

PART 2

Management and Corporate Governance

7. Securities and Shareholders

7.1 Securities issued by the Company

(1) The Company registration capital is 2,980 million Baht, with paid-up of 2,980 million Baht of 298 million ordinary shares, and with par value of 10 Baht per share, be listed in The Stock Exchange of Thailand.

(2) The other type of share which is different from the ordinary share's right
-None-

7.2 Shareholders

(1) Major Shareholders as of 14 August, 2019¹ are the following:

Rank	Major Shareholders	Shares	% Shares ²
1	Sunrise Equity Company Limited ³	106,612,288	35.78
2	JARDINE CYCLE & CARRIAGE LIMITED ³	76,107,368	25.54
3	Bangkok Broadcasting and Television Company Limited (BBTV) ³	28,091,034	9.43
4	THAI NVDR COMPANY LIMITED ⁴	5,262,123	1.77
5	Vayupak Mutual Fund 1 by MFC Asset Management Public Company Limited	2,920,399	0.98
6	Vayupak Mutual Fund 1 by Krungthai Asset Management Public Company Limited	2,920,399	0.98
7	Mrs. Sasithon Ratanarak	2,734,639	0.92
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	2,623,224	0.88
9	NORTRUST NOMINEES LTD-CL AC	2,558,845	0.86
10	RBC INVESTOR SERVICES TRUST	2,449,269	0.82
11	BBHISL NOMINEES LIMITED	1,991,373	0.67
12	THE BANK OF NEW YORK MELLON	1,834,297	0.62
13	Aberdeen Long-term Equity Fund	1,745,295	0.59
14	STATE STREET EUROPE LIMITED	1,570,930	0.53
15	Aberdeen Growth Fund	1,530,231	0.51
16	Bua Luang Long-term Equity Fund	1,502,700	0.50
17	Ms. Sudthida Ratanarak	1,500,000	0.50

(2) Proportion of Shareholding

No.	Shareholders list	Number of Shares Held	Percentage (%) ²
1.	Ratanarak Group	138,089,419	46.34
2.	JARDINE Group Company	76,107,368	25.54
3.	Others	83,803,213	28.12
	Total	298,000,000	100.00

Remark:

1. The record date was scheduled on 14 August 2019 to identify the Shareholders entitled to interim dividend, and the Shareholders register closing date was scheduled on 15 August 2019. 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 298 million shares, 10 Baht per share. Foreign Limit is scheduled at 49% (at 14 August 2019, foreign shareholders portion is 31.49%)
3. The majority of shareholders who are a group whose movement has a marked influence on the establishment of corporate policy and strategy.
4. Thai NVDR Co., Ltd. is the lawful shareholder of authorized shares, holding Non-Voting Depository Receipt (NDVR). Thai NVDR Co., Ltd. is not entitled to vote as the shareholder, except the case where the meeting is called for revoking securities from being the listed company in the stock exchange. 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:

	Set 2	Set 3	Set 4	Set 5
Type of security	Senior and Unsecured Debentures	Senior and Unsecured Debentures	Senior and Unsecured Debentures	Senior and Unsecured Debentures
Term to maturity	7 years	8 years	10 years	3 years
Value of debentures	2,000 million Baht	2,000 million Baht	2,000 million Baht	1,000 million Baht
Number of debentures	2 million units	2 million units	2 million units	1 million units
Par value per unit	1,000 Baht	1,000 Baht	1,000 Baht	1,000 Baht
Offering price per unit	1,000 Baht	1,000 Baht	1,000 Baht	1,000 Baht
Issuing date	14 June 2013	29 April 2016	29 April 2016	9 May 2017
Maturity date	14 June 2020	29 April 2024	29 April 2026	9 May 2020
Coupon date	4.30 percent per annum	2.46 percent per annum	2.70 percent per annum	2.49 percent per annum
Credit rating	A	A	A	A

	Set 6	Set 7	Set 8
Type of security	Senior and Unsecured Debentures	Senior and Unsecured Debentures	Senior and Unsecured Debentures
Term to maturity	7 years	10 years	12 years
Value of debentures	2,500 million Baht	5,000 million Baht	4,500 million Baht
Number of debentures	2.5 million units	5 million units	4.5 million units
Par value per unit	1,000 Baht	1,000 Baht	1,000 Baht
Offering price per unit	1,000 Baht	1,000 Baht	1,000 Baht
Issuing date	9 May 2017	9 May 2017	9 May 2017
Maturity date	9 May 2024	9 May 2027	9 May 2029
Coupon date	3.65 percent per annum	4.08 percent per annum	4.26 percent per annum
Credit rating	A	A	A

- **Equity Securities:**

Authorized shares: 298 million ordinary shares with the par value of 10 Baht per share.

Issued shares: 298 million ordinary shares.

Issued and outstanding 298 million ordinary shares.

- **Derivatives:**

-None-

7.4 Dividend Policy of the Company

“The Company shall allocate dividend payment at least 60 percent 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 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. Therefore, if the Company does not have sufficient net profit, dividend proposal shall be applicable with such situation.

During 2017 - 2019, the Company allocated dividends as follows:

For fiscal year 2019, total dividend is 8 Baht per share

- The Board of Directors approved payment of interim dividend on 31 July 2019 of 4 Baht per share.
- The Board of Directors proposes the Shareholders to approve payment of dividend for the second half of 2019 on 26 March 2020 for 4 Baht per share.
- Dividend payout 2,384 Million Baht, 75.5 percent

For fiscal year 2018, total dividend is 8 Baht per share

- The Board of Directors approved payment of interim dividend on 24 July 2018 of 4 Baht per share.
- The Shareholders approved payment of dividend for the second half of 2018 on 26 March 2019 for 4 Baht per share.
- Dividend payout 2,384 Million Baht, 78.9 percent

For fiscal year 2017, total dividend is 10 Baht per share

- The Board of Directors approved payment of interim dividend on 2 August 2017 of 6 Baht per share.
- The Shareholders approved payment of dividend for the second half of 2017 on 30 March 2018 for 4 Baht per share.
- Dividend payout 2,980 Million Baht, 151.7 percent

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.

In each case, the subsidiary company must allocate not less than one-twentieth of its net profits as reserves until the total amount allocated is equal to or more than one-tenth of the company's capital.

8. Management Structure

8.1 Board of Directors

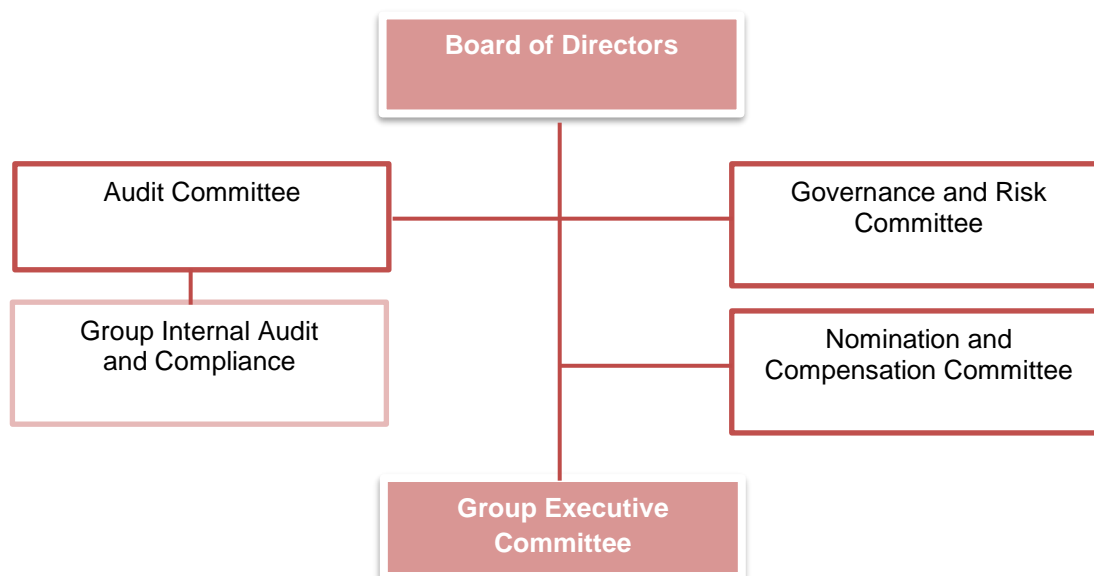
Structure of the Board of Directors

As of 31 December 2019, the Management structure of Siam City Cement Public Company Limited (“**SCCC**”) consists of the Board of Directors and 3 Committees, appointed by the Board of Directors. Said 3 Committees are the Audit Committee, the Governance and Risk Committee, and the Nomination and Compensation Committee.

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

As of 31 December 2019, the Company’s Board of Directors consists of 12 members, including:

- 10 non-executive directors;
 - 4 directors being independent directors representing 33 percent of the Board of Directors;
 - 3 independent directors being members of the Audit Committee;
 - 4 directors being members of the Governance and Risk Committee; and
 - 5 directors being members of the Nomination and Compensation Committee;
- 2 executive directors, i.e. the Group CEO and CEO-SCCCTH
- Names and number of the directors who are authorized to sign and bind the Company are Mr. Paul Heinz Hugentobler, Mr. Vanchai Tosomboon, Mr. Aidan John Lynam and Mr. Siva Mahasandana, provided that, two of them jointly sign with the Company’s seal affixed to bind the Company.



Board of Directors

Non-executive Directors

1. Mr. Paul Heinz Hugentobler	Chairman
2. Mr. Vanchai Tosomboon	Director
3. Ms. Nopporn Tirawattanagool	Director
4. Mr. Pongpinit Tejagupta	Director
5. Mr. Benjamin Herrenden Birks	Director
6. Mr. Stephen Patrick Gore	Director
7. Dr.h.c. Harald Link	Independent Director
8. Dr. Sunee Sornchaitanasuk	Independent Director
9. Mr. Pradap Pibulsonggram	Independent Director
10. Mr. Charin Satchayan	Independent Director

Executive Directors

11. Mr. Aidan John Lynam	Director & Group CEO
12. Mr. Siva Mahasandana	Director & CEO-SCCCTH
(Company Secretary is Ms. Phatchada Muenthong)	

Board Committees**Audit Committee (AC)**

1. Dr. Sunee Sornchaitanasuk	Chairperson
2. Mr. Pradap Pibulsonggram	Member
3. Mr. Charin Satchayan	Member
(Secretary of AC is Ms. Chadaporn Thitisawat, Head of Internal Audit)	

Governance and Risk Committee (GRC)

1. Mr. Pongpinit Tejagupta	Chairman
2. Mr. Stephen Patrick Gore	Member
3. Ms. Nopporn Tirawattanagool	Member
4. Mr. Vanchai Tosomboon	Member
(Secretary of GRC is Mr. Prasert Kasikigskulpol, Operational Compliance & Group OH&S Senior Department Manager)	

Nomination and Compensation Committee (NCC)

1. Mr. Paul Heinz Hugentobler	Chairman
2. Dr.h.c. Harald Link	Member
3. Ms. Nopporn Tirawattanagool	Member
4. Mr. Vanchai Tosomboon	Member
5. Mr. Benjamin Herrenden Birks	Member
(Secretary of NCC is Ms. Anuttara Panpothong, Group HR and Talents)	

Total attendances of Board Meetings and Committee Meetings in 2019

Director/Executive Officers	Total Attendances/Total Meetings			
	Board Meeting	Audit Committee Meeting	Governance and Risk Committee	Nomination and Compensation Committee
Non-Executive Directors				
Mr. Paul Heinz Hugentobler	7/7	-	-	8/8
Mr. Vanchai Tosomboon	7/7	-	4/4	8/8
Ms. Nopporn Tirawattanagool	7/7	-	4/4	6/8
Mr. Pongpinit Tejagupta	7/7	-	4/4	-
Mr. Benjamin Herrenden Birks ^{*1}	2/2	-	-	2/8
Mr. Stephen Patrick Gore ^{*2}	5/5	-	3/4	-
Dr.h.c. Harald Link	3/7	-	-	3/8
Dr. Sunee Sornchaitanasuk	7/7	11/11	-	-
Mr. Pradap Pibulsonggram	7/7	11/11	-	-
Mr. Charin Satchayan	7/7	11/11	-	-
Executive Directors				
Mr. Aidan John Lynam ^{*3}	6/6	-	-	-
Mr. Siva Mahasandana	7/7	-	-	-

* Tenure of directorship is less than one full year

Remarks

1. Mr. Benjamin Herrenden Birks was appointed as director and as a member of Nomination and Compensation replace Mr. David Alexander Newbigging effective date on 1 October 2019 onwards
2. Mr. Stephen Patrick Gore was appointed as director and as a member of Governance and Risk Committee replace Mr. Teng Wei Ann Adrian effective date on 1 April 2019 onwards.
3. Mr. Aidan John Lynam was appointed as new director effective date on 1 March 2019.

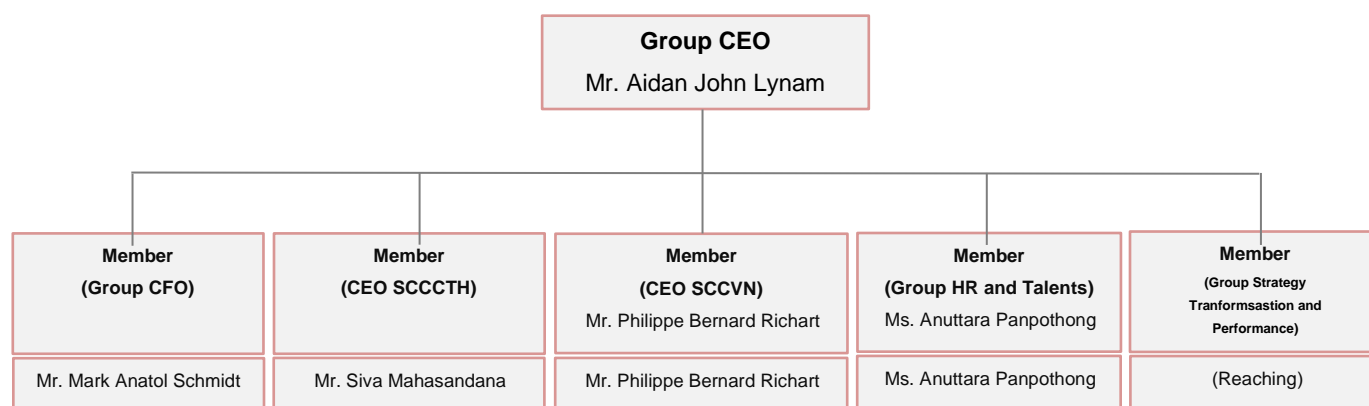
8.2 Executive Committee

As of 31 December 2019, there have been 5 members Executives who are members of the Group Executive Committee, as follows:

The Group Executive Committee consists of:

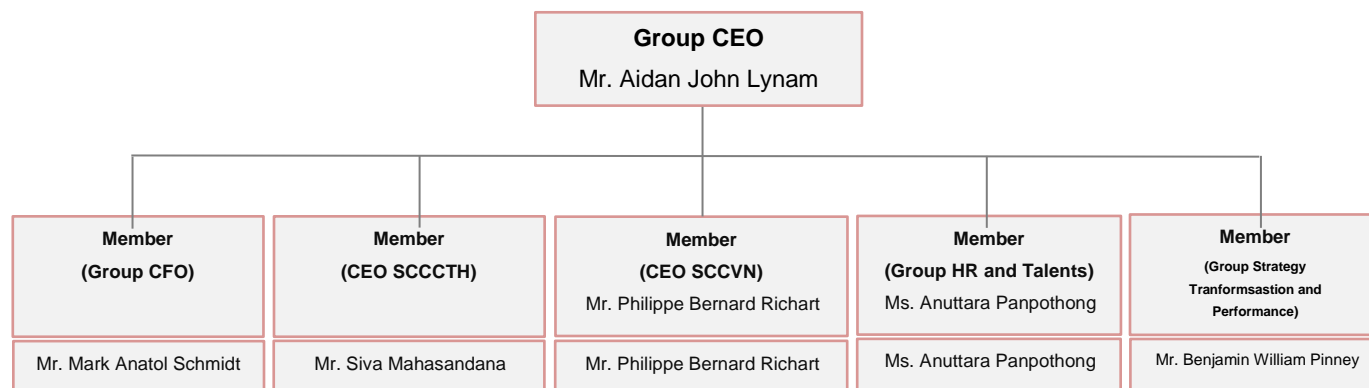
1. Mr. Aidan John Lynam Group Chief Executive Officer (or Group CEO)
- Members
2. Mr. Mark Anatol Schmidt Group Chief Financial Officer (or Group CFO)
3. Mr. Siva Mahasandana CEO of Siam City Cement PLC (or CEO-SCCCTH)
4. Mr. Philippe Bernard Richart CEO of Siam City Cement (Vietnam) Limited (or CEO-SCCVN)
5. Ms. Anuttara Panpothong Group HR and Talents

Group Executive Committee Structure



Since 1 February 2020 Mr. Benjamin William Pinney was appointed to member Group Executive Committee - Group Strategy Transformsation and Performance

Group Executive Committee Structure



8.3 Company Secretary and Person Supervising Accounting

The Board of Directors' Meeting appointed Ms. Phatchada Muenthong to serve as the Company Secretary. Ms. Phatchada Muenthong will perform the duties defined under the Securities and Exchange Act (No. 4) B. E. 2551 with responsibility, deliberation and integrity, and in compliance with the laws and regulations, the Company's objectives, Articles of Associations, Resolutions of the Board of Directors' Meeting and the Resolutions of Shareholders' Meeting.

In addition, the Company Secretary is also duty bound to provide legal advices of related rules and good practices to the Board, in monitoring its controls over the carrying out of activities to be in accordance with the laws. Furthermore, the Company Secretary arrange the Board of Directors' Meeting and the Shareholders' Meeting; coordinates with other departments within the Company to ensure the compliance together with the resolutions of the Board of Directors and the Shareholders; coordinates with the regulatory agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand; monitor controls over the disclosure and reporting of information to the regulatory agencies and the public, properly and fully in accordance with the law. The Company Secretary conducts the new directors' orientations and perform other duties as assigned by the Board of Directors.

Detail of the Company Secretary:

Name:	Ms. Phatchada Muenthong	Age:	53 years old
Position:	Company Secretary	Appointed since:	24 July 2018

Company's Share-holding Ratio (%):0.000013%

Relationship Among Executives: Nil

Education: Master of Laws, Chulalongkorn University
 Master of Laws, University of Michigan, U.S.A
 Bachelor of Laws, Chulalongkorn University (2nd Class Honors)

Work Experience:

Listed Company

2018 - Present	Company Secretary	Siam City Cement Public Company Limited (Cement Producer)
2016 - 2017	First Senior Vice President	Siam Commercial Bank (Bank)

Other Company

2017- Present	Partner	Able & Primpton Company Limited (Legal consulting provider)
2017- Present	Partner	Company Secretary Company Limited (Company Secretary consulting provider)
2012 - 2016	GRC Director	Big C supercenter Public Company Limited (Retail)

Training Experience:

Thai Institute of Directors (IOD):

- Director Accreditation Program Big C, 2015
- Anti-Corruption: The Practical Guide, 2012

Chulalongkorn University:

- Law and practice for company secretary,

Holcim:

- Management Seminar September 2007, Zurich, Switzerland

Others

- SEC Capital Market Symposium 2019
- Capital Market Enhancement Project for Good Governance Honor on an Auspicious Occasion Coronation Ceremony

The Company has appointed Mr. Kasem Makrailert to act as the Person Supervising Accounting since he has qualifications as required by SEC. This person must perform the duty in managing accounting and financial information, reporting the financial statement and ensuring the adequate internal control and auditing, communicating important financial information to related organizations, and performing other related duties assigned by CFO.

Detail of the Person Supervising AccountingName: **Mr. Kasem Makrailert**

Age: 46 years old

Position: Head of Group Accounting, IR
and Shared Services

Appointed since: 1 July 2018

Company's Share-holding Ratio (%): 0.000382%

Relationship Among Executives: Nil

Education: Master of Science in Finance (International Program), Chulalongkorn University
Bachelor of Business Administration in Accounting, Assumption UniversityWork Experience:Listed Company

2018 - Present	Head of Group Accounting, IR and Shared Services	Siam City Cement Public Company Limited (Cement Producer)
2013 - 2013	Corporate Finance Department Manager	Siam City Cement Public Company Limited (Cement Producer)
2011 - 2012	Business Analysis and Process Improvement Department Manager	Siam City Cement Public Company Limited (Cement Producer)

Other Company

2013 - 2017	Chief Financial Officer	Italhai Engineering Co., Ltd. (Engineering)
2013 - 2017	Managing Director	Italhai Engineering Myanmar Co., Ltd. (Engineering)
2010 - 2011	Commercial Finance Manager	Diageo Moet Hennessy (Thailand) Co., Ltd. (Importer and distributor of premium wines and spirits)

Training Experience:

Thai Institute of Directors (IOD:

- Director Certificate Program Class 228 (DCP), 2016

8.4 Remuneration of the Board of Directors and the Executives

The criterion for determining the remuneration of the Board of Directors of the Company and the subcommittees, the Nomination and Compensation Committee ("NCC") will take into account various factors, including, among others, the Company's business and performance, the market and industry norms, the current economic situation and the duties and responsibilities of the Board of Directors and the subcommittees which is suitable and sufficient to encourage predispose the Board of Directors in leading the Company to achieve both short-term and long-term goals and based on an industrial standard comparison. The NCC will consider the remuneration of directors and propose to the Board of Directors' and shareholders' meetings for consideration and approval on an annual basis.

The payments of remunerations to Board members are made in accordance with the new Principle of Company Board of Directors Remuneration Payment approved at the Annual General Meeting of Shareholders No. 26 on 26 March 2019 as follows;

"Remunerations of Directors consist of director fees payable on a monthly basis and bonuses. Payments of remuneration of directors should be made in accordance with the following principle from the day the resolution was passed by a vote of the shareholders onwards and until the shareholders' Meeting determined otherwise."

