holcim (Singapore) PTE Ltd.	Sales of goods	-	-	2	-	-	-	Market price for same industrial sector.	The transactions were considered under normal course of business with general commercial terms and basis by the authorities of each party who are independent of each other.
Holcim (Singapore) Ltd.	Other support services	-	0.3	-	-	-	-	Trade agreements in the same manner that a responsible person would dealt with in the same manner as general	The transactions were considered under normal course of business with general price and benefit.
Holcim Cement (Bangladesh) Co., Ltd.	Dividend Income	16	-	-	-	-	-	At the declared rate.	The transactions were considered under normal course of business.
4. Transaction with other companies that related by common shareholders which is Ratanarak Group									
HR Professional Consllting and Service Co., Ltd.	Service fee	101	25	-	0.2	0.1	6	Trade agreements in the same manner that a responsible person would dealt with in the same manner as general	The transactions were considered under normal course of business.

Criteria for having related party transactions

Where it is necessary for the Company to have a transaction with a related party, the Company will consider business necessity and arm's length principle as main criteria for decision-making. For example, product selling and purchasing is based on market price. A mark-up is included in the cost of a service fee for services rendered. All of these are to ensure economic benefits are reasonably shared within the Companies.

Sound approval mechanism and procedure

The Company has complied with the rules of the Stock Exchange of Thailand regarding information disclosure and practices for listed companies in connected transactions. The Audit Committee has also reviewed the connected transactions of the Company.