

Anti-Corruption Policy

Chow Steel Public company Limited

Approval by the Board of Directors

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Anti-Corruption Initiatives

Chow Steel Public company Limited is determined to operate the business with integrity, a focus on social responsibilities, meeting its obligations towards all stakeholders, the principles of good corporate governance and code of business conduct. Company policies and regulations have been designed to eliminate corruption and dishonest practices.

To ensure that all employees understand the appropriate scope of responsibilities, business practices and operating policies and procedures have been written to prevent corruption in all business activities. The Company has properly documented “Anti-Corruption Policies” which serve as clear guidelines for business operations.

Definition of Corruption

Corruption means getting involved in any forms of bribery; offering, receiving, giving commitment or inducing someone into illegal acts, giving promises, making requests for and receiving money, properties or any other interests deemed inappropriate from government officials, public and private sector organizations and any bearers of duty, either directly or indirectly. The purpose of doing so is to allow an individual to carry out an act or refrain from performing one’s righteous duties, as a means of acquiring or maintaining the business, referring specific business opportunities to the Company, acquiring or maintaining any other business-related benefits deemed inappropriate. The only exception to this is where the rules of law, regulations, notices, principles, local customs and commercial practice would allow such conducts.

1. Anti-Corruption Policy

The Company regards corruption as an illegal conduct that scandalizes the Company’s credibility in operating the business, which is why policies against all types of corruption, either directly or indirectly are deemed as significant. The scope of the policies covers all areas of the business and relevant transactions in order to avoid any possible damages to the Company and society. An emphasis has been placed on corporate governance under the concepts of moral and ethical principles, transparency, especially processes that are directly involved with or at risk of internal dishonesty, including all types of corruption. Therefore, the Company has created the following anti-corruption practices and policies:

-The Company’s directors, executives and employees are prohibited from making requests for or receiving benefits or properties, leading to certain inappropriate acts or ignorance of one’s own duties, possibly causing the Company damage to its interests.

-The Company’s directors, executives and employees are prohibited from making an offer of any benefits or properties to outsiders with the aim of persuading them to carry out any acts deemed illegal or inappropriate.

-In case of any dishonest acts, the Company regards them as severe misconducts and the person(s) involved will be subject to disciplinary punishment according to the Company’s regulations and the rules of law.

2. Duties and Responsibilities

2.1 The Company's Board of Directors are responsible for identifying anti-corruption policies and effectively monitoring the systems and processes in support of such policies, ensuring that the Management is fully aware of the significance of anti-corruption initiatives and that they are embedded as the Company's culture.

2.2 The Audit Committee is responsible for performing an investigation of financial and accounting reports, internal control and audit systems, as well as risk management systems, to ensure that they comply with the latest local and international standards.

2.3 The Chief Executive Officer is responsible for identifying the systems and providing support to any activities in the anti-corruption policies, ensuring that messages have been thoroughly communicated to all relevant staff members and departments. The CEO is also responsible for reviewing the appropriateness of different systems and practices to make sure they facilitate business changes, rules and legal regulations.

2.4 Internal Audit Manager is responsible for verifying and investigating operating practices to ensure they are ethically on track, and in accordance with the policies, practices, authority, rules of law and the department's regimen, to ensure that proper control systems are in place and adequate to cope with potential corruption risks and subsequently report to the audit committee.

2.5 Directors, Executives and all levels of Employees are responsible for strictly abiding by the anti-corruption policies. Should one fail to comply, one would be subjected to disciplinary actions.

3. Anti-Corruption: Practices

3.1 Directors, executives and all levels of employees are requested to strictly adhere to anti-corruption policies and the Company's code of conduct, without getting involved in any sort of corruption, either directly or indirectly.

3.2 Directors, executives, and all levels of employees should not be negligent when witnessing any acts deemed potential for corruption, and must immediately report to their supervisors or any responsible individuals. He or she must give full cooperation in the investigation process and should there be any doubts or queries, one is advised to consult with their supervisor or responsible persons, through available channels.

3.3 The Company guarantees justice and protection for employees who report any corrupt acts related to the Company, whereby petitioner protection practices will be reinforced to safeguard those who give cooperation in reporting corruptions as specified in the operating manual.

3.4 Directors, executives, and employees involved in corruptions are considered guilty of violating the Company's code of conduct, which will result in them being subject to the Company's stated disciplinary actions.

3.5 The Company is aware of the importance of disseminating anti-corruption knowledge and ensuring an understanding with supplier and other stakeholders whose roles or responsibilities are involved with the Company's business and might possibly cause adverse effects upon the Company, with regards to ways of practicing the anti-corruption policies.