Director's Fees: The Board members should receive director fees on monthly basis, at the aggregated amount of not more than the annual budget of Baht 30 million. The Board of Directors should allocate accordingly.

Director's Bonuses: The Board of Director members should receive the annual bonuses in the aggregated amount not exceeding Baht 7 million. The Board of Directors should allocate accordingly.

The provisions of the foregoing paragraphs shall not affect the right of any officers or employees of the Company who were elected as directors to receive their remunerations and benefits as officers or employees of the Company."

The aforementioned Directors' fees consisted of:

1. Retainer Fee Director received monthly retainer's fee of 100,000 baht each. The Chairman of the Board received monthly retainer's fee of 200,000
2. Remuneration for Board's Committee
 - (1) Audit Committee. The Chairman of Audit Committee received monthly retainer's fee of 150,000 baht. Member received monthly retainer's fee of 100,000 baht each.
 - (2) Governance and Risk Committee. The Chairman of GRC received monthly retainer fee of 80,000 baht. Member received monthly retainer fee of 60,000 baht each.
 - (3) Nomination and Compensation Committee. The Chairman of NCC received monthly retainer's fee 80,000 baht. Member received monthly retainer's fee of 60,000 baht each.

Remuneration in Cash for the Board Members for 2019

(No remuneration as directors of subsidiaries and no other benefits)

List of Directors		Total of Director Fee Paid in 2019				Bonus Paid in 2019 (Baht)	Total Amount Paid in 2019 (Baht)
		Board of Directors (Baht)	Audit Committee (Baht)	Governance and Risk Committee (Baht)	Nomination & Compensation Committee (Baht)		
Non-Executive Directors							
1	Mr. Paul Heinz Hugentobler	2,400,000	-	-	960,000	420,000	3,780,000
2	Mr. Chachchon Ratanarak ^{*/1}	300,000	-	-	-	150,000	450,000
3	Mr. Vanchai Tosomboon	1,200,000	-	720,000	720,000	330,000	2,970,000
4	Ms. Nopporn Tirawattanagool	1,200,000	-	720,000	720,000	330,000	2,970,000
5	Mr. Pongpinit Tejagupta	1,200,000	-	960,000	-	270,000	2,430,000
6	Mr. David Alexander Newbigging ^{*/2}	900,000	-	-	540,000	240,000	1,680,000
7	Mr. Benjamin Herrenden Birks ^{*/3}	300,000	-	-	180,000	-	480,000
8	Mr. Teng Wei Ann Adrian ^{*/4}	300,000	-	180,000	-	209,750	689,750
9	Mr. Stephen Patrick Gore ^{*/5}	900,000	-	540,000	-	-	1,440,000
Independent Directors							
7	Dr.h.c. Harald Link	1,200,000	-	-	720,000	240,000	2,160,000
8	Dr. Sunee Sornchaitanasuk	1,200,000	1,800,000	-	-	375,000	3,375,000
9	Mr. Pradap Pibulsonggram	1,200,000	1,200,000	-	-	300,000	2,700,000
10	Mr. Charin Satchayan	1,200,000	1,200,000	-	-	330,500	2,730,500
Executive Director							
11	Mr. Aidan John Lynam ^{*/6}	900,000	-	-	-	-	900,000
12	Mr. Siva Mahasandana	1,200,000	-	-	-	150,000	1,350,000
	Total					3,345,250	30,105,250

* Tenure of directorship is less than one full year

Remarks

1. Mr. Chachchon Ratanarak completed his term at AGM No.26 on 26 March 2019 and submitted his intention not be re-elected for another term.
2. Mr. David Alexander Newbigging resigned from director effective date end of 30 September 2019.
3. Mr. Benjamin Herrenden Birks was appointed as director and as a member of Nomination and Compensation replace Mr. David Alexander Newbigging effective date on 1 October 2019 onwards
4. Mr. Teng Wei Ann Adrian resigned from director effective date end of 31 March 2019.
5. Mr. Stephen Patrick Gore was appointed as director and as a member of Governance and Risk Committee replace Mr. Teng Wei Ann Adrian effective date on 1 April 2019 onwards.
6. Mr. Aidan John Lynam was appointed effective date on 26 March 2019

The accrued remuneration to be paid in 2020 was Director Bonus for the year 2019 in the amount of Baht 3,345,000. The Board of Directors shall allocate this amount among them, according to the resolutions of the Shareholders' Meeting.

Remunerations for Executives

Total remunerations for Executives including accrued bonus was Baht 112,134,527.93.

Other remunerations included Company's contributions to Provident Fund for Baht 2,611,501.00, Company's contributions to Employee Joint Investment Program (EJIP) for Baht 181,374.48. The Company provided cars for the members of Group Executive Committee for performing their duties.

8.5 Personnel

As of the end of 2019, the Company (including its subsidiaries both in country and overseas) accounted for a total 5,711 employees. The total payment of remunerations to employees was at 5,297,451,632 Baht, such as salary, wage and other employee benefits.

Number of employees as at the end of 2019:

SCCC Group	Number of employees (persons)
Cement Business	3,903
Non-Cement Business	1,808
Total	5,711

People Development Policy

Every member of Siam City Cement Public Company Limited is the most important element and the foundation of our business. We strongly believe that our success and growth depends on the employees who represent the core values and competencies aligned with our vision, regional business direction and employee career growth. Thus, SCCC aims to develop and improve people management and development to achieve the global standards in leadership, knowledge, capabilities, operational skills, innovation and management, to serve the work at hand and prepare for future career growth. This shall transform our organization to be the leader in construction materials in Thailand and Asia.

We encourage the good teamwork and 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

INSEE Academy under the People & Organizational Performance function is the center of both short and long-term people development strategy of Siam City Cement Group Company which includes Mixed cement, Portland cement, INSEE Mortar, INSEE Concrete, Conwood for architectural decorative materials, INSEE Superblock for light weight concrete block, INSEE Ecocycle for total waste management, and INSEE Digital. These ensures that our employees develop their technical and leadership competencies through various development program and sustain their capability through our learning enabler infrastructures.

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 practice (70), on-the-job coaching (20), classroom and self-learning (10), and encouraging continuous learning anywhere and anytime via self-learning and digital learning under the corporate digital learning platform, or Learning Management System where employees can search and select various learning courses such as classroom, workshop, E-learning, on-the-job training and MOOC (Massive Open Online Course) through their personal computer or smart phones. In addition, SCCC provides Knowledge Management platform for employees to exchange, share and store all critical knowledge within the organization for the utmost utilization. This is the foundation in driving us to become the Learning Organization and also enhances the sustainability of the organization.

For every employee from operations to the first/middle/top management levels, INSEE Academy has built people development roadmap and blended-style learning interventions that include the Induction & On-board Program for new joiners, Management & Leadership Development Program, Leadership Competencies Development Program for employees at all levels, Coach & Performance Improvement Program, Technical & Functional Skills Development Program, OH&S and Sustainable Development Program, English Proficiency Development Program, and Code of Business Conduct & Compliance Program.

SCCC puts a 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. In order to plot out the Individual Development Plan (IDP), 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 resource teams and Line Managers of each function to arrange the Development Program for senior, middle and first managerial level employees to be equipped with essential leadership/management skills. Besides, number of projects is developed with domestic and international educational institutes. For other required competencies, they are supported by various development programs like Executive Coaching, Operational Performance Improvement (OPI) Coach, Group Employee Mobility: GEM), Corporate Project Assignments, sharing best practices with leading companies in various industries both domestic and international.

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 cooperated with the executives of business functions in supporting Functional Academies providing enhanced technical development programs with supporting learning environment by internal Subject Matter Experts and external institutes, ensuring that every employee has the right capabilities required to perform their work correctly, efficiently and safely at the expected standard so that every product and service is effectively and efficiently delivered with values to our customers, partners and related parties beyond their expectation.

Not only the business stakeholders, our cares for the community is demonstrated through our knowledge and experience sharing under topics of the business, management, people management, role-modeling, and ethics to the community intellect's and other organizations' leaders across media inside 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 be a learning organization where knowledge and experience are synergized to expand our thinking and vision in people management.

Apart from that, SCCC also focus on our people and care about the environment. We encourage our people to take several courses on environment. The courses in the past years can be illustrated as follow; ISO Awareness Course, Sustainability Reporting Workshop: GRI Standards, Environment Plant Manager Course (legal), Environmental Laws Program, Certificate of Environmental Governance for Executive officers Class 7, Modern Business Model Seminar, Focusing on Global Warming and Sustainability and OHS&S 041 How to use the Measurement in industrial hygiene.

Summary Report of People Development

In 2019, SCCC delivered a variety of learning and development interventions to our employees as follows:

1. Leadership and Transitional Development Program 22,019.64 hours;
2. Technical/Functional Development Program 38,884.46 hours;
3. Induction & On-boarding Program 3,477.10 hours;
4. OH&S and Sustainable Development Program 20,330 hours;
5. English Proficiency Development Program 1,647.15 hours; and
6. Of which, the development was delivered through Digital Learning 3,290.02 hours.

Unit: Hours per person per year

Training Hour in classroom per employee per year (Not include coaching and, on-the-job training and on-the-job practice)	2017	2018	2019
Employee and management	32.08	26.84	25.51

Remark: In 2018, our people development focuses more on learning application, coaching, on-the-job training and on-the-job practice among employees. The un-recordable learning hours from these learning interventions resulted in the lower recorded training hour per person per year in 2018.

Unit: Baht

Training and Development Investment	2017	2018	2019
Employee and management average per employee per year	6,558.92	8,891.35	6,548.82
Total Investment *	23,474,385.06	32,195,601.69	23,883,543.38

Remark: During the past few years, INSEE Academy has been building “People Developer” in the role of supervisor as Coach, Functional Academy, INSEE Trainer, Subject Matter Experts and Knowledge Champions. Those foundations yield us the higher people development capability and more learning on-the-job, positively resulted in lower training investment spent on external trainers and experts.

*Excluding accommodation expenses, travel expenses and miscellaneous disbursements.

*Excluding PT. Conwood Indonesia, Globe Cement Company Limited, Siam City Cement (Bangladesh) Limited Siam City Cement (Lanka) Limited and Siam City Cement (Vietnam) Limited

9. Corporate Governance

9.1 Corporate Governance Policy

Siam City Cement Public Company Limited (“SCCC”) is aware of the importance of the concrete and sustainable compliance with the corporate governance code. The Company enhances the business governance in all organizational levels ranging from the Company’s Board of Directors, Management down to the operational level in order to maintain the status of being a sustainable corporate governance Company and elevate the Company’s Corporate Governance in high standards. The Company’s Board of Directors focally aim to carry on the corporate governance to strive for the governance outcome on competitiveness and performance with long-term perspective; ethical and responsible business; good corporate citizen and, more importantly, corporate resilience.

In addition, the Company’s Board of Directors always play a vital role in the creation and driving the organizational culture in adherence to the Code of Ethics and in demonstration of its leadership in the corporate governance.

The Company’s Board of Directors has established the Corporate Governance Policy in 2015 depicting principles and guidelines on Good Corporate Governance, and Operational Guidelines in writing. In this respect, the Company’s Board of Directors is the initiator and delegated to the Governance and Risk Committee (formerly the Governance, Risk and Compliance Committee) to review the policy framework before submission to the Board of Directors for approval. The Company is confident that the Corporate Governance Policy has served as an instrument to express the efficiency, transparency and verifiable management system that can build confidence to all shareholders, investors and stakeholders and at the same time, lead the Company to prosperity, progress and enhance sustainable growth of the Company. The Company’s Board of Directors shall at all times firmly adhered that ethics, social and environmental impact must be taken into account as the material substance in the success of business operation apart from the financial turnovers.

The Corporate Governance Policy applies to all Board of Directors, Management and employees of the Company as well as its subsidiaries. The written principles and guidelines of the operations served as the guide to which everyone in the organization should adhere and practice.

Other than the aforementioned Corporate Governance Policy, the Board of Directors also approved the revised edition of the Code of Business Conduct to set the international standards to ensure that the Directors, Management, and employees of the SCCC Group perform their duties with integrity and honesty and to maintain the reputation, image and foster confidence in the organization by the public, shareholders, investors in accordance with the prescribed Corporate Governance Policy.

Furthermore, apart from the said Corporate Governance Policy and the Code of Business Conduct, the Board of Directors has approved related policies and directives in order to clearly

indicate the procedural guidelines on the development that will lead to the creation of the organizational culture in various levels which supports the good corporate governance, particularly, on the aspect of receiving complaints and notifications of information or whistle blowing. The whistle blowing cases in relation to the breach of laws or conduct, or improper financial report, or lack of internal control shall be reported to the Audit Committee and the Board of Directors. The whistle blowing policy sets protection for the whistle blowers. For this purpose, the Company has implemented an external whistle blowing channel, handled by an outside expert, to fundamentally guarantee and safeguard the employees or informants with confidentiality.

For other policies in relation to the Code of Business Conduct are available under the Company's website such as, the Sustainable Development Policy, Environmental Policy, Social Responsibility Policy are available on the Company's website under the Sustainable Development part the Anti-Bribery and Anti-Corruption Policy and Insider Trading Policy are available on the Company's website under investor relation > corporate governance (<https://www.siamcitycement.com/en/investor/governance>).

The Board of Directors has ensured the continuity of communication to be adequate, such as, INSEE Portal, Internal telecommunication, and quarterly Town Hall Meetings, etc., so that Directors, Management and employees can understand, including mechanism to support their actual implementations in accordance with the policies mentioned above.

To keep the organization updated with latest trends, the Board of Directors has monitored the implementation and review of the Corporate Governance Policy and the Code of Business Conduct including its relevant policies on an annual basis. In this connection, the Company has developed the E-Learning Program system in order to continuously enhance learning on this said policies to ensure that all persons in the organization have properly and strictly complied with the governance policies.

And with regards to the strict and regular compliance of the Corporate Governance Policy, in 2019, the Company has received the following awards:

- Excellent level, for the Corporate Governance Report of Thai Listed Companies (CGR), under the Thai Institute of Directors (IOD);
- Certified Member of the Private Sector Collective Action Coalition Against Corruption (CAC) from 18 August 2017 to 18 August 2020.

9.2 Board Committees

The Board of Directors defined and reviewed the Structures of the Board and the Management to ensure sufficient and suitable check and balance with each other on a regular basis in order to strengthen the effectiveness of the Board of Directors. To make this effective and functional, the Board of Directors has appointed Board Committees review and consider important issues before further submission to the Board of Directors for further approval.

The current structure is composed of the Board of Directors, the Audit Committee, the Governance and Risk Committee, and the Nomination and Compensation Committee.

Members of the Board of Directors, Board Committees, and Management appeared under the topic of the Management Structure.

Details of the scope of the accountabilities of the Board of Directors and each Board Committee including their meetings adopted from Principle 3 in the Corporate Governance Code for Listed Companies 2017 is stated in Clause 9.7.

9.3 Nomination and Appointment of Directors and Key Executives

Nomination and selection process of Independent Directors, Directors and key executives is transparent and clear.

The criteria for such nomination have adopted from Principle 3 and 4 in the Corporate Governance Code for Listed Companies 2017, please refer under Clause 9.7.

9.4 Corporate Governance for Subsidiaries and Associated Companies

The Board of Directors has set a mechanism for overseeing the management and operations of its subsidiaries and associated companies, to protect its investment.

There is no shareholders agreement between the Company and its subsidiaries as the Company holds total shares in the subsidiaries. No shareholders agreement with Lanna Resources Public Co., Ltd (“Lanna”), the Associated Company upon the Company’s long-term investment. The Company proposed certain director nominations to Lanna, which allow the Company to join its board of directors in considering important agenda. The shareholders agreement for joint venture company in Cambodia (Chip Mong INSEE Cement Corporation) allows the Company to protect its minority interest in important matters, in order to secure and maintain the interest of the Company’s investments. In this regard, the meeting of the Board of Directors of the Company considers important issues of its subsidiaries and associated companies, in order to monitor internal and risk controls effectively.

Details of the corporate governance for subsidiaries and other businesses in which the Company has invested, adopted from Principle 3.6 in the Corporate Governance Code for Listed Companies 2017, are stated under Clause 9.7.

9.5 Control over Use of Insider Information

The Board of Directors has established the Insider Trading Policy in order to prevent the insiders from abusive self-dealing-benefit or other persons - an act to take an advantage over others such as the trade of securities by using the insider information, together with the blackout period for not less than 30 days prior to the financial report disclosure and not less 24 hours after disclosure the financial report.

Details of the policy and procedures on monitoring the insider trading, as adopted from Principle 6, Guideline 6.3.1 in the Corporate Governance Code for Listed Companies 2017, are stated in Clause 9.7.

9.6 Auditor's Fee

In 2019, EY Office Limited, an auditing firm certified by SEC, received from the Company and its subsidiaries an audit fees in the amount of 13,366,167 Baht and in non-audit fee in the amount of 2,559,848 Baht.

9.7 Level of Understanding and the Adoption of Corporate Governance Code for Listed Companies 2017 (CG Code 2017)

The Board of Directors has adopted the principles on the Corporate Governance Code for Listed Companies 2017 which was announced by Office of Securities and Exchange Commission (SEC). This report presents the information in the same clause numbers as required for the Form 56-1.

In 2019, the Company had reviewed the Company's compliance with the principles of the CG Code 2017 and reported the results to the Governance and Risk Committee, then presented their recommendations to the Board of Directors. The Board of Directors acknowledged the results and recorded rational and substitute measurements in the minutes of Board of Directors Meeting to ensure that the gap (if any) will not have any impact on good corporate governance of the Company. The non-application includes the case of having an independent director holding the office more than 9 consecutive years. The Nomination and Compensation Committee shall review and evaluate the performance of the Independent Directors to ensure that such independent director had performed his duty independently from the Management and major shareholders and has qualifications and expertise that are beneficial to the Company. The significant substances on the adoption of CG Code 2017 can be concluded as follows:

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors, being the key in driving the organization, understands and is aware of their leadership role and their responsibilities as leaders to ensure that the organization adopts good corporate governance by playing the significant roles in determining the objectives and main goal of the business. Concretely, this is reflected in the approval of the vision and mission, organizational value, direction, policy and strategy including the allocations of important resources for use in carrying out the Company's business operations in a regular basis and in every fiscal year in order to ensure that the Management and employees have mutual goal in moving forward to the same direction. The Board closely monitors Management in implementing its business plans according to the business direction and strategy and monitors the results of Management's performance on a regular basis.

The Board of Directors believed that in carrying out the business operations for sustainable success, apart from monitoring controls over the business management for good turnovers, the Board must place its importance on the corporate governance to achieve the Company's optimal benefit, for the accountability to the shareholder, that is free from being dominated by the Management.

Other than establishing the Corporate Governance Policy and the Code of Business Conduct as well as other policies, the Directors, Management and employees are required to comply and disclose such in its annual report and into the Company's website. The Board of Directors has ensured that the Company established the work system and mechanism that is sufficient to build confidence within the Company and has properly been carried out in accordance with the laws, rules, regulations, resolution in the shareholders meetings, Corporate Governance Policy, Code of Business Conduct, and other related policies and guidelines prescribed by the Company.

The Board of Directors has ensured that Directors and Management perform their duty according to the duty of care and duty of loyalty, also ensured that the Company has operated in accordance with the laws and regulations, resolution of shareholders, as well as the prescribed policies or guidelines. Also, the approval process on the important issues, such as, capital investments, transactions having significant impact on the business, related party transactions, significant acquisitions and dispositions, dividend payments, etc. shall be in accordance with the law.

The Company's Board of Directors ensures the compliance with the requirements on operational procedures and disclosure of related party transaction pursuant to the regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and relevant regulations. It has established the Conflict of Interest Policy, the guidelines as well as approval procedures for related party transactions under category of normal business transactions. In addition, the Management is required to seek the Board of Directors' approval for any entry of transactions with potential conflict of interest which are of significant in size or important nature to the business operation of the Company. Management shall present related party transactions report to the Board for their acknowledgement on a regular basis.

The Board of Directors has provided particular attention to responsible management, such as, setting the Manual of Authority as an additional procedure, so that the Company's decision can be reviewed and approved in accordance with its significant level, covering both the matters under consideration of Management and the Board of Directors.

The Board of Directors has clear understanding of their roles and responsibilities, wherein the roles and responsibilities between the Board of Directors and the Management are clearly divided by segregating the duties of the Chairman of the Board from the Group Chief Executive Officer (Group CEO) to provide balance of power and transparent management. Furthermore, the Board of Directors have also expressly assigned the scope of the duties and responsibilities of the Group CEO and GEXCO (Management), and to closely monitor the performance of their assigned duties. The duties of the Board of Directors, Group CEO and the Management will cover the matters to be carried out directly by the Board of Directors; the

matters that the Board of Directors shall jointly coordinate with the Management; and the matter that the Board of Directors assigned with the Management to proceed.

The Board of Directors has the duty to consider and approve important matters concerning the Company's business, such as Vision, Mission, Strategy, Goal, Business Plan, Budget and Risk Management. The Management has the duty to efficiently and effectively implement the Vision, Mission, and Strategy, with good management and control system, in accordance with the Company's Internal Control System, the Code of Business Conduct and the Corporate Governance Policy.

Principle 2: Define Objectives that Promote Sustainable Value Creation

In carrying on with the operations for the Company's sustainability, the Board of Directors has defined the business objectives in compatibility with the value creation of the business, customers, stakeholders and the society as a whole.

The Board of Directors is responsible for overseeing to ensure that the business has clear and suitable objectives to use as a key concept in designing the business model and communicating it with everyone in the organization to drive in the same direction by making the Vision and Values as follows:

Vision:

We will continue to build our long heritage of shared loyalty, creating trust and long lasting relationships with our business partners, our people and our community. We will work hard to achieve the best business attitude, values and sustainable future for all our stakeholders.

Values:

Working as a team. Doing what is right. Challenging conventions. Caring about our future.

