

# SiS Distribution (Thailand) Public Company Limited

## Charter of the Remuneration and Nomination Committee



SiS Distribution (Thailand) Public Company Limited (“the Company”) recognizes the importance of good corporate governance policy and principles, therefore, the Board of Directors, considers appointing a Remuneration and Nomination Committee to support the Board of Directors in nominating, assessing, electing, and promoting the directors and senior managements. The Company is committed to transparent and fair compensation practices, providing recommendations to the Board of Directors regarding remuneration for the directors, sub-committee members, and senior managements. This is done to maximize benefits for shareholders within the legal framework and the competitive business environment.

The Company through the Remuneration and Nomination Committee has established this Charter in accordance with the Codes of Conduct, principles of good corporate governance, and relevant criteria, regulations, and laws. This document serves as a guideline for the committee's operations and is subject to an annual review to ensure alignment with pertinent requirements and current circumstances. Proposed revisions are presented to the Board of Directors for consideration and approval.

### 1. Scope of Responsibilities of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee has a crucial role in efficiently nominating and screening personnel in accordance with the policy and criteria established. The primary objective is to distribute the workload of the Board of Directors on determination the remuneration for directors and nominating individual for being the directors or senior managements. Additionally, the committee is tasked with the following responsibilities:

- 1.1 Establishes policies and criteria for considering remuneration in various forms for the directors, sub-committee members, and senior management. Ensure fairness and alignment with their roles and responsibilities, while also benchmarking against industry-specific remuneration standards.
- 1.2 Proposes the determined remuneration of the directors and sub-committee members to the Board of Directors for approval and subsequently presents to the shareholders for approval at the Annual General Meeting of shareholders.
- 1.3 Establish policies, criteria, and performance evaluation guidelines for executive directors (Managing Directors and executive director) based on annual goals and objectives. Evaluate their performance against set targets, considering their roles, responsibilities, performance, and the organization performance, to determine their remuneration adjustment.
- 1.4 Reviews and provides approval on the budget for annual salary adjustments, year-end bonuses, special compensation, or other incentive-related compensation as determined by the Company for employees.
- 1.5 Considers the appropriateness of allocating new securities to directors and the Management, including providing approval for the allocation of new securities to employees.
- 1.6 Reviews and updates the remuneration and nomination criteria to ensure their appropriateness and rationality on an annual basis.



- 1.7 Establishes clear, transparent, and fair policies, criteria, and procedures for the nomination, assessment, and election of individuals with suitable qualifications based on relevant criteria and applicable laws. This is to ensure their eligibility for election as directors or senior management from the position of General Manager and above, in order to fill vacant positions or additional positions as appropriate and in accordance with the composition of each committee.
- 1.8 Nominates individuals who meet the specified qualifications to be considered for election as directors or sub-committee members. Present these candidates to the Board of Directors for approval and subsequently proposes to the shareholders' meeting for consideration and election as the Company's directors.
- 1.9 Oversees and adjusts the number of directors and the composition of Board of Directors and its sub-committees to be suitable for the size and complexity of the organization's business, roles, and the environment.
- 1.10 Develops a succession plan for executive directors and senior management positions, starting from the General Manager level and above, to confident the smooth operations of the Company.
- 1.11 Proposes the remuneration for the directors and sub-committee members, including proposes individuals for election as the directors and sub-committee members at the shareholders' meeting.
- 1.12 Discloses the criteria and the amount of remuneration for the directors and sub-committee members in the Company's Annual Report.
- 1.13 Reports the performance of the Remuneration and Nomination Committee to the Board of Directors at least once a year.
- 1.14 Prepares the Remuneration and Nomination Committee's report and disclose in the Company's Annual Report, in accordance with the requirements of the SET or relevant authorities.
- 1.15 Ensures regular performance assessment for the overall Remuneration and Nomination Committee and individual self-assessments are conducted annually.
- 1.16 Reviews the Charter of the Remuneration and Nomination Committee annually to ensure their appropriateness in light of any changes in the business environment or relevant requirements.
- 1.17 Performs any other duties as assigned by the Board of Directors with the approval of the Remuneration and Nomination Committee within the scope that does not exceed the authority of the Remuneration and Nomination Committee.
- 1.18 Has the authority to engage external advisors or other professional experts to seek opinions, advice, or assistance in carrying out the duties of the Remuneration and Nomination Committee or any other tasks necessary and relevant, and the associated expenses shall be borne by the Company.



## **2. Composition of the Remuneration and Nomination Committee**

The Remuneration and Nomination Committee shall comprise of followings:

- 2.1 The Remuneration and Nomination Committee is appointed by the Board of Directors or the shareholders' meeting and comprises at least 3 persons, with the majority being independent directors.
- 2.2 The Remuneration and Nomination Committee elects the Chairman of the Remuneration and Nomination Committee, considering thoroughly the qualifications to instill overall effectiveness of the Remuneration and Nomination Committee.

