

Succession Plan for Chief Executive Officer and Directors

SCG Decor Public Company Limited

The Board of Directors Meeting of SCG Decor Public Company Limited (“the Company”) No. 200 (4/2022) held on December 1, 2022 resolved to approve the first Succession Plan, and the Board Meeting 1/2023 held on June 9, 2023 subsequently endorsed the continuous enforcement of the policy regarding this Succession Plan upon the conversion of the Company into a public limited company.

The aforesaid Board of Directors Meeting of the Company has approved the Succession Plan putting in place a suitable and transparent plan to recruit personnel for all critical positions at all levels to ensure that the Company has executives who exhibit professionalism. The Remuneration Committee is responsible for formulating the succession plan for the Chief Executive Officer and President of the Company and proposing it to the Board of Directors for consideration.

1. Objectives

- 1.1 To mitigate risks or impacts from lack of management continuity;
- 1.2 To enable the proactive planning of nomination and selection either of talents within the organization or external personnel, and develop that personnel to take up positions in the future;
- 1.3 To plan replacement and succession for critical positions in the event that the incumbent is unable to complete his/her term or the position becomes vacant for any other reason; and
- 1.4 To encourage commanders to pay attention to the development of their subordinates and to motivate and maintain employees with competencies and potential and ensure that they have opportunities for development and advancement to higher positions.

2. Chief Executive Officer and President and other Critical Executive Positions

When the position of the Chief Executive Officer and President or a critical executive position becomes vacant or when the incumbent is unable to perform his/her duties, an executive at a comparable or lower level shall serve in the interim until a person with qualifications prescribed by the Company who demonstrates a breadth of vision, knowledge, competency, experience and is suitable to the corporate culture has been nominated and selected. The Remuneration Committee is responsible for vetting suitable candidates to propose to the Board of Directors for appointment to the position. The Executive Officer and President or an executive in a critical position must report to the Board of Directors the outcome of the execution of the succession plan periodically, at least once a year.

3. Executive Level

When the position of an executive from the division manager level and above becomes vacant or when the incumbent is unable to perform his/her duties, the Company will propose a selected successor to the Management.

4. Procedures for implementing the succession plan

- 4.1 Analyzing the business situation of the Company with regards to strategies, policies, investment plans, and expansion plans;
- 4.2 Assessing the preparedness of the manpower to ensure compatibility with the Company's short-term and long-term strategies;
- 4.3 Establishing plans for fostering manpower preparedness by formulating employee development plans and recruiting personnel as a replacement when there is a vacancy;
- 4.4 Defining necessary qualifications and competencies for such positions, consisting of required knowledge, skills, personality, and attitudes;
- 4.5 Assessing employee performance and potential using personnel testing and assessment tools in order to establish a Key Talent Pool;
- 4.6 Identifying employees from the Key Talent Pool to serve as potential successors to the position and informing the employees in advance so that they can learn about the position in advance and so that alternate successors can be designated. There should be more than one potential successor for a critical position;
- 4.7 Supervisors evaluate the performance and potential of employees who will succeed them as lacking competencies in any matter;
- 4.8 Formulating an Individual Development Plan for a potential successor that includes challenging assignments and job rotation so as to develop leadership skills and broad work knowledge as well as prepare him/her for the position before the incumbent retires or vacates office before retirement; and
- 4.9 Developing and assessing potential successors to ensure that they demonstrate expected development and achievement. When such expectations are not met, the following steps are to be taken:
 - 1) Selecting new candidates and formulating a new succession plan;
 - 2) Developing alternate successors (if any) or;
 - 3) Nominating and selecting external candidates

Once the position becomes vacant and the fully qualified successor fills the position, which entails more responsibilities, promotion should be considered as appropriate.

5. Guidelines for succession plan consideration

- 5.1 After the Board of Directors meeting regarding the evaluation of employees' performance and potential, the Board will consider and report on operating results according to the succession plan once a year, to consider the successor to the position from performance evaluation and potential of employees.
- 5.2 Succession planning for positions 2 levels below the company level (N-2 and N-3) will be considered

by N -1 positions.

- 5.3 In succession planning for each position, there will be no more than 3 successors. In case there is no qualified persons at present, the supervisor must find a suitable person in the future.
- 5.4 The position of the successor must be the same as or lower than the current position holder. The lower level should not be more than 1 level.
- 5.5 Recruitment and selection of successors can be considered across different departments.
- 5.6 When personnel in the position are vacant or the person in the position is unable to perform the duties, other organizations can nominate additional names in addition to existing successors for the sake of comparison of successors.
- 5.7 One employee may be a successor to more than one position.
- 5.8 The designation of the successor does not constitute any obligation on the employees. The successor may be changed as the Board of Directors deems appropriate.
- 5.9 The above information is confidential for the Management only.

6. Succession Plan Revision

The Company reviews the policy regarding the succession plan on a yearly basis. The termination or revision of this Policy must be approved only in writing by the Board of Directors.

This Succession Plan shall be effective from June 9, 2023 onwards.