In defining our objectives, the Board of Directors has taken into account the environmental condition and the changing factors, the adoptions of innovation and technology for suitable use, the needs of customers and stakeholders as well as the business readiness, expertise and competitiveness that must reflect the attributes of corporate governance, accountability, integrity, and transparency. Also, due consideration of social and environmental responsibilities which the Board of Directors has overseen to ensure by enhancing the communications and creation of the organizational objectives that is reflected within the frame of the decisions and operations of personnel in all levels developing as organizational culture. In addition, the Board of Directors has defined both financial and non-financial objectives suitably consistent with the business environment and potentials with risk awareness in setting the goal which may lead to unlawful act or unethical conduct.

The Board of Directors has ensured the annual review/preparation of strategy and business plan that are aligned with the business objectives and goal by taking into account the current

business environmental factors, opportunity, and expected risk. Furthermore, the Board of Directors has supported to set out and review the mid-term objectives and strategies of 3-5 years to ensure that the annual strategy and business plan have considered the long-term impact that can be reasonably forecasted.

For the annual review of the strategy and business plan, the Board of Directors has overseen to ensure that the analyses on environmental conditions, factors and risks which may contingently affect stakeholders and value chains including other factors which may adversely affect the business objective attainment are conducted. (Please see the relevant details under Clause 10 – Corporate Social Responsibility or CSR). In this connection, the Board of Directors has promoted the innovation and adopted such innovation and technology in creating competitiveness and response to the needs of stakeholders who are still undergoing the social and environmental responsibilities. Moreover, the Board of Directors has monitored controls to ensure that the objectives are comprehensively transferred through the strategy and business plan of the organization. The Board also ensures that the resource allocations and operational controls are suitably carried on as well as keeping tabs on the operations in accordance with the annual strategy and business plan.

Principle 3: Strengthen Board Effectiveness

The Board of Directors is responsible in determining and reviewing the Board Structure, its size and composition, and suitable proportion of Independent Directors in order to ensure its leadership role in achieving the main objectives.

Principle 3.1 Board Structure

The Board of Directors assigned the Nomination and Compensation Committee to review and make recommendations regarding board structure, size and composition, and the proportion of Independent Directors as suitable for its determination and review.

The Nomination and Compensation Committee shall ensure that the Board of Directors is consists of fully qualified Directors in accordance with the law and related rules with diversified qualifications in terms of specific skills, experiences, competencies and characteristics as well as with regards to mix of gender and age that is necessary for the attainment of the Company's objectives and can foster understanding and response to the needs of stakeholders, also at least one Director who is not the executive director should possess experiences in the main industry of the Company, in accordance with the skills matrix of directors, to ensure that the overall Directors have suitable qualifications and align with the Company's strategies.

Currently, the proportion between directors who are executives and non-executives has good balance, i.e., there are 10 non-executive directors out of the total of 12 Directors. The board size is also aligned with the proper size under the principles of good corporate governance, where it stated that the Board should have no more than 12 directors. The Company views that its board size is appropriate, and suitable with the Company's size and industry. Further to this, there are two female Directors (one of them is an independent Director). And since

most of the Company's Directors are non-executive Directors, the opinion towards the Management's performance can be given independently.

The Board of Directors has determined to have independent Directors who can independently give opinions towards the Management's performance, which consist of at least one third of the total directorship, but not less than three persons. Also the Company shall have the Audit Committee which consists of three independent Directors, performing and undertaking works in accordance with the Charter of the Audit Committee and SET regulations. And there are also non-independent Directors in two thirds of the total directorship, in proportion to the investment capitals of each of the Shareholders groups.

The Board of Directors has ensured that the Company disclose in the Company's annual report and website the diversified composition of the Board and Directors' information such as age, sex, educational background, experiences, shareholding proportions, number of years in office, and holding of office in other listed companies.

Principle 3.2: Chairman and Board Composition

The Board of Directors consists of independent Directors in number of one-thirds (1/3) of the total directorship. The Chairman leads Directors to perform their duties in overseeing the Company with impartiality and transparency by taking into account the best interests of the Company as the significant substance and refraining from facilitating any advantages to benefit the other persons.

Separation of Persons Holding Chairmanship and Group CEO

The Board of Directors has separated the roles of the Chairman and Group Chief Executive Officer to provide balance of power and transparent management in compliance with the Corporate Governance Code. The main duties of the Chairman and Group CEO respectively, are as follows:

Roles of the Chairman

The Chairman has the duties pursuant to the relevant laws and as the leader of the Board of Directors for the following operations:

The duties and powers of the Chairman shall be as prescribed by the applicable law. The Board of Directors may delegate to the Chairman other duties and powers as it deems appropriate. In particular, the Chairman has the following powers and duties:

- 1) Call Board meetings and sets the agenda.
- 2) Presides over the General Meeting of Shareholders.
- 3) Entitled to attend meetings of the Board Committees of which he is not a member and meetings of the board of directors of any Subsidiary.
- 4) Ensuring effective communication with shareholders, while the Group CEO is the primary representative of the Company in any communication with the media.

- 5) Receives the agenda, documents and minutes of the meetings of the Group EXCO and may examine or request any reports pertaining to the business of the Company and the Group.
- 6) Encourage and facilitate the meeting of the non-executive directors without the presence of Executive Directors and Management, at least once a year.

Although the Chairman is not an independent Director, but he exercises his responsibility independently from the Management, based upon the best interests of the Company under the Corporate Governance Code. Hence, the Company believes that the Chairman is a well-deserved person and trusted by the Board of Directors for the position.

Roles and Responsibilities of the Board and Board Committees

The Board of Directors appointed the Board Committees to scrutinize the important agendas, to increase the efficiency of its duty of care. In this respect, the Board of Directors established Charter for each Board Committee to clearly define roles, duties, responsibilities, work procedures, meetings and reporting requirements.

The Board of Directors

Qualifications

The Board of Directors is composed of fully qualified members and does not possess any prohibited characteristics under the Public Limited Companies Act B.E. 2535, including its amendments and supplements thereto, Securities and Exchange Act B.E. 2535, including amendments and supplements thereto, as well as relevant rules and notifications determined by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and the other governing bodies. The Board of Directors possess diversified skills, professional skills, specialized expertise, useful experience and understanding of the corporate business nature. Consideration is also taken on other attributes to achieve diversification across the entire Board, such as educational background, age, sex, diversified professional skills, specialized knowledge, including among other things like the cement industry, laws, accounting and finance, etc.. And in the exercise of Board functions, there shall be at least 1 non-executive Director that has related experienced in doing company business. (Currently, the Board of Directors has 3 non-executive directors out of 12 directors who are experienced in cement industry.)

Term of Office

The Company requires that term of directorship be in accordance with its Articles of Association and in consistent with the Public Limited Companies Act B.E. 2535. And that, one third of the Directors shall retire by rotation at each Annual General Meeting of the Shareholders.

Roles and Responsibilities of the Board of Directors

The Board of Directors has, in accordance with the provisions of the applicable law and the Articles of Association of the Company, ultimate responsibility for the direction of the business

and the supervision and control of the persons entrusted with the management of the Group, which duties the Board cannot delegate. The Board of Directors passes resolutions on all matters which the law, the Articles of Association or the present Regulations do not reserve for or delegate to the General Meeting or another corporate body of the Company. The Board of Directors shall comply with the provisions of law, the Articles of Association and shall observe principles of good corporate governance.

Specifically, the Board of Directors has the following duties:

- 1) to exercise ultimate responsibility for the direction of the business of the Company and the Group and to issue the necessary directives;
- 2) to approve the corporate concept and corporate strategy of the Company and the Group;
- 3) to define the organization of the Company and the Group, in particular, to issue and amend the present Regulations and any charters based thereon;
- 4) to define the accounting procedures of the Company and the Group and to establish the principles of financial controlling and financial planning to be applied by any Group Company;
- 5) to approve the business plans and budgets of the Company and the Group;
- 6) to appoint or replace the Chairman, the Vice Chairman and the members of the Board Committees;
- 7) to appoint or replace the Group CEO upon recommendation by the Nomination and Compensation Committee ("NCC");
- 8) to appoint or replace the other members of the Group EXCO upon proposal by the Group CEO and recommendation by the NCC;
- 9) to define and grant authority to sign on behalf of the Company;
- 10) to review the performance of the persons entrusted with the management of the Group in respect to compliance with the applicable laws, the applicable Articles of Association, these Regulations and charters based on these Regulations, and any directives of any of the Boards of Directors;
- 11) to review the annual report, the annual financial statements and the consolidated financial statements of the Company and to receive the reports of the Auditors and to approve them for presentation to the General Meeting of the Shareholders;
- 12) to direct the preparation of the General Meetings of the Company and implement resolutions passed by the latter;
- 13) to examine the professional qualifications of the Auditors in accordance with the requirements of the law;
- 14) to perform the duties imposed by the law on the Board of Directors in the event of a capital increase;
- 15) to approve the proposal for nomination, or replace the Executive Directors, subject to applicable law, and/or Authorized Directors and to define, grant and/or delegate specific duties, powers and responsibilities of the Executive Directors and/or Authorized Directors;
- 16) to approve, subject to applicable law, the composition of the board of directors of the Subsidiaries and the nomination of the directors thereon, as well as the nominations of the Company's representatives to the board of directors of the Associated Companies upon proposal by the Group CEO and recommendation by the NCC;

- 17) to appoint, subject to applicable law, or replace the chief executive officers of the Group Company (other than the Group CEO) and the Subsidiaries upon proposal by the Group CEO and recommendation by the NCC;
- 18) to approve the compensation framework of the Company and the Group;
- 19) to approve the proposal for the compensation of the Board and Board Committees upon recommendation by the NCC, subject to the approval by the General Meeting.

Board Committees

1. Audit Committee

Structure of the Audit Committee comprises of 3 (three) independent Directors, appointed by the Board of Directors and is selected from independent Directors who are not Executives under the approval of the Board of Directors.

Names of the Audit Committee members and the Committee Secretary are shown under the topic of "Management Structure".

Qualifications of the Audit Committee Members

The AC shall be an "Independent Director" and should be qualified as stated in SET and SEC rules. No director should serve as a member of the AC if such director had served on the AC for more than two other public companies, unless the Board determine that such simultaneous service would not impair the ability of said director to serve effectively and such determination is disclosed in the Annual Report and the Annual Registration Statement.

All members of the AC shall, in the judgment of the Board, be financially literacy, which at a minimum does possess a working familiarity with basic finance and accounting practices, and at least one member of the AC shall, in the judgment of the Board, have accounting or adequate financial management expertise.

Currently, all three Audit Committee members are knowledgeable and has experienced in reviewing the Company's financial statements and well-versed in the Company business operation. Moreover, at least one of the Audit Committee members, that is the Chairperson of Audit Committee respectively, should have a degree in Accounting.

Term of Office

Members of the Audit Committee shall have the term of office for 3 (three) years, but not exceeding the term of his/her directorship.

Roles and Responsibilities of the Audit Committee

The AC has the following responsibilities and duties:

- 1) To review the Company and the entities of the Group's financial reporting processes and to ensure their accuracy, and adequacy and coordinating with the external

auditors and members of the Group Executive Committee responsible for the preparing the quarterly and yearly financial reports. The AC may suggest issues to be reviewed or audited by the external auditors during their audit of the Company and the entities of the Group.

- 2) To review the internal control and risk management systems as well as internal audit system including business processes and the IT framework and ensure that they are suitable and efficient.
- 3) To decide on the organization and the qualification of the individuals of the Group Internal Audit and Compliance ("GIAC") of the Company and to determine the GIAC's degree of independence from the Management, as well as to approve the appointment, transfer and dismissal of the individuals of the GIAC or of any other unit in charge of internal audit activities.
- 4) To review compliance with the Securities and Exchange Act, including the rules, notifications, and regulations thereof and the rules and regulations of the SET, the SEC and any other relevant laws as related to the Group's business.
- 5) To consider and recommend the selection, nomination, remuneration as well as change of the Company's external auditors. To ensure the independence of the external auditor, the AC 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 AC shall meet privately with the external auditor at least once a year without management representative being present.
- 6) To review the related party transactions or transactions that may lead to conflict of interest, 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 regulations, and are reasonable for the highest benefit the Company.
- 7) To prepare a report on the activities of the AC for of the Company's annual report. The Chairman of the AC shall sign this report, which shall consist of the at least 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 and risk management systems.
 - an opinion on the suitability of the Company's external auditor and its re-appointment.
 - an opinion on compliance with the law on Securities and Exchange, the Exchange's regulations, or the laws in relating to Group business.
 - an opinion on the transactions that may lead to conflicts of interests.
 - the number of the AC meetings, and the attendance of such meetings each committee member.
 - an opinion or overview comment received by the AC from its in the performance of duties in accordance with the charter.

- other transactions which, according to the AC'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.
- 8) Review the Company's compliance with private sector's anti-corruption and certification programs, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool.
- 9) Conduct the AC's performance assessment as a whole and as self-assessment on an annual basis.
- 10) To perform any other acts as assigned by the Company's board of directors, with the approval of the AC.

Meetings of the Audit Committee

- 1) The AC shall hold a meeting at least once every 3 (three) months. Any member of the AC may call a special meeting as circumstances require. The method for calling and the procedures for conducting meetings shall be agreed upon by the members of the AC.
- 2) A quorum for a meeting of the AC members shall be a majority of its members.
- 3) The AC may invite the Group Chief Executive Officer of the Company to attend the AC Meeting but he/she shall be required to leave the meeting discussing matters relating to his/her interest or in case the AC wishes to conduct a private meeting.
- 4) The Secretary of the AC shall keep minutes of the meetings as directed by the AC.

2. Governance and Risk Committee

Governance and Risk Committee structure must compose of at least Three (3) Directors of the Company.

Names of the Governance and Risk Committee members and the Committee Secretary are shown under the topic of "Management Structure".

Qualification of the Governance and Risk Committee Members

The Governance and Risk Committee members must have their understanding on the business operations of the Group as well as understanding on the implementation of the principles in accordance with the Corporate Governance Code and in compliance with other Rules, Regulations as well with risk management and reduction system.

At present, all Company's Governance and Risk Committee members are knowledgeable, experienced and understands the Company's business. Moreover, they have experiences as Directors and had led leading companies that have good corporate governance.

Term of Office

Term of office of the Governance and Risk Committee members including the Chairman is equal to the term of office of the Board of Directors.

Roles and Responsibilities of the Governance and Risk Committee

The roles and responsibilities of Governance and Risk Committee are as follows:

- 1) To define and propose the scope of corporate governance practices for the Group for the approval by the Board, and shall oversee and monitor the implementation of such practices by the Group EXCO.
- 2) To review Group's major risks and mitigation actions carried by the Group EXCO.
- 3) To carry out such other duties as may be delegated to it by the Board.

Meetings of Governance and Risk Committee

- 1) The GRC shall hold a meeting at least 4 (Four) times a year. Any member of the GRC may call a special meeting as circumstances require. The method for calling and the procedures for conducting meetings shall be agreed upon by the members of the GRC.
- 2) A quorum for a meeting of the GRC members shall be a majority of its members.
- 3) The Group Chief Executive Officer of the Company ("Group CEO") or his assigned representative and Head of Group Internal Audit and Compliance may be invited to the GRC Meetings to provide update on key risk and mitigation plan for the Group. They shall be required to leave the meeting when being discussing matter relating to their interest or in case the GRC wishes to conduct a private meeting.
- 4) The Secretary of the GRC shall keep minutes of the GRC meetings as directed by the GRC.

3. Nomination and Compensation Committee

The Nomination and Compensation Committee shall be comprised of at least 3 (three) directors of whom at least 1 (one) shall be an "Independent Director" as determined by the Board.

Names of the Nomination and Compensation Committee members and the Committee Secretary are stated under the topic of "Management Structure".

Qualification of the Nomination and Compensation Committee Members

Members of Nomination and Compensation Committee shall possess the knowledge and skills, experience and familiarity with the Company's business and operations.

Term of Office

Term of office of the NCC members is equal to the term of office of the Board of Directors.

Roles and Responsibilities of the Nomination and Compensation Committee

The roles and responsibilities of the Nomination and Compensation Committee set forth under the Charter of the Nomination and Compensation Committee are as follows:

The NCC has the following responsibilities and duties:

1) Nomination, Composition & Structure

- (1) 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.
- (2) To consider, appraise/evaluate and recommend selection for 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 before passing on to the final shareholders' selection at the AGM or at least 30 (thirty) days prior to the upcoming Board's meeting in case of the interim vacancy for the replacement by the Board's decision.
- (3) To identify, assess and recommend potential candidates for key positions in the Group such as
 - Group Chief Executive Officer
 - Group Executive Committee Members
 - Chief Executive Officers of each Group Company
 - Directors of Subsidiary Companies
 - Company Representatives on the Board of Associated Companies
- (4) To review the Group Chief Executive Officer's ("Group CEO") proposals of potential candidates for the Group Executive Committee of the Company ("Group EXCO") and the Chief Executive Officer of each Group Company, 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.
- (5) To carry out such other duties as may be delegated to it by the Board.

2) Management Development and Succession Planning

- (1) 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.
- (2) To annually review the succession plans for the Board and its committee members.
- (3) To annually review the succession plans for Board members of Subsidiaries Companies and the Company's representatives on Boards of associated companies.
- (4) To half-yearly review with the Group CEO the succession plans for all TML positions in the Group.
- (5) To carry out such other duties as may be delegated to it by the Board.

3) Remuneration

- (1) 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 commitments of the Group, and at the same time creating a pay-for-performance linkage.

- (2) To approve and propose to the Board the compensation of each member of the Board, its Committees and Chairman thereof.
- (3) To approve the performance and compensation of the Group CEO, the Group EXCO members and CEOs of each Group Company, as well as bonus and merit increase for SCCC and subsidiaries in Thailand.
- (4) To review the annual compensation and salary increase budget as well as annual bonus scheme for subsidiaries outside Thailand as submitted by the Secretary of the NCC.
- (5) To carry out such other duties as may be delegated to it by the Board

Meetings of Nomination and Compensation Committee

- (1) The NCC shall hold a meeting at least once every Three (3) months. A special meeting maybe called by any member of the NCC as circumstances require. The method for calling and the procedures for conducting meetings shall be agreed upon by the members of the NCC.
- (2) A quorum for a meeting of the NCC members shall be majority of its members.
- (3) The Group Chief Executive Officer of the Company ("CEO") shall be a permanent invitee to the NCC Meeting but he/she shall be required to leave the meeting when discussing matters relating to his/her interest or in case the NCC wishes to conduct a private meeting.
- (4) The Secretary of the NCC shall keep minutes of the NCC meetings as directed by the NCC.

Group Executive Committee

As of 31 December 2019, the Group Executive Committee is composed of five (5) people, i.e., Group Chief Executive Officer, Group CFO, CEO SCCCTH, CEO SCCVN and Group HR and Talents.

Names of the Executive Committee members are shown under the topic of "Management Structure".

Qualifications of the Group Executive Committee

The Group Executive Committee shall possess the knowledge and experience in business, management and leadership skills in determining the business strategies. He/she must also possess high responsibility and competency to drive and manage the Company in the achievement of its goals, visions and missions.

Responsibilities and Duties of the Group CEO

The NCC considers nominations for candidates for the position of the Group CEO and recommends for further consideration and appointment by the Board of Directors.

The Group CEO has the overall responsibility and accountability for the management and performance of the Group. Subject to the matters for approval by the Board of Directors pursuant to Article 17 of the Regulations, his responsibilities and duties are as follows:

- 1) to coordinate and supervise the activities of the Group EXCO regarding the organization, management and supervision of the business operations of the Group so as to achieve the targets of the business plans and the annual budgets;
- 2) to issue instructions on the reporting by the other members of the Group EXCO and all Group Company CEO;
- 3) to initiate, develop and manage the strategic and financial planning process within the Group as approved by the Board of Directors;
- 4) to monitor and control the implementation of the approved business plans and budgets of the Group and to ensure that all business transactions and items are in accordance with the Manual of Authority;
- 5) to prepare, convene and chair the meetings of the Group EXCO;
- 6) the Group CEO is the primary representative of the company in any communication with the media;
- 7) to supervise the other members of the Group EXCO and Group company CEOs and to review their performance and propose compensation to NCC;
- 8) to propose the appointment or replacement of the members of the Group EXCO (except the Group CEO) and the group company CEOs and CFOs to NCC;
- 9) to propose the composition of the Board of Directors of the subsidiaries and the nomination of the Company's representatives to the Board of Directors of the Associated Companies to NCC;
- 10) to present the succession plans for the members of the Group EXCO (other than the Group CEO) and the Group company CEOs on an annual basis to NCC;
- 11) to approve the appointment or replacement of Exco members of Group Companies (except for group company CFO) upon proposal by the Group Company CEO;
- 12) to implement the resolutions of the Board of Directors and shareholders, which the Group CEO may assign to other members of the Group EXCO (in which case the Group CEO shall monitor the implementation of the resolutions of the Board of Directors);
- 13) to propose to the Board of Directors the matters subject to the approval of the Board of Directors pursuant to Article 17 of the Regulations for consideration and approval; and
- 14) to ensure a timely and organized flow of information between the Group EXCO and the Board of Directors.

Meetings

- 1) Meetings of the Group EXCO shall be convened by the Group CEO as frequently as the Group's business operations demand. Meetings shall, as a rule, be held on a monthly basis.

- 2) Any member of the Group EXCO may request that the Group CEO convenes an additional meeting. Such a request must be submitted in writing, stating the reasons.
- 3) The Group CEO shall prepare an annual schedule for all regular Group EXCO meetings. All members of the Group EXCO are required to attend the Group EXCO meetings.
- 4) Requests for items to be included on the agenda must be submitted to the Group CEO early enough for the invitation and agenda to be sent out at the same time.
- 5) The Group CEO may delete items from the agenda if they are incomplete or were submitted late; alternatively, he may postpone them for presentation at a subsequent meeting.
- 6) Subject to the unanimous consent of all members of the Group EXCO, meetings may be held in the form of a telephone or video conference, if needed.
- 7) Meetings shall be chaired by the Group CEO and, in his absence, he may appoint another member of the Group EXCO to chair the meeting. The Group CEO may invite further persons who are not members of the Group EXCO to attend meetings in an advisory capacity.
- 8) In addition to the regular Group EXCO meetings, the Group CEO may convene additional meetings of the Group EXCO in order to discuss matters of a fundamental nature, which are not needed to be covered within the regular meetings of the Group EXCO.