## **3. Qualification of the Remuneration and Nomination Committee**

- 3.1 Be a director who possesses all the qualifications in accordance with the criteria set by the SET, the SEC, and relevant laws.
- 3.2 Be integrity, honesty and performs duties fairly. This includes advocating sufficient time and opinions for performing the duties as a member of the Remuneration and Nomination Committee members.
- 3.3 Possesses relevant knowledge, skills, and experiences, along with an understanding of the duties and responsibilities involved in overseeing remuneration and nomination.
- 3.4 Able to fulfill duties, express opinions, and report on performance in accordance with the responsibilities assigned by the Board of Directors.
- 3.5 The Remuneration and Nomination Committee members should not hold the position of director in more than 5 listed companies as it may impact their ability to fully perform duties in any one company.

## **4. Terms of Office of the Remuneration and Nomination Committee**

- 4.1 The Remuneration and Nomination Committee members will retire upon completing their term as the Remuneration and Nomination Committee or upon completing their term as a director of the Company.
- 4.2 The Remuneration and Nomination Committee members have a term of office for not more than 3 years or in accordance with their term of being a director of the Company. However, the retiring director is eligible for re-election as approved by the Board of Directors or at the shareholders' meeting.
- 4.3 In addition to the above retirement, the Remuneration and Nomination Committee members will retire when:
  - 4.3.1 Death
  - 4.3.2 Submit a resignation letter to the Board of Directors, effective from the date the resignation letter reaches the Company.
  - 4.3.3 Fails to meet the qualifications of the Remuneration and Nomination member as stipulated in this charter.
  - 4.3.4 Fails to meet the qualifications to serve as a director according to the criteria of the SET, the SEC, or relevant laws.
  - 4.3.5 The Board of Directors has passed a resolution to remove them from their position. This resolution required at least three-fourths (3/4) of total members presented at the Board of Directors' meeting.



- 4.3.6 Sentences to imprisonment as stipulated in the judgment, or as ordered by law to serve a prison term, except for offenses committed with negligence or misdemeanor.
- 4.3.7 Considered by the court to be incompetent or quasi-incompetent.
- 4.3.8 Considered by the court to be bankrupted.
- 4.4 In the event that the Remuneration and Nomination Committee member wishes to resign before completing their term, he/she must provide advance notice to the Company, not less than 30 days, by submitting a formal letter of resignation to the Chairman of the Board of Directors, providing reasons for the resignation.
- 4.5 In the event that the Remuneration and Nomination Committee members vacate their position before completing their term or for any other reason that renders them unable to continue, the Board of Directors must appoint a qualified person to serve as a new member of the committee within 90 days from the date the committee falls below the required composition as per this charter. The Board of Directors may choose not to appoint a new member if the term of such vacancy is less than 2 months. The newly appointed members will serve for the remaining term of the Remuneration and Nomination Committee members they replace.

## **5. The Remuneration and Nomination Committee Meeting**

The Remuneration and Nomination Committee shall hold the meeting in compliance with the following requirements:

- 5.1 Arranges the meetings as appropriate but not less than twice a year to evaluate the annual performance of the executive directors considering various matters in accordance with their roles and responsibilities.
- 5.2 A meeting shall be deemed quorate when at least half of the total number of the Remuneration and Nomination Committee members are present.
- 5.3 The Remuneration and Nomination Committee members may participate and cast votes in meetings through electronic means or other appropriate channels. The secretary at the meeting recording the minutes shall document such proceedings in the meeting report.
- 5.4 In the event that the Chairman of the Remuneration and Nomination Committee is absent or unable to fulfill their duties, the Remuneration and Nomination Committee members present at the meeting shall elect one member to act as the temporary Chairman.
- 5.5 Resolution of the Remuneration and Nomination Committee shall be made by majority vote. Each Remuneration and Nomination Committee member has one vote, except for any member who has a vested interest in a particular matter, will not be allowed to vote on that matter. In case of a tie, the Chairman of the meeting has the authority to cast an additional vote to break the tie, and this additional vote is considered a deciding vote.
- 5.6 The Remuneration and Nomination Committee may appoint a person to serve as the secretary of the committee to assist in coordinating meetings, preparing meeting agendas, distributing meeting documents, and recording meeting minutes. Alternatively, the committee may designate a Company Secretary or the Human Resources Manager to act as the secretary of the Corporate Governance and Sustainability Committee.



## **6. Remuneration for the Remuneration and Nomination Committee**

The Remuneration and Nomination Committee is responsible for considering and determining the remuneration of the Remuneration and Nomination Committee members as deemed appropriate, subject to approval by the Board of Directors and the shareholders' meeting. In the absence of a Remuneration and Nomination Committee, remuneration shall be considered by the Board of Directors.

This Charter of the Remuneration and Nomination Committee has been approved by the Board of Directors in the Board of Directors' meeting of No. 6/2024 held on December 13<sup>th</sup>, 20204.

The Thai version of this document shall be regarded as the official version, with the English version provided solely as a translation from Thai. In the event of any conflict or discrepancy between the two languages, the Thai version shall prevail.

**This Charter shall be effective from January 1<sup>st</sup>, 2025.**

**(Mr. Lim Kiah Meng)**  
**Chairman**