

**Corporate Governance Policy**

**of**

**Siam Steel International Public Company Limited**

**Revised Edition No. 8 B.E. 2024**

**Approved by the Board of Directors' Meeting No. 3/2024**  
**on August 14, 2024, effective from August 14, 2024 onwards**



## Message from the Chairman of the Executive Directors

Siam Steel International Public Company Limited is committed to conducting business based on the principles of good corporate governance, morality, ethics and responsibility towards society, communities, and the environment which will be an important factor in creating sustainable added value for shareholders and all stakeholders.

The Board of Directors established the first written corporate governance policy in 2013 and review it annually to continuously improve it. In 2024, The Board of Directors reviewed and revised the corporate governance policy for the 8<sup>th</sup> time, which was approved for revision at the Board of Directors Meeting no. 3/2024 on August 14, 2024 to comply with the corporate governance principles of Thai Institute of Directors (Thai IOD).

This Corporate Governance Policy has been prepared as a guideline for practice and published on the Company's website for all directors, executives and employees to acknowledge, understand and strictly apply as a guideline for business operations. The Company believes that everyone will adhere to the good corporate governance policy.

(Wanchai Kunanantakul)

Executive Chairman

## Introduction

The Board of Directors of Siam Steel International Public Company Limited aims to ensure compliance with the principles of good corporate governance in accordance with the Good Corporate Governance Guidelines 2012 of the Stock Exchange of Thailand as the main guideline in order to be a reliable organization with transparency in its operations and to increase the competitiveness of the business. The Board of Directors agreed to compile corporate governance guidelines in a single document.

## CONTENTS

### PAGE

|   |    |
|---|----|
| CORPORATE GOVERNANCE POLICY                                 | 4  |
| 1. SHAREHOLDERS' RIGHTS AND EQUAL TREATMENT OF SHAREHOLDERS | 6  |
| 2. CONSIDERING THE ROLE OF STAKEHOLDERS                     | 8  |
| 3. DISCLOSURE AND TRANSPARENCY                              | 27 |
| 4. ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS     | 28 |

## CORPORATE GOVERNANCE POLICY OF THE COMPANY

The Board of Directors intends to promote the Company to be an organization with efficient business operations, good corporate governance and management, focusing on creating maximum benefits for shareholders and taking into account all stakeholders, having ethics in business operations, transparency and accountability. Therefore, the Board of Directors has set a policy on good corporate governance for the Board of Directors, executives and employees to adhere to as a guideline in their operations, as follows:

1. The Company's Board of Directors, executives and all employees are committed to implementing the Company's 6-key principles of corporate governance.
  - 1.1 Responsibility for one's own decisions and actions, and clarify and explain the decision. (Accountability)
  - 1.2 Responsibility for performing duties with sufficient capability and efficiency (Responsibility).
  - 1.3 การปฏิบัติต่อผู้มีส่วนได้เสียอย่างเท่าเทียมกัน มีความเป็นธรรม และมีคำอธิบาย  
Treat stakeholders equally, fairly and interpretably (Equitable Treatment)
  - 1.4 Verify the transparency of operations and disclose information transparently to relevant parties. (Transparency)
  - 1.5 Having a vision of create long-term added value for the organization. (Vision to Create Long Term Value)
  - 1.6 Applying ethics and code of conduct in business operations, having a management structure that has a fair relationship between the board of directors, executives and shareholders.
2. The board of directors shall perform its duties with dedication and responsibility, with independence, with a clear balance and division of authority.
3. The board of directors may appoint a subcommittee at its discretion to assist in carefully screening important tasks.
4. The board of directors has a role in considering and approving important matters regarding the Company's operations, including vision, strategies, policies, and important plans, and monitoring whether the management has implemented such strategic planning plans or not. The management must report such strategic planning plans to the board of directors' meeting and must take action to ensure that the accounting system financial reports and auditing are reliable.
5. The board of directors must conduct an annual self-evaluation to serve as a framework for monitoring the performance of the board of director's duties.
6. The Company takes into account the role of stakeholders according to their legal rights by ensuring that such rights are protected and treated well. It has established policies on environment and social care and developed stakeholder participation for continuous business growth.
7. The Company discloses information correctly, completely, timely and transparently through various channels to allow shareholders and stakeholders to access information equally by providing clear departments and responsible persons.

## DEFINITION

- |  |   |
|--|---|
| 1. The Company                                     | Refers to Siam Steel International Public Company Limited   |
| 2. Subsidiary Company                              | Refers to a company or legal entity in which the company holds more than 50% of the shares, whether directly or indirectly.                               |
| 3. Board of Directors, Sub-Committees and Advisors | Refers to Board of Directors, Sub-Committees and Advisors   |
| 4. Employee  | Refers to the Chairman of Executive Board, President, Vice President, Managers, Permanent Employees, Special Contract Employees, and Temporary Employees. |
| 5. Senior Executives                               | Refers to the Chairman of the Executive Board (or equivalent)   |
| 6. Stakeholders                                    | Refers to investors, employees, business partners, customers, creditors, the government sectors, and other organizations in society.                      |
| 7. Intellectual Property                           | This includes copyrights, patents, petty patents, trademarks, service marks, and trade secrets.   |

## Good Corporate Governance Principles

### **1. Shareholders' rights and equal treatment of shareholders**

The Company shall respect the rights of shareholders and treat shareholders equally in accordance with the following policies:

#### **1.1 Shareholders' rights**

The Company shall respect the fundamental rights of shareholders and strictly maintain such rights by providing shareholders with sufficient and appropriate information, as well as encouraging them to exercise their rights to attend and vote at shareholders meetings and not to take an action that violates or infringes on the rights of shareholders.

The Company will commit to develop based on the Company's actual potential or capabilities, so that shareholders can receive sustainable returns from the Company's efficient work and good performance.

#### **1.2 Organizing a shareholders' meeting**

In organizing each shareholders' meeting, the Company will comply with the shareholders' meeting guidelines of the Stock Exchange of Thailand (SET) as follows:

- Encourage the board of directors and sub-committees, executives and related departments, including auditors, to attend shareholders' meetings simultaneously.
- Deliver the meeting invitation letter with details of meeting agenda, including objectives and reasons, opinions, of the Company's Board of Directors, criteria and methods for attending the meeting to shareholders in advance, including presenting all relevant information on the Company's website before sending the documents to allow shareholders to have time to study the information for the meeting in advance before receiving in form of document, without raising any other matters that shareholders have not been aware of before.
- Allow shareholders who are unable to attend the meeting in person to exercise their voting rights by granting proxies and nominate independent directors of the Company as alternative options. If a shareholder is unable to attend the meeting, they may vote on their behalf.
- Provide shareholders with the opportunity to vote for directors, whereby shareholders have the right to select persons they deem appropriately qualified to serve as directors to look after the interests of shareholders, which will create diversity and truly represent shareholders.
- Facilitate the meeting and provide convenience to all participants on an equal basis, including giving participants equal opportunities to raise opinion and questions to the meeting based on the agenda. The Chairman of the meeting will give priority to all questions and provide a complete minute of meeting.
- Publish the meeting report via the Stock Exchange of Thailand and the Company's website within 14 days from the meeting date for shareholders to review.

### 1.3 The rights of minority shareholders at the annual general meeting of shareholders

In order to ensure that shareholders are treated equally, the Company will provide an opportunity for minority shareholders to propose an agenda at the annual general meeting and nominate qualified candidates as directors, with clear and transparent procedures as follows:

#### (A) Shareholders Qualifications

The Shareholders proposing the agenda and/or nominating the director must be a shareholder of the Company. On the date of proposing the agenda or director nomination is proposed, which may be a single shareholder or a group of shareholders combined, with a minimum shareholding of not less than 5 percent of the total voting rights of the Company.

#### (B) Procedure for proposing an agenda

Qualified Shareholders must submit a signed agenda proposal form as evidence and submit it to the Board of Directors along with related documents within the specified time as follows:

1. Evidence of shareholders a certificate from a securities company or other evidence from the Stock Exchange.
2. Additional supporting documents that will be useful for the committee's consideration (if any)

#### (C ) Subjects not to be included in the agenda.

Generally, subjects that will not be included in the agenda consist of:

- Subjects that are contrary to laws, announcements, regulations, rules and regulations of government agencies or regulatory agencies for the Company or do not comply with the objectives, regulations, resolutions of shareholders' meeting, or good corporate governance of the Company.
- Subjects that belong to the management power of the Board of Directors, unless they cause significant damage to all shareholders.
- Subjects that the Company has already taken action on.
- Subjects beyond the Company's authority.

#### (D) Director Nomination Procedure

Qualified Shareholders must fill out the director nomination form and submit the following documents to the Board of Directors within the specified time as follows:

1. Evidence of shareholding includes a certificate from a securities company or other evidence from the Stock Exchange.
2. Evidence of consent of the nominated person along with supporting document for consideration of qualifications, including the nominated person's education and employment history.
3. Additional supporting documents that will be useful for the Committee's consideration as requested or determined by the Committee.