3.6 Directors, executives, and employees must not make any requests, or accept any sort of corruption for one's own benefits, and those of the families, friends and acquaintances.

4. Practices: Gifts, Receptions and Expenses

The Company has a strong intention not to give or receive gifts of any kind, or cash from or to the person who have business dealings with the Company and affiliated companies. Unless the purpose of doing so is appropriately in accordance with the tradition, in order to maintain positive relationships with business partners without hoping for services or specific returns that do not comply with the code of conduct. Giving, receiving of gifts and holding a reception should follow the criteria as follows:

- Must comply with the traditions and common practices
- Must not be opposed to the rules of law and regulations, and be in accordance with the principles of good governance and the Company's relevant policies
- Giving or receiving gifts must not exceed 3,000 baht and the staff will report to the supervisor according to the hierarchy by recording control in the form "Report of giving or receiving gifts, gifts or any other benefits" and allow the authorized person or supervisor to approve according to the authorization limit. And prepare quarterly and annual quarterly and quarterly reports for the internal audit department to regularly check.
- Reception according to conventional standards in order to maintain good relationships with business people without hoping to receive service. Supervisor to approve the approval limit and prepare quarterly reports for the internal audit department to regularly check by quarterly.
- Directors, executives, and employees must not accept cash or any other benefits in private from clients, business partners or any other persons by taking advantage of one's position in the Company.
- Directors, executives, and employees must not offer loans or make a request to borrow funds from clients or business partners, unless loans are offered by banks or financial institutions to the Company, as a client of such banks or financial institutions.
- The Company does not have any intention of offering money, incentives, gifts, or special privileges of any kind to clients, business partners, external bodies or any other persons, in order to acquire business opportunities. Unless these have been done on the basis of common business traditions, such as holding a reception for a client, giving commercial discounts and developing sales support campaigns.

5. Donation

5.1 Objective

The objective of donations is to develop young people and provide them with proper educational opportunities, strengthen their competencies and intelligence, with the aim of equipping them with readiness to earn a living in their localities. All of these are executed for the benefits of the public interest without anticipating any returns. The Company has devised policies and criteria with regards to making charitable donations, investigation and control processes as follows:

5.1.1 Proof is required to verify the actual activities taking place and that the desired objectives of the campaigns have been successfully achieved and benefit has been provided for the betterment of the society.

5.1.2 Proof is required to verify that such charitable donations do not have anything to do with any reciprocal benefits to any specific persons, organizations or groups.

5.2 Practices: Making Charitable Donations

5.2.1 The Company exercises careful considerations with regards to making donations resulting from requests or recommendations from government officials', business partners' or referrals. This is because making donations can be treated as an indirect bribery in order to obtain or maintain business commitments, the government's permission or any particular decisions that involve tax- or customs-related benefits or special advantages.

5.2.2 The Company has developed an execution plan, specifying objectives, the amount of donations, and the organizations to which the donation will be made. An authorized person must review the proposal before proposing to the executives for approval.

5.2.3 All donations must be approved by a senior executive, strictly following anti-corruption measures. Formal receipts are required for every transaction.

The donations must be directed towards the support and development of youngsters to provide them with proper educational opportunities and strengthen their competencies and intelligence, aiming to equip them with readiness to earn a living in their localities. All of these are executed for the benefits of the public interest without anticipating any returns.

6. Practices: Sponsorships

Sponsorships mean the money is paid out with the objective of promoting brands or reputation. Providing sponsorship is somehow risky since the results are difficult to measure and follow up upon. Sponsorships can be seen to have associations with corruption, so the Company has defined policies and criteria and control processes, for evaluating sponsorships as follows:

6.1 It must be provable that the parties asking for a sponsorship actually makes proper use of the money and that the activities have actually taken place as part of the campaign. The objectives of the donation have been successfully achieved, genuinely constituting benefits for society. Taking benefits for oneself or the group is not permitted.

6.2 It must be provable that such sponsorship or any other offerings that can be converted to money such as a provision of accommodation and food, do not have any reciprocal benefits to any specific persons or organizations, except a notice of appreciation as a general business practice.

6.3 The Company exercises careful considerations with regards to making donations resulting from requests or recommendations from government officials', business partners' or referrals. This is because making donations can be treated as an indirect bribery in order to obtain or maintain business commitments, the government's permission or any particular decisions that involve tax- or customs-related benefits or special advantages.

6.4 The Company has developed an execution plan, specifying objectives, the amount of the sponsorship and the organizations to which the donation will be made. An authorized person must review the proposal before proposing to the executives for approval.

