

STP&I Public Company Limited

Policy, Criteria, and Procedures for Nomination and Remuneration

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To align with the Corporate Governance Code (CG Code) for Listed Companies of the Securities and Exchange Commission and the Stock Exchange of Thailand, and to ensure that the nomination and remuneration processes for directors, sub-committee members, and senior executives are conducted with transparency and fairness to all stakeholder groups, the Board of Directors has established the Nomination and Remuneration Committee (NRC). The NRC is responsible for formulating policies, criteria, and procedures regarding nomination and remuneration, as well as performing other duties as assigned, for submission to the Board of Directors and/or the Shareholders' Meeting, as the case may be.

Furthermore, the Board of Directors consistently reviews the application and adaptation of the CG Code to suit the company's business context to maximize organizational benefit. Additional guidelines are established to modify and improve corporate practices in accordance with evolving circumstances. This policy is reviewed annually, at least once a year, and may be continuously adjusted during the year to ensure sustained appropriateness and alignment with the company's business operations.

The criteria for the selection of new directors and the appointment process of directors, sub-directors and senior executives

Principles and Procedures for Recruiting Company Directors, Subdirectors

In the process of nominating and appointing directors, the Nomination and Remuneration Committee, comprised of two independent directors out of the three members of the Nomination and Remuneration Committee and one non-executive director, has established a Board Diversity policy and defined the criteria for selecting new directors, the process for appointing new directors, and the methods for nominating suitable candidates to serve as directors of the company and its sub-committees.

1. Nomination and appointment of directors

The Board should ensure that there is a transparent and clear process for the nomination and selection of directors in order to obtain qualified directors in accordance with the prescribed composition as follows:

- 1) Opportunities are provided for minority shareholders to nominate qualified candidates for consideration in the election of directors, alongside nominations from major shareholders.
- 2) The relevant statutory and regulatory qualifications include the P.R.B. Public Companies Limited, the Securities and Exchange Act 2535, the Articles of Association and the Principles of Good Corporate Governance.
- 3) Considered in accordance with the criteria for the selection of company directors of the Stock Exchange of Thailand.
- 4) Emphasize those who have the skills, experience, professionalism, and specific qualifications in a variety of areas that the Board still lacks and are essential to the Company's business in order to maximize the integrity and usefulness of the Board's composition.
- 5) Consider the knowledge, skills, and experience relevant to the business and aligned with the company's operational strategy. Also, utilize the Director Pool database of the Thai Institute of Directors (IOD) as a component in the selection of new directors.
- 6) Consider the qualifications of directors in line with the company's business strategy (Board Skill Matrix) by determining the qualifications of directors to be recruited, taking into account expertise in various areas including law, accounting, finance, economics, engineering and management, to integrate knowledge and capabilities that are useful to the company's operations.
- 7) Consider the dedication of directors' time. If it is a returning director, their performance during their previous term should be considered. Furthermore, the number of companies each director should serve in should be appropriate to the nature or business conditions of the company, ideally no more than 5 listed companies, to ensure that their effectiveness does not decline.
- 8) The appointment of independent directors will consider the independence of the individuals nominated as independent directors, according to the criteria set by the Securities and Exchange Commission (SEC), with the qualifications for independence as defined in the corporate governance policy.
- 9) Performance results from the past year (if any).
- 10) Providing Useful Feedback Suggestions

The process for evaluating the performance of the company board and sub-committees, including both collective and individual (self-evaluation) assessments.

The Board has assigned the Nomination and Remuneration Committee to establish criteria and evaluate the performance of the entire Board annually. The Company Secretary is required to submit the evaluation forms to the Board at least once a year at the end of each year, and to summarize the evaluation results and report them to the Board of Directors meeting. The purpose of this annual performance evaluation is to improve the efficiency of the Board and to identify ways to improve the evaluation criteria for the following year.

The performance evaluation of the company board of directors is divided as follows:

1. The self-assessment form for individual committees includes the following brief evaluation topics:

- 1) Structure and qualifications of the board of directors;
- 2) Roles, duties, and responsibilities of the board;
- 3) Board meetings;
- 4) Functioning of the board members;
- 5) Relationship with management;
- 6) Self-development of board members and executive development.

2. Self-assessment form for sub-committee members. The evaluation topics are summarized as follows:

- 1) The structure and qualifications of the committee are appropriate, leading to efficient committee work.
- 2) Subcommittee meetings are conducted in a manner that enables the committee to perform its duties effectively.
- 3) The roles, duties, and responsibilities of the subcommittees are given sufficient importance, with adequate time allocated for consideration, review, and implementation.

