

Corporate Governance Policies and Practices

Chow Steel Industries Public Company Limited (the “Company”) with the existence of the Code of Best Practice that enhances transparency and is beneficial to the business operation of the Company resulting in confidence in shareholders, investors and all parties concerned, the Board of Directors hereby establishes a corporate governance principle in response to the Stock Exchange of Thailand’s good corporate governance guideline. The Company’s corporate governance principle covers five sections as follows:

Section 1 : The Rights of Shareholders

The Company realizes the importance of fundamental rights of its shareholders as company owners and investors, such as right to buy, sell or transfer their held securities, right to receive adequate Company information, right to profit sharing from the Company, rights at a shareholder meeting, right to express opinions, and right to make joint decisions for such critical matters as dividend distribution, director appointment and removal, auditor appointment, approval of transactions critically affecting the direction of the course of its business operation, etc.

In addition to the fundamental rights above, the Company carries out several matters to facilitate the right exercise by shareholders as follows:

1. An annual general meeting will be held every year within 4 months from end of each fiscal year, with a notice of meeting and agenda supporting documents sent to the shareholders 7 days prior to the date of meeting and put on a newspaper informing the date of meeting for 3 consecutive days in advance of the date of meeting, and each agenda accompanied with the Board’s opinion.

2. For the shareholders’ meeting, the Company uses the record date so that shareholders have sufficient time to consider the meeting document and information prior to the meeting date.

3. Provide details about date, time, place meeting formant and meeting agenda, together with the descriptions and reasons for each respective agenda or supporting the resoluitions requested in the ordinary and extraordinary general meeting of shareholders’ invitations or in the meeting agenda attachments. Refrain from any action that may limit the shareholders rights of access to the Company’s information, by delivering the documents to shareholders and registrar not less than seven (7) or fourteen (14) days (depending on the case) prior to the meeting date and advertising the meeting appointment in the newspapers for three (3) consecutive days prior to the meeting date. The Company will comply with principles and conditions of the laws or the related announcement and try its best to make the sharehodlers informed before the meeting date as soon as possible.

4. Encourage the shareholders to use the proxy in the form that allows the shareholders to control their votes and to suggest at least two (2) independent directors as a choice in appointing their proxies.

5. The Company facilitates the shareholders to exercise their rights in proper meeting attendance and voting and refrain from any action that may limit the shareholdes rights of meeting attendance. For example, the Company will hold the meeting in an easily-accessible venue, attach the map showing the meeting venues in the meeting invitation, choose appropriate date and time, and allocate adequate time for the meetings. In the case of a meeting via electronic media, the Company will inform the channels of attending the meeting clearly.

6. If prevented to attend the meeting personally, the shareholder in question is allowed to give proxy to one of the independent directors or any other person to attend on his/her behalf using any one of the forms delivered together with the notice of meeting.

7. Prior to the meeting date, the Company will provide the shareholders opportunities to submit opinions, suggestions or questions in advance with clearly defined rules and inform the shareholders of the rules in the meeting invitation. The Company will also publish the rules on its website.

8. Before considering the agenda items, shareholders are informed about the voting and vote-couting procedures.

9. During the shareholders’ meeting, the Chairman will allocate proper time form shareholers to have chances in expressing their opinions, susgestions or asking questions in each related agenda freely before voting on resolutions in an agenda.

10. Encourage all directors to attend the shareholders' meeting to answer questions in the meeting.

11. Prepare the vote casting in the shareholders' meeting for each item in case that there are many items in the agenda, such as the director appointment agenda.

12. The Company encourages the use of ballots for casting votes in every agenda for transparency and accountability in vote counting.

13. The Company assigns an independent party to jointly examine the vote counting in each agenda for transparency of the shareholders' meeting.

14. After the shareholders' meeting, the Company will prepare a complete and comprehensive minute of the meeting which includes details of the important queries, opinions, and suggestions for shareholders to later reviewed. Furthermore, the Company will publish the voting results of each agenda item and the minutes of the meeting on its website and the SET's channels.

Section 2 : The Equitable Treatment of Shareholders

Every shareholder is given equal opportunity. Voting rights at a meeting are determined based on the number of shares. One share is associated with one vote. No action is taken to restrict or violate or deprive of the rights of major, small, institutional and foreign shareholders. The independent directors are assigned to take care of small investors who can pass their suggestions and opinions or complaints to the directors for their appropriate actions taken. For complaint, as an example, the directors will carry out to verify the facts and find out an appropriate, corrective action. For suggestion essentially affecting stakeholders as a whole or the Company's business conduct, it will be proposed to the shareholder meeting for its considered inclusion thereof as an agenda therein.