Principle 3.3: Nomination of the Directors

The Board of Directors shall ensure that the process of nominating candidates for the position of independent Directors, Directors and Top Executives is transparent and clear. The Nomination and Compensation Committee is therefore assigned to carry out the nomination, by establishing the criteria and selection of candidates who are fully qualified with, expertise and useful experience for the Company's business operation. A candidate must possess a good understanding of the business and be able to manage the Company to achieve the set objectives, goals, business nature and future plans as determined by the Board of Directors in order to obtain Directors, independent Directors and Top Executives that possess high qualifications that is suitable to the best interest of the company. Consequently, in case of Directorship appointment, the Nomination and Compensation Committee is required to propose the nomination to the Board of Directors considerations before proposing it to the Shareholders meeting. Further to this, adequate information regarding the candidates must be given to the shareholders to support in the decision making. Whereas, for the Nomination of Director and Executives, the recruitment agent will nominate the qualified across Thailand and abroad for the interview. The Nomination and Compensation Committee will screen the candidates to ensure that the Directors are knowledgeable, expertise, and experienced in the business.

The Nomination and Compensation Committee shall ensure that the process of nominating candidates for the Company's Directors is transparent and clear, free from influence of the Shareholders with controlling power or the Management, in order to create third party confidence. Moreover, the Shareholders should have a chance to engage in nomination process every year.

The election of each Director is made by the majority of votes of shareholders. Every year, the Board of Directors invites the shareholders and Directors 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 provides the criteria and methods as follows:

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

In the case of a fulfillment of Director's vacancy other than rotation, the Board of Directors shall select a qualified person that does not possess prohibited characteristics under the law to fulfill such position by obtaining consent of at least 3/4 from the remaining Directors, except in the case where the remaining term of office is less than 2 months.

If the remaining Directors are less than the number to constitute the quorum, such remaining Directors can act on behalf of the Board to call for shareholders' meeting for the replacement of any lacking director.

The replacing Director(s), if elected by the Board, shall be in the office only up to the remaining tenure.

Nomination of the Independent Directors

The selection of the candidates for Independent Directors is conducted by the Nomination and Compensation Committee, taking into account the qualifications of the candidates from Thailand and overseas, i.e. the relevant knowledge, expertise and experiences. The Nomination and Compensation Committee will select the candidates from the list collected from the recruitment agent and the Shareholders' nomination (if any).

Definition of Independent Directors:

The Independent Directors has independency from the Management and major Shareholders of the Company. The Board of Directors, at the recommendation of the Nomination and Compensation Committee, reviewed and revised the definition of the independent Director to suit the required qualifications by the Company than those provided by law. The requirements of the Office of Securities and Exchange Commission (SEC), the Capital Market Supervisory Board, and Stock Exchange of Thailand (SET) respective to this matter define that an independent Director must hold shares of not more than one percent (1%) of the total number of voting shares of the Company or proprietary Company, subsidiary Company, associated Company, controlling interest or person having control power over the Company provided, however, that the shareholding of related persons of such particular independent Director shall be counted in, as well. The Board therefore deems it expedient to make change in the shareholding proportion from one per cent (1%) to zero point five per cent (0.5%).

“Independent Director” of the Company must have the qualifications as follows:

1. Holding not over zero point five per cent (0.5%) of the voting shares of the Company or the Company's parent Company, subsidiary, associated Company, major shareholder or controlling person. The shares hold by the Independent Director's related person are counted as if they are held by the independent Director;
2. Neither being nor a previous Management, a major shareholder, an Executive Director, employee, staff, paid advisor, or controlling person of the Company or the Company's parent Company, subsidiary, associated Company, 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 shall not apply in the case where the independent Director holds or being 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, parent, spouse, sister, brother, child, the child's spouse, of any Executive, major shareholder, controlling person, or person to be nominated as an Executive or a controlling person of the Company or the Company's subsidiary;
4. Neither having nor being used to have a business relationship with the Company, its parent Company, subsidiary, associated Company, major shareholder or controlling person, in a manner which may interfere with his independent judgment, and neither being nor used to be the Management, a major shareholder, a significant shareholder or controlling person of any person having a business relationship with the Company, the Company's parent Company, subsidiary, associated Company, major shareholder or controlling person, unless the foregoing relationship has already ended for a period of 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 occurring during the period of one year prior to the date on which the business relationship with the person is commenced;

5. Neither being nor a previous auditor of the Company, the Company's parent Company, subsidiary, associated Company, 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 for a period of not less than two years prior to the date of filing an application with the Office;
6. Neither being nor a previous 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, associated Company, 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 for a period of 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 doing 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 percentage 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 bad or characteristics which would impair the ability to express independent opinions with regard to the Company's business operations.

Principle 3.4: Remuneration of the Directors

With respect to the determination of the remuneration of Directors, the Board of Directors has assigned the Nomination and Compensation Committee to carry out a transparent process and propose its consideration to the shareholders' meeting for approval on an annual basis. In this regard, the policy, method and criteria of remuneration payment for each Director position must be proposed and the composition of which shall be suitable and sufficient to predispose the Board of Directors in leading the Company to achieve both short-term and long-term goals and to avoid making excessive remuneration payment.

Directors are suitably remunerated according to the Company's strategy and long-term goal and based on an industrial standard comparison, experience, duties, scope of roles and responsibilities, benefits and values obtained from individual Directors, including the membership and increased roles and duties of the Committees.

Shareholders shall be the party to approve the structure of and remuneration rate for the Directors both in tangible and intangible money form. The current Directors' remunerations have been fixed in accordance with the 26th Annual General Meeting of shareholders on 26 March 2019 in which the approval on the fixing of the Directors' remunerations and rules on the relevant payments as proposed by the Board of Directors at the recommendation of the Nomination and Compensation Committee, was given. In this connection, the Board has disclosed the policy and rules on the fixing of the Directors' remunerations, pattern and the remuneration amounts that reflects the accountabilities of each Director including the remunerations received by each Director from being a Director of the subsidiaries (if any). Currently, there has been no payment of the remuneration to Company's Representative being the Directors of the associated companies.

The remuneration of Chief Executive Officer and Top Management is in accordance with the criteria approved by the Board of Directors within a frame approved by the shareholders which is inductive and suitable benefits that the shareholders would receive.

The Nomination and Compensation Committee takes care of CEO performance evaluation in accordance with the norm and criteria agreed with the Chief Executive Officer, which is based on the Company's operating results, achieved performance of long-term strategic objectives, and executive development.

The results of evaluation are proposed to the Board of Directors for approval on an annual basis, and are communicated to the Chief Executive Officer by the Nomination and Compensation Committee.

Respective to the structure, qualifications, accountabilities of the Nomination and Compensation Committee on the part relating to the remunerations of the Committee members are adopted from Principle 3.2.

Principle 3.5: Meetings of the Board of Directors

The Board of Directors shall convene at the request of the Chairman as frequently as the Company's business operations demand. Meetings shall, as a rule, be held at least once every three months. Board Meeting schedule and the key agenda of each meeting are determined yearly in advance prior to the beginning of the following year. Each Director is informed to reserved time and attend the meetings. And in every meeting of the Board of Directors, the Chairman and Group CEO shall jointly consider and determine matters to be included as Board meeting agendas, ensuring that all important issues are included and that each Director are given the opportunity and freedom to propose agenda matters that is beneficial to the Company. Directors are notified of the Notices of Meeting and supporting

document at least 7 days prior to the meeting so as to allow them the ample time to study the information.

The number of meetings of the Board of Directors is determined to suit the duties and responsibilities of the Company Directors as well as the nature of Company business. There were 7 meetings of the Board of Directors in 2019. A Company performance report and the development plan are regularly furnished to the Board on a monthly basis to enable the Board to provide continuing and timely supervision and control to the Management's performance.

Board Meetings in 2019 are attended by the average of 94 percent of all the Board members. The attendance of each Director is prescribed under the Management Structure.

The Chairman shall allocate enough time for the Management to propose matters and discuss crucial problems in a careful and thorough manner and shall promote careful exercise of discretion. In this connection, all Directors should pay attention to all issues brought to the meeting, including corporate governance issues. Directors having interest, whether directly or indirectly, will not be eligible to vote and will have to leave the meeting during the consideration of the relevant agenda.

The Board of Directors shall encourage the Group CEO to invite the Management or Executives to join the Board meetings to provide useful information and details as persons directly relating to the problems, and which as well will provide further supplement to the top management's succession planning and considerations.

The Company facilitates all Directors to receive information and training in relation to their responsibilities and to the Company business, in order to ensure that they have a good understanding of their roles and responsibilities and the nature of Company business, and all of them have dedicated their time and effort in the performance of duties. All directors express their opinions independently, keep themselves improved and updated all the time, and are committed to perform their duties with honesty, integrity and carefulness in the best interests of the Company and fairness towards all shareholders.

The Board of Directors strictly follow the CG policy of company that limits the number of holding office to the listed companies, where each of the Directors may hold an office to not more than Five (5) Thai listed companies. To date, none of the Directors holds directorship in more than 5 Thai listed companies. Also, the Company does not permit Managing Directors/ CEOs and Top Management of the Company to hold directorship in other two (2) companies, except for subsidiaries, affiliates and joint-venture companies of the Company where supervision is required for the benefit of the Company. Such holding of position is subject to the prior Board approval. The Board of Directors shall establish reporting system for any other positions held by Directors and shall be disclosed in an annual report.

The Board of Directors shall follow a policy to allow non-executive Directors to have meetings with them, as necessary, to discuss managerial problems that are of interest without the Management participation, which result of the meeting shall be reported to the Chief Executive

Officer (CEO). The Chairman conducted a meeting among the non-executive Directors after the collection of Board Assessment both on the individual basis and the whole committee basis for the performance of the year 2019 in order to make the improvement and monitoring plans.

Principle 3.6: Corporate Governance for Subsidiaries and Associated Company

With respect to the primary corporate governance of subsidiaries and associated company, the Nomination and Compensation Committee will nominate, determine and propose qualified candidates for approval to the Board of Directors, where a report is made to the subsidiaries and associated Company. The appointment of Directors, Executives and Controlling Persons responsible in taking part in the management of the business of the subsidiaries shall be conducted according to number and position, in compliance with shareholding proportion of subsidiaries and associated company.

The Directors and/or Executives appointed by the Board of Directors mentioned above shall have the duty to manage and administer the businesses of subsidiaries and/or associated company in line and in compliance with the Company's policies and direction, wherein the Board of Directors establishes policies for the best interests of the subsidiaries that are in line with the Company as the parent Company. The scope of duties and responsibilities of the appointed Directors and Executives shall be clearly determined, and may be reviewed from time to time as it may deem appropriate. In addition, such Directors and Executives shall be supervised and monitored in compliance with the duties and accountabilities provided by law.

In cases of decision making to the key business operations of the Group, the Company prepared the Manual of Authority in order to ensure effective and transparent management.

When on the part of the general business operations, the Company will map out policy, this must be communicated for considerations during the annual budgeting, including quarterly business operational result for review and reporting to the Company Committee meeting where appointed Directors and Executives had participated. In addition, the meeting of the Board of Directors has set out a requirement to have regular agendas for consideration on the acknowledgment of the minutes of meetings of the Boards of the subsidiaries and other associated companies, as well.

So, it can be assured that the Company has sufficiently suitable and comprehensive monitoring mechanism and internal control system within the subsidiaries consequently resulting in the transactions between the subsidiaries and connected persons, acquisitions and dispositions of the properties or the making of any other important transactions of the subsidiaries to be resolved by the Board or the Company shareholders meetings.

Moreover, the Company has standard reporting forms of the subsidiaries and under the structure that is similarly attributable one another for convenience and comfort on the corporate governance as well as defining the organizational chart layout which the staff or managers in the departments and sections in the subsidiaries are compulsorily required to use

in making reports, as well as the discussions and solving problems in collaboration with Executives and managers of the Company that oversee and taking responsibility in the related work or business line. Therefore, the measures and/or internal business control system within the subsidiaries would be compatible with or in the same way as that of the Company. In this respect, the monitoring mechanisms on the corporate governance define that the management and personnel of the subsidiaries must perform both aggressive and receptive duties in conjunction with the Company's management who have monitored controls and ensure that the subsidiaries disclose, fully and accurately, the information in relation to the financial status and operational result, inter-transactions, implicitly significant acquisitions and dispositions of properties, capital increment and decrement, undertakings of significant transactions.

Principle 3.7: Evaluation of the Board of Directors

The Board of Directors and Board Committees conduct a personal self-evaluation at least once a year to jointly consider their mutual achievements, issues and corrective measures. While Board performance evaluation is conducted with the intention to improve the efficiency of the whole Board performance. The evaluation procedure can be summarized as follows:

The Company Secretary prepares and review the evaluation form for correction and completeness in compliance with the criteria required by the regulators. The evaluation form will then be proposed to the Governance and Risk Committee for approval before proposing it to the Board of Directors for completion. Subsequently, the Company Secretary will summarize the result of the performance evaluation of the Board of Directors as well as the strength and improvement areas before proposing it to the Board of Directors for consideration. The Board of Directors will review the result of the evaluation in order to improve their performance.

The results of each key area are calculated in percentage from (ranking scale from 0 = need to improvement to 4 = excellent). From the 2019 assessment, the performance evaluation of the Board of Directors and Committees are in the excellent.

Furthermore, the Company also arrange for individual Director's performance assessment on an annual basis. The evaluation procedure is the same as the performance evaluation of the Board of Directors as mentioned above. After the evaluation, the results showed that the Company's directors are qualified and have performed their duties excellently and properly in accordance with the principles of good practice for Directors. To extend the results, the Company has applied the evaluation results to improve the performance of Directors accordingly.

Principle 3.8: Professional Development of the Board of Directors and the Executives

The Board of Directors follow the policy to promote and facilitate continuing trainings for development for those who are involve in the corporate governance, such as Directors, Audit

Committee members, Governance and Risk Committee members, Nomination and Compensation Committee members, Executives and Management, Company Secretary, and personnel whose functions are related to corporate governance. This is to ensure an ongoing performance improvement and development, including attendance of such training courses organized by the Thai Institute of Directors (IOD), other courses by foreign institutes and other entities, and in-house training.

In this connection, more than 80% of the Board of Directors and Executives have attended particular training courses in relation to their duties, as follows:

No.	Directors	Training Courses until end of 2019
1	Mr. Paul Heinz Hugentobler	- Leading from the Chair (by INSEAD) 2015
2	Mr. Vanchai Tosomboon	- DAP 7/04, DCP 7/01, AACP 19/15, CGI 10/15
3	Mr. Nopporn Tirawattanagool	- DAP 5/03, RCC 8/09, DCP 135/10, ACP 31/10, FGP 2/11, ACEP 7/13, RCL 1/15, IOD National Director Conference 2018
4	Mr. Pongpinit Tejagupta	- DAP 71/08, DCP 126/09, ACP 30/10, FGP 1/10, MFM 2/10, MFR 10/2010, MIA 7/10, MIR 9/10, SFE 7/10, M&A 1/11, RCC 14/12, RNG 2/12, CDC 7/13, HRP 4/13, ACEP 7/2013, RMP 1/13, Inaugural CG Conference 2018 by SEC
5	Dr. h.c. Harald Link	- Institute of Business and Industrial Development (IBID1), DAP 134/17
6	Dr. Sunee Sornchaitanasuk	- DAP 28/04, ACP 5/05, DCP 53/05, MIA 2/08, MIR 3/08, QFR 5/07, RCP 18/08, SBM 1/17, ELP 16/19
7	Mr. Pradap Pibulsonggram	- DCP 149/11, ACP 37/11, FSD 14/11, MFM 8/12, MFR 14/12, MIA 13/12, MIR 12/12, SFE 17/13, ACEP 8/13, HMS 4/14, BMT 2/17, SBM 5/18
8	Mr. Charin Satchayan	- DCP 196/14, BMD 2/16, FBG 5/16
9	Mr. Aidan John Lynam	- DAP 166/2019
10	Mr. Siva Mahasandana	- CGE SCCC/15, DCP 206/15, RCP 43/18
No.	Executives	Training Courses until end of 2019
1	Mr. Aidan John Lynam	- DAP 166/2019
2	Mr. Siva Mahasandana	- CGE SCCC/15, DCP 206/15, RCP 43/18
3	Mr. Mark Anatol Schmidt	- DAP 166/2019
4	Ms. Anuttara Panpothong	- DCP 265/2018, SBM 6/2019

For appointment of a new Director, the Company will provide the new Director with important documents and information that is useful for duty performances such as Directors Manual, Organizational Regulations, Code of Business Conduct. The Company also holds the business orientation meeting to explain the Company's business and policies. With this, the Company is confident that the new Director understands the job description and information which is useful in the performance of his/her duty.

The Board of Directors require the Group CEO to provide regular report on the development and succession plan that is jointly produced by the Nomination and Compensation Committee on annual basis for continuity and succession of CEO and Top Management positions.

Principle 3.9: Operations of the Board of Directors and the Company Secretary

As mentioned above, the Board has ensured that the meetings will be held and that meeting agendas be provided in advance in order to enable the Directors to manage their times for participations in the meetings.

While the Articles of Association defines the numbers of Board meetings in quarterly, but in 2019, the Board initiated and decided to reasonably hold 7 Board meetings to suit the Company's nature operations, accountabilities and needful. In addition, the Management is tasked to make operational result report to the Board in a basis so as to enable a continuing and timely monitoring control in a given situation.

The Board of Directors has monitor controls to ensure that mechanism is provided to each Director, each Committee including the Group Executive Committee, and the Management, to enable them to independently submit useful matters to the Board meetings and that in the Board meeting, Group CEO is encouraged to invite key executives to participate in the meetings to present the additional details in related agendas in order to open the opportunity to the Board to get acquainted with the key executives so that such additional details can be used in support of their considerations on the succession plan.

The Board of Directors is allowed access to additional necessary information from the Group Chief Executive Officer, the Company Secretary, or other delegated Executives within the established policy scope and, where it is necessary, and independent opinions from third party consultants or professionals.

The Board of Directors has appointed a Company Secretary to perform duties in providing legal advice and regulatory requirements as well as overseeing the Board's activities and to make coordination to ensure that the Board's resolutions are complied with. The Board shall enhance the Company Secretary to receive continuing and regular trainings and knowledge development on the aspect of law, accountancy and Company Secretary's duty performances, including various certified programs to which the Company Secretary is required to attend, as well.

The Board of Directors has defined the qualifications and experiences of the Company Secretary suitable for performing his/her duties in providing advice in relation to the laws and regulatory requirements of which the Board should know; specifically overseeing and preparing the Board meeting documents, important documents and the Board's activities including making co-ordinations to ensure that the Board's resolutions are complied with. The Board of shall disclosed the qualifications and experiences of the Company Secretary in its annual report and in to the Company's website.

Principle 4: Nomination of Key Executives and People Development

Principle 4.1: Nomination and Development of Group CEO and Key Management

The Board has delegated to the Nomination and Compensation Committee to carry out actions on the nomination and development of Directors and key executives and to ensure that they possess knowledge, skills, experiences and characteristics necessary for driving the organization to achieve its objectives.

Nomination of the Group CEO and Key Executives

The Nomination and Compensation Committee has been delegated/entrusted by the Board of Directors to make considerations on the nomination rules and procedures in nominating persons possessing qualifications to hold the position of the Group CEO, who is the Top Management of the Group.

In this regard, the Nomination and Compensation Committee reviews qualifications of the candidates for the Group CEO to meet the required qualifications and experiences and proposes to the Board of Directors for approval.

The Nomination and Compensation Committee is authorized to approve the proposal of candidates for senior management level of the subsidiaries proposed by the Group CEO and report to the Board of Directors for acknowledgement.

In addition, the Board of Directors has required that the position holder of the Group CFO shall not only meet appropriate qualifications and experiences, but passed the training for CFO, as specified by the SET Announcement. The CFO of the Company had passed the training CFO's Orientation Course.

In order to ensure the continuity of the business, the Board of Directors ensure that Management has implemented succession plan, especially for the position of key executives. The Board of Directors receive update report on this implementation twice a year.

Development of Key Executives and People Management

The Board of Directors support and enhance the ongoing in-house training and development program for Directors, Executives and personnel relating to the corporate governance including the training and development programs in various fields that increase knowledge and experiences useful to the Company's operations.

Details of the executive development as appeared under Clause 8.5 - Guidelines and Pattern of People Development.

Principle 4.2: Appropriate Remuneration Structure and Performance Evaluation

The Board of Directors, at the recommendation of the Nomination and Compensation Committee, has defined the remuneration structure which motivates Management in all levels to perform their duties in alignment with the objectives of the organization and the business in the long term.

The Board of Directors, at the recommendation of the Nomination and Compensation Committee, has approved the appropriate combination of salary and other short-term remuneration such as bonus and the long-term remuneration which will create engagement between employees and the Company, such as Employee Joint Investment Program (EJIP), a 7-year program starting from year 2016 – year 2022, on an appropriate proportion as a result of the operational plan. In defining the compensation policy, level of the remuneration higher than or equal to that of the industrial level and the Company's operational result is taken into account. In this respect, the Board of Directors has ensured that the requirements and communications on the policy relating to the performance evaluations of the whole organization are clearly defined.

The non-executive Directors play the role on the remuneration and performance evaluation of Group CEO by participating in giving their approvals on the rules on the performance evaluation of Group CEO proposed by the Nomination and Compensation Committee which is the performance evaluation criteria that motivates the Group CEO to manage the Company's business and to achieve the objectives, strategy and in alignment with the benefit of the business in the long term. Respective to this matter, Group CEO is communicated to be aware of the performance evaluation criteria in advance.