6.5 All donations must be approved by a senior executive that strictly follows anti-corruption measures. All of the charities should be identified by the Revenue Department or the Ministry of Finance. Formal receipts are required for every transaction.

7. Political Contributions Policies

Political Contributions refer to financial support or donation of items and/or participation in activities; or the Company's support for Employees to attend political events in its name in order to acquire business advantages. This however does not include Employees' own participation on the basis of his/her personal rights and freedom, but they must not claim the status of being an employee of the Company or use any of Company's property or equipment for the purpose of political activities.

The Company has clear policies not to get involved in supporting political parties, officials, candidates for the election, organizations or persons involved in politics, either directly or indirectly, unless it is in compliance with the law or regulations.

7.1 The Company prohibits employees to use the Company's assets to provide support to any political party or groups, to trade for special privileges or unlawful benefits, either directly or indirectly.

7.2 According to constitutional law and other relevant laws; employees have every right and freedom, as a citizen, to participate in political activities, using one's own resources and time.

7.3 Directors, executives, and employees must not participate in any activities or express personal views that might provoke an understanding that the Company is one way or another involved or supports any of the political parties or groups, which could possibly lead to disharmony in the Company and the nation.

8. Corruption Report

It is advised that whenever anyone witnesses an event deemed a potential for corruption related to the Company, one must report to the immediate supervisor or a responsible person, and one must give cooperation in the investigation processes. Should there be any doubts or queries, employees are advised to consult with their supervisors or responsible parties with regards to the CHOW STEEL code of business conduct and compliance.

The Company has thoroughly communicated about anti-corruption measures and practices to all stakeholders via the following channels; new staff induction program, CHOW STEEL news, bulletin boards, annual reports and other appropriate channels.

The Company has disclosed the information to relevant parties and different groups of stakeholders via annual reports, annual data directory (56-1), website and other appropriate channels, in order to ensure that transparent anti-corruption protocols have been put in place. Regular reviews of the anti-corruption policies are executed to make sure they are in accordance with the criteria, laws and other relevant ways of practice.

9. Filing Complaints and Notification of Clues

The Company has designated channels for filing complaints and notification of clues with regards to the violation of laws, code of conduct, anti-corruption policies or behaviors deemed potential for misconduct or dishonesty of any individuals in the organization, inclusive of employees, directors and stakeholders.

9.1 Objective

The objective is to encourage executives and employees to comply with transparent and fair operating practices, in conjunction with the principles of good governance and the Company's code of conduct. It is anticipated that everyone reports any suspicious events or behaviors to the Company in order to achieve justice, appropriateness, transparency, fairness and comply with the securities laws and the Stock Exchange of Thailand's regulations. The person disclosing any true and honest information will be protected by an authorized body, which is the practice that has been adopted by the Company.

9.2 Scope of Filing Complaints and Notification of Clues

In case of doubts or witnessing suspicious behaviors in breach of good practice, violation of the corporate of good governance regulations, principles and anti-corruption policies, Company's rules and regulations and experience of unfair treatment at work

9.3 Channels for Filing Complaints and Notification of Clues (via 2 channels)

- Sent To: Chair man of audit committee of Chow Steel Public Company Limited

2525 unit 2/1006- 2/1008 floor 10 FYI Center

Tower Rama 4 Khlongtoei , Khlongtoei , Bangkok 10110

- Email: Audit_Com@chowsteel.com

- Telephone :02-0330910-14 EXT 241

9.4 Conditions and Considerations of Complaints and Clues

Details of the clues and complaints have to be truthful, clear and adequate for further investigation. Any information received will be treated as strictly confidential and the name of the person giving clues or filing complaints will not be disclosed to the general public without prior consent. The rights of the person giving clues or filing complaints will be protected, regardless whether the person is the Company's employee or outsider. The person receiving complaints and involved with the investigation process must keep all the related information confidential and disclose it only when necessary, with consideration of safety and security at all times.

9.5 Procedures

9.5.1 Once the complaints have been acknowledged, confidentiality level will be identified, based on true accounts of the event. The investigation process will then commence by the responsible person. The Human Resource Department should get a copy of the documented event, in order to prepare for counseling with regards to rules, regulations and disciplinary actions. The Chief Executive Officer and the Audit Committee should also get a copy of the documented event.

9.5.2 Gatherings of Facts. The person in charge of acknowledging complaints, investigating the facts and providing counseling service should be notified to ensure that involved parties have been given instructions on how to behave properly. Should there be any disciplinary actions required; the HR

department should be consulted, so that all the procedures comply with the Company's regulations. Facts and results of the investigation procedures and recommendation for punishment would be proposed to the CEO and the Audit Committee, via supervisors according to the hierarchical level in order to acknowledge the event and considerations for further actions.