**(E) Qualifications and Prohibited Characteristics of Directors.**

Persons nominated as directors of the Company must have the following qualifications:

- Having the correct qualifications and do not have prohibited characteristics according to the Public Limited Company Act, the Securities and stock Exchange Act, and /or other relevant laws, including the Company's food corporate governance.
- Having knowledge, ability, and independence, able to perform the duties of a director with care and honesty (Duty of Care and Duty of Loyalty), able to fully invest time, able to attend board meeting regularly, and having a good work and ethical record, and being recognized by society.
- Having knowledge and skills that are important to the Company's business.

**(F) Document Submission**

Shareholders who wish to propose the agenda and/or nominate directors must submit the agenda and/or nominated directors proposal form and related documents to the Company Secretary by post to the Following address:

Siam Steel International public company limited

51 Moo 2 Poochaosamingprai Road, Tambon Bangyaprak, Amphur Phrapradaeng, Samutprakarn Province 10130

**(G) Consideration Process**

The Company Secretary shall be responsible for reviewing the completeness of the shareholders' proposals and submitting them to the board for consideration, in which the Board's decision on the shareholders' proposals shall be final.

**1.4 Policy of Dividend Payment**

The Company has a policy of paying dividends to shareholders at the rate of not lower than 40 percent of net profit of separate financial statements after tax and legal reserves, and such dividend payment does not significantly affect the Company's usual operation. In considering payment of dividend, operation results, financial status, work-expansion plan, etc.

**2. Consideration on the role of stakeholders**

The Company has realized the rights of various stakeholders and endeavor to ensure the confidence to stakeholders which include shareholders, employees, executives, customers, business partners, suppliers, creditors and public as appropriate and two-way communication openly and fairly via various communication channels, as well as arranging the collaboration between various group of stakeholders in the role and functions for the stability of the Company and to fairly meet the interests of all parties. The guideline for the stakeholders have been shown in the Code of Conduct of the Company.

## **2.1 The Treatment of Shareholders**

- The Company will report conditions and tendencies of the Company's business in the future to the shareholders on an equal basis and in compliance with the Securities and Exchange Act B.E. 2535
- The shareholders' meeting will be held by the Company taking into account of the equity of all shareholders. The Company will refrain from any action considered as limitation of the Company's data and information access and limitation of meeting attendance of the shareholders.
- The Chairman in the meeting will allocate an appropriate time to encourage all shareholders to express their opinions equally.
- After the meeting has ended, the Company will prepare the correct and complete minutes of shareholders' meeting.
- The shareholders' data and information will be kept confidential as though so doing for its own data and information.

## **2.2 The Treatment of Customers**

- The Company is determined to ensure the customers are completely satisfied with the products by delivering products having qualities compatible with the customer's needs, and is determined to provide the customers with services wholeheartedly, at full capacity, equally and fairly;
- Disclose the complete, accurate and true information concerning its products;
- Strictly comply with the terms and conditions of the agreements. If any terms and conditions cannot be complied with, notification will be made to the customers in advance for mutual consideration and resolution;
- Provide a clear and effective communication channel that develops the customers' understanding including giving advice and support to the customers, listening to problems and promptly trying to search for causes and solutions for the customers.

## **2.3 The Treatment of Business Partners, Competitors and Creditors**

- The Company will not commit an act of defamation against the competitors by making allegations without substantial evidence.
- The Company will not search for confidential information of the competitors in dishonest ways.
- The Company will comply with good conduct in trade competition;
- The Company will support and promote the free trade, justified, no monopoly, The Company will do not specify any conditions for customers to have trading only with the company;
- The Company will support and coordinate with the competitors to provide the consumer's benefit, do not monopolize the revenue allocation and the market share, do not decrease the quality of products or services which may cause any disadvantage to consumers;
- The Company will provide relationship and treat to the creditors with honesty and mutual trust;
- The Company will provide the responsibility, concern and doing the best for any conditions that entered with the creditors;

## 2.4 The Treatment of Employees

The Company is well aware that all employees are valuable assets and are important factors in the overall accomplishments of the Company. Therefore, importance is given on personnel administration and development as well as creating good working atmosphere by:

- Complying with the applicable laws and rules related to employees;
- Providing a human resource administration system which gives equal opportunities to all employees without discrimination;
- To arrange for a constant assessment of the employees' performance and progress;
- To manage an arrangement for remuneration and welfare to be in the Company's monetary capacity level and to the comparative level of the same or similar business; to plan for growth in the working line, arrange for welfare to serve the employees' need to raise their good spirits and morale, such as, provident fund, employee uniforms, shuttle buses and supporting funds, etc.
- To arrange for human resource development and transfer knowledge through various channels in succession in order to improve the employees' knowledge, capability and skill as necessary so that they will be efficient to adjust themselves through any rapid changes.
- To arrange for proper welfare to reinforce the employees' spirits and morale such as Siam Steel Group Credit Union, emergency loan, welfare funds for member, and general loan, special rate of savings for non-member.
- To promote the work in respect of the environment, health and safety of the employees.

## 2.5 The Treatment of Government Sector

The Company is determined to maintain good relationship and cooperate with the government sectors within appropriate scope.

## 2.6 The Treatment of Community and Society

- As a member of the society and community, the Company realizes that it has the responsibility to provide cooperation and support of social development on sustainable basis whether in environment, safety, education and social stability by giving importance on community participation especially giving consideration of community impacts which may occur due to any Company's activity.
- Supporting and providing assistance which is appropriate to the community and society especially in the surrounding areas of the Company.
- Place emphasis on providing assistance in the development of the quality of life in a sustainable basis whether in occupation, sanitary and good local tradition as well as providing educational support for children and providing social service activities.
- Using natural resources, material, or equipment efficiently and effectively by taking into consideration of the impact on environment and the quality of people's lives.
- Encouraging the efficient energy consumption and conservation.
- Raising conscious mind in the employees on social responsibility towards society and environment.

## 2.7 Conflict of Interest

To prevent the conflict of interest between personal's interest and the Company's interest during business operation, employees have to avoid any action or situation which may cause the conflict of interest as under :-

1. Employees who are overseeing any transaction of the Company is required to abide by the rules of the Company at the same standard. They should not introduce or persuade enterprises that employees or family members of employees are the owners or shareholders to enter into such transactions.
2. Employees must not engage in any business which competes with the Company or same kind of business as the Company, and not being the director, partnership, management or getting benefit from competitor.
3. Employees must perform their duties in full time working with their best effort, without exploitation of working time to do any business which is unrelated to the interest of the Company.
4. Prohibiting employees to use information from their responsibility for their own benefit, as well as to avoid the involvement in any activities that may cause to the conflict of interest of the Company.
5. Do not spend any budget, personnel, equipment, or assets of the Company for personal interest which is incorrect as its objective.

## 2.8 Procurement

The Company is engrossed in arranging the justified procurement, lease and engagement without discrimination on race or discrimination against size of business of suppliers and is determined to encourage the use of goods or material made in Thailand by

1. Evaluating the suppliers or service providers from qualities, prices, quantities and management capacities;
2. Communicating with the Company's goods/service suppliers honestly and equally;
3. Complying with the manual of working procedures concerning recruitment, selection and evaluation of sub-contractors taking into consideration of the Company's overall benefit;
4. Giving opportunity for competition among the traders, as the case may be, by taking into consideration of fairness and strict confidentiality treatment as well as not using any information for their own benefits or for any other irrelevant persons;
5. Prohibiting the employees responsible for procurement, leasing or engagement to deal with the party with whom they are having personal involvement, such as, being the family members, relatives, owners or partners.
6. Providing transparent and accurate operation system development whose methods can be continuously adjusted and is compatible with change of the trading business technology.

## 2.9 Reinforcement of Anti-corruption

The Company anticipates the business operation and activities to be in line with fair competition and good governance in a strict and efficient way with the following guidelines.

1. Reinforcement of the creation of employees' mindfulness, value and attitude in performing work honestly, transparently, and punctually and to respect the laws, rules and regulations including reinforcing their consciousness in anti-corruption to be the organization culture as well as the management in good corporate governance principles.
2. Reinforcement of the activities arranged by the working units for anti-corruption purposes.
3. No omission or neglect upon learning of any act which is likely to be a corrupt act but to notify the superior or any responsible person of such act and give cooperation in any examination thereof.
4. Offer or receipt of any gifts, souvenirs or anything of value which is not unaccustomed or entertaining any person involving the business in a reasonable, proportionate, ethical or traditional way to maintain the good relationship is acceptable and shall be in accordance with the following.
  - 1) The employees and/or their family members shall not ask for gifts, souvenirs, assets or any benefits from business partners or any interested persons.
  - 2) The employees who are authorized by their superiors or the Company to assist or participate in any activity with other organizations may receive gifts or souvenirs in compliance with the rules or criteria prescribed by such organizations.
  - 3) If it is necessary to receive any gift, souvenir or any benefit which has unaccustomed value and whether it is for a private, personal or organizational relationship purpose, notification of such receipt shall be made to their immediate superior. If the immediate superior considers it is proper to be the Company's property, the said gift, souvenir or benefit shall be delivered to the Company.
  - 4) Offer or receipt of any gifts, souvenirs or benefits between the superior and the subordinate should be made in all sincerity and cultural norm.