The meeting is conducted in conformity with the Company's Articles of Associations and based on the order of the agendas, each of which is accompanied with complete details. Clear information is illustrated to complement the consideration and impromptu agenda will not be unnecessarily allowed in order to provide essential agendas with more time for being considered and decision making by shareholders. If prevented from attending the meeting personally, the shareholder in question is given an opportunity to grant proxy to one of the independent directors or any other person to attend on his/her behalf using one of the proxy forms delivered together with the notice of meeting. Voting will be conducted transparently based on the specified order of agenda. In the appointment of directors, shareholders are granted to appoint them individually.

Furthermore, an insider trading protection measure has been established for such concerned individuals as directors, executives, and employees in those departments related to inside information (including their spouses and children of an illegal age) to be prohibited from trading Company securities for the period of at least 2 weeks prior to disclosure of quarterly and annual financial statements and to wait for at least 24 hours after such disclosure to the public and to be prohibited from disclosure to others.

Directors and executives are informed of their obligation to report their securities holding in the Company and of the penal clause pursuant to the Securities and Exchange Act B.E. 2535 (1992) and to the Stock Exchange of Thailand's requirement. In the event of Company securities trading by directors and executives, they are required to report to the Securities and Exchange Commission for dissemination to the public within 3 business days in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) their shareholding in the Company, including those of their spouses and children in an illegal age.

The Company observes the principle of affording equitable treatment to all shareholders without discrimination, whether major or minor ones, executive or non-executive, Thai national or foreign. Details are as follows:

1. Shareholders will be treated fairly and receive necessary information in timely manners from the Company.

2. Shareholders have rights to vote proportionally to the shares they own and have equal access to the information related to the Company.

3. Announce the shareholders' meeting, together with the agendas and director's opinions through SET, and publish the schedule in the Company's website. The Company will also prepare and distribute the shareholder's meeting invitation in Thai and English and publish on its website.

4. Establish the principle that allows minor shareholders to propose qualified persons for selection as directors prior to shareholders' meetings, with details regarding their qualifications and consent of those who are proposed.

5. Establish the principle that allows minor shareholders to propose additional agendas prior to shareholders' meetings for the fair and transparent consideration whether the proposed agenda will be added or not.

6. Executive shareholders should not unnecessarily add agendas without prior notice, especially the important ones that require shareholders to take time in consideration before making any decisions.

7. In every shareholder's meeting, the Company provide all shareholders equal opportunity. Before the meeting commences, the Chairman will inform shareholders about the meeting rules, voting procedures for each securities type and vote-counting procedures of each agenda item.

8. Regarding the appointment of directors, the Company will encourage an individual election, in which one shareholder has one (1) vote per share.

9. Directors have to report their interest in any agenda item at least before such agenda item is considered. in the Board of Directors' meeting and must not take part in the decision-making process of such agenda item. The directors' interest should be recorded in the minutes of the meeting.

10. Set written guidelines for the use or misuse of inside information and announce the guidelines to everyone in the organization. All directors and executives who are required by laws are required to regularly report their securities possession to the Company Secretary to report to the Board of Directors on quarterly basis and the information will also be disclosed in the Company's annual report.

Section 3 : The Role of Interested Persons

Importance is paid to the rights of all groups of stakeholders, consisting of such internal ones as Company employees and executives and such external ones as competitors, partners, customers, etc. Realizing that supports and comments from all groups of stakeholders benefit the Company's operation and business development, the Company will comply with the applicable laws and requirements to ensure that the rights of such people are well maintained. Besides, the Company promotes cooperation between it and each stakeholder group in order to strengthen it based on the following directions:

- (a) **Shareholder** : With focused development for consistent growth, the Company will enjoy more income and profit which results in its more value and maximum yields to its shareholders.
- (b) **Customer** : Consideration is taken for product quality and standards, including being attentive to and responsible for customers with honesty and fairness.
- (c) **Partner** : Partners are treated fairly in conformance to Company policy and trade conditions and/or agreements in mutually entered into contracts to create good business relationships that benefit all parties.
- (d) **Competitor** : The free and fair competition policy is promoted; the good competition framework is adhered to.
- (e) **Employee** : The Company has a policy to provide every employee with equal and fair treatment, including appropriate remuneration and welfare, and knowledge and competency development.
- (f) **Community & Society** : With its responsibility toward communities and the society, the Company operates its business with ethics and supports appropriate activities that contribute, and are constructive to, the society.
- (g) **Environment** : The Company complies strictly with environmental laws and ordinances and puts in place a continual environmental impact control guideline.