9.5.3 In case the complaints are lodged anonymously and further information has not been sufficient, the responsible person in charge of handling complaints is to send the investigation report and suggestions to the CEO, via his/her supervisor according to the hierarchical level, in order to seek proper steps forward. If it turns out that the complaint cannot be satisfied, the case will be closed and the responsible person in charge of handling complaints will send a copy of the documented event to the coordinator in order to keep the CEO and the Audit Committee informed.

Once the investigation process is finished and the defendant is not found guilty, or the matter has arisen from a mere misunderstanding, or advice has already been given to the person filing complaints or any involved parties to correct their behaviors, and the considerations turn out that the case should be closed without any punishment, the person in charge of handling complaints will have to make a proposal to the upper level supervisor to approve a closure of the case. The coordinator should be given a copy of the documented event in order to inform the person filing complaints and also report to the CEO and the Audit Committee.

9.5.4 Investigation, in case that the person in charge of handling complaints and the HR department agree that disciplinary actions should be enforced, the HR department will propose the action steps to the CEO to acknowledge and give orders in accordance with the Company's regulations.

9.5.5 Notification of Results to Complaint Lodger, the person in charge of handling complaints will proceed according to the CEO's instructions and advice regarding appropriate practices. Shall inform the results of the case to the person lodging the complaint. And prepare a documented record of the results to be proposed to the Audit Committee for acknowledgement.

Untrue Filing of Complaints, if any clues, complaints or statements have been proven to be dishonest, disciplinary actions will be exercised for cases which involve Company employees, and legal proceedings will be taken upon the outsiders, should such dealings cause the Company any damage.

9.6 Protective Measures for Providers of Clues and Complaint Lodgers

The Company will keep all the information and identity of the person giving clues or lodging complaints strictly confidential.

9.6.1 The Company will disclose the information only when necessary, with careful considerations to safety of and potential harm on the person providing information. The person suffering damage will be treated through appropriate and fair procedures.

9.6.2 The Company aims to protect employees who deny or report about corruption related to the Company, without any policies to demote or cause adverse effects on such employees even when such corrupt acts may entail business losses. This policy has been clearly communicated via the public relations board, leaflets, website, annual report or any other appropriate channels, as well as embedding this rationale into the annual staff activities or staff training. It is expected that all divisions and departments in the Company strictly abide by this policy.

10. Communication

The Company regularly communicates anti-corruption information to all employees, executives, affiliated companies, shareholders, clients, business partners and all groups of stakeholders, via the management's monthly meeting, public relations board, leaflets, website, annual report, or any other appropriate means of communication. As well as embedding this rationale into the annual staff activities or staff training. It is expected that all divisions and departments in the Company strictly abide by this policy.

11. Disclosure of Information

The Company has clear policies with regards to information disclosure to employees, executives, shareholders, clients, business partners, stakeholders and relevant parties, through annual report, website or any other appropriate channels, to ensure that the Company and its affiliated companies have transparent and honest operating policies.

12. Record and Preservation of Information

The Company has policies with regards to handling information, with a determination of maintaining the standards of its operating systems, computers and communication systems, which form a significant foundation of building effective control systems. The right operating practices have been put in place to protect the Company's different business units, operating systems and computer systems to provide business continuity.

In order to achieve such goals, the following actions have been taken:

12.1 Identify the scope of responsibilities of all users and system administrators of all available operating and computer systems

12.2 Assess the level of risks and create risk control systems to keep up with the ever changing environmental settings.

12.3 Create information protection mechanisms for all the operating systems, computer systems and related personnel.

12.4 Create information protection mechanisms to prevent possible unauthorized access, modification, manipulation of information, no matter whether such acts have been intentional or unintentional.

13. Investigation Process and Internal Controls

The Company's Internal Audit division holds an annual internal audit activity, whereby the audit officers are granted autonomy in performing the task. Moreover, there is also a quarterly and annual financial and accounting audit performed by certified auditors, as regulated by the Securities and Exchange Commission.

The Audit Committee will be in charge of controlling and ensuring that the business scope of operations has been appropriate and complies with the policies, laws and regulations being enforced. The Audit Committee will be regularly monitoring whether employees have abided by the policies and relevant procedures as directed by the laws and regulations.