### Anti-corruption Assessment Process

The anti-corruption risk assessment aims to encourage all departments to take proactive actions to identify, evaluate and review the organization's corruption risks, as well as to raise awareness of potential corruption risks that may affect the organization's objectives and operations, to ensure that corruptions risks are identified and managed in a timely manner. All department managers must cooperate to provide information about potential corruption risks in their department.

Fraud risk assessment consists of 4 steps as follows:

- Step 1:** Define the risk measurement criteria in terms of impact and opportunity, and determine the acceptable risk.
- Step 2:** Identify corruption risks, their causes and impacts, and analyze the severity and likelihood of the risks occurring, and the level of risks.

**Step 3:** Evaluate the existing control system and analyze the severity and risk probability after the implementation of the existing control measures.

**Step 4:** Establish measures to control and prevent the risk from occurring or to an acceptable level, along with those responsible for the risk.

#### Guidelines for governance and control of Corporate Risk Prevention and Monitoring.

The Company has developed governance and control guidelines for preventing and monitoring corruption risks, summarized as follows:

1. Establish a risk management audit and evaluation process, covering key functions such as Sales and Marketing, Procurement, Contract preparation and control, Accounting and Payment systems, to prevent and monitor corruption risks, including recommendation and solutions.

2. Provide channels to receive information, clues, or complaints about violations of the law or the company's business ethics, or take preventive measures or participants in corruption. In addition, measures should be taken to investigate and determine disciplinary action and/or relevant laws, In the event that the whistleblower or complainant can be contacted, the results of action will be notified in writing.

3. The relevant department head is responsible for monitoring the performance, improving correcting errors and reporting to the authorized persons accordingly.

#### Tracking

The Board of Directors has stipulated that all directors, executives, and employees must acknowledge, understand, and strictly comply with the policies and practices set out in the anti-corruption measures. Executives at all levels are responsible for monitoring, supervising, and taking responsibility for compliance. It is an important mission to ensure that employees under their command in all units are aware of, understand, and seriously comply with the anti-corruption measures. Anyone who commits an offense as specified will be subject to strict disciplinary punishment. If any action is found to be against the law, rules, regulations, and government regulations, the matter will be forwarded to government officials for further legal action.

The Board requires all relevant parties to monitor and review their own operations. If there is any suspicion that any activity or business transaction may violate any policy, rule or regulation, such information must be reported through the specified whistleblowing or complaint channels.

The Company has determined to regularly monitor and review measures and practices annually to ensure that such measures are in line with the Company's Good Corporate Governance Policy and Code of Conduct.

#### Communication and Training

Communication and training are essential for anti-fraud and corruption measures to enhance knowledge, understanding and awareness of the importance of compliance with policies and manuals related to anti-fraud and corruption, as well as anti-fraud and corruption measures to promote participation in the organization's corruption risk management, including the company's personnel as a part in helping prevent corruption in the organization, as well as communicating to business stakeholders to demonstrate commitment to combating anti-fraud and corruption.

The Company has the following channels to communicate its policies and measures to combat anti-fraud and corruption:

1. Through the company's bulletin board
2. Employee training, including orientation for new employees.
3. Prepare a manual to be included in the Organizational Ethics.
4. Published in Form 56-1 One Report and the Company's website.

#### **2.10 The use of Information Technology**

The Company aims to have employees to use information technology in every system to work efficiently with sufficient safety standard. Nevertheless, the introduction of information technology into operation, employees must take into account as under:-

1. The information technology used in the Company must support the activities of the Company, not for personal benefit.
2. Information owner department and MIS department have to find a way to protect the systems and important information from the unauthorized access or the information theft or the destroy of information.
3. Prohibit employees from using electronic data or information technology inappropriate and immoral which could cause the Company's information technology systems and data damaged.
4. Prohibit employees to take the intellectual property of the Company to reproduce, modify, or do any other action for personal or others' benefit.
5. The Company reserves the right to hold information technology system that has been developed within the Company as the assets of the Company.

#### **2.11 Keeping confidentiality of Information**

The Company considers that information which is important to the business operation has to be kept confidential. The information owner department and other related departments have to provide appropriate measures to keep such information in order not to cause damage to the business and reputation of the Company and also does not violate the privacy rights of employees. The guidelines are as follows:

1. The internal information related to the trading or transfer of securities issued by the Company must be kept confidentially and cannot disclose to any person or use for personal benefit before such information has been released to the public domain.
2. Information related to the Company's business operations, such as commercial contract, product design drawing, production formulation, etc. have to be kept confidentially. They are not allowed to disclose to any other persons unless such disclosure is required by the law or for the benefits of management of the Company, however it must be approved by the Company.
3. Employee's resume and record have to be kept confidentially and does not allow to disclose to the others unless such disclosure is required by the law or for the benefit of management of the Company. However, it has to be approved by Human Resources & General Affairs Department Manager only.
4. The Company considers that employees who have disclosed the important information and news of the Company to outside prior getting approval from the Company has to be treated under the disciplinary measures of the Company.

## 2.12 International Business

In the international business, the Company has respected the international rules and laws, as well as culture, tradition and history of business partner, and also respect the differences in nationality, religion, and do not have racial discrimination.

## 2.13 Notification or Complaint

- Any interested person in or outside of the organization may notify or make a complaint about the act which is contrary to the law and ethics, an inaccurate report of the finance or a fault of the internal control system to the Chairman of the Corporate Governance Committee who arranges for measurement of the protection of such notification or complaint and conclude the Committee's consideration for submission to the Board of Directors for a decision in this matter as they may deem appropriate.
- An employee who experiences an act of violation or an act of non-compliance with the organization ethics may submit a complaint to the Human Resources and General Affairs Department Manager, and give cooperation in investigation of the matter. With regard to an illegal act, an investigation result will be reported to the government administration unit for pursuing a civil or criminal lawsuit accordingly. In case of violation of the major issue of the Code of Conduct, the person in charge is required to report such issue to the audit Committee of the Company. In addition, the Company has set up a measure to protect the whistle-blower.

### Whistle-blowing Channels

The Company's Board set up the channels for whistle-blowing of illegal activities or wrongdoings of corruption or business ethics or any alleged corruption or misconduct of the Company's personnel, or harassment; which can be made by employees or any interested party. Such actions can be submitted through the following channels:

#### For Third Party / Interested Party:

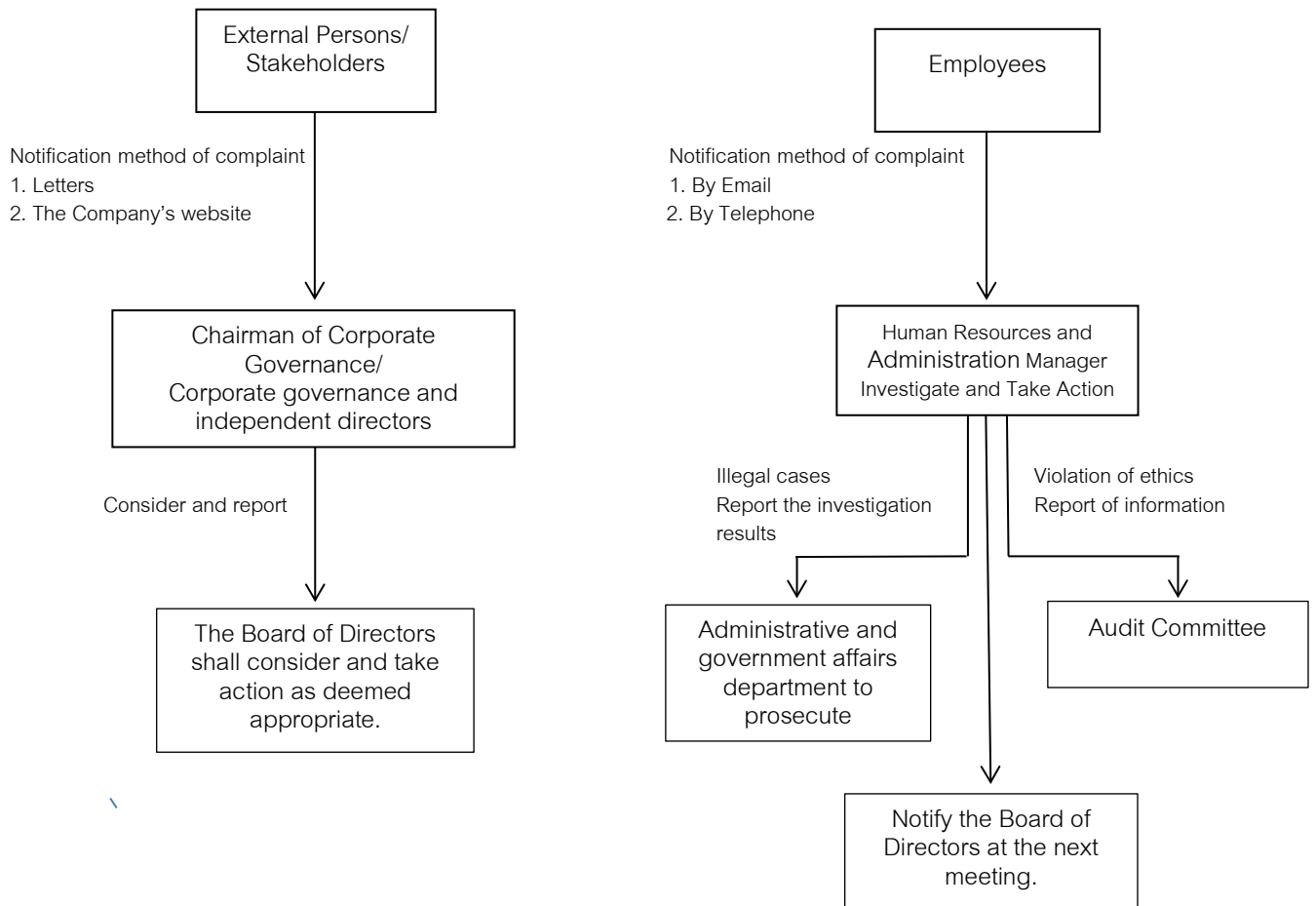
- |   |  |
|---|--|
| 1 <sup>st</sup> Channel: <u>Mail</u>    | Specify the front of the envelope to<br>The Chairman of the Corporate Governance Committee at:<br>Siam Steel International Plc.<br>51 Moo 2 Poochaosamingprai Road, Bangyaparak,<br>Phrapradaeng, Samutprakarn Province 10130. |
| 2 <sup>nd</sup> Channel: <u>Website</u> | <a href="http://www.siamsteel.com">www.siamsteel.com</a> and navigate to the whistle-blowing channel, your submission will be directed to the Independent Director and the Chairman of the Corporate Government Committee.     |

#### For Employee:

- |   |   |
|---|---|
| 1 <sup>st</sup> Channel: <u>Email</u>     | To <a href="mailto:nattamon@siamsteel.com">nattamon@siamsteel.com</a><br>(Human Resources & General Affairs Department Manager) |
| 2 <sup>nd</sup> Channel: <u>Telephone</u> | At number 02 384 3000 ext. 2390<br>(Human Resources & General Affairs Department Manager)                                       |



## Reporting or Complaint Procedure



■ **The measure of protection to the complainant or the whistle-blower.**

In order to make the complainant trust and confidence in the investigative process that is fair and to treat all stakeholders fairly and equally including to protect the whistle-blower or complainant, the Company has provided channels for whistle-blowing, complaints, comments or suggestions that stakeholders affected or might be affected, causing damage to all the stakeholders due to the business operations of the Company or from the misconduct of the Company's employees against the law, regulations or Code of Conduct including behavior that may indicate a fraud, unfair or negligence as follows :

1. Whistle-blower or complaint will get the right of protection equally, whether employees or third parties.
2. Whistle-blower or complaint can choose not to disclose the name, address or phone number unless the disclosure will enable the Company to report the progress or to ask for additional information or to explain the facts to the whistle-blower or complainant or to mitigate damages easily and more quickly.
3. The Company will disclose the information as needed by considering the safety of the whistle-blower or complainant or the source of information or persons involved.
4. Those who have suffered damage should be protected from being harassed during the investigation and after investigation. The damage will be mitigated with a proper and fair process.
5. Punishment will be in accordance with the rules & regulations of the Company or the related laws.  
In case the Company can contact the whistle-blowers or the complainants, it will inform the result of investigation in writing to them.

**2.14 Reinforcement of Non-infringement of intellectual property, copyright or patent**

The Company respects other persons' rights in intellectual property by not committing an infringement or supporting an act of infringing the intellectual property rights and copyright of other persons. The Company respects and complies with the law on intellectual property with the policy and guidelines for practicing as follows:

1. Encouraging and valuing the development and creation of intellectual property including the copyright or patent of works.
2. Reinforcing and participating in the activity of preventing and protecting an act of infringement of the intellectual property rights.
3. Prescribing an act of infringement of the intellectual property rights as a serious offence which is subject to penalty according to the work rules and regulations and relevant law.

## **2.15 To abide by the principles of human rights**

### **1. Respect the personal rights and freedoms**

The Company will protect personal rights and freedoms of the employees. The disclosure of personal information such as, biography, health record, work record or other information, to other person may cause damage to such employee, unless such disclosure is in good faith or required by the laws or for the benefit of the majority.

### **2. Treat equally**

The Company will treat any person by respecting the human dignity and equality. It does not discriminate because of differences in race, nationality, religion, gender or identity, age, education and physical or mental condition.

### **3. Political freedom**

The Company respects the rights and freedom in the political rights of employees, such as the rights to vote or join a political party. The Company will be politically neutral and will not violate or support any political party.

### **4. Threat and harassment**

The Company promotes a work-environment where having the mutual respect to each other; among entire staff, between supervisors and subordinates, between employees and visitors or customers, and also support good relationships among each other, without threat or harassment against each other either verbal or improper gestures.

### **5. Avoid situation that may get into the risk of human rights**

The Company will work with awareness and caution to avoid the situation that may get into the risk of human rights.

## Policy on Corporate Social Responsibility

As a leading manufacturer and distributor of furniture, prefabricated buildings, steel structures, and related products in Thailand, the company is committed to conducting business on the basis of social responsibility. The company has formulated a social responsibility policy to guide the company in carrying out the following activities:

1. Manage and proceed with activities which emphasize business development and progress based on the corporate governance principles, compliance of laws, regulations, business ethics and other appropriate and efficient standards.
2. Carry out activities by adhering to protect the lawful benefits of all groups of stakeholders properly and efficiently.
3. Support and encourage community development whether in economic, social and environmental fields on sustainable basis and within the Company's proficiency.
4. Encourage and cultivate knowledge, understanding and conscience in the importance of the corporate social responsibility in the employees as well as other persons participating in the Company's business operation.
5. Encourage activities in the field of corporate social responsibility by continuously developing as well as improving the activities and disseminating them to the public.

## Quality Policy

### **"Standard products, on-time service, focused on product development"**

Siam Steel International Public Company Limited is confident in producing quality products and is committed to strictly following the standards and laws related to the products. Quality goals are set and reviewed in a concrete manner, which aims to achieve the goals through continuous improvement and development. Therefore, the quality policy has been set as follows:

1. Communicate and make all levels of employees understand the quality policy, objectives and quality plans clearly to meet customer needs and expectations.
2. Manage and review agreements to ensure that resources are adequately allocated and meet all needs.
3. Implement an effective quality management system in accordance with ISO 9001:2008.
4. Promote, develop and train employees on issues affecting quality, including joint development with suppliers to create mutual benefits.
5. Set objectives and goals to be used as guidelines for the operation of various processes. Evaluate, correct, improve and review the system for continuous development.

All employees are part of driving the company to achieve results according to the company's policies and must be responsible for creating the highest level of customer satisfaction.

### Policy on Energy Conservation

1. Energy conservation is a part of duties of the Company's operation.
2. Comply with laws and other requirements relating to energy conservation and management.
3. Encourage energy conservation and effective natural resource allocation to bring about maximum benefits subject to energy management methods.
4. Encourage activities based on energy conservation to be carried out with regards to feature and amount of energy consumed to be in line with practical goals and measures of energy conservation in order to reduce the energy using, as well as continuously observe and develop efficiency in the energy using.
5. Encourage, create and educate all of the Company's employees including other persons participating in the Company's business operation to make them understand the Company's policy on energy conservation. This is to bring about consciousness and understanding so that the policy on energy conservation can be applied in all working processes.
6. Disseminate the policies and activities reducing the energy consumption to the public, and provide corporation with all both governmental and private sectors in the energy conservation.