3. Self-assessment form for the committee and individual sub-committees. The assessment topics are summarized as follows:

- 1) Structure and qualifications of the committee;
- 2) Committee meetings;
- 3) Roles, duties, and responsibilities of the committee.

4. The CEO performance evaluation form includes the following brief evaluation topics:

- 1) Leadership
- 2) Strategy formulation
- 3) Strategy implementation
- 4) Financial planning and performance
- 5) Board relations
- 6) External relations
- 7) Human resource management and relations
- 8) Succession planning
- 9) Product and service knowledge
- 10) Personal attributes

2. Recruitment of Managing Directors and Senior Executives

The Nomination and Remuneration Committee should ensure that the recruitment and development of managing directors and senior executives ensures they possess the necessary knowledge, skills, experience, and qualifications to drive the organization towards its goals.

1. Consider the criteria and methods for selecting qualified individuals to fill the position of Managing Director.

2. The Managing Director should oversee and ensure that there are suitable senior executives in place. At a minimum, the board of directors or the selection committee should, together with the Managing Director, consider the criteria and methods for selecting and appointing individuals, and approve the individuals proposed by the Managing Director to serve as senior executives.

3. Provide a Succession Plan to prepare for the succession of Managing Directors and senior executives to keep the business going.

4. Promote and support the training and development of senior management and executives to enhance practical knowledge and experience.

5. Define clearly the policies and practices for the appointment of directors to other companies of managerial and senior management, both the types of directors' positions and the number of companies that can be appointed.

Guidelines and procedures for determining remuneration for company directors, sub-committee members, senior executives, and other personnel.

The Company has established policies, principles and procedures for the consideration and remuneration of both non-executive and executive directors in a clear and transparent manner, and within the appropriate criteria, comparable to the industry in the same way, with the Nomination and Remuneration Committee as the initial consideration of remuneration. and submit the information obtained to the Board of Directors for consideration before submitting it to the general meeting of shareholders for further approval, with the following criteria and methods for determining remuneration:

- **Guidelines and procedures for determining the remuneration of company directors and sub-committee directors.**

1. Remuneration for directors and sub-committee members.

1.1 The remuneration of the company's board of directors shall be determined based on the responsibilities and performance of the directors, and shall be approved by the shareholders' meeting.

1.2 The Nomination and Remuneration Committee shall consider the type of remuneration, the method of payment of remuneration and the number of directors' remuneration, as well as submit it to the Board of Directors for approval and submit it to the shareholders' meeting for further approval.

1.3 The company has established a clear and transparent compensation policy. Compensation is commensurate with the duties and responsibilities assigned to each director and is sufficient to motivate and retain qualified directors and executives.

1.4 The types of compensation consist of 3 parts:

- Meeting allowances
- Annual bonus of the Board of Directors
- Other benefits

1.5 The remuneration for the company's board of directors and sub-committees must be approved by the annual general meeting of shareholders.

2. Other Benefits - None-

- **Guidelines and methods for determining compensation for senior executives and other personnel.**

1. Compensation for Managing Directors and Senior Executives.

The Nomination and Remuneration Committee determines a compensation structure that incentivizes the Managing Director and senior executives in line with the organization's core objectives and goals, as well as the long-term benefits of the business.

1.1 Consider the appropriate proportion of compensation to salary, short-term performance benefits such as bonuses, and long-term performance benefits.

1.2 Define compensation policies taking into account factors such as the level of compensation higher than or equal to roughly the same industry level, business performance, etc.

1.3 Establish a policy regarding the performance evaluation criteria for the Managing Director and communicate it publicly, at least on the following points:

1.3.1 The guidelines for evaluating the performance of managing directors were approved. These criteria should incentivize managing directors to manage the business in accordance with its objectives, core goals, strategies, and long-term interests.

1.3.2 The Managing Director's performance is evaluated annually, or the Nomination and Remuneration Committee is assigned to conduct the evaluation, with the Chairman or a senior director communicating the results.

1.3.3 Approved the annual remuneration of the Managing Director based on the performance evaluation of the Managing Director and other relevant factors.

1.4 The board should approve the criteria and factors for performance evaluation, as well as the compensation structure for senior executives, and oversee the CEO's assessment of senior executives to ensure compliance with the aforementioned principles.