The Company will comply with the provisions of applicable laws, rules and ordinances to ensure that those stakeholders' rights are well maintained.

Additionally, the Company makes efforts to participate in activities that help creating and preserving environment, society and supporting the local cultures where its business is operating. Moreover, stakeholders can inquire, make complaints, inform any illegal conduct and report on the inaccuracy of financial reports, deficient internal controls or any misconduct of the Company via Audit Committee. The complaints and whistleblowing information will be kept confidential. The Audit Committee will investigate, find solutions (if any) and further report to the Board of Directors.

Section 4 : Disclosure and Transparency

The Company is fully aware of the importance of proper, complete and transparent disclosure of both financial and general information in accordance with the rules of the Securities and Exchange Commission and Stock Exchange of Thailand, as well as such other information as essentially affecting Company securities price, all of which can influence the decision process of its investors and stakeholders. Accordingly, company information is disseminated to its shareholders, investors and the public through several channels and information channels of the Securities and Exchange Commission and Stock Exchange of Thailand, including its website www.chowsteel.com.

With respect to investor relations work, The company appoint Investor Relations Officers to communicate with investors, shareholders, analysts and public sector concerned. The Board of Directors is responsible for financial statements and financial information appearing in the annual report, which statements was produced pursuant to the generally accepted accounting standard for Thailand, with accounting policy appropriately selected and regularly used throughout the operation, including adequate disclosures in the financial statements. In this regard, the quality of the financial statements and internal control, including adequate disclosures in the notes to financial statements, will be reviewed by the Audit Committee. The Company will carry out as follows:

1. Set mechanism to ensure that the disclosed information is correct, not misleading and adequate for the investors' decision.

2. Appoint Investor Relations officers to communicate with investors or shareholders. The Company will publish its information, financial and general information to shareholders, securities analysts, credit rating agencies and related departments through various channels, namely the SEC, SET and the Company's website. Moreover, it places importance on updating information disclosure in Thai and English for the shareholders to receive information via the Company's website. It will frequently update the information available in the website, including its vision, mission, financial statements, public relations, annual report, corporate structure and executives, as well as shareholding structure and major shareholders and meeting invitation letter.

3. The Company will not disclose any non-public information to any unauthorized employees, group of persons or person (including investors, mass media and analysts) until such information is made public. In the event that information has to be released to the auditor, underwriter, bank, legal counsel or other advisors, the Company ensures that such persons utilize it with due care in order to protect its privacy. If any undisclosed information is leaked, the Company will promptly unveil such information in accordance with the SET's regulation on information disclosure and other rules. If necessary, the Company will notify the SET to temporarily suspend the trading of the Company's securities.

4. The Company will disclose its financial statements, audited by skilled and qualified independent auditors. It has the policy to change the auditors who review, examine and report on its financial statements for five (5) consecutive fiscal years, in order for the true independency of the auditor's report. The Company will be able to reassign the auditors once again at least after five (5) consecutive fiscal years, unless stated otherwise by law. It will publish the financial statements according to the specified principles and via the SET's channels for the benefits for shareholders and investors. Furthermore, the Board of Directors requires the Audit Committee to review the reliability and accuracy of the Company's financial report to ensure the trustworthiness.

5. Prepare management discussion and analysis (MD&A) to support financial statements disclosure in every quarter, in order for investors to be better informed and understand the changes to the Company's financial position and operating results in each quarter, apart from figures in the financial statements only.

6. Disclose the information regarding duties and responsibilities of the Board of Directors and subcommittees, number of meetings and meeting attendance in the previous year, opinions and suggestions, continuous education and occupational trainings, disclosure of remuneration policy for directors and senior executives, as well as types or methods of remuneration. However, the disclosed remuneration should include the one that each director received from being the director of subsidiaries.

7. Disclose the audit expenses and other expenses relating to audits services. Apart from disclosing information in the Annual Registration Statement and the annual report (Form 56-1 One Report) according to the SET's principles and channels, the Board will consider disclosing and regularly updating information in both Thai and English language via other channels such as the Company's website.