### Policy on Occupational Safety, Health and Environment

As a leading manufacturer and distributor of furniture, prefabricated buildings, steel structures, and related products in Thailand, the company is committed to conducting business and producing products based on safety, occupational health, working environment, and environmental protection. The company and surrounding communities are in a good and sustainable state, including appropriate and effective management and use of resources. The company has developed safety, occupational health, and environmental policies as guidelines for the following operations:

1. Perform works according to the occupational safety, health and environment management systems based on ISO 14001, ISO 45001 standards and in compliance with the terms of laws, rules, regulations, conditions and other requirements relating to the Company's business operation.
2. Perform works based on the basis of systematic protection, avoidance and control of environmental effects which may occur as a result of Company's business operation whether in water, air, noise, garbage and waste including the improvement of safety standards and the removal dangers as a result of machines, tools, chemicals, electricity, dust, heat radiation, fire, working at high altitude, illness from work and other risky dangers.
3. Support energy conservation and consumption of natural resources to obtain maximum benefits and to conform to Energy Management Systems.
4. Encourage and cultivate knowledge and understanding, good conscience on the occupational safety, health and environment in the employees, contractors and other persons participating in the Company's business operation, moreover, to make them realize the importance of and strictly cooperate by performing work safely, in accordance with the occupational safety, health and environment as stipulated by the Company.
5. Support activities reducing risks and effects on occupational safety, health and environment to be carried on, developed and improved continuously and disseminating them to the public.

## Human Resource management policy

### Human Resources Recruitment

The company considers employees to be the most important factor that will enable the company to have stable progress. Therefore, it gives importance and fairness in recruiting personnel by considering individuals who have knowledge, ability, quality, morality, as well as character and personality that are consistent with the company's culture to join the specified positions.

### Performance Appraisal

Performance appraisal is a tool used to measure the success and work behavior of employees for the benefit of human resource management, including compensation management, personnel development, and strategic planning of human resource management in line with the Company's mission. Therefore, the Company intends to make performance appraisal fair. Performance appraisal will primarily consider the performance, work behavior, and capabilities of employees.

### Compensation Management

The Company determines that the compensation management is fair so that employees can work with the Company with happiness and receive compensation rates that are appropriate for their positions, responsibilities, and supervisory duties, as follows:

1. The Company has a policy of providing compensation to employees that is consistent with the Company's short-term and long-term performance and is at a level that the Company is able to pay compensation at, comparable to companies in the same or similar businesses. It adheres to providing fair and appropriate compensation to employees based on the qualifications, knowledge, abilities, experience, job position, and performance of each employee, and has a plan for career growth.
2. Employee compensation will be linked to the performance measurement of employees at all levels in the form of performance indicators or KPIs, with employee performance being evaluated regularly.
3. Evaluate employee performance regularly to plan development and improve work processes to be in line with the vision, strategy, indicators, goals, and both short-term and long-term operational plans for the company's sustainable growth and the compensation that employees will receive.

### Human Resources Development

To ensure that employees are ready to perform their current positions effectively and are ready to advance in their careers, the Company has a policy to support employees at all levels and everyone to have the opportunity to develop and increase their knowledge and abilities. The Company has set the following guidelines for Human Resource development:

1. Domestic training and seminars
2. Overseas training and Excursion
3. Development to enhance educational qualifications
4. Information and news services

### Welfare management.

The company will provide appropriate welfare to employees so that employees are comfortable in their work, have job security, have a certain guarantee in their lives, or receive other benefits apart from their regular salary or wages. This is to motivate employees to have good spirits and morale so that they can use their physical strength, morale, and intelligence to work to the fullest without having to worry about difficult problems, both personal and family, resulting in job satisfaction, love for work, and determination to work in that job for as long as possible.

### Employee Relationship Management

By recruiting outstanding and capable employees to work in the company, the company takes care of its employees by developing fair compensation and equal benefits. The company also recognizes the happy coexistence and minimal conflict between the company and employees at all levels. Therefore, the company has established several working committees, as follows:

1. The employee committee jointly resolves issues related to work, personnel, and welfare.
2. The Safety and Environment Committee works together to ensure the safety of employees, a good environment, and non toxicity.
3. The Savings Cooperative Committee helps employees promote savings by providing low interest loans to alleviate their suffering.
4. Friends Mutual Fund is a fund that collects aid money from members. The fund collects aid money when members' parents or relatives die and when members have a fire.
5. Wanchai - Orachorn Foundation provides scholarships for employees' children to help society.
6. Other activities such as sports competitions for unity, singing competitions, etc.

### Related Transactions Policy

The Board of Directors recognizes the importance of conducting business in a transparent manner and considers all stakeholders. Therefore, all related party transactions of the company At least approval from the company's management must be obtained, and if consent is given to engage in related party transactions, it will be considered as a requirement of the Thai Stock Exchange regarding information disclosure and the practices of listed companies in related party transactions. The company shall comply with the regulations of the Thai Stock Exchange, which shall be approved by the management and/or board meeting and/or shareholders' meeting, depending on the size of the transaction. Related parties shall not have the right to vote on the agenda.

In order to prevent conflicts of interest, the Board of Directors will carefully monitor any transactions that may have conflicts of interest and seek approval from shareholders in accordance with the requirements of the Stock Exchange of Thailand, including compliance with the criteria of the Stock Exchange of Thailand, with prices and conditions similar to those of transactions with external parties. This is to provide the Company with information to support its operations in accordance with the requirements on related party transactions, which are transactions that may cause conflicts of interest and may lead to the transfer of benefits of the Company and its subsidiaries. In order to monitor the interests of the Company's directors or related persons, it is required that directors must report the first change of information within 15 days from the date the Board of Directors approves them to become directors and report any changes of information within 30 days from the date of change of information that is different from the original report, and the following every year according to the calendar year, by submitting within 30 days from the end of December to the Chairman of the Board of Directors and the Chairman of the Audit Committee.

In addition, the Company has disclosed related party transactions with related companies in the financial statements and in Form 56-1 One Report.

### Succession Plan

The Board of Directors has set a succession plan for executive positions and core positions, primarily based on individual performance and potential. The Board also uses the Management by Objective performance evaluation method for employees, setting KPIs for employee performance that are consistent with the Company's key performance indicators, so that employees see the importance of the work goals that they have set.

In the succession plan for all positions, the Company has prepared for the development of knowledge, skills, and abilities necessary for each position, so that the organization can continue its business and find replacement employees for important positions in a short period of time.



## Sustainable Development Policy

Siam Steel International Public Company Limited, Subsidiaries and Associated Companies (“Group of companies”) realizes the importance of sustainable corporate development (Sustainable Development). In this regard, the Group has established a sustainable development policy based on ESG: Environment, Social and Governance. The Company focuses on developing the organization in various aspects to cover sustainability issues related to the Group's business operations, both current businesses and businesses that may arise according to both domestic and international strategies. It considers risks and opportunities for improving work at all levels of the organization, takes into account the role of the business's responsibility towards stakeholders throughout the value chain of all groups of the business, including the impact on society and the environment, and uses various issues to formulate business strategies in accordance with the principles of corporate governance to enable sustainable growth and balance in economics, society and the environment. The operational framework is as follows:

### 1. Corporate and economic governance

- The Company operates its business with fairness, ethics, transparency, and compliance with relevant laws, promotes free trade competition, opposes corruption, controls business operations in accordance with the principles of good corporate governance, and provides a structure and process for relationships between the Board of Directors, management, shareholders, and employees to create competitiveness, lead to growth, and increase value for the organization and shareholders in the long term, taking into account all stakeholders.
- Focus on delivering good products and services to maximize customer satisfaction, respond to the needs and expectations of all stakeholders by reviewing key issues in sustainability operations in line with changing situations, assessing the impacts and expectations of all stakeholders throughout the business chain, as well as the impacts of external factors on the organization.
- Produce products and services responsibly, design products and services that take into account the conservation of resource value, products are safe and environmentally friendly, production processes and raw materials help reduce greenhouse gas emissions, and environmental impacts are assessed throughout the product's life cycle.
- Support and promote the systematic development of innovation and technology to create differences in products and services, as well as support and cooperate with external agencies or organizations both domestically and internationally in research and innovation development to add value in terms of products, processes and personnel.

## **2. Social aspect**

- Conduct business responsibly and ethically to seriously reduce social impacts, taking into account human rights principles, respecting fundamental rights, non-discrimination, promoting equality, and being committed to and participating in developing the quality of life of all stakeholder groups.
- Treatment of employees gives importance to human rights and treats worker equally and fairly, without discrimination, from the recruitment and employment process, compensation, training and potential development, to personnel promotions. In addition, it supports and promotes safe operations, creates a culture of safety at work, develops a management system for occupational safety, eliminates safety and health risks to ensure that employees are free from accidents and occupational illnesses, and also develops employee engagement with the organization.
- Supplier management has developed guidelines for sustainable supply chain management, from recruiting and selecting business partners to considering procurement, tracking business partner operations based on their code of conduct, operating fairly with all business partners, and jointly promoting the development of partners' potential to enable sustainable growth together.
- Responsibility to customers focus on delivering good and complete products and services to maximize customer satisfaction, from the process of product and service design, procurement, transportation and delivery of goods. Emphasis is placed on managing customer complaints and building good and sustainable relationships with customers.
- Participation in community and social development focuses on developing and improving business processes to reduce negative impacts or increase positive impacts on communities and society, taking care of communities around the factory to create a way of living together happily, participating in discussions to exchange ideas, developing society and a good quality of life for people in society by organizing continuous community assistance and development projects aiming for communities to be able to sustainably rely on themselves.

