

# **Responsibilities of the Board of Directors**

## **Roles and Responsibilities of the Board**

The Board of Directors shall care for and pay attention to its exercise of functions with responsibility and undertakes to manage business to the best interests of the shareholders having four crucial fiduciary duties:

- 1) To perform duties with due care (Duty of Care).
- 2) To perform duties with honesty and integrity so as to maintain the Company and shareholders' interests (Duty of Loyalty).
- 3) To perform duties under laws, Company objects, the Articles of Association, and the shareholders' meeting resolutions (Duty of Obedience).
- 4) To disclose information to the Shareholders in an accurate, complete and transparent manner (Duty of Disclosure), involving the following Board duties and responsibilities:

## **Duties and Responsibilities of the Board**

- 1) Consideration and approval of important issues on Company operations, such as visions, missions, strategies, goals, plans, financial budgets, and risks of management;
- 2) Following up and caring to ensure an implementation by the Executive Committee or Management of the established policies and plans with efficiency and effectiveness;
- 3) Internal control and risk management, complain receipt mechanism, and taking action upon whistleblowing;
- 4) Ensuring long-term business continuity and staff development and succession plan;
- 5) Provision of a corporate governance policy in writing and approval thereof with review of the policy and its implementation at least once a year;
- 6) Promotion of the production of the Code of Business Conduct in writing for Directors, Executives, and all staff to understand the ethical standards used by the Company in its operations, with monitoring to ensure that the Code of Business Conduct are strictly followed;
- 7) Careful consideration of conflict of interests issues to ensure a clear guideline towards overall interests of the Company and the shareholders when it comes to transactions with potential conflicts of interests, in which interested parties shall have no involvement in making decisions, and the Board shall ensure full compliance with procedural and disclosure requirements for transactions with potential conflicts of

interests;

- 8) Establishment of the risk management policy covering the whole organization, to be implemented by Management with regular reporting thereof to the Board of Directors; a system or risk management effectiveness review for at least once a year with annual report disclosing all periods of risk changes, including the attachment of importance to early warning signs and all irregular items;
- 9) Giving opinions about the sufficiency of internal controls and risk management in annual report;
- 10) Outlining clear procedures for whistleblowers or interested parties to “blow the whistle” through website or by reporting directly to the Company;
- 11) Provision of a regulatory mechanism of subsidiaries for Company investment interests; consideration of suitability of persons to be dispatched to be a subsidiary director for a managerial control in accordance with Company policies and for transactions to be in compliance with applicable laws and rules.

### **Qualifications**

The Board of Directors is to consist of fully qualified members possessing no 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, and to have diversification in skills, professions, specialized expertise, gender, useful experience, and knowledge 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 of, among other things, cement industry, laws, accounting and finance, etc. In exercising Board functions, there shall be at least 1 non-executive director experienced in affairs related to Company business.

### **Term of Office**

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

## **Businesses that are subject to Board approval**

A single investment and the Company's sale of such investment in an amount greater than Baht 100,00,000 or its equivalent in other currencies, associated incurred expenses in an amount greater than Baht 100,000,000 or its equivalent in other currencies, and regular expenses in an amount greater than Baht 100,000,000 or its equivalent in other currencies calculated on an annual basis;

- 1) A single investment and the Company's sale of such investment in an amount greater than Baht 100,00,000 or its equivalent in other currencies, associated incurred expenses in an amount greater than Baht 100,000,000 or its equivalent in other currencies, and regular expenses in an amount greater than Baht 100,000,000 or its equivalent in other currencies calculated on an annual basis;
- 2) Company investments other than the scope of normal business;
- 3) Any divestiture by the Company leading to its withdrawal from business;
- 4) Securing loans, negotiations for credit lines, and financing transactions in a similar way for the Company only to extent that the debt increased therefrom is greater than Baht 100,000,000 or its equivalent in other currencies;
- 5) Granting credit and pledging based on Company outstanding loans only to the extent that the granted or pledged amount is greater than Baht 100,000,000 or its equivalent in other currencies;
- 6) Provision of guarantee, guarantee contract, or guarantee obligations in a similar way, and creation of possible responsibilities for the Company only to the extent that the granted or pledged amount is greater than Baht 100,000,000 or its equivalent in other currencies;
- 7) Issuance or use of derivative financial instruments only to the extent that such instruments are not used to protect risks that are relating to the normal course of Company business operations;
- 8) Issuance of debentures or other securities by the Company;
- 9) Conducting legal proceedings by the Company, acknowledgement of lawsuits against the Company, and compromise arrangement by the Company only to the extent the amount in dispute exceeds Baht 50,000,000 or its equivalent in other currencies;
- 10) All operations of Company business that significantly deviate from corporate budgets or investment guidelines and financing;
- 11) Any Company affair that in the opinion of the Executive Committee or Chairman or Managing Director is to be approved by the Board of Directors; and
- 12) An entry to carry out important matters of a subsidiary that is subject to approval of

its shareholders or the Board of Directors, in which the Company or its representatives are needed to vote as a shareholder or director of the subsidiary.