Following-up and Reviews

The Company arranges for an annual follow up and reviews of the policies and practices. All the relevant parties on the structure of responsibilities are deemed accountable for the follow up and review processes. Should there be any doubts or concerns whether any interventions or business transactions might violate such policies, laws or regulations, one must report such events to the Managing Director or the responsible person for notifications or filing of complaints.

14. Communication of Anti-Corruption Measures to Relevant Parties

14.1 General communication guidelines

14.1.1 Public announcement on the Company's website

14.1.2 Produce leaflets or announcements, for general distribution

14.1.3 Public announcements via different networks in the Company, such as emails, journals or publications

14.1.4 Produce media, materials or symbols that signify anti-corruption policies

14.1.5 Arrange activities or campaigns among employees, executives, affiliated companies, clients, business partners, stakeholders and the general public, with the key objective of supporting anti-corruption policies

14.2. Communication to Clients and Business Partners

14.2.1 Treat anti-corruption measures as one of the conditions of business contracts between the Company and partners or clients, in order to be clear earlier or before any activities commence. Here is an example of the messages in a contract, there should be a condition specifying that the employee or company representative must not ask for or receive any benefits from other party or its representative for the purpose of influencing the decision to enter into the business contract. Should any parties witness such wrongdoing, a documented notification must be promptly reported to the other partner of the contract. Both parties are eligible to terminate the business contract without any obligations or compensate for any loss or damage incurred.

14.2.2 Symbols or identification conveying the message that the Company does not tolerate corruption, pay marketing premiums to business partners for business opportunities or sales promotion.

14.2.3 Distribution of letters or notification to clients and business partners with regards to the policies that giving and receiving of gifts, premiums, or holding welcoming receptions will only be conducted in occasions of special events and must follow all company policies.

14.3 Communication to employees, executives, directors and affiliated companies

14.3.1 The Human Resource department is to publicize the Company's policies, anti-corruption manuals and other related documents through different internal communication channels and to those who are not included in the networking system or do not have their computer devices.

14.3.2 Post communication to all staff members about news and anti-corruption policies on the announcement board.

14.3.3 Arrange regular meetings between the executives and employees, at least 1 times annually. This is considered a prime occasion for the management to communicate and create the right understanding about anti-corruption policies. Questions or concerns are welcomed in order to mutually agree upon the appropriate ways of practice.

14.3.4 As part of the on-boarding or induction process, newcomers have to be clearly informed about the Company's anti-corruption policies.

14.3.5 Regular communication is required through different available channels such as public relations board, etc.

15. Practices: Human Resource Management

15.1 The Company places great emphasis on factors related to human resource management. Careful considerations will be taken on the selection process, training, performance management system, career moves or promotions, and provision of rewards or remuneration. Anti-corruption mindset is strictly enforced in the execution of all these human resource management activities.

15.2 The Company supports anti-corruption policies and measures. The content has been embedded as part of the new staff induction curriculum. With this, directors, executives, and employees will be informed of regulations to follow and disciplinary actions in case of violation.

15.3 The Company regularly communicates and arranges training sessions on the topic of anti-corruption policies and measures to generate a genuine understanding among staff members with regards to this critical matter.

16. Following-up and Evaluation Guidelines for Anti-Corruption Policy Compliance

The Company designates guidelines for the follow-up and evaluation of anti-corruption compliance to prevent possible involvement with corruption as follows:

16.1 The board of Directors, executives and employees are expected to regularly assess their own performance regarding the compliance with the Company's code of conduct and business ethics manuals, as well as good governance policies. Executives and employees are required to follow the anti-corruption initiatives and regulations and to prevent all possible involvement in corrupt acts.

16.2 The Internal Audit team is to continuously perform internal audit and control activities to manage risks and ensure lawful operations. An annual internal audit execution plan will be developed and signed off by the Audit Committee. Implications from the audit reports and subsequent recommendations will then be proposed to the Audit Committee.

16.3 The Risk Management and Internal Control divisions are to be consistently responsible for examining and assessing the risk level arising from dishonesty and corruption, in order to encourage an efficient execution of anti-corruption practices, as well as regular follow-ups, reviews and improvement of the measures. Evaluation results will be proposed to the Risk Management Committee and reported to the Company's board of directors respectively in due course.

17 .Monitoring and review

Human resources department will revise this policy and propose to the Board of Directors for approval. If there are immediately change the policy including monitoring to the practice , It will update the process as soon as possible.

18.Penalty

The penalty will be comply with the HR policy and regulation or related law .

19.Effected Date

This policy is effective date on February 27, 2019 onwards

Announced on February 27, 2019

Ms . Koo Man Wai



(Chief Executive officer)