## **3. Environmental aspect**

- Aware, responsible and considerate of the environmental impact resulting from the organization's business processes, including protection, maintenance and restoration of the environment both within the organization and the community by providing analysis and management of environmental risks, planning management to reduce impacts on the environment, using resources for maximum benefit, promoting employee participation in caring for the environment, natural resources and climate in order to maintain a sustainable ecological balance.
- Give importance to determining guidelines for managing waste, waste and pollution resulting from business processes that may systematically affect the environment, including water, air and noise, and organizing regular environmental quality inspections, as well as processes to stimulate awareness and find solutions to waste and pollution problems in order to create awareness and change consumer behavior.

- Promote energy management systems and energy conservation to ensure that energy risks are controlled, apply innovations to reduce energy use, increase the proportion of renewable energy and clean energy use, support greenhouse gas management approaches, processes to reduce direct and indirect greenhouse gas emissions, and carbon offset processes and carbon credit trading.
- Aim to promote and instill in employees and all stakeholders involved in the organization's business operations knowledge, understanding and a sense of responsibility for caring for and preserving the environment.

### **Risk Management Policy**

From the current operations of the Company that are constantly facing changes, whether from external factors such as changes in the economy, politics, and information technology, or internal factors such as the determination of the Company's operational strategy, organizational structure, data management, etc., the Board of Directors and executives of the Company are aware of the importance of the Company's risk management, which is an important element of the Company's advancement towards a good corporate governance system, as well as creating added value for stakeholders. They believe that the Company's risk management is a process that helps the Company achieve its objectives, while reducing obstacles or unexpected things that may occur, both in terms of profits, operations, and trust from investors and other stakeholders in the Company, preventing damage to the Company's resources, responding effectively to changes in the business environment, having a good management and control system, building trust and creating added value for investors, regulatory agencies, employees, and other stakeholders, as well as increasing the level of competitiveness in the region and the world, and supporting the Company's sustainable existence. The Board of Directors has therefore established the Company's risk management policy as follows:

- Risk management is the responsibility of employees at all levels, who must be aware of the risks that exist in their own units and company operations. The importance of risk management should be maintained at a sufficient and appropriate level.
- To have the Company's risk management process in accordance with good international standards in order to manage risks that may affect the Company's operations effectively, to develop and implement risk management practices throughout the Company in the same direction by using the risk management system as part of decision-making, strategic planning, plans and operations of the Company, including focusing on achieving the specified objectives, goals, visions, missions and strategies to create operational excellence and build confidence among stakeholders.
- Guidelines for prevention and mitigation of risks arising from the Company's operations have been established to avoid potential damage or loss, including regular monitoring and evaluation of risk management.
- Modern information technology systems are used in the Company's risk management process and personnel at all levels are supported to have access to risk management information sources comprehensively, as well as to organize a risk management reporting system for executives, the Risk Management Subcommittee, the Audit Subcommittee, and the Company's Board of Directors to be effective.

### 3. Disclosure and Transparency

#### 3.1 Disclosure and Transparency

The Company realizes that all aspects of the Company's information affect the decision-making of investors and stakeholders. Therefore, it has a policy to disclose both financial and non-financial information in a complete, sufficient, reliable and timely manner in accordance with the procedures and conditions of the law.

#### 3.2 Person responsible for providing information

The Company has a central agency that provides information to the public and investors, namely the Securities and Exchange Commission and Investor Relations Department.

#### 3.3 Disclosure of information

The Company will disclose information in strict accordance with the requirements of the Stock Exchange of Thailand, the SEC and related laws, including disclosing information to shareholders and/or the public equally. The Company will also update the information to be current at all times, subject to the conditions specified by law.

#### 3.4 Financial Reporting

To demonstrate responsibility in preparing financial reports that are accurate, complete, and transparent in order to preserve the Company's assets from loss or use by unauthorized persons, prevent fraud and irregular operations in accordance with generally accepted accounting standards in Thailand and comply with relevant laws and announcements. In order for stakeholders to have confidence in the financial reports, the Audit Committee will oversee the preparation of financial reports to ensure that appropriate accounting policies are used consistently and in accordance with relevant laws and announcements, including reviewing the accuracy and adequacy of financial reports.

#### 3.5 Investor Relations Department

The Company has established an Investor Relations Unit to communicate with institutional investors, shareholders, analysts and relevant government agencies equally and fairly. If shareholders need additional information, they can contact the Investor Relations Unit directly:

Securities and Exchange Commission and Investor Relations Division

Tel. (02) 348 2876 ext. 2381

or e-mail to: [comp.ircenter@furnituresystem.com](mailto:comp.ircenter@furnituresystem.com)

#### **4. Roles and responsibilities of the Board of Directors**

The Board of Directors, as the leader and the highest responsible person of the organization, plays an important role in determining the policies and directions of the Company's operations, as well as overseeing the management of the executives. This is to ensure that the business has good and sustainable performance in the long term, and is reliable for shareholders and stakeholders, and is in accordance with the principles of good corporate governance. The Board of Directors is independent from the management, performs its duties with responsibility, caution, honesty, and integrity, and in accordance with the law, objectives, regulations, resolutions of the Board of Directors, and resolutions of the shareholders' meeting.

##### **4.1 Board Structure**

###### **(a) Structure and balance of power**

- The Board of Directors shall consist of not less than 5 directors as specified in the Company's regulations, which shall be reviewed periodically to determine the appropriate number of directors.
- The Board is responsible to shareholders, with each Director representing all shareholders and participating in the governance of the Company's affairs with independence and impartiality for the benefit of all shareholders and other stakeholders.
- The Board believes that there should be an appropriate number of independent directors for corporate governance, namely more than one-third of the total number of directors.

###### **(b) Qualifications of the directors**

- Be a person who has the qualifications as specified by law.
- Have knowledge, skills and experience that will be beneficial to the business and have an understanding and interest in the company's business.
- Have honesty and ethics.
- Be responsible and accept the results of performing duties to the fullest extent both ethically and legally towards the company and stakeholders.
- Devote time and attention to the company fully and always ready to participate in the company's meetings.

###### **(c ) Determination of age of directors**

There is no age limit for directors so that the Company does not lose the opportunity to appoint directors who have the ability and experience related to the Company, which is an important factor for the success of corporate governance.

**(d) Independent Director**

The Company's independent directors must have the qualifications as prescribed by law and must not have any other characteristics that prevent them from expressing independent opinions on the Company's operations.

**(e) Selection of directors**

The Company places importance on the selection and appointment of qualified directors to oversee the Company's business for the maximum benefit of the Company and its shareholders by considering their appropriate qualifications and experience that will be beneficial to the Company's governance, with the following criteria for consideration:

- Legal requirements, announcements from the Stock Exchange of Thailand and the SEC, and company regulations regarding the qualifications of company directors.
- The qualities of a director as defined in the Company's Code of Conduct include honesty, morality, initiative and achievement, excellence, responsibility, fairness, independence, and equal opportunity for shareholders.
- Educational and work history that is beneficial to corporate governance.
- Commitment to taking care of shareholders' interests equally.
- Devoting time and skills to enhance the development of the Company's business.
- Consider candidates taking into account the diversity of the qualifications of the directors to be recruited, including educational qualifications, skills, professions, experience, expertise in various areas that are beneficial to the Company's business and consistent with the Company's business strategy, with knowledge of the business to be held, without discrimination based on gender, age and race. The Company's Board of Directors will consist of men and women.

**(f) The process for selecting and appointing new directors.**

The Company has clearly and transparently defined the selection process for directors. The Nomination and Remuneration Committee is responsible for selecting and screening qualified candidates to replace directors who retire by rotation or in other cases, and then proposing them to the Company's Board of Directors. In addition to having qualifications in accordance with the Company's regulations and relevant laws, as well as having appropriate personal qualifications, the nominated candidates must also have skills, knowledge, abilities, and experience in various businesses, such as accounting, finance, management, strategy, law, and investment, as well as individuals with specialized knowledge and abilities that are in line with the Company's business, and have leadership skills, vision, and strategic thinking that can lead the Company to stable and sustainable growth, as well as being able to devote time for the greatest benefit of the Company.

The Company has the following selection process for directors:

1) Consider the appropriateness of the number, composition and diversity of the structure of the Company's Board of Directors compared to the nature and size of the Company's business, including the qualifications of the directors to be recruited, by considering the qualifications or skills that are necessary and still lacking in the Board of Directors, in line with the Company's business strategy.