Performance evaluation of the Group CEO is conducted every year which, in this connection, the Nomination and Compensation Committee is delegated to conduct such evaluation and that result of the evaluation and payment of the remuneration of the Group CEO shall be submitted to the Board of Directors which, in this respect, the non-executive Directors would always participate in the considerations.

In approving the annual remuneration of the Group CEO, his performance evaluation result and other relevant factors have been taken into consideration.

The Board of Directors has made considerations to give its approval on the rules and relevant factors in the performance evaluation as well as its approval on the remuneration structure of the key executives and keeping tab on the Group CEO to ensure that he/she conducts the performance evaluations on key executives in alignment with said performance evaluation principle.

The performance evaluation on the Company's Group CEO and key executives including the management are considered from the Company's operational result by setting it in percentage of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and measuring it from important work, competency, self-development, compliance with CG Policy and Company's Code of Business Conduct including result of public hearing survey from staff and employees for use in support of the considerations, as well.

Inspection and Evaluation of the Group CEO Performance by Board of Directors

The Board of Directors and the Nomination and Compensation Committee jointly consider and evaluate performance of the Group CEO, which, in this connection, the evaluation is proposed to the Board of Directors by the Nomination and Compensation Committee, with consideration

taken on current year performance with various factors as follows:

1. Results of the Company's performance;
2. Personal performance under the criteria and targets agreed in advance, such as:
 - 2.1) KPIs
 - 2.2) Critical tasks
 - 2.3) Leadership competency

In addition, the Nomination and Compensation Committee takes into consideration the adherence to the Corporate Governance Policy and Company's Code of Business Conduct.

Principle 5: Nurture Innovation and Responsible Business

Principle 5.1 Innovation Creation

Nurturing Innovation at Siam City Cement

The Company is well aware of the fact that importance should be placed on the innovation because of the changing world and technology that give rise to the expectations of the customers, business partners and key stakeholders desiring to see the change in a manner likely to be beneficial to or a mutual value creation for the business, customers, business partners as well as the society and environment, provided however, that such change shall be based on the Code of Business Conduct on business operations.

With the support of the Board and the Group Executive Committee, the Company places the importance on the activities that support and enhance the rising of the vital sustainability of the organizational culture as follows:

Enhancing Employees' Participations, Innovative Organizational Culture Creation, and New Innovation and Business

To enhance the innovative culture in the organization, the Company is aware of the importance of the innovation resulting from changes in technology and market environment. The Company encouraged the employees to participate in the innovation-building activities such as innovation talks and workshops, main innovation programs, and the initiative programs in order to find new business models that can generate profit to the Company, and to build the mechanism to serve the demands in the global market. In 2019, the Company has established new business models to add value to the Company.

Direction and Support in Becoming Sustainable Corporate Innovation Infrastructure

The Company is well aware of the creation and support that give rise to sustainable innovation within the organization, which, in this regard, Group CEO assumes the duty to be directly responsible in mapping out the policy, management and operations of all innovative promotional activities which includes providing support and facilitations of employees initiatives in carrying out operations on various innovation projects, in an expeditious and

efficient manner, as well as providing support on the budget for education or researches to acquire additional information that is beneficial to the developments of creative projects that give rise to a Business Model.

The Company holds the significance of the innovation in the creation of mutual corporate value for the benefit of the business, customers, business partners and stakeholders as well as the society and environment. In this respect, emphasis on the creation of corporate culture, and support to various activities as well as working in collaboration with related external organizations in order to promote for the acquisition of new innovation is a continuing goal.

Principle 5.2 Business Operations with Corporate Social and Environmental Responsibilities

The Company takes into account and put importance on the continuing creations of value for all stakeholders. It is the Company's practice that our stakeholders must be taken care of by the Company in accordance with their legitimate rights as provided by law or agreements entered with the Company. There must be a process to encourage mutual cooperation and trust between the Company and all groups of stakeholders at all times, no matter what it is the aspect of its employees, communities around the business establishments, shareholders or investors, customers, suppliers, creditors, societies, state sector including competitors and independent auditors. More importantly, there must not be any performance of an act in a manner likely to infringe the rights of the stakeholders and that compensation measures in the case where a stakeholder has sustained a damage derived from the infringement of the right shall be implemented.

The Board has monitored controls to ensure that there is available mechanism to assure that the Company has carried out its business ethically and with corporate social and environmental responsibilities; refrain from violating the stakeholders' rights by implementing the guidelines in treating the stakeholders in the following manner:

1. Responsibilities to Staff and Employees

The Company has always regarded its employees as valuable resources, whose roles are fundamental to the success of the Company. All employees shall be treated fairly and equally regardless of the job title or level as prescribed by the laws, relevant standards and its Code of Business Conduct. Employees and staff are treated fairly and respected to their human rights in terms of equitably fixing the remunerations, exercising the policies concerning illegal labor, child labor and pregnant women labor, ensuring that the benefits and welfares are not less than or more than that required by law as appropriate. The Company looks after their safety and occupational health; supports them to have the development and progress by providing trainings; and giving opportunity to enhance other work skills.

The Board has overseen to ensure that clear and concrete policies and operating procedures on the staff's and employees' remunerations, welfares, health and safety in working areas are provided and that relevant treatments are disclosed and publicly known to all staff and employees as part of human resource management.

Human Resource Management Policy

All personnel of Siam City Cement Public Company Limited are considered as important resources in driving and pushing the Company towards its objectives, thus, they are deemed to be relevant contributing factors to the corporate success in the creation of competitiveness to the Company. Their duty performances are required to be in alignment with the corporate commitment and culture, and with the expectations that not only with their working achievements but also in matters of ethical manners and adhered to the corporate commitment of working as a team, doing what is right, challenging conventions, and caring about our future.

Provided, however, that the remuneration administration scheme has been defined on the principle and base on the impartiality and equity. Factors used in the staff and employees' remuneration administration and consideration is consisting of the accountabilities of each position, labor market rates and Company payment's ability by relying on work analysis technique, work appraisal, labor market surveys and corporate compensation structure as the tool to help in the determination of such considerations as to the employee's annual performance result. Such is considered as one of the factors that is used in the determination of the incentive remunerations in compatibility with the performance result in order to support and boost the morale and enthusiasms of the staff and employees having performance result higher than the Company's defined standards. At any rate, bonus and payments package to all staff and employees are dependent on the Company's annual as the basis for remuneration of their full dedications and efforts in performing duties throughout the passing year.

Apart from the salaries and bonuses, other welfares are provided to all staff and employees to help in mitigating their expenses burden in maintaining the cost of living standards that is reasonable with the economic situation such as provident fund contributions, cost of living subsidies, employees transport buses, emergency loans, life insurances, health insurances, children educational aid fund, etc.

Provided, however, that the Company has periodically reviewed and altered its welfare scheme to be in alignment with the economic and social situation and the leading of life to be more compatible with the current period of time such as opening options to staff and employees to be able to choose their health insurances of the category in the case of the outpatient that the number of treatments per year or the coverage per year with indefinite number of treatments is defined, etc.

Furthermore, continuing trainings are regularly organized to educate the Company's staff and employees to be able to understand the financial management and the provident fund including the establishment of the Employee's Joint Investment Program (EJIP), as well.

2. Responsibilities to Customers

The Company is aware and put importance of the safety management upon the customers under the supervision of the Board of Directors to ensure compliance with relevant laws and standards. In addition, health, safety and equity, customer privacy, after sales service

throughout the product lifetime and services, and follow-ups on customer satisfaction for development of product and service as well as advertising and sales conduct must be carried out responsibly. Information and transactions must not be misleading, or exploit the customer's misunderstanding and incompatible with the vision on the occupational health and safety. The Company's core mission is a firm commitment to see that all employees, contractors and customers must be knowledgeable and understand the occupational safety and comply with Working Regulations and Steps for their own safety and safety of the other people. All activities must be undertaken under the effective occupational health and safety management system. It is an integral factor to sustain success in accordance with the Company's intention is the creation of a safety culture, the creation of good attitude on the aspect of the safety which is to be firmly instilled in the group of the organization's people and must be transferred to the customers group in order to enable them to collaborate in complying with various progress on the aspect of the occupational health and safety as well as controlling risk within the acceptable level.

The Company therefore place an emphasis on the communications, information sharing, transfers of knowledge, e. g. in connection with Working Regulations and Steps, Risk Assessment of the condition which is hazardous in the business establishment, how much maintenance can be made in order to create safety for customers regularly and consistently. This is to include launching of campaigns on safety driving for franchised customer groups twice a year, in the service of delivering goods to meet the international standard level. In addition, the Company criteria for transportors which have to prepare personal safety equipment, safety symbols and marks in order to provide efficient safety management in the areas of the Company's franchised customers.

3. Responsibilities to Suppliers

The Board of Directors has monitored controls to ensure that there are fair procurement process and contracting, including fair contract or agreement conditions, assistances in passing knowledge, developing their potentials and raising their abilities on the productions and service providing to meet the standing, giving explanations and ensuring the business partners to respect human rights and fairly treat their labors, to be responsible for the society and environment including keeping follow-ups and checks on and making the assessments on the business partners for the purpose of the sustainable inter- business operation development.

In order to make the selections of business partners with the vision and carrying out business in similar direction as that of the Company, the rules and guidelines on the selection of a supplier as one of the stakeholders, the basic qualification of the supplier shall be based on the following:

- 1) Expertise and Experience;
- 2) Rational in terms of the Price and Quality;
- 3) Policy in Providing Services;
- 4) Working Safety Management;
- 5) Execution in compliance with the Law on Labor Enforcement;
- 6) Anti-bribery and Anti-Corruption;

- 7) Environmental-friendly Procurement;
- 8) Anti-Human Right Violation policy, etc.

In addition, the Company prescribes the strategic procurement procedures and guidelines on establishing relationship with the suppliers. Selections of our suppliers must be potentially made in order to illustrate our administrations with responsibility in the supply chain. If any supplier should not pass the prescribed qualifications, the Company would map out an execution plan for such supplier to successfully correct such restrictions and that pertinent follow-ups and assessment on the progress shall be made including assistances provided to the supplier in order to lead such supplier to the better ability development and working improvement and to cause the rising of sustainable development of the Company which has expanded to such supplier.

In 2012, the Company made the SCCC Supplier Code of Conduct in order to set the conditions on the business associations which, in this respect, the suppliers must subscribe their signatures to confirm their acceptances to comply with such SCCC Supplier Code of Conduct as the inter-commitment before proceeding on with business engagements with the Company.

The Company put importance on our suppliers who are our vital stakeholders in dealing businesses with one another. In 2015, the Executive Committee rendered a resolution approving the reviews of Procurement Policy for use as the framework on the procurements of goods or services which created the worthiest value. This is to ensure that the procurement process is carried out in a systematic, equitable and transparent manner in all steps no matter what it is in regard to the bid, evaluations on and selections of suppliers and to encourage suppliers to carry out their businesses with ethics and framed with social and environmental responsibilities.

4. Responsibilities to Communities;

The Board has monitored controls to ensure that business knowledge and an experience are adopted for use in the concrete developments of the programs/projects for the community and ensures that the relevant progress and success in the long-term are followed-up.

The Company is firmly committed to create shared value and good ties with the communities around the plant in Kaeng Khoi and Muak Lek Districts, Saraburi Province, by providing supports on sustainable community developments to all communities around the plant including the overall general public on three aspects such as educational promotions, sustainable community developments and basic public utilities support that continuously by setting out the policy and disclosing the performance on a regular basis.

5. Responsibilities to the Environment

The Board of Directors has monitored controls to ensure that prevention, reduction and management measure is implemented and further ensure that the Company has not created nor caused any negative impacts on the environment which extend to thoroughly cover the use of raw materials, energy (in the productions, transports and office), water, renewable resources, care and rehabilitation of biological diversity having been negatively affected from

business operations, discharges and disposals of wastes originated from business operations and greenhouse gas emissions, etc.

The Company adopts Work Quality Control, Safety and Occupational Health System for use in carrying out the work in correlation with the Company's concrete business operations. The Company adopts environmental management system (ISO: 14001) for use in order to initiate the creation of the environmental development in correlation with the developments as well as to cause the reductions in the cost, expenses relating to raw materials and energies, pollutant treatments, and enhance image of the organization.

6. Fair Competition

The Board of Directors has monitored controls to ensure that business operation is expressly transparent and does not create any unfair competitiveness. The Company encourages and supports fair and transparent competition. The Company will not perform any act which would violate or contradict any competition law or may cause damages to the reputation of its competitors as prescribed in the Business Code of Conduct.

7. Anti-Bribery and Anti-Corruption

The Board of Directors has monitored controls to be assured that the Company has carried out its business operations in compliance with the applicable law and related standards and encouraged business partners to announce the Anti-Bribery and Corruption Policy. The Company strictly practiced on the No-gift Policy and provide regular trainings to educate its employees on the Anti-Bribery and Corruption policy and the procedural guidelines.

The Company became a certified member of the Private Sector Collective Action Coalition Against Corruption (CAC) in 2017 and will be applied for re-certification in 2020.

Principle 5.3 Resource Allocation and Management

The Board promotes the efficient use of resources both the financial one and the one used in the production process, intellectual properties, human resources, natural resources including social and relation aspect by defining it as a policy and announcing the implementations thereof to make it known to the public.

The Board of Directors has promoted the use of resources in a conservable manner with efficiency; maintaining of non-renewable sources of resources and recycling of the secondary materials.

The Board of Directors has monitored controls over the Company's business operations to ensure that they have been carried out with responsibility, adherent to corporate social responsibility activities relating to the business operation process by taking into account the necessity and impact in bringing resources for use and the impact on one another in using each category of the resources including the resource impact and development through value chain by being aware of the fact that the different business model would cause the impact on the resources differently, as well. Therefore, in choosing the business model, the Company

must take into account the impact and worthiness to occur to the resources on the basis of having the ethics, responsibilities and create sustainable value to the business.

The Board of Directors has monitored controls to ensure that in attaining the business objectives, the Management has reviewed, developed, and supervised the matter on the efficient and effective use of the resources by always taking into account the internal and external factor changes.

The Board of Directors promote and encourage the acquisitions of knowledge and trainings of the staff and employees on the aspect of the environment by defining this matter as a policy and disclosing the implementations thereof to make it known to the public.

Principle 5.4 Corporate Level Information Technology Management

The Board has established a framework for governance of enterprise IT in alignment with the Company's business needs by ensuring that it carries on the operations in compliance with the relevant laws, regulatory requirements and standards relating to the use of technology by assigning INSEE Digital Co., Ltd., a subsidiary engaged in the business as a service provider on techniques, management and development of data system to Siam City Cement Group of Companies, to oversee and manage IT of companies in the Group.

Provided, however, that the Board has established a policy on the allocation and management of IT resources such as the appropriate utilizations of IT property that comprehensively covers the allocations of the resources adequate to the business operations and defining guidelines for backing up in the case of being unable to adequately allocate the resources as prescribed. Respective to this matter, the criteria and factors on the precedence of IT Work Plan such as the suitability and compatibility with the strategic plan, business operational impact, utilization urgency, budget and IT human resources as well as the compatibility with the business model have been defined. In this respect, INSEE Digital Co., Ltd. provides the services comprehensively covering from the stage of mapping out the strategic plan on the aspect of technology, information and digital to be in alignment with and able to promote business strategies of Siam City Cement Group of Companies to the stage of overseeing and developing the existing systems that can be operated with optimal efficiency and respond to the needs of users both in and out of the organization in accordance with the set objectives.

The Board, on the corporate risk management, has overseen to ensure that the corporate risk management thoroughly covers IT management risk, as well, such as business continuity management, incident management and asset management, etc.

The Board has implemented the policy and measure on IT system security which have been excellently undertaken by INSEE Digital to the extent of being awarded with ISO/IEC 270001: 2013 Certificate under the category of the Outstanding Information Security Management Awards from Bureau Veritas Certification (Thailand) Ltd., which comprehensively covers the information security system on the confidentiality, integrity, availability of

information including the protection against any illegal use of the information or the alteration of the information without any permission.

Principle 6: Strengthen Effective Risk Management and Internal Control

Principle 6.1 Risk Management and Internal Control

The Board of Directors has monitored controls to ensure that the Company has the information security system including setting out of the policy and practical procedures on safeguarding the confidentiality to prevent the information from leaking, the integrity and availability of the information including the information management which may affect the market sensitive information. In addition, the Board has overseen to ensure that Directors, key executives, staff and employees as well as related third persons such as legal advisors, financial advisors, comply with the information security system, as well.

The Board of Directors has monitored controls to be assured that the Company has risk management and internal control system to enable it to effectively achieve the objectives, the corporate business operations being practiced in compliance with the relevant laws and standards of both the domestic and international level, thus, an appropriate and adequate internal control is defined in order that the Company's business operations can be carried on in accordance with the objectives and in alignment with the relevant laws, rules, regulations and requirements relating to the businesses and the operations, reduce the operational risk and build up confidence in that there is a reasonable anti-corruption measure.

The Board of Directors has entrusted the Audit Committee and Governance and Risk Committee to scrutinize and consider the approval of the acceptable risk, specifically, strategic risk, operational risk, financial risk and compliance risk, in which both the organizational internal and external factors may impair the Company to attain the prescribed objectives. Also to approve risk management policy in alignment with the objectives, principal goal, strategies and acceptable risk of the enterprise as a framework on duty performances in the risk management process of everyone in the organization to be in the same direction which the impact and opportunity on the risk occurring probability having already been identified is assessed in order to arrange the risk precedence and avail an appropriate risk management method.

The Board of Directors put importance on making follow-ups and effectiveness evaluation on the risk management consistently and on the early warning signals and keeps tab to ensure that the risk management policy is regularly reviewed, at least, once a year.

Principle 6.2 Formation of the Audit Committee

The Board of Directors formed the Audit Committee that can efficiently and independently perform their duties. All Committee members are independent Directors who are fully qualified in accordance with the criteria prescribed by the Stock Exchange of Thailand (SET) and Office of Securities and Exchange Commission (SEC).

The Board has defined the role and duties of the Audit Committee in the Charter of Audit Committee, (the details of which are appearing in Principle 3 - Strengthen Board Effectiveness, Roles and Responsibilities of Company Board and Committees), which comprehensively covers duties as specified under the Corporate Governance Code for Listed Companies 2017.

The Board of Directors has made available the mechanism or tools which will enable the Audit Committee to access information that is necessary for their assigned duty performances such as facilitating them to be able to call related persons to give relevant information, participate in the discussion making in conjunction with the auditors, find comments independently from the influence of any other professional advisors to support their considerations. Providing persons or internal audit organization having independence in performing their duties to be responsible in the development and verification of the efficiency of the risk management system and internal control together with the submission of relevant report to the Audit Committee for consideration and comment on the adequacy of the risk management system and internal control. Such verification report shall as well be disclosed in the annual report.

Details of the internal control and risk management are appearing in Internal Control and Risk Management.

Principle 6.3 Manage and Monitor Conflicts of Interest

The Board of Directors has monitored controls and follow-ups and was able to manage conflict of interest that might occur between the Company and the Management, Directors or shareholders including the prevention of the inappropriate use of corporate assets, information, and opportunities and the inappropriate transactions with related parties.

Information Security Operations and Monitoring the Use of Insider Information

The Board of Directors has monitored controls to ensure that the information security operation system is implemented. This shall include the mapping out of policy and procedures on safeguarding confidentiality, integrity, and availability of business information as well as the management of the market-sensitive information. In addition, the Board has monitored the implementation of the information security policies and procedures and the adherence to confidentiality requirements by Directors, key executives, staff and employees as well as related outsourced advisors to also comply with the information security system.

In order to comply with the Corporate Governance Code 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 placed the importance on the compliance with the Company's Code of Business Conduct. In this respect, the Board of Directors has implemented the Blackout Period Policy which the Directors, Executives and employees as well as the persons perceiving the insider information are prohibited from trading the Company's shares during the period of 30 days before the dissemination of the information and not less than 24 hours after the dissemination of the information on financial statements and significant

financial information to assure that there are no exploitations of benefits from the information undisclosed publicly that would lead to the taking advantage of 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 within 3 days from the date of the change. The Company Secretary shall be notified accordingly in order that 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 violation or non-compliance with the Policy and such requirements, as well.

The above policies are also part of the compliance with the Code of Business Conduct on the use of Company assets and information.

The Code of Business Conduct sets out that “Use of insider information or non-public information in supporting the investors’ decision whether to buy, sell or hold stocks or securities is considered unethical and illegal, and this may result in disciplinary and criminal charges.”

For any questions regarding use of insider information, please consult the Legal Department. The Company shall review names of insiders for the suitability of the current situation, map out the guidelines in safeguarding insider 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.

The Board has monitored controls to ensure that names of the insider information users who has knowledge and possess the non-public important information are reviewed to reasonably in accordance with the current situation and shall notify all parties within the organization irrespective of whether they are Directors, the Management, all staff and employees on the abovementioned policy and practical guidelines for them to comply with and to be aware of the subsequent penalties in case of a violation or non-compliance with the above described policy and requirements, as well, which in this connection, result of the executions in the compliance shall be regularly monitored.