Section 5: Responsibilities of the Board of Directors

1. Structure of Board of Directors and sub-committees

The Board of Directors consists of knowledgeable and capable persons who play an important role in defining policies and the whole picture of the organization, and play an important role in independently supervising, inspecting and evaluating the results of operations of the Company in compliance with the set plan.

Currently, there are 9 Board members comprising 2 managerial directors and 7 non-management directors, 5 of 7 are independent directors with the purpose of balancing the voting in matter consideration. There is an Audit Committee consisting of 3 independent directors whose duty is representing the shareholders in supervising the course of operation of the Company for propriety and transparency.

According to the Articles of Association, at an annual general meeting one-third of the directors shall resign from office. If the number of directors is indivisible by the one nearest to one-third shall apply. Directors scheduled to resign from office in the first and second anniversary of Company registration should be determined by draw lot. For subsequent years, those directors being in office for the longest term shall resign from office. However, those directors who resign by rotation may be re-elected to resume their directorship.

Besides, the Board of Directors formed 5 sub-committees comprising the Audit Committee, Executive Committee, Nomination and Remuneration Committee, Risk Management Committee and Good Corporate Governance Committee to perform ad hoc duties and propose matters to the Board of Directors for consideration and acknowledgment. Each sub-committee has its own rights and duties as given.

The duties and responsibilities between the Board of Directors and executives are clearly separated. The Board of Directors has the duty to define policies and supervise the operation of policy level executives, while executives have the duty to manage the Company's works in compliance with the set policy. Accordingly, the chairmen of the Board and executives are different persons and both positions are subject to pass a selection by the Board of Directors to ensure most suitable persons.

The Company has a Board secretary to provide the Board with recommendations about rules that need to be known, to oversee Board activities, and to coordinate compliance with Board resolutions.

Moreover, the Board of Directors has appointed sub-committees to assist in the Company's governance as follows:

1. Executive Committee consists of at least three (3) executive directors to support the Board of Directors in managing the Company's operations in accordance with the policies, plans, requirements, as well as the targets within the scope set by the Board of Directors.
2. Audit Committee consists of at least three (3) independent directors to support the Board of Directors in governing and auditing the management, internal control and compliance, as well as preparation of the financial reports in order to ensure transparency and trustworthiness of the Company's operation and disclosure. At least one (1) Audit Committee should have knowledge or experience in accounting and finance to review the reliability of the financial statements.
3. Nomination and Remuneration Committee consists of at least three (3) Nomination and Remuneration Committee members to nominate qualified persons to take up the positions of directors, members of the sub-committees, Chief Executive Officer and senior executives; to consider the methods and principles in paying remunerations to committees, sub-committees, Chief Executive Officer and senior executives (as per the definition of "executives" in the announcement of the Securities and Exchange Commission at KorChor. 17/2551 regarding the determination of definitions in notifications relating to issuance and offer for sale of securities); to consider the methods and principles in paying remunerations to committees, sub-committees, Chief Executive Officer and senior executives for submitting suggestions for approval of the

Board of Directors and/or in the Shareholder's Meeting (as the case may be); as well as to consider the development plans for the Company's Chief Executive Officer and senior executives.

4. Risk Management Committee consists of at least three (3) Risk Policy Committee members to support the Board of Directors in supervising to ensure that the company has an adequate and appropriate risk management system. This will enable the company to achieve its objectives with efficiency and effectiveness and complies with relevant laws and standards in order to ensure that the overall risk is at an acceptable level.
5. Good Corporate Governance Committee consists of at least three (3) Good Corporate Governance Committee members to support the Board of Directors regarding the corporate governance and sustainability development of the Company as well as to ensure that the company's directions, policies, and strategies are well-operated with good corporate governance and sustainable development.

Furthermore, the Company has appointed the corporate secretary to carry out the Board of Directors' and the shareholders' meetings, support the work of the Board of Directors in respect to laws and regulations as well as coordinate to ensure compliance with resolutions of the Board of Directors' and the shareholders' meetings.

2. The Board of Director's Duties and Responsibilities.

Consisting of persons with acceptable knowledge, skills and expertise in diversified areas, and leadership, the Board of Directors takes part in defining vision, mission, strategies, policies and guidelines for business conduct and supervising Company operation in compliance with the laws, objectives, Articles of Association, and shareholder meeting resolutions. In order to enable close monitoring and supervision, several sets of committees were established to carry out the monitoring and supervision.