2) Consideration of selection from both internal executives and external individuals who possess qualifications that meet the requirements, including a list of individuals from the database of professional directors in the registry of the Thai Institute of Directors Association, including advance nominations of qualified individuals from shareholders at the annual general shareholders' meeting, which the Company has informed shareholders of through the information channels of the Stock Exchange of Thailand and the Company's website.

3) The Nomination and Remuneration Committee shall approach, interview and discuss with persons who possess qualifications that meet the specified criteria to ensure that such persons are willing to assume the position of director of the Company if appointed by the Board of Directors or the shareholders' meeting (as the case may be).

4) The Nomination and Remuneration Committee shall propose persons who meet the selection criteria to the Board of Directors for consideration of appointment or approval before submitting them to shareholders for consideration on an individual basis.

5) Proceed with the appointment of directors in accordance with the Company's regulations and the Public Company Act.

According to the Company's regulations, there must be no less than 5 directors.

In the event that a director position becomes vacant due to retirement from office by rotation or appointment of additional directors, only the shareholders' meeting shall elect the directors using the following criteria and methods:

(1) Each shareholder has one vote per one share.

(2) Each shareholder may exercise all of his votes under (1) to elect one or more persons as directors, but may not divide his votes to any person in any number.

(3) Persons who receive the highest number of votes in descending order will be elected as directors in the number of directors to be elected at that time. In the event that persons elected in descending order receive an equal number of votes, which exceeds the number of directors to be elected at that time, the chairman shall have a casting vote.

The term of office of directors is not specified, but at every annual general meeting, one-third of the directors must retire from office. If the number of directors cannot be divided exactly into three parts, the number closest to one-third must retire. Directors who must retire from office in the first and second years after the company's registration must draw lots to determine who will retire. In subsequent years, the director who has been in office the longest must retire. The directors who have already retired may be re-elected by the shareholders' meeting to be directors.

In addition to term expiration, a director shall cease to hold office when:

(1) dead

(2) Resignation by the director submitting a resignation letter to the Company and the resignation shall be effective immediately from the date the resignation letter reaches the Company and the director who resigns may also notify the Registrar of his resignation.

(3) Lacking qualifications or having prohibited characteristics according to the Company's regulations.

(4) The shareholders' meeting votes to dismiss the director. The shareholders' meeting may vote to dismiss any director from office before the expiration of his term by a vote of not less than three-quarters of the number of shareholders attending the meeting and having the right to vote, and with shares totaling not less than half of the number held by the shareholders attending the meeting and having the right to vote.

(5) The court has ordered the dismissal.

In the event that a director's position becomes vacant, other than when the position is resigned according to the term, the board of directors shall select a qualified person who is not disqualified to be a director in the next board meeting, unless the remaining term of the director is less than 2 months.

The resolution of the Board of Directors must consist of votes of not less than three-quarters of the number of remaining directors, and a person who becomes a director shall serve only for the remaining term of the director whom he or she replaces.

In the event that a director's position becomes vacant to the extent that less than the number required to form a quorum is left, the remaining directors may act on behalf of the Board only by calling a shareholders' meeting to elect directors to fill all the vacant positions. Such meeting must be held within 1 month from the date on which the number of directors becomes less than the number required to form a quorum. The person who becomes a replacement director may remain in the position for only the remaining term of the director whom he replaces.

**(g) Director's remuneration**

The Company determines the remuneration of the directors at an appropriate rate and comparable to companies in the same industry and will present it to the Board of Directors' meeting for consideration before presenting it to the shareholders' meeting for approval every year.



## **4.2 Roles, duties and responsibilities of the committee**

### **4.2.1 Authority Responsibility of Board of Directors**

1. Directors are authorized to manage the Company in compliance with objectives, regulations and resolutions of shareholders' meeting.
2. The Board of Directors may authorize one or more directors or any party on their behalf.
3. The Board of Directors has to organize one meeting within three months at the Company's headquarter or at any branch offices or adjacent provinces.
4. The Board of Directors has to organize the ordinary meeting of shareholders within four months after the end of fiscal year, and call on the extraordinary shareholders' meeting any time upon proper grounds.

### **4.2.2 Authorities and Responsibilities of the Chairman of the Board of Directors**

1. Supervise and monitor the performance of the Board of Directors to ensure efficiency and achieve the organization's main objectives and goals.
2. Encourage and support the Board of Directors to play their roles and independently express their opinions, taking into account the benefits of the Company as the main consideration.
3. Supervise and encourage the Board of Directors to participate in creating an ethical business and management culture based on good corporate governance principles.
4. Convene the Board meeting, preside over the Board meeting, set the agenda of the meeting through discussions with the Chief Executive Officer and have measures to ensure that important matters are included in the agenda.
5. Allocate sufficient time for management to propose topics, and enough for directors to thoroughly discuss important issues in general.
6. Strengthen the good relationship between the Board of Directors, the management and the company secretary, encourage mutual cooperation, and enable all parties to collaborate smoothly and efficiently.
7. Represent the Board of Directors in communicating important information of the organization, including creating good interactions with shareholders and stakeholders of the organization.

### **4.2.3 Authorities and Responsibilities of the subcommittees**

There are 4 subcommittees appointed by the Board of Directors as follows:

- (1) Audit Committee
- (2) Nomination and Remuneration Committee
- (3) Corporate Governance and Sustainable Development Committee
- (4) Risk Management Committee

### **(1) Authority of Audit Committee**

The Audit Committee has the following duties as assigned by the Company's Board of Directors as follows:

1. Review the Company's financial statement to be accurate and sufficient.
2. Arrange the Company to sustain appropriate and efficient internal control and internal audit and consider independency of the internal audit section; and approve appointment, rotation and employment termination of a chief of internal audit section or other section being in charge of internal audit.
3. Audit that the Company comply with the laws governing securities and stock exchange, stock exchange requirements, and other laws applicable to the Company's business.
4. Consider, select, nominate, re-appoint and employment termination the person of independent nature to assume the duties as the Company's auditor and propose their remuneration; and attend a meeting with the auditor in absence of the management at least once a year.
5. Consider the related items or the items that may induce conflict of interests to be in compliance with laws and requirements of stock exchange to ensure that such items are reasonable and most beneficial to the Company.
6. Prepare a report of the Audit Committee to be disclosed in the Company's Form 56-1 One Report, such report must be signed by the chairman of the Audit Committee and be at least incorporated with the following details:
  - (A) Opinions on accuracy, completeness and accountability of the Company's financial statement;
  - (B) Opinions on adequacy of the Company's internal audit system;
  - (C) Opinions on compliance with laws governing securities and stock exchange, stock exchange requirements or laws applicable to the Company's business;
  - (D) Opinions on suitability of auditor;
  - (E) Opinions on the items which may induce conflict of interest;
  - (F) Number of board's meetings and attendance of each Audit Committee;
  - (G) Overall opinions or comments given to the Audit Committee on compliance with charter;
  - (H) Other items which are considered to be known to the general shareholders and investors under the scope of duties and responsibilities assigned by the Company's board.
7. Other performance assigned by the Company's board with Audit Committee's approval.

## **(2) Authority of the Nomination and Remuneration Committee**

Consider and provide advice to the Company's Board of Directors on the following matters:

1. Setting the policies, criteria and procedures for recruiting, selecting and proposing the persons to assume the position of Directors, Subcommittees and Executives (equivalent to chairman of the executive committee) by taking the number of Committees as well as their qualifications into consideration for proposing to the Board of Directors' Meeting and/or the Shareholders' Meeting for approval in case of vacancy due to out of term or any other cases.
2. Being responsible to arrange for the Board of Directors and other Committee to have their structure, size and composition appropriate to organization including adjust the same in conformity with the change of circumstances. The Board of Director must consist of persons having knowledge, ability and various experiences.
3. Setting the policies, criteria, procedures for remuneration payout for the Board of Directors, Subcommittees in each position and Executives (equivalent to chairman of the executive committee) in various forms such as meeting allowance, commission, bonus, welfare and other returns both in cash and in any kind including an Employee Stock Option Plan (ESOP Scheme) by taking into consideration the duties, responsibilities and works, comparison with other companies in similar business and the expected advantage of the Directors for proposing to the Board of Directors' Meeting and/or the Shareholders' Meeting for approval as the case may be.
4. Determining and fixing the frame of yearly bonus payment, rate of salary increment and other benefits proposed by Executives.
5. Prescribing the performance evaluation rules of the Board of Directors and Subcommittees in order to apply in evaluating the holistic performance of the directors.
6. Being responsible for explaining and answering any questions regarding details of nomination of directors and the directors' remuneration in the Shareholders' Meeting.
7. Reporting policies and principles/reasons of nomination procedures and in determining the remuneration of the Board of Directors, Subcommittees' members and executives according to the SET guidelines by disclosing them in the Company's annual information disclosure Form 56-1 One Report, annual report and signed by the Chairman of the Nomination and Remuneration committee.
8. Organizing to have the Internal Nomination and Remuneration Charter reconsidered every year for proposing in the Board of Directors' Meeting for approval.
9. Performing any other duties as assigned by the Board of Directors.