Summary of Number of Shares Held by Directors and Executives in 2018 and 2019 is follows:

Shareholding of Siam City Cement Public Company Limited by Directors and Executives

List of Directors/ Executives	31 December 2019			31 December 2018			Total Number of Shares Increase / (decrease) during the year (share)
	Number of Shares (Share)		Percent age of Shares Held	Number of Shares (Share)		Percent age of Shares Held	
	Directors/ Executives	Spouse and child(ren) under age		Directors/ Executives	Spouse and child(ren) under age		
Non-Executive Directors							
1. Mr. Paul Heinz Hugentobler	-	-	-	-	-	-	-
2. Mr. Vanchai Tosomboon	98,456	-	0.0330	89,723	-	0.0301	8,733
3. Ms. Nopporn Tirawattanagool	-	-	-	-	-	-	-
4. Mr. Pongpinit Tejagupta	-	-	-	-	-	-	-
5. Mr. Benjamin Herrenden Birks	-	-	-	-	-	-	-
6. Mr. Stephen Patrick Gore	-	-	-	-	-	-	-
7. Dr. h.c. Harald Link	45,598	-	0.0153	38,483	-	0.0129	7,115
8. Dr. Sunee Sornchaitanasuk	-	-	-	-	-	-	-
9. Mr. Pradap Pibulsonggram	-	-	-	-	-	-	-
10. Mr. Charin Satchayan	-	-	-	-	-	-	-
Executive Director							
11. Mr. Aidan John Lynam	-	-	-	-	-	-	-
12. Mr. Siva Mahasandana	216,926	-	0.0728	211,992	-	0.0711	4,934
Executives							
13. Mr. Mark Anatol Schmidt	-	-	-	-	-	-	-
14. Mr. Philippe Richart	-	-	-	-	-	-	-
15. Miss Anuttara Panpothong	-	-	-	-	-	-	-

Note: The percentage of shares held for year 2018 and 2019 calculated from the registered capital 2,980 million baht.

Possible Conflict of Interest Transaction

Other than monitoring controls over the internal information use, monitoring controls over the possible conflict of interest transaction with the Company is extremely important. The Board of Directors therefore oversees to reassure that the possible conflict of interest transaction be managed and monitored including the availability of the practical guidelines and procedures in order that such transaction can be undertaken in accordance with the steps of the operations and information disclosure provided by law and for the overall benefits of the

Company and shareholders as a significant matter which, in this respect, no stakeholders shall participate in the decision making.

The Code of Business Conduct sets out that “Conflict of interest can be defined as “the situation where our personal, financial or other interests interfere, or may be perceived as interfering with our ability to act in the best interest of the Company Group”. Employees shall avoid conflict of interest whenever possible. In the situation where employees think that the conflicts may arise and it might impair or even appear to impair, they must immediately inform their supervisor to resolve the situation in a fair and transparent manner.”

In this regard, the Company establishes the guidelines on conflict of interest for personnel who may be involved in approving a process or procuring a product or service to declare the information of themselves or their relatives regarding the transactions with the Company and/or the subsidiaries during the period of the last 12 months. This activity is done online on an annual basis. The declaration of conflict of interest activity has continuously been active for many years and the Company found that the employees has become more aware of transparency and avoid the activity that may be connected with the conflict of interest of the Company.

Report Preparation on Conflict of Interest

The Board of Directors has determined the guidelines that Directors must report of his/her interest prior to the consideration of its meeting agenda and such interests must be documented in the Minutes of Meeting every time. In addition, the Board of Directors also ensures that the Directors having significant interest in the nature that such Directors may not be able to independently give opinion, must not participate in the meeting of such agenda. Moreover, Directors and Executives shall report their own interests and of related persons when there is a change therein and forward the pertinent report to the Company Secretary for the preparations of the conclusion report to advise the Board of Directors in every Company’s Board of Directors’ Meeting.

***Principle 6.4* Policy and Practical Procedures of Anti-Bribery and Anti-Corruption**

SCCC has announced the Anti-Bribery and Corruption Policy since 2012 and instill the corporate culture in accordance with the ideal that bribe giving or corruption shall strictly be prohibited the whole time. In 2015, the Collection Action Coalition (CAC) declaration of Thai private sector on anti-bribery and anti-corruption was jointly signed and the relevant Membership Status Certificate from CAC subsequently given on 18 August 2017.

The Board of Directors has approved The Anti-Bribery and Corruption policy and determined the guideline as follows:

1. Tone at the top

- 1) Board of Directors, management and employees have the duty to comply with local anti-corruption laws and regulations and must not involve in any form of corruption even though it is the benefit of the business, family, friends, or others and must adhere to the ethics strictly.
 - 2) The company has a policy regarding political neutrality which states that it will not assist in supporting political parties, political groups, as well as political individuals whether directly or indirectly, by prohibiting any person to support and make a donation, as well as make transactions that result in political support. The authorized person who has the authority to approve the transaction based on the regularity and rules of the Company cannot approve any transaction that involves political support in all forms.
 - 3) Human Resources process must reflect the anti-corruption policy.
 - 4) Procurement must comply strictly with Procurement Policy and Procedures for the sake of transparency and audit at every step.
2. Bribe, Facilitation Payments, Kickbacks, Donation
- 1) Prohibited to offer, promise or give a bribe or to request, agree to receive or accept a bribe.
 - 2) All shall not make or arrange any form of facilitation payments or “kickbacks”. If employee get asked to make a payment on our behalf or have any suspicious, concerns or queries regarding a payment, the employee should raise these directly with your line manager, compliance officer or legal counsel.
 - 3) No donation shall be offered or made on behalf of the Group without prior approval of the authorized person under the applicable Manual of Authority (MoA). Only donations that are legal and ethical under laws and practices shall be made which are to be in accordance with the community program and/or Corporate Social Responsibility Program of the companies within the Group. Moreover, those organizations must be a legal and authorized entity to ensure that the donation is not used for bribery.
3. Monitoring
- 1) Provide a transparent mechanism for proper financial accounting and reporting.
 - 2) Provide a proper and regular internal control and risk assessment system to prevent the corruption situation, as well as reviewing and evaluating operational corruption risks at least once a year.
4. Training and Communication
- 1) Provide communication channels and ongoing training to company personnel to achieve a real understanding and knowledge about the measures taken against corruption, including the ability to report suggestions and complaints about corruption thoroughly with protection measures that identify the whistleblower clearly.

- 2) The anti-bribery and corruption policy and program must be publicly disclosed and communicated to all employees, business partners, customers and public through internal and external communication channels of the Company.

5. Protection

- 1) Employees who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoings, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith, even if they turn out to be mistaken.
- 2) We are committed to ensuring no one suffers any “detrimental treatment” as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern.
- 3) Any employee who believes that you have suffered any such detrimental treatment, he/she can inform the line manager, compliance officer or legal counsel immediately, who will investigate the matter in order to find a remedy.

Beside the monitoring, training and communication mentioned above, the implementations include the requirement of Directors and employees to comply with this policy, the practical guideline for financial records which focus on both payment evidence and reason. Also, the internal audit function has regular auditing program to identify whether the information is not aligned with the fact and would lead to corruption.

(Details of Anti-Bribery and Corruption Policy can be seen on the Company’s website: <http://www.siamcitycement.com>)

Principle 6.5 Mechanism for Handling Complaints and Actions in case of Whistle Blowing

The Board of Directors has monitored controls to ensure that an effective mechanism and process for handling complaints and whistle blowing be established and be in place to record, track, resolve, and report complaints and feedback of the stakeholders and to further ensure the availability of convenient complaint channels for more than one, thus includes the disclosure of the complaint receiving channels in the Company’s website and annual report.

The Board of Directors has monitored controls to ensure that the Company has clear operating guidelines in the case of a whistle blowing including the process on the information verification, operations and reporting to the Board as well as overseeing to ensure that the appropriate whistle blower protection measures are in place when they made the report in good faith.

The Board of Directors has mapped out a policy on the receipts of complaints and whistleblowing to enable the stakeholders to make their reports of whistleblowing and the commission of offences or violations of laws and regulations with respect to the carrying out of business operations such as financial statement irregularity, bribery and corruption practice, theft of property, malfeasance, erroneous account recording, abusive use of Company’s property and information, violation of policy on offering or accepting the gifts, entertainment in

order that information on the complaints can be checked and verified in accordance with the fact-finding process and can be forwarded to the Audit Committee and the Board of Directors respectively. In addition, mechanism for the protections of the informants and whistleblowers including persons against whom the complaints are lodged and prescribed.

INSEE Speak Up reporting channels consists of 4 channels covering 5 countries as follows:

1. Hotline:

Thailand:	001 800 441 0657	(press 72235)
Vietnam:	120 324 19	(press 72235)
Bangladesh:	000 800 091 031	(press 72235)
Sri Lanka :	011 242 2173	(press 72235)
Indonesia :	001 803 441 476	(press 72235)

2. Email: inseespeakup@expolink.co.uk

3. Website: wrs.expolink.co.uk/inseespeakup

4. Application: "SpeakingUp" access code: InseeSpeakup

This process is another additional channel to enable all groups of the stakeholders to make their reports on matters which would cause damage to the Company to the Company's Board of Directors. There will be persons assigned to receive the reports or complaints; a process for carrying out the investigation and reporting back to the Company's Board of Directors. In addition, all stakeholders can file the complaints to the Board of Directors at companysecretary@siamcitycement.com.

SCCC is firmly determined to maintain its high standard on the matter of good corporate governance as mentioned in its promise that SCCC shall be the faithful, honest, ethical and transparent organization. As such, a notification on an inappropriate event or in violation of the Code of Business Conduct by personnel of the Company is reasonably protected from the environmentally working condition.

Principle 7: Ensure Disclosure and Financial Integrity

Principle 7.1 Financial Report Preparation and Significant Information Disclosure

The Board of Directors is responsible for overseeing to ensure that the financial preparation and significant information disclosure systems are properly and adequately handled in a timely manner and in accordance with the relevant rules, standards and practical guidelines.

SCCC discloses the relevant and significant information on the basis of transparency, completeness and a timely manner both on the aspect of financial and non-financial information such as the Company's operational result of the Board and Committees in the previous year, CG Policy, CSR Policy and Environmental and Social Policy and compliance with various policies through accessible channels with equality and reliability according to the

standards and regulations set by SEC and SET. In this respect, the Board has ensured that people related to the preparation and disclosure possess appropriate knowledge, skills, experiences and number for their accountabilities. Mentioned people are mainly the accounting and financial line key executives, bookkeepers, internal audits, Company Secretary and investor relations.

The Board has made available the quality financial report preparation process and ensured that the information stated in the financial report is accurate and in accordance with the generally acceptable accounting standard and that it has audited by the independent auditors certified by the SEC. There must also be the Board's responsibility to the financial report all along with the independent auditor report in the annual report by giving approval on such financial information disclosure. The Board has already taken considerations on the factors, the matter of the adequacy evaluation of the internal control system including the observations of the auditors through other communication channels, comments of Audit Committee and in alignment with the objectives, main goals, strategies and Company's policies.

The Board has monitored controls over the information disclosures which include financial statements, annual report, Form 56-1 that adequately reflect the Company's financial status and operational result including the encouragement of the Company to conduct the management discussion and analysis or MD&A to support the financial statement disclosure every quarter, so as to enable the investors to know the information and understand the changes that is occurring to the Company's financial statements and operational result. Other than solely the numeric figure information in the financial statements and in the case of any information disclosure which is related to any Director, such Director in particular must oversee to ensure that the disclosure on his/her part is completely and accurately undertaken.

Principle 7.2 Financial Liquidity and Solvency

The Board has monitored controls to ensure that the Management keeps tab on the follow-ups and assessment of the corporate financial status and the continuing and regular submission of the relevant report to the Board. In this connection, the Board shall jointly collaborate with the Management to find remedial solutions to correct the discrepancies in a timely manner should there be any indicative signal of problems about the financial liquidity and solvency.

Principle 7.3 Remedial Actions to Solve Financial Problem

In approving any transactions or presenting any comments to a shareholders meeting, the Board must be assured that such transactions will not affect the continuity of the business operations on financial liquidity or solvency.

The Board must monitor controls to ensure that the company has the implementation plan or other mechanism that can solve financial problems and keep such plan or mechanism closely monitored and oversee to ensure that the corporate businesses are carried on with due care and in compliance with the requirements in relation to the information disclosure by taking into

account the impartiality towards the stakeholders including creditors as well as monitoring the follow-ups to solve the problems which, in this respect, the Management shall be the party to regularly report the relevant situation. The Board must be assured that any decision making in solving the corporate financial problems irrespective of any method must be in a reasonable manner.

Principle 7.4 Sustainability Report Preparation

The Board has considered the appropriate disclosure of information in compliance with the laws, the ethical code, anti-corruption policy, treatments of employees and stakeholders which include fair treatments and respect to human rights, social and environmental responsibilities and by taking into account the report framework acceptable at domestic or international level which has been defined as the policy. Such information shall be disclosed in the annual report.

The Board has ensured that the disclosed information is a significant matter that reflects the practical implementation towards the creation of sustainable corporate values regularly.

The Board of Directors has monitored controls to ensure that the Management has established a unit or provided a person to functions as the investor relations who shall perform duties in communicating it with the shareholders and other stakeholders, (such as an investor, an analyst) appropriately, equally and in a timely manner.

The Board of Directors put importance on the discharging of duties of the Company's "Spokesperson" who must be suitable to perform such duties, understands the corporate business including the objectives, main goals, values and well communicate with the capital market. Because the person appointed to perform such duties has to perform his/her duties with due care, CEO is therefore designated to be responsible for giving information to the third persons.

The Board of Directors also set out the Disclosure Policy, and the Communication Policy. Respectively, the tasks related to Investor Relations (IR) is assigned to specific person in order to communicate it with the third parties, including investors, institutional investors, general investors, analysts, and associated state agencies with equality and fairness. The Company provides the opportunity as well to such parties to visit our Executives as appropriate. The information provided is an information for public disclosure, accurate, not misleading and informative to aid the investors in their investment decisions. The Board must ensure that the communication and information are disclosed to the public in an appropriate, equal, timely manner, and is used with the proper channel. The secrets and information impacting the securities price must be protected. Besides, the communication must be in the same direction throughout the entire organization in compliance with such policy.

The Company attached importance to equitable and transparent treatment to all shareholders with which they will be provided with important, complete, and updated information and convenience in understanding the Company's information. Importantly, at the shareholders' meeting, there will be no agendas or changes in any significant information should be added without giving notice to the shareholders in advance.

In fostering relationships with investors and interested parties, persons responsible for investor relations; persons responsible for social responsibility; and persons responsible for sustainable development are always delegated to organize suitable activities, such as site visits and social and environment activities (See details in section “Social Responsibility” of the annual report).

Principle 7.5 Person responsible for Investor Relations

Mr. Kasem Makrailert is in charge of Investors Relations activities of the Company. In 2019, the Company met approximately 50 individual investors, institutional investors, securities analysts, and provided information through quarterly press release. Investors can direct their Company enquiries to the following channels:

Address:	Finance and Controlling Siam City Cement Public Company Limited 199 Column Tower, 11th Fl., Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, 10110
Telephone:	+66 2 797 7165
Email:	kasem.makrailert@siamcitycement.com

The Board has monitored controls to ensure that the management had prescribed directions and provide supports in the investor relations functions such as the standard operating procedures (SOP) in giving information, policy or SOP on information management which definitely affects securities prices; this to includes the clearly defined accountabilities of the investor relations in order that the information communications and disclosures can be efficiently and constantly made (such as analysis meeting on the Company’s performance, news release, etc.).

Principle 7.6 Application of IT Technology for Use in Information Disseminations

Apart from the information disseminations in accordance with the established criteria and through the capital market channel, Annual Registration Statement (Form 56-1) and annual report, the Board has defined that the information both in Thai and English be disclosed through the Company’s website at www.siamcitycement.com where the information in which has regularly been updated and fully accounted for according to Corporate Governance Code for Listed Companies.

Principle 8: Ensure Engagement and Communication with Shareholders

Principle 8.1 Participating in Decision Making

SCCC is firmly committed to protect the rights and benefits of our shareholders. The Company’s Board of Directors is aware of and put importance on the rights of our shareholders (including the institutional shareholders) equitably and that under no circumstances shall the Company perform any acts in a manner likely to violate or derogate the rights of our

shareholders. The Company adopts the policy in encouraging, supporting and providing facilitations to our shareholders to exercise their fundamental rights in accordance with the law by participating in the shareholders' meetings, casting ballots either in person or by proxy, appointing or removing Directors, fixing Directors' remunerations in all forms and appointing the auditor as well as matters that would pose an impact on the Company such as allocation of dividends, stipulations or revisions of Articles of Association and Memorandum of Association, capital decrement or increment, and special transaction approvals, etc.

The Board of Directors ensures that the shareholders shall take part in making important decisions, issues specified by laws, and issues that may impact the direction of the business operation are listed in the meeting agenda and pass the consideration and/or the shareholders' approval.

The Company's Board of Directors supports the shareholders' participation by prescribing criteria to allow the minority shareholders to propose a meeting agenda prior to the shareholders' meeting. In this connection, the Board will consider to include such proposed agenda. If the Board of Directors shall deny the proposed agenda; explanation must be given at the shareholders' meeting. Additionally, the Board of Directors must provide a process that allows the minority shareholders to participate in the nominations and appointments of Directors however, qualifications of the shareholders who will be entitled to nominate names of persons for elections as a Director to be a one shareholder or by an individual case who holds the share and is entitled to cast the ballots summed up in total of not less than 14,900,000 shares (or zero point zero three four percentage (5%) of the Company's total number of the eligible voting shares) which is the very low number of the shares must be prescribed. This practice is a part of the process to ensure that the minority shareholders can elect independent Directors to look after their benefits on their behalf. The Board will ensure that the disclosure of such criteria will be made to shareholders in advance of 3 to 4 months before the date of the shareholders' annual general meeting, as well as opening the opportunity to shareholders to submit questions before the meeting by specifying the criteria for question submission in advance and disseminating such criteria on the Company's website.

For Annual General Meeting 2020, the Board gives opportunity to shareholders to submit to propose the agenda item, director candidate and relevant questions prior to the Annual General Meeting between 1 October 2019 - 15 January 2020 by establishing clear criteria for advance submission and disseminating such criteria on the Company's website <https://www.siamcitycement.com/en/investor/annual> However, no question was submitted.

The Company's Board of Directors shall ensure that the Notices of Shareholders' Meeting contain correct, complete and adequate information for shareholders' use of rights. In addition, meeting agendas are clearly specified and forwarded to the shareholders along with related document. The Notices of Shareholders' Meeting, agendas, and opinion of the Board of Directors were disseminated through the Company's website before the date of the meeting. Such Notices of Shareholders' meeting and relevant documents shall be made entirely in English and disseminated altogether along with the Thai versions every time.

Principle 8.2 Actions on Shareholders Meeting Date

The Company's Board of Directors ensures that information, date, time, and place of the meeting as well as the meeting agendas are provided with supporting explanations and reasons on each agenda that is specified in the Notices of Shareholders' Meeting. The Board's Notices of Shareholders' Meeting must consist of:

1. Shareholders' meeting date, time and place.
2. Meeting agendas which have been specified as either for acknowledgement or approval including specific matter in relation to the Directors, matters of the Director elections and approval, and on Directors' remunerations in a separate agenda
3. Objectives a, rationale and the Board's comments in each proposed agenda which include:
 - 1) Agenda on dividend payment approval – dividend payment policy, proposed dividend payment rate together with supporting rationales and information. In the case of a stay on the dividend payment, relevant rationales and information should as well be given.
 - 2) Agenda on Directors' appointments – Specify the names, ages, educational and working backgrounds, number of listed companies and general companies having term of office as a Director, nomination rules and procedures, type of Director nominated and in the case of a nomination for reappointment of a previous Director for term of office once again, specify the information on meeting attendances in the previous year and date of appointment to be the Company's Director.
 - 3) Agenda on Directors' remuneration approval – Policy and rules on defining directors' remuneration of each position and all forms of Directors' remunerations both tangible money and other benefits.
 - 4) Agenda on the appointment of auditors – Name of auditors, the Company they belong to, working experiences, auditors' independency, auditing fees and other service charges.
4. Proxy Letter in accordance with the form prescribed by Ministry of Commerce.
5. Other meeting supporting information such as vote casting steps, vote counting and vote counting result notification, right of each category of share on vote casting, information of independent Directors whom Company has proposed as the proxies from shareholders, documents which shareholders must produce prior to attending the meeting, proxy supporting documents and map of the meeting place, etc.

The Board has monitored controls to ensure that actions on the shareholders' meeting date are carried on in an orderly manner with transparency, efficiency and facilitation to shareholders' ability to exercise their rights.

In setting the meeting, the date, time and place must be considered at the shareholders convenience. The time interval must have been discussed in order to facilitate travels and attendance of the shareholders.

The Board of Directors shall ensure that there are no actions that would limit the opportunity of attending the meeting or cause undue burden on the shareholders and shall send Proxy Letters along with the Notices of Meeting, as well as timely publication at the Company's website (www.siamcitycement.com), for the shareholders' options and facilitations in case that they cannot attend a meeting in person. In addition, the Board does not specify any requirements for the shareholder's proxy in cases of documents and or evidences of identification that exceed applicable legal and regulatory requirements. However, duty stamps are also prepared for the appointment of proxies.

At the same manner, the Company's Board of Directors provide opportunity for shareholders who are unable to attend the meeting to appoint any of the independent Directors or other persons as their proxies to participate and cast their votes in the meeting and encourages the shareholders to use Form B Proxy Letter and nominate the independent Directors of more than 1 person as their options in delegating their proxies.

The Board of Directors has a policy to support and facilitate all groups of shareholders, including institutional shareholders to attend the meetings. Hence, the coordination has been made between SCCC and institutional shareholders and/or custodians who are the depositary and curator of securities for foreign investors in verifying the names, number of shares and documents supporting the delegation of proxy before a meeting in order to reduce the time of document verification on the meeting date.

The Board of Directors promote the use of technology for the shareholders' meeting by adopting the computer and barcode systems for registration, vote counting and result display. This is to expedite the meeting process with accuracy and to facilitate the shareholders in exercising their rights fully in participating and casting their votes in the meeting

The Chairman of the Board is the Chairman of the shareholders' meeting having the responsibility to comply with applicable legal requirements and the Company's Articles of Association; to allocate sufficient time for consideration and debate of agendas, and to provide opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.

To enable the shareholders to participate in making crucial decision, Directors who are shareholders participating the meeting should not allow the addition of meeting agendas that have not been duly notified in advance, particularly the important matters that the shareholders should use an ample time to study on its information before making decision.

All Directors, relevant Executives and Directors of committees should attend the meeting to answer questions from shareholders on Company-related matters.