2.1 Good Corporate Governance Policy

A Good corporate governance policy was defined in writing and agreed to by the Board meeting, with the policy and its compliance reviewed on a regular basis. In addition, after the Company's common stocks are listed in the Stock Exchange of Thailand, the Company will comply in every respect with the rules and regulations prescribed by the Securities and Exchange Commission and Stock Exchange of Thailand, with its corporate governance report disclosed in the Annual Information Disclosure Report Form and Annual Report (Form 56-1 One Report).

2.2 Code of Conduct

The Code of Conduct was established for adherence by the Board of Directors, executives and employees in performing their duties with honesty, integrity and impartiality toward the Company, all groups of stakeholders, the public and society, with their compliance therewith monitored on a regular basis. To that end, all employees have been informed of the Code, including their compliance therewith.

2.3 Conflicts of Interest

A conflict of interest policy was defined on the basis that any decision made in the course of business activity should inure to the best interests of the Company. To avoid any action leading conflicts of interest, the person relating or linked to the transaction being considered must inform the Company of his/her relationship or linkage to such transaction without participation in the consideration and decision, and without authorization to approval of such transaction.

Related-party transactions carefully considered by the Audit Committee in terms of appropriateness and in accordance with the Stock Exchange of Thailand's rules will be proposed to the Board of Directors and disclosed in the Annual Information Disclosure Report Form and annual report (Form 56-1 One Report).

2.4 Internal Control

Internal control at both executive and operational levels is paid importance. In order to create operational effectiveness, obligations, duties and implementation authority for operatives and executives have been clearly defined in writing. The use of Company assets in meaningful ways is put under control; operatives' duties, monitoring, controlling and evaluating persons are separated, with the Audit Committee appointed to have the duty in reviewing the internal control and internal audit for appropriateness and effectiveness.

2.5 Risk Management

Sufficiency of the existing internal control has been assessed in order to consider finding a performance improvement guideline for even more effective operation.

2.6 Report of the Board of Directors

The Audit Committee is responsible for conducting a financial report review session joined by the Accounting Department and auditor, and proposing it to the Board of Directors on a quarterly basis. The Board of Directors is responsible for Company consolidated financial statements and financial information (Report of Board Responsibility toward Financial Report) as appear in the annual report. Such financial statements are produced based on the standard endorsed and audited by the auditor. Disclosure of essential information, including financial and non-financial information, is carried out on the regular basis of complete facts.

3. Board Meeting and Self-Evaluation

According to the Articles of Association, a Board meeting should be convened for at least every 3 months and additional special meetings may be held as necessary, with a notice of meeting sent out 3 days prior to the date of meeting, except for necessity or exigency to maintain the Company's rights or interests. The meeting may be called by electronic or other methods. For each meeting, agendas and complete meeting documents are clearly defined and adequately provided respectively and delivered to the Board of Directors in advance for their enough time to study prior to joining the meeting.

The Company Chairman and Chief Executive Officer will jointly define meeting agendas and consider which matters should be included as agendas in a Board meeting. Each director is given an opportunity to suggest matters for such inclusion. All directors can discuss and express their opinions openly and the meeting chairman will then compile them and draw a conclusion from the meeting. In voting at a meeting, the Board of Directors adheres to majority of votes. One director has one vote. The director having conflicts of interest should not join the meeting and/or vote for the matter thereof. In the event of tie, the meeting chairman should have another casting vote. The minutes of meeting will be made in writing after the meeting session and kept after passing Board approval and ready for verification by the Board and people concerned.

The Board of Directors conducts a self-assessment at least once a year so as to improve its performance. Assessment aspects have been clearly identified in advance. The result of the Board of Directors' assessment is reported to the Board of Directors' meeting and will be disclosed in the annual report along with the assessment guideline.

4. Remuneration for Directors and Executives

A Remuneration and Remuneration Policy Committee was formed clearly and transparently. Remuneration is at the level suitable for individual directors' duties and responsibilities and sufficient for retaining knowledgeable and capable directors, subject to the approval of the Annual General Meeting of Shareholders (AGM).

Disclosure of remuneration paid to directors and executives will be made available using the form designated by the Office of Securities and Exchange Commission.

5. Director and Executive Development

The Board of Directors has a policy to provide training and knowledge to those directors involving in the Company's corporate governance system, consisting of directors, Audit Committee and Company executives in order for continued development. In the event of new director, Company business operation guideline and information beneficial to his/her performance will be introduced to promote consistently effective performance under the good corporate governance framework.