**(3) Authority of the Corporate Governance and Sustainable Development Committee**

Consider and provide advice to the Company's Board of Directors on the following matters:

1. Develop and present sustainable development policies, goals, strategies and directions for sustainable development.
2. Proposing to the Board of Directors for approval of the policies, criteria, guidelines for work performance as to the Good Corporate Governance and Code of Ethics and their updates for the suitability of the Company's operation and in conformity with the international standard or practices and/or advice of the Stock Exchange of Thailand and the Securities and Exchange Commission as well as the relevant government sectors.
3. Determine the important points of sustainability issues by considering the impact of external and internal factors, both risks and opportunities, and determine the guidelines for using the important points of sustainability issues in the preparation of the Group's strategies and business plans.
4. Monitoring performances of the Company to ensure that they are in conformity with their policies.
5. Considering to appoint working groups and to prescribe their responsibilities for supporting the operation of corporate governance and Sustainable Development and business conduct as deemed appropriate.
6. Provide support for operations in terms of budget and sustainable development guidelines through participation in meetings to provide guidelines for operations and follow up on work through sub-working groups periodically according to the specified time frame.
7. Proposing the provisions of Code of Business Conduct and Code of Best Practices to the Company's directors, executives and employees, with comments to the guidelines and suggestions for improvement as proper.
8. Promoting the culture dissemination of Good Corporate Governance to all level of employees for their comprehension and effective practices.
9. Having authority to invite and/or hire the third party possessing knowledge and skill to be a consultant and join the meeting with the Company's cost.
10. Supervise the disclosure of sustainable development information and Reporting the performance of the Corporate Governance and Sustainable Development Committee by disclosing it in the Company's annual information disclosure Form 56-1 One Report and signed by the Chairman of the Corporate Governance and Sustainable Development Committee.
11. Organizing to have the Internal Corporate Governance and Sustainable Development Committee Charter reconsidered every year for proposing in the Board of Directors' Meeting for approval.
12. Performing any other duties as assigned by the Board of Directors.

#### **(4) Authority of the Risk Management Committee**

Consider and provide advice to the Company's Board of Directors on the following matters:

1. Prescribing the Company's overall risk management policy and framework covering significant risk factors, e.g. Strategic Risk, Operational Risk, Financial and Accounting Risk, Compliance Risk, Information System Risk, etc.
2. Determining strategies in consistency with risk management policy, which can measure, monitor and maintain acceptable risk levels of the Company.
3. Advocating and carrying forward for the cooperation in operation of the Company's overall risk management, and reviewing the adequacy of the risk management policy and system, which includes the system's effectiveness as well as the implementation of the prescribed policy.
4. Organizing to systematically and continuously evaluate and analyze damage that may incur both in normal and crisis circumstances, to ensure that the risk survey covers the whole business operation processes.
5. Supporting and developing the risk management throughout the organization in conformity with the international standard.
6. Regularly reporting the Board of Directors regarding areas to be improved in accordance with the prescribed policy and strategies.
7. Having authority to hire the outsourced consultant for advisory, with the Company's cost, after obtaining the Board of Directors' consent.
8. Reporting the performance of the Risk Management Committee by disclosing it in the Company's annual information disclosure Form 56-1 One Report and signed by the Chairman of the Risk Management Committee.
9. Organizing to have the Internal Risk Management Committee Charter reconsidered every year for proposing in the Board of Directors' Meeting for approval.
10. Performing any other duties as assigned by the Board of Directors.

#### **4.3 Report on interests and conflicts of interest**

1. Directors and executives must report their securities holdings to the Securities and Exchange Commission of Thailand every time there is a purchase, transfer or receipt of securities issued by the Company within 3 business days from the date of purchase, transfer or receipt of transfer and send a copy of the report, 1 set, to the Company Secretary to keep as evidence.
2. Directors or senior executives who wish to buy or sell securities of the Company and/or subsidiaries in the Siam Steel International Public Company Limited group, which is a company listed on the Stock Exchange of Thailand, must notify the Company Secretary at least 1 day in advance before making a purchase or sale in order to report to the Board of Directors and report to the Audit Committee meeting every quarter.

3. Determine the criteria for reporting the interests of directors and executives as follows:

- The first report must be made within 15 days from the date on which the Board of Directors has resolved to approve the appointment as a director or executive of the Company.
- Report changes to information within 30 days from the date the information changes from the original report.
- Next time, every 1 year according to the calendar year, by sending within 30 days from the end of December.

**4.4 Establish a written corporate governance policy and code of conduct and review such policy and code of conduct annually.** To ensure that all directors, executives and employees strictly comply with the said policies and code of conduct, create an organizational culture that emphasizes compliance with good principles and to continuously develop the Company's corporate governance to meet internationally accepted standards by assigning the Corporate Governance/Corporate Governance and Sustainable Development Committee to review and propose to the Company's Board of Directors for further consideration.

**4.5 Provide an internal control system.** To ensure that operations comply with laws and related regulations and to monitor the effectiveness of the internal control system to meet accepted standards, such as The Committee of Sponsoring Organization (COSO), which can help to promptly indicate any actions that violate laws and related regulations that have occurred or may occur, while maintaining agility in operations by assigning the Audit Subcommittee to evaluate the effectiveness and efficiency of the internal control system and report the results to the Board of Directors for evaluation.

**4.6 Establish risk policy and risk management framework.** Regularly monitor the effectiveness of risk management by assigning the Risk Management Committee to perform duties and report the results to the Board of Directors for evaluation.

**4.7 Ensure that the process of preparing and disclosing financial information** is accurate, complete, reliable, and reflects the Company's true financial performance and position in accordance with generally accepted accounting principles.

**4.8 Committee Meeting**

1. Schedule the Board of Directors' meetings in advance throughout the year so that the directors can allocate time to attend every meeting.
2. The Chairman of the Board of Directors may call for additional special meetings as necessary.
3. The Chairman of the Board of Directors and the Secretary jointly determine the agenda to be presented at the Board meeting.

4. The Company Secretary is responsible for sending the meeting invitation letter, which clearly states the meeting agenda, along with sufficient supporting documents, to the directors to study the information at least 7 days in advance of the meeting, except in the case of urgent matters, in which case the documents may be sent later.
5. The Board of Directors may propose to the Board of Directors' meeting to consider adding additional agenda items through the Company Secretary.
6. Directors may request additional information necessary for decision-making from the management through the Company Secretary.
7. The Company Secretary is responsible for preparing the minutes of the Board of Directors' meetings in a complete and important manner, to be submitted to the next Board of Directors' meeting for approval. He is also responsible for keeping the minutes and supporting documents systematically and retrieving them.
8. In conducting the meeting, the Chairman of the Board of Directors shall allocate time for the management to present the matters and for the directors to discuss and express their opinions fully, so that the directors can exercise their discretion carefully.
9. The Board encourages relevant executives to attend the meeting to provide additional information as they are directly involved in the problem.
10. Non-executive directors have the opportunity to meet among themselves without executives as necessary to discuss issues of management interest.
11. In the meeting of the Board of Directors and voting on each agenda item in the meeting, at least 2/3 of the total number of directors must attend the meeting to constitute a quorum.

#### **4.9 Performance evaluation of senior executives and the board**

1. The Board of Directors arranges for an annual performance evaluation of the Chairman of the Board of Directors and determines compensation in line with the performance, with the Board of Directors evaluating the performance. However, the Chairman of the Board of Directors' position in a listed company, including subsidiaries that are not listed companies, shall not exceed 5 companies.
2. The Board of Directors and subcommittees evaluate the performance of the entire board and/or evaluate themselves individually as appropriate every year to support the principles of good corporate governance and to review the performance, problems and obstacles of the past year to make the work of the board and management more effective and to report the evaluation results to the board as a combined average of the entire board.
3. The Board of Directors determines the criteria to be used in the evaluation and reviews them each year to improve them to be consistent with the corporate governance policy.

#### 4.10 Development of directors and executives

1. New directors will receive an introduction to the Company's operations from the Chairman of the Board of Directors and will be assigned to the Company Secretary to deliver documents summarizing the nature of the business, organizational structure, operations, rules, regulations, important policies, including information on the code of conduct for directors in accordance with the requirements of the Stock Exchange of Thailand and the SEC.
2. Promote all directors to receive training on the roles and duties of being a director and corporate governance from external agencies, with the Company responsible for all expenses.
3. Arrange for directors and executives to continuously observe and train in the Company's business to ensure that they always have a progressive vision.