The Company conducts the meetings in a transparent manner with examination mechanisms available. The Chairman of the Board of Directors shall, before the meeting is about to

convene, assigns the Company Secretary to give explanations to the meeting on number of attendance, proportion of shareholders who personally attended the meeting and or by proxies, steps and methods in displaying result of the ballots, including opportunity to the shareholders to set the issues and make inquiries as well as ensuring that inquiries and answers, ballot result on each agenda as to how the agreement, disagreement or abstention on ballot casting of the shareholders are, including names of Directors attending the meeting and taking leave of absence from attending the meeting, are recorded in the Minutes of Shareholders' Meeting.

Before casting the votes on each agenda, the Chairman of the Board of Directors opens the opportunity to the shareholders to express their opinions, give their recommendations or even make inquiries. The Chairman and related Executive Committee Members shall be the parties to answer the questions, make considerations on the opinions and recommendations from the shareholders for further actions as appropriate.

In the Company shareholders' meeting, rendering of resolution on each matter would be arranged in the case where such particular agenda contains several matters such as an appointment of Directors, etc. Casting the ballots is strictly undertaken in compliance with the law. The shareholders are independent in giving, denying their approvals or abstaining from casting the votes in each matter of the agenda. In a normal case, the pertinent resolution shall be determined by the majority of votes of the shareholders in attendance and casting the ballots. One share is equal to one vote. In the case of a tie vote, the Chairman of the Meeting shall have a right to cast an additional vote which is the casting vote.

The Board of Directors are encouraged to provide ballot papers for voting in cases of important matters and to provide independent persons to count the vote or verifications in the meeting and announce the vote results that giving, denying their approvals or abstaining from casting in each agenda as well as recording in the Minutes of Shareholders' Meeting.

The Board shall ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the Minutes of the Shareholders' Meeting. On the same day after the conclusion of the meeting, the Company shall inform the Stock Exchange of Thailand, in the form of a newsletter and Company's website, the resolution of each agenda of the Shareholders' meeting by indicating the votes as "approved", "disapproved" or "abstained from voting".

Explanations on the steps of casting the ballots and methods of displaying result of the votes to the meeting before the meeting is convened including the opportunity opened to the shareholders to set the issues or make inquiries as well as ensuring that inquiries and answers and ballot result on each agenda as to how the agreement, disagreement or abstention on ballot casting of the shareholders are, including names of Directors attending the meeting and absent from attending the meeting, are recorded in the Minutes of Shareholders' Meeting.

The Board ensures that copies of the shareholders' minutes of meeting are forwarded to the Stock Exchange of Thailand within Fourteen (14) days from the shareholders' meeting date by overseeing to ensure that the Minutes of Shareholders' Meeting is recorded with the following information:

- (1) Names of Directors and Executives in attendance and proportion of attending and non-attending Directors.
- (2) Method of vote casting and counting, meeting resolutions and vote casting result (“approved”, “disapproved” and “abstained from voting”) on each agenda.
- (3) Important Issues of inquiries and replies in the meeting.

9.8 Compliances with Corporate Governance Code on other Matters

Compliances with Corporate Governance Code on other matters such as shareholders’ right protections, equal treatments of all groups of shareholders, roles of stakeholders, information disclosures and transparency and Board’s responsibilities are as follows:

1. Shareholding structure of the Company group must be no cross nor pyramid holding type in the group of Company and there shall be no portfolio structure type having inter-transactions in a manner likely to cause the conflict of interests.
2. The Company has free float in excess of fifteen percent (15%) of the shares having already been issued.
3. Shareholdings of Directors and the management are disclosed, directly and indirectly, in the annual report and that the Company Directors’ total shareholdings are not in excess of twenty-five percent (25%) of the shares having already been issued.
4. The Board has monitored controls to ensure that the Company discloses the shareholding structure of shareholders with transparency by providing details on the controlling interests of major shareholders and proportion of minority shareholders which clearly reveals the fact on the beneficial owner of the Company as well as disclosing the Directors’ and the Executive’s shareholdings, directly and indirectly, in the annual report every year.
5. In the case of a Company’s share buy- back, the Company will not neglect the shareholders’ equal treatments.
6. The Company will not hinder nor create any obstacles in opening the opportunity to the shareholders to be able to have communications with one another.
7. The Company will not neglect to disclose the shareholder’s agreement having implicitly significant impact on the Company or other shareholders. (If any)
8. Currently the Company has one and single type of share which is the ordinary share. In a shareholders meeting, a shareholder has one vote per share.
9. Over in the past year, there was no transaction on financial assistance to non-subsidary Company.
10. Directors and executives of the Company do not have penalty record in relation to the securities laws.

11. Over in the past year, there was no apparent case in which the Company had violated or non-complied with the rules on inter-transactions or the rules on asset trades.
12. The Company has prepared CSR report as an integral part of the annual report with the disclosure of GRI Index.
13. Procedural guidelines on the treatments for the stakeholders on various aspects are as follows:
 - 1) The Board of Directors give importance to good health and safe working place, it has established the policy and guidelines on the occupational health and safety and disclosed the statistics of accident occurrence or rates of absence and work-related injury on a regular basis. In 2019, Lost Time Injury Frequency Rate (LTIFR) for employee and contractor is accounted 0.29 per one million worked-hours. And the Company lost 2 contractors.
 - 2) Stipulations of Procedures and Practical Guidelines on Non-Violation of Creditors
The Company's Board of Directors places the importance on the obligations having with all groups of our creditors. SCCC is firmly committed with the ideal adherence in carrying out business operations to build up reliability and equitability upon the creditors by having the policy and practical guidelines as follows:
 - (1) To strictly and fully comply with the commitments and conditions on debt payments as agreed upon both on the aspect of the back payments of the loans and relevant interests within the prescribed period of time; looking after the collaterals and encumbered charges and liabilities which may contingently occur;
 - (2) To manage capital for suitable structure in order to build up confidence in our creditors on our financial status and good solvency; and
 - (3) Should there be a case in which we cannot comply with any Clause of the conditions or as agreed upon, SCCC would notify the creditors accordingly in advance without covering up any facts in order that a joint consideration to find a solution in solving the problem can be made.
 - 3) Intellectual Property Rights
The Company also emphasizes on respecting intellectual property rights of the third parties. It is the Company's policy that Directors, Executives and employees and other persons acting on behalf of the Company shall avoid infringement of intellectual property rights of the third parties. At the same time, the Directors, Executives and employees and other persons acting on behalf of the Company shall protect and inspect the Company's intellectual property for the interest of the Company as prescribed in the Code of Business Conduct and related policies, for instance, Appropriate Use of Company IT Asset Policy, Information Classification and Handling Policy, etc.

14. Non-financial Performance Indicators

In order to create confidence in our customers and optimally satisfy them for our services, the Company has established INSEE Service Center to give recommendations relating to the products and services including the advice in relation to the method in solving the problems, after sales services including receipts of complaints when problems arises as well as providing the management process in order to establish good relationship with our customers which is the Net Promoter Score (NPS) for use in working and service providing improvements in order to elevate the level of satisfactions of our customers and their overall feelings as to whether they will continue to provide supports to the Company or not and whichever the level of our customers would support the Company. Therefore, we can assure that our after-sales service, our close look after the product quality would make the Company's products remained in the hearts of our customers to the extent that they are loyal to our product brand from being the Net Promoter Score (NPS) of 2019 to keep the good score continuously.

Detail of SD Performance Indicators are available in the Company's website.

10. **Sustainable Development and Corporate Social Responsibility**

Throughout the past 50 years, Siam City Cement Group has been conducting its businesses based on good corporate governance and society and environment responsibility in accordance with the sustainable development. To create shared value and to exceed the expectations of all our stakeholders, which we believe to be the foundation for sustainable growth and business progress.

The Company has developed the social responsibility policy as a guideline in carrying out the work in this area with seven important aspects:

1. **Strict adherence to corporate governance** for transparency, respect for human rights, and equal and fair treatment to all stakeholders, namely employees, shareholders, customers, business partners and the community.
2. **Care for the employees and respect for equal rights for human** in accordance with the international norms on human rights and all related labor laws.
3. **Pay close attention to building good relationship with customers and suppliers** – listening to their recommendations in order to be able to completely fulfill their needs and create good and sustainable relationship with suppliers to build shared value.
4. **Be mindful of the environment and sustainable development** – promoting and giving importance to the protection of the environment, reduce the impact on the environment and the community by strictly adhering to the highest standard in environmental management
5. **Be attentive to the community and social development** by supporting the sustainable development of the communities in all locations that we operate, as well as the society in general
6. **Support controlling and reporting** to follow up and report on various activities that are relevant to the operation including those involving the society to allow the general public to be aware of various channels where stakeholders may share suggestions and recommendations to be considered for sustainable development
7. **Anti-bribery and corruption** – Business are conducted in a transparent and ethical fashion as well as to strictly follow all rules and regulations.

Stakeholders and ways to foster lasting relationship

The Company strongly believes that the good support from all key stakeholders is a cornerstone of the operations. Therefore, the Company created communication channels as a tool for exchanging the ideas and experiences to get those valued information, opinions and engagements. This would lead to major benefits as follows:

- Serves as a solid foundation for a strong business operation
- Allows the business to set effective policies and appropriate work plans
- Uses the suggestions and recommendations of stakeholders to support new innovations and solve certain problems
- Promotes good image for the business and supports our license to operate

The Company has identified all major stakeholders and analyzed their expectations as well as communicated and built relationship to access the stakeholders' opinions and to take that information to apply to strategic planning and business activities regularly.

In summary, the Company has set the following goals and processes to build the relationship with respective stakeholders:

Stakeholders	Ways to foster lasting relationships:
 Customers Respond to every need to be a part of the customers' success.	<ul style="list-style-type: none"> • Constantly survey customers' opinions • Arrange regular small meetings and customers' visits • Develop communication channels, promotes on-line transactions for increased speed, convenience and effectiveness • Develop more value-added products
 Employees Take care of the employees' safety and work environment, promote good livelihood and create opportunities for development and advancement in the work place.	<ul style="list-style-type: none"> • Develop leadership capabilities in supervisors to be more attentive to subordinates • Promote engagement and two-way communications within the organization • Develop environment and safety culture in the workplace • Regularly surveys employees' opinions
 Communities Implement CSR-in-process to prevent or minimize operational impact on the communities, including creating projects to continuously support the communities' sustainable development the so-called CSR-after-process.	<ul style="list-style-type: none"> • Regularly carry out official surveys of the communities' opinions • Develop communication channels, both official and unofficial • Arrange factory visits for community leaders and the public • Promote the community's engagement and joint management in some important projects • Create the Fund for community development and environment, as well as the advisory panel in relations to community relations
 Goods & Service Suppliers Promotes good cooperation and mutual support to create business opportunities and mutual growth.	<ul style="list-style-type: none"> • Announce and implement the Suppliers Code of Conduct • Announce and implement the Sustainable Procurement Policy & Guidelines • Arrange meetings to promote good communications and training programs on various topics
 Shareholders Carry out business operations with good corporate governance while building sustainable progress for the organization.	<ul style="list-style-type: none"> • Organize the Annual Shareholders Meeting • Regularly communicate and arrange field visits, and participations in CSR and environmental projects
 Government Agencies & Independent Organizations Strictly adhere to the laws and provide good cooperation with the government sector and seek out opportunities for joint activities and projects which are beneficial to the society and nation.	<ul style="list-style-type: none"> • Study legal implications and controls all aspects of the business to ensure legal compliance • Participate in meetings, seminars and forums with government agencies, as well as support official exhibitions and seminars • Support and participate in projects for society and nation as organized by the government sector and organizations such as the Chai Pattana Foundation
 Media To promote good understanding of the Company's operations among the media, including policies and major projects so that the media would be able to communicate them more accurately and properly to our stakeholders and the general public.	<ul style="list-style-type: none"> • Regularly support the media with information, operational facts and figures, and progress of major projects • Regularly arrange opportunities for the media to meet the senior management, visit factory and participate in social and environmental responsibility activities

Thailand Sustainability Investment (THSI) 2019

From the business process set on the foundation of sustainable development of the Company through full consideration of the environment, society and good corporate governance throughout all these years, Siam City Cement Public Company Limited has been chosen by the Stock Exchange of Thailand (SET) to be included in the Thailand Sustainability Investment (THSI) list for 2019 in the category of Listed Companies with 30,000 - 100,000 million baht of securities value. The SET has assessed and evaluated from the Company's operations in regard to sustainability that covers all dimensions of environment, society and economy including corporate governance - from the policy formulation, target setting and the policy implementation with the determination to create a sustainable investment ecology.

Conducting Business with Good Governance

Siam City Cement Group strictly adheres to the good governance principles in its business conduct by paying full attention to responsibility towards the society and the environment, as well as to try our best to fulfill the needs of our stakeholders. In 2019, the Company's good governance activities are as follows:

Management standard given "Excellence" recognition for 4th year running

In 2019, the Company was again evaluated for its management practice and was awarded an "Excellence" recognition by the Institute of Directors (IOD) for the fourth year in a row.

Membership in the "Collective Action Coalition Against Corruption"

The Company was awarded the certificate signifying membership in the "Collective Action Coalition Against Corruption" for at least three years as from August 18, 2017 to August 18, 2020. In 2019, the Company continued to reinforce and remind all the employees through communications and trainings on the Company's policy on bribery and corruption with stringent practice in doing business and dealing with all stakeholders with transparency and according to the laws.

Code of Business Conduct: The key to Regional Business

In 2019, the Company continued to enforce the application of the Code of Business Conduct among all our Group companies in Thailand and its subsidiaries, namely in, Sri Lanka, Vietnam, Bangladesh and Indonesia. The Company also arranged for working seminars on the application of the Code of Business Conduct for new hires at all levels to ensure that all our employees conduct the businesses honestly and in accordance with good corporate governance.

And to support our determination to provide the best service to customers and to work with our business partners in a transparent and honest manner, the Company has stipulated the "No-Gift" policy that requires all employees and members of the management to refrain from accepting gifts, souvenirs or any other tangible items. If this is ethically unavoidable, the employee must report the gift on the "E-Gift Disclosure" channel for transparency.

“INSEE Speak Up” Covers the Region

In 2019, the Company continued to provide the channel for complaint and whistleblowing process called “INSEE Speak Up” to cover all countries in which the INSEE Group operates, as managed by an independent outsource firm and a screening Committee has been set up to monitor, analyze and investigate the complaints and suggestions in order to adjust the work and controlling processes as well as protecting the corporate culture.

Compliance

In 2019, the Company has defined the role, responsibility, and accountability of compliance matter to further strengthen the compliance environment in Thailand and overseas subsidiaries. In addition, the Company has made a quarterly report on the monitoring of compliance with various laws including the results of the disclosure information on conflict of interest of the management and employees; and the related party transactions to the Audit Committee.

In addition, the Company has organized regular trainings and workshops on compliance to develop the employees’ knowledge and understanding in accordance with the policy that is applicable to effective work process to avoid risks that come with non-compliance.

Social Responsibility Projects and Promotion of Relationship with the Community - Year 2019

Siam City Cement Public Company Limited is mindful of and pays close attention to the responsibility toward the society, community and the environment by conducting business on the basis of good corporate governance to create shared value and close relationship with all stakeholders continuously and sustainably. We give full importance to the development of the society both at the national level and the communities surrounding all our manufacturing units in Thailand and every country in which we operate. Our actions include CSR In-Process and CSR After-Process activities carried out through knowhow, expertise and resources of the Company as major tools with which to support sustainable development.

The CSR-DIW Continuous Award 2019 presented by the Department of Industrial Works, Ministry of Industry, to the factories in the Siam City Cement Group in Saraburi Province including all cement plants, INSEE Mortar plant as well as INSEE Ecocycle Company Limited and Siam City Power Company Limited, is a clear testament to the success of Siam City Cement Group in its determined quest for corporate social responsibility.

Key CSR Projects

Projects for responsibility toward the society and communities in Thailand

- **Green School project**

For the past 10 years, the Company has been cooperating closely with the Border Patrol Police to build school buildings for children and youths in remote areas where facilities are insufficient. In 2019, the Company constructed a new school in Ban Huay Poom, Chiangkham District, Phayao Province with the aim for it to be a facility offering fine education for children in the community and to become a knowledge center of the community in relation to natural resources and environment. The INSEE ASA Border Patrol Police School at Ban Huay Poom is the 31st in the Green School Project. For the past 10 years, more than 52,000 children and

youths living in far-flung remote corners of the country have benefited from this project. Moreover, the facilities have become a learning platform through the good cooperation with various government and non-government agencies as well as serving the Company's employees in their INSEE ASA volunteer activities.

- **INSEE Green Park (Suan Ming Mongkol)**

In celebration of the 84th birthday of His Majesty the late King Bhumibol Adulyadej on December 5, 2011, and to apply the value of the Group companies in caring for the community, society and environment, the Company has developed the INSEE Green Park on the Company's own land on Mitraphab Highway, Kaengkoy District of Saraburi Province for the public and the people in the area who can use the park as a place for relaxation, physical exercises, other forms of community interaction as well as for community members to bring their handicraft and OTOP products to sell at the park for extra income. The park also serves as a model public park to showcase environmental friendliness, as a large green natural classroom and as the promotion of public awareness on care for the environment for the people. This model public park has received the "Thailand Energy Award" from the Ministry of Energy, while the "ASEAN Energy Award" was received in 2015 in the category of "Energy Conservation in Creative Construction of a Tropical Building".

- **INSEE Artificial Reef Project**

Siam City Cement Group has cooperated with the Department of Marine and Coastal Resources, Ministry of Natural Resources and the Environment, since 2016 in the INSEE Artificial Reef Project whose objective is to revive and rejuvenate the coastal biodiversity and marine resources by placing artificial reefs constructed from the leftover concrete which returned from customers. This is in accordance with the CSR concept of Creating Shared Value (CSV). This means that the artificial reefs, not only help to conserve marine resources and environment, restoring biodiversity and preserving the livelihood of the coastal fishermen, but also solve the problem of concrete waste that otherwise would have to go to landfill. In 2019, the Company produced 105 blocks of artificial reefs from concrete waste returned from customers. The Company will turn over these artificial reefs to the Department of Marine and Coastal Resources to be placed in the sea around Koh Larn, Chonburi Province in early 2020 to serve as habitat for fish and other marine creatures.

INSEE Share project, consisting of two main activities:

- **INSEE Safety First**

The Company has assigned the Company's OH&S officers to be the trainers and speakers to disseminate knowledge and raise awareness on safety in the workplace and everyday life to students at technical colleges that are affiliated with the Ministry of Education who would have to undergo training in both the manufacturing and business sectors, especially in regard to the use of personal protection equipment (PPE), the basics of Cardio-Pulmonary Resuscitation (CPR), use of fire extinguishers, fire escape and safe driving. The training was also held for skilled workers at 10 Skill Development Centers of the Skill Development Department, Ministry of Labor. In 2019, which is the third year of the project, more than 2,000

participants have attended the program.

- **INSEE Mason 4.0 Project**

The project to develop the masonry skills and the use of various construction materials, such as cement, steamed light-weight concrete and Conwood wood replacement products. This was carried out through both the acquisition of both theoretical and practical knowledge with the 18-hour vocational curriculum aimed at developing the skills that can be further promoted and create opportunities in supplementary occupations and to increase income for the low-wage group. This is also in response to the government policy in the development of masonry skills to support Thailand 4.0 policy. At present, more than 500 technical school instructors, masons attached to sub-district administration offices and general masons have taken this training course.

- **Project to support masonry and concrete skill contests for vocational students**

For more than 20 years, the Company has continued to support skill contests in the fields of construction, masonry and concrete both at the regional and national levels through vocational colleges under the Vocational Education Commission, Ministry of Education, to help promote the skills and increase the work experience for technical college students in the field of construction throughout the country. In 2019, the Company contributed about 800,000 baht in the form of cement, equipment, budget and prizes for contests at the regional and national levels. Also, the students have learned to apply the INSEE Petch hydraulic cement which is a newly innovated product before entering the contest.

- **Think Waste Wise Project**

This is the project that INSEE Ecocycle Company Limited and Siam City Cement Public Company Limited cooperated with the Department of Environmental Quality Promotion, Ministry of Natural Resources and Environment to provide youth and children with the knowledge and the promotion of the proper and academically correct management of waste, increase the rate of most effective recycling of garbage and reduce the amount of waste. In 2019, three schools were targeted: No.1 Nikom Thapkwang Songkror Community School, No.2 Nikom Thapkwang Songkror Community School, Kaengkoy District, Saraburi Province, and Ban Khao Tabak School, Sri Racha District, Chonburi Province. The main activities of the project cover the application of knowledge on the management of waste, educational medium and support media such as color-coded garbage bins, the organization of garbage bank, etc., as well as observation trips by teachers and students to successful garbage-free schools.

- **INSEE Green Village**

This is a long-running project launched in 2011 based upon the need of the community and their leaders who saw differing needs for their communities. The activities included the training in “Green Knowledge”, growing trees to increase green spaces, drinking water management, waste separation and the setup of village garbage banks.

In 2019, the plastic waste management activity has been included as part of the integrated drive to reduce waste from upstream to downstream. A total of 35 households participated in this project and will be continued and expanded in the years to come. Two years on is the “Nursery for Saplings to be Planted at Spent Mines” project, where the saplings are delivered

to the Company's depleted mine restoration project. This has become another revenue stream for members of the community. The organic vegetable garden project was started at Moo 5 Tabkwang Sub-District to promote the utilization of minimal spaces to grow organic and chemical-free vegetable using discarded materials to build the vegetable patches. In addition, Moo 2, and most recently Moo 8, of Tabkwang Sub-District took part in the "Conservationist Families" project with the cooperation of Siam City Power Co., Ltd. who provided knowledge on how to most effectively conserve electricity mostly through the adjustment in daily activities.

- **INSEE ASA Project to develop schools and religious buildings**

This is the project designed to promote the involvement of SCCC employees by leveraging their specialized knowledge and expertise, such as masonry, electrical, structural design, paint and landscaping, to fulfill the needs of schools, communities and places of worship around the vicinity of the factories. In 2019, SCCC has applied INSEE ASA project at three schools and two Buddhist temples.

Projects for responsibility toward the society and communities in Siam City Cement Group Regional Companies

- **'One Child - One Tree' Project by INSEE Cement Lanka**

Green Trek toward creating Green future leaders.

INSEE Cement Lanka has further expanded its unique 'One Child - One Tree' initiative this year. Together with the Colombo Plan, INSEE Cement celebrates the birth of every child by gifting a fruit plant in the child's name. The programme was to inspire and ignite the children aged between 5 and 15 years.

INSEE- Colombo Plan initiative is extended to reach more children in Puttalam and Anuradhapura this year collaborating with Tarana Foundation and Child Fund Sri Lanka in creating shared value to benefit the school children in the area. INSEE also partnered with Puttalam Zonal Education Department and the community clergy and teachers to implement the project. We also involved university students to join hands with us expecting them to replicate similar practices as future leaders.

This project is an excellent example of how the collaboration of Public Private Partnership (PPP) effectively benefits the environment and future generations in a meaningful way. This year we reached out to around 4,660 school children from 11 schools in Puttalam and 1,156 school children from 16 schools in Anuradhapura Districts. In 2018 the Company engaged with 706 children from 10 primary schools in the Anuradhapura district itself.

Highlight was the Company setting up a monitoring and Geographic Information System (GIS) - a tracking system with the support of Child Fund Sri Lanka and its local community partner 'Voice' to digitally track the growth of the plant digitally on a Google map app with the interactive support of the school children, their parents and the environment teachers in the respective schools. Through One Child One Tree programme INSEE Cement Sri Lanka is planning to reach out to schools across the island, year-on-year, because as a responsible Corporate Citizen, we believe in building a green sustainable future for our future generations.

- **Community Wellness Initiatives by INSEE Cement Lanka**

The Company have committed to support the underserved communities in Puttalam and Aruwakkalu with the aim of improving the health and wellbeing of hundreds of villagers in these areas. As part of this effort, we maintain two medical centres providing free medical consultation and prescribed medicinal drugs. Medical facilities are provided twice a week for both Eluwankulam and Puttalam communities and few other underprivileged communities around the area. In addition, we conduct an annual medical camp in Puttalam, Aruwakkalu and Galle offering free medical screening and consultation to neighbouring communities. At the request of INSEE's in-house Medical Doctor Dr. S. Dematapitiya, many more specialist doctors have also been offering their support for this annual endeavour by INSEE.

Result: Over 100 villagers obtain free medical services every week under this initiative.

- **CSR Works by Chip Mong INSEE Cement Corporation, Cambodia**

We started our CSR work in early 2017, just several months after our plant construction started, and one year before we officially opened the plant in February 2018. Our CSR activities have been implemented based on the needs of communities through internal and external community needs assessment. We do this is to make sure our CSR work meets the needs of the communities.

We are committed to efficiently and properly managing the utilisation of Cambodia's natural resources and deploying its extensive and talented human capital to realize this goal. Besides, the Company keeps seeking innovative approaches to reduce carbon footprint, to create net water positive and to provide better quality products and services in response to the needs of the people without sacrificing the interests of future generations. And, our main CSR projects and activities -- Education, Road Safety, Environment and Hygence, Community Infrastructure Development -- are aligned with United Nations' Sustainable Development Goals.

And finally, we have strong commitment to drive our business development and operation by balancing the interdependent economic, social and environmental dimensions of sustainable development. Because of these, we won Eurocham CSR Contest Award in June 2019.

Sustainable Development Roadmap

Siam City Cement Public Company Limited has drawn up the Sustainable Development Roadmap (SD Roadmap) with set long-term goals and the six important sustainable development plans since 2009 to fulfill the expectations of all stakeholders and to concretely promote shared values in economic, social and environmental aspects for all our stakeholders.

In the ensuing years, the collective plans have been progressing satisfactorily and most of the objectives have been met although some objectives were lower than planned due to the external factors that have led to more challenges and control issues. Nevertheless, the Company is still fully devoted and determined to continue on our just causes to ensure that our SD Roadmap continue the progress well into the future.

- **CO₂ Emission Reduction**

In 2019, the Company's CO₂ emission was 693 kilograms per ton/cement which was slightly better than the 2018 figures. The major contribution was the quest to use more alternative fuels through the project to sift for plastic waste from community incineration plants for use as alternative fuel. This RDF project has been progressing well. Another key driver was the innovative cement production process that is more friendly to the environment called "Hydraulic Cement" that has reduced clinker factor that not only is more environment-friendly but also has better workability property. This new type of cement has been well received by customers from all sectors in the past year.

In summary, the Company has managed to reduce CO₂ emission from the 2007 base year by 57 kilograms per ton/cement, equivalent to a 7.5-percent reduction. Although this is still far from our target of 20-percent reduction by 2020, the Company is determined to work even harder on this objective through new projects as well as the exchange knowledge and learn from new development initiated by related agencies at the international level.

- **Stakeholders Engagement with Green Heart Activities**

The "Green Heart" concept was initiated in 2009 with the aim to campaign for more innate awareness on environment conservation along employees, customers, business partners and the community. This campaign has been an on-going endeavor and has resulted in the Company being acknowledged as Thailand's first cement producer that was awarded the "Green Industry Level 5 - Green Network" for all of our production facilities since 2014. The continuous development and improvement has led the Green Industry Level 5 to be reissued in 2018. This experience has given the Company the opportunity to impart the experience to many agencies in the government and private sectors that have visited our facilities over the years until today.

In 2019, the Company became a member of an important environmental conservation agency Bio-Diversity Network Alliance (B-DNA) that has been supported by the International Union for Conservation of Nature (IUCN) and major government agencies that are in charge of environmental protection as well as many leading private conglomerates. This is to promote the cooperation between all parties to ensure strength in our bid to support the conservation of nature and the environment in Thailand as well as the SDGs of United Nations

- **Community Involvement & Development**

The Company has mandated all production units of every company within the Siam City Cement Group in Thailand to prepare the Community Engagement Plan on a yearly basis. This plan covers both CSR In-process and CSR after-process, while also requiring good communication with the communities, the promotion of participation of the people in the communities in the community development projects.

In 2019, the Company organized a workshop for all staff involved in the responsibly towards the society and community relations to promote knowledge, understanding and to exchange experience and conduct visits to model communities that were strong and have succeeded in community development.

In addition, the Company's cement plants in Saraburi Province have received the CSR-DIW Continuous Awards for 2019 from the Department of Industrial Works, Ministry of Industry. This is another indication of the Company's success in the responsibility towards the society and the creation of the good and lasting relationship with the communities surrounding the Company.

- **Zero Waste to Landfill**

The Company is well aware of the major problem of trash and waste, which have great impact on the environment and health of the people. Therefore, we have set the goal to reduce our waste to landfill to zero and to drive forward the 3Rs (reduce, Reuse, Recycle) campaign. All cement plants, Conwood plant and the Company's alternate fuel preparation plants have reached this goal since 2011. At present, the main challenge is with the ready-mixed concrete business where most of the waste came from the surplus concrete returned to the Company by the customers. Aside from the 3Rs effort and to seek cooperation from the customers, the Company has installed a total of 14 concrete recycling machines at high-output concrete plants in Bangkok and the Eastern seaboard. With the installation of these machines the amount of waste to landfill has been greatly reduced while the resultant stones and sand were recycled as new raw materials.

Overall, the achievement of INSEE Concrete's waste management from 2009 to 2019 showed that the Company managed to reduce concrete waste by 62.2 percent - or a reduction from 2009 base year of 2.89-percent waste to only 1.09 percent in 2019.

- **Green Heart products & services innovation**

The Siam City Cement Group is determined to continuously develop products and services that are friendly to the environment to fulfill the demand of the customers and the society under the Green Heart Label system and in accordance with the ISO14021 - Environmental labels and declarations.

In recent time, the Company has developed and introduced hydraulic cement to the market. The hydraulic cement contains a less percentage of clinker than ordinary Portland cement, thus reducing the demand on natural resources, and lessening energy used in the production process thus also cutting the greenhouse gas emission. The product has been well received by the customers in both the government and private sector and has shown increased proportion of sales in the year 2019. The Company is leveraging the sale of bag cement under the INSEE Petch Plus which is hydraulic cement throughout the country and replace the sale of Portland cement in order to stress the determination to develop the eco-friendly cement market.

In addition to bag cement, the Company has also developed INSEE Petch Quick Cast which is hydraulic powder cement for sale to customers who produce ready-cast concrete products. The selling point of this product is the increased efficiency and quality of the finished products. It has also been well received by the customers.

In 2019, the Company's total sale of Green Heart products reached 48 percent of total revenue of group companies in Thailand. This means that the Company will be able to reach the

targeted percentage of sales of products and services under the Green Heart Label of 40 percent by the 2020 goal.

- **Water Management and Conservation**

Water resources are considered by the Company as very important to our conservation goals and must be utilized in the most efficient manner. In past year, the Company managed to reduce water consumption per product already by 20 percent. This is from the 276 liter per ton/cement in the 2012 base year to 220 liter per ton/cement in 2018. The Company will try to maintain this level of water usage into the future.

The Company has set a new water conservation target by concentrating on the increase use of surface water with the goal of using surface water for 50 percent of the total consumption by 2023 when compared to the 25-percent use of surface water in 2018.

In 2019, the Company has already increased by 29 percent the use of surface water, or equivalent to 323,607 cubic meters.

The Development of Sustainability Management towards International Standard

The Company is determined to continuously develop the management of sustainability to achieve internationally recognized standards.

Since the Company became a member of the World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD-CSI) in October 2015, it has gained a lot of knowledge and has adapted many sustainability processes to match with the CSI standards so as to be recognized internationally. Some examples are: The reduction of impact on climate change; the management of fuels and raw materials; the management of health and hygiene in the workplace; water management; the promotion of biodiversity diversity; and, the reporting and disclosure of crucial information related to sustainability. Also significant is the Company having been inspected and evaluated by CSI experts in 2018 in which most of the Company's sustainability processes were found to be on average or of higher standard compared to other CSI members.

At the end of 2018, the Cement Sustainability Initiative (CSI) was dissolved with the consent of its members who were world's leading cement and concrete manufacturers. In its place, the Global Cement and Concrete Association (GCCA) was established with the aim for this body to become the representative of this industry in the communication to the world and to show that the cement and concrete businesses operate with responsibility in conjunction with the promotion of standard procedures leading to sustainable development, particularly in regard to the reduction of greenhouse gas emission and the promotion of innovation that will add value for the society and all stakeholders. The Company became a member of GCCA in 2018 and since then has attended conferences and taken initiatives to achieve the internationally recognized standards set by GCCA.

For detailed information and SD data regarding Economic Performance Index, Social Performance Index and Environmental Performance Index, please directly access at www.siamcitycement.com

11. Internal Control and Risk Management

Siam City Cement Public Company Limited provides proper and adequate internal control system in order to manage the Company's business operations to be in accordance with the objectives, goals and related laws and regulations. The Company has set up a state of the art Group Internal Audit and Compliance function, covering its operations in Thailand and overseas subsidiaries, responsible for internal control and internal audit activities, risk management system, governance and compliance processes leveraging technology and global best practices. Their main endeavor is to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight. The internal control systems are designed to sustain efficiency and mitigate operational risks assuring fraud prevention.

In addition, SCCC's Board of Directors has assigned Strategic Planning and Transformation team to perform business risk assessment and follow up on the corrective action plan to mitigate risk. This is a continuous activity in the Company to improve business performance and mitigate strategic and operational risks.

The Board of Directors has conducted assessments on the internal control system through the Audit Committee (AC). The AC has approved SCCC's internal control system based on 5 factors per the internal standard given by the Committee of Sponsoring Organizations of the Treadway Commission or COSO, and the guidelines from the Stock Exchange Commission or SEC.

1. **Internal Control within the organization:** SCCC has committed to support the internal control within the organization under the internal control framework by shaping the policy landscape, updating working methods and communicating to all SCCC's staff. In 2019, the company revised and upgraded its Organization Regulations, Manual of Authorities and various charters to further enhance the governance and transparency.
 - i. **Reviewing and Updating the policies, working steps and methods.** These are continuously updated to serve with the current business plan of the company, laws and any relevant regulations, and scheduling the regular review. The policies relating to overall governance and compliance are approved by Board and operational policies are approved by management. These are widely communicated to all staff for their common understanding through the effective channel.
 - ii. **Building the awareness of staff in the importance of the internal control,** starting from the understanding of the risk in operation, risk assessment and mitigation which the operating management themselves can perform the internal control to well serve with risks that may occur in their area of work.
 - iii. **Whistle Blower Policy,** the Company has established a Whistleblowing Policy and a reporting channel called INSEE Speak Up, which is managed by a professional and independent external agency. This external helpline is set up for SCCC and its Group companies' employees and business partners to report and notify any wrongdoings,

violation of laws and regulations relating to business operations, as well as violation of the Company's Code of Business Conduct such as corrupt practices, misuse of information and Company assets etc. Accordingly, the concerns reported through this channel are properly investigated and reported to the AC.

2. **Operating Control:** The operating control activities happen at two levels, Group Level and Group Company (GC) Level. The Group EXCO reviews the operating and financial performance every month with each Group Company CEO. Similarly, the group company CEO reviews the monthly performance with its senior executives (EXCO) before submitting to Group EXCO. The performance is measured against the budgets, approved by Board, and its evolution from the previous year(s).

The Finance and Controlling team also closely monitors the capital expenditure projects with regards to the estimated project costs which are regularly reported to the Board of Directors.

The business activities are performed basis the well-established policies, procedures and Manual of authorities. Exceptions, if any, are reported to Board of Directors.

Besides, the company has launched the IT solution (SAP) for a better internal control which enables the management and relevant staff to be alarmed of improper transaction and take corrective actions and measures in time.

The access control to core system (SAP) has been rigorously reviewed to ensure proper authorization by considering proper Segregation of Duties (SoD) and restricted use on sensitive transaction throughout the year.

3. **Risk Management System** entails detail assessment of strategic, operational, financial and compliance risks, which are categorized in company's risk heat map. It would give management view on the criticality of the risks in the company based on impact and likelihood.

In assessing the risk, Strategic Planning and Transformation team hold operational meetings to assess the risk of SCCC within the year, with the Company's top executives, business units and internal departments to highlight the risk, sharing opinions, discussing on the risk level and its effects and seeking for the strategies to handle with the risks. The team then collect the information and issue the risk assessment reports of each Group Company, follow up the risk management plan, monitor the timeline and report to the Group Executive Committee (GEXCO) consistently.

The Governance and Risk Committee has closely monitored process of risk management and key risks to oversight risk of the company to be treated appropriately according to work plan as part of mitigating action.

4. **IT and Communication** The company has invested in the whole information processing and reporting system which can keep all data, process and report the updated data on a real time basis, allow easy access (online and offline) and is fully secured. The system allows to digitize

company business processes to eliminate manual work and enhance accuracy and fast decision making.

In the opinion of the Board of Directors, the Company's Internal control system is proper and adequate. The Company has provided sufficient personnel to efficiently carry out the controlling of activities in accordance with the system. In addition, the Company establishes internal control system to monitor the conduct of the subsidiaries' business operations. As such, the assets of the Company and its subsidiaries are safeguarded from being used through abusive self-dealing or without the authority of a director or an executive. Besides, the system also includes the review on the transactions of potential conflict of interest with connected persons. There is no deficiency in the internal control system and the risk management is set to promptly handle with an adverse situation.

The Appointment of Head of Group Internal Audit and Compliance

The Board of Directors with the endorsement of the AC has appointed Mr. Ranjan Sachdeva to be the Head of Group Internal Audit and Compliance of the Company. Mr. Ranjan Sachdeva graduated the Master of Business Administration (Corporate and International Finance) and be the Certified Internal Auditor, The Institute of Internal Auditor, Florida, USA. He is experienced in internal audit works in many leading companies as well as well-versed in the business 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 Group Internal Audit of the Company must be approved or assented by the AC. The Duties and responsibilities of the Head of Group Internal Audit and Compliance are as follows:

- To propose the Annual Audit Plan of the group to the AC for approval;
- To lead and supervise the activities of the Internal Audit Department in accordance with the approved Annual Audit Plan including works specially assigned or requested by AC.
- To update the GEXCO and AC on all Internal audit reports and other activities on a monthly basis.
- 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; and
- To consolidate the group compliance dash board from all group companies and highlight the risk and exposure to GEXCO and AC on a quarterly basis.

12. Related party transactions

Related party transactions (interchangeable word with connected transactions) refer to transactions made by the Company or its Subsidiaries with the connected person. The Board of Directors is aware that sound approval mechanism and procedure for the benefit of the Company is for the equitable treatment of shareholders.

Criteria for entering into related party transactions and the future trend

The Company has identified approval mechanism and procedure in alignment with the related regulations and the principle of good corporate governance, as the following summaries:

1. The Board of Directors approved the approval principles in accordance with Section 89/12 of the SEC Act and delegated the Management to approve the entering into transactions which were made as the Group's normal business or made to support the Group's normal business. Such approval principles are aligned with the Rules on Connected Transactions, under the Notification of the Capital Market Supervisory Board. In the essence, the approvals were based upon the Company's benefit as if the transactions were made with any third party (arm's length basis).
2. The Board of Directors approved the Related Party Transactions Policy for the Group, adopting the procedures of the relevant rules and regulations for entering into the transactions and disclosure of information.
3. The Management identified monitoring and reviewing processes to ensure that the entering into related party transactions were made in accordance with the Policy and presented summary report to the Audit Committee and the Board of Directors on a quarterly basis.
4. The Audit Committee reviewed the transactions to ensure that such transactions were for the benefits of the Company and on the arm's length basis, and to monitor trend of transactions to be suitable with the business of the Company.

The Audit Committees reviewed the related party transactions of the Company and its Subsidiaries as presented by the Management and was of the opinion that the related party transactions entered in the fiscal year ending 31 December 2019 are in accordance with the laws and the SET regulations and are reasonable and for the highest benefit for the Company, as summarized in the table below.

Related parties/ Relation to the Company	Categories/ Detail of transactions	Related transactions (Million Baht)			Rational and necessity
		2019	2018	2017	
1. Turangga Resources Pte. Ltd. (Turangga)/ Indirect subsidiary of major shareholder (Jardine Cycle & Carriage Limited)	Normal business transaction/ Purchase of coal for cement production	512.2	256.2	-	Coal is major fuel for cement production. Purchase of fuel from various sources was to mitigate risk of supply. A trading subsidiary sourced fuel to provide companies in the Group and/or resold to third parties.
2. Bank of Ayudhya Public Company Limited (BAY)/ Subsidiary of major shareholder (Bangkok Broadcasting & T.V. Company Limited) with a co-director, Ms. Nopporn Tirawattanagool	Support normal business transaction/ Interest expense from short term loan to subsidiary	7.6	9.6	82.8	BAY is a commercial bank, providing service of borrowing/depositing cash. Subsidiary selected BAY after comparing with other banks
	Support normal business transaction/ Interest income from short term deposit of Company/subsidiaries	2.3	6.1	5.1	
3. HR Professional Consulting and Service Company Limited (HR Pro)/ Indirect subsidiary of major shareholder (Bangkok Broadcasting & T.V. Company Limited)	Support normal business transaction/ Company/subsidiaries used outsourced services	210.8	160.8	185.8	HR Pro provided services for employee transportation, concrete sampling collection, maintenance services. Company/subsidiaries selected HR Pro through bidding process
4. Lanna Resources Public Company Limited (Lanna)/ Company is a direct shareholder, holding 44.99% with co-directors i.e. Mr. Paul Heinz Hugentobler Mr. Vanchai Tosomboon Mr. Siva Mahasandana	Normal business transaction/ Purchase of coal for cement production and trading business	777.4	931.0	1,505.7	Coal is major fuel for cement production. Company purchased fuel from various sources to mitigate risk of supply and to support trading business of subsidiary
5. Chip Mong INSEE Cement Corporation (CMIC)/ Company is a direct shareholder, holding 40% with co-directors i.e. Mr. Vanchai Tosomboon Mr. Aidan John Lynam	Normal business transaction/ Company/subsidiaries sold cement and cementitious products	1,534.1	1,103.7	387.8	CMIC was short of cement supply, therefore it purchased products from Company/subsidiary among other suppliers
	Support normal business transaction/ A subsidiary provided IT services to CMIC	26.7	37.0	67.7	CMIC needed support on data management for cement business from the Group
	Normal business transaction/ Company used marketing services in Cambodia	0.3	51.8	-	CMIC provided cement marketing activities such as market research and strategy
	Normal business transaction/ The Company purchased cement bags and refractory bricks	2.3	-	-	Company purchased cement bags and refractory bricks during its supply shortage
6. Siam City Cement (Vietnam) Limited (SCCVN)/ Company is a direct shareholder, holding 65% with co-directors i.e. Mr. Aidan John Lynam, Mr. Siva Mahasandana and following are representatives of the Company in SCCVN i.e. Mr. Mark Anatol Schmidt (Director) and Mr. Philippe Bernard Richart (CEO)	Normal business transaction/ Company/subsidiaries sold cementitious products	1,017.0	1,060.5	1,547.7	SCCVN purchased products from Company/subsidiary among other suppliers
	Support normal business transaction/ A subsidiary provided IT services to SCCVN	106.5	107.3	86.0	SCCVN needed support on data management for cement business from the Group
7. Siam City Cement Nhon Trach Limited (SCCNT)/ Company is an indirect shareholder	Normal business transaction/ Subsidiary sold cementitious products	218.6	261.1	164.3	SCCNT purchased products from subsidiary among other suppliers
8. Mahaweli Marine Cement (Private) Limited (MMC)/ Company is an indirect shareholder	Normal business transaction/ Subsidiary sold cement product	137.5	513.0	297.3	MMC purchased products from Company/subsidiary among other suppliers