

Independent Director Definition of Siam Steel Service Center Public Company Limited

Siam Steel Service Center Public Company Limited (the "Company") has defined the definition of Independent Director which is equal to those defined by Securities and Exchange Commission and the Stock Exchange of Thailand in accordance with the Notification of the Capital Market Supervisory Board No.Tor Jor.4/2552 Re: Application for and Approval of Offering for sale of Newly Issued Shares, (No.2) dated 20 February B.E.2552. Therefore, **"Independent Director"** of the Company means the director who possesses the following qualifications:

- (a) not hold shares in excess of one percent of the total number of voting shares of the Company or the Company's parent company, subsidiary, associated company, major shareholder, or any person having controlling power over the Company, whilst the number of shares held by any related person of such an independent director must also be counted;
- (b) not be and have not been a director participating in management role of the Company, or an employee or an officer of the Company, or an advisor of the Company which receives regular salary from the Company, and not be and have not been a person having controlling power over the Company or the Company's parent company, subsidiary, or associated company, or a subsidiary of another company in the same level of the Company, unless such an independent director has not been a person referred to above for at least two years prior to the date on which the application for being an independent director is filed with the SEC, provided always that such restriction or prohibition shall not apply to an independent director who has been a governmental officer or an advisor of a government authority, which is the major shareholder of the Company or the person having controlling power over the Company;
- (c) not be a person having relationship either through blood or lineage or legal registration as a father, mother, spouse, sibling or child, including as a spouse of a child of any management person or major shareholder of the Company or the Company's subsidiary, or of any person having power to control the Company or the Company's subsidiary, or of the person being nominated to be a management person of or a person having power to control the Company or the Company's subsidiary;
- (d) not have and have not had any business relationship with the Company or the Company's parent company, subsidiary, associated company, or major shareholder, or with the person having power to control the Company that may have conflict of interest, in the manner in which his/her independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the Company, or the Company's parent company, subsidiary, associated company, or major shareholder, or the person having power to control the Company unless such an independent director has not been a person referred to above for at least two years prior to the date on which the application for being an independent director is filed with the SEC,

Business relationship referred to in the first paragraph above shall mean to include any ordinary course of business or trade for business engagement purpose, any lease taking or lease out of any property, any transaction relating to asset or service, any financial support or acceptance of financial support by way of either borrowing,

lending, guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant or twenty million baht or more, whichever is lesser. In light of this, the method for calculation of the value of connected transaction pursuant to the Capital Market Supervising Committee's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied *mutatis mutandis* for the purpose of calculation of such amount of debt of the applicant, provided that the amount of debt incurred during the past one year prior to the date on which such a business relationship with such person exists;

- (e) not be and have not been an auditor of the Company or the Company's parent company, subsidiary, associated company, or major shareholder, or of any of the person having power to control the Company, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any auditing firm or office in which the auditor of the Company, or the Company's parent company, subsidiary, or major shareholder, or the person having power to control the Company is working, unless such an independent director has not been a person referred to above for at least two years prior to the date on which the application for being an independent director is filed with the SEC;
- (f) not be and have not been a professional advisor, including legal or financial advisor who obtains fee more than two million baht a year from the Company or the Company's parent company, subsidiary, associated company, or major shareholder, or from the person having power to control the Company, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any of such professional service provider firm or office, unless such an independent director has not been a person referred to above for at least two years prior to the date on which the application for being an independent director is filed with the SEC;

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- (g) not be a director appointed as a representative of a director of the Company, a representative of a major shareholder of the Company, or a representative of a shareholder of the Company which is a related person of the major shareholder of the Company;
- (h) not engage in any business the nature of which is the same as that of the Company or the Company's subsidiary and which, in any material respect, is competitive with the business of the Company or the Company's subsidiary, or not be a substantial partner in a partnership, a director participating in any management role, an employee or officer, an advisor obtaining regular salary from, or a shareholder holding more than one percent of the voting shares of a company engaging in any business the nature of which is the same as that of the Company or the Company's subsidiary and which, in any material respect, is competitive with the business of the Company or the Company's subsidiary;
- (i) not have any characteristics by which his/her independent comment or opinion on the Company's operation may be affected.

If a person having qualifications stated in (a) to (i) above is appointed as an independent director of the Company, such appointed independent director may be assigned by the Company's Board of Directors to make decision in respect of business operation of the Company, or the Company's parent company, subsidiary or associated company, or a subsidiary of another company in the same level of the Company, the major shareholder of the Company, or the person having controlling power over the Company, provided that such decision making by such appointed independent director must always be made on a collective decision basis.

The provision under the article (b), (d), (e) and (f) related to the consideration of qualification of independent director of the applicant during the period of 2 years prior to the date of submitting the application to the SEC shall be applied to the application submitting as from 1 July 2010 onwards.

Where the person appointed by the Company to be the independent director is the person who has or ever had the business relationship with or ever rendered professional service with higher service fees specified under the article (d) and (f), the Company shall be relaxed from such prohibition related to the conditions of having the business relationship with or ever rendered professional service with higher specified service fees if only the Company has provided the opinion of the board of directors of the company showing that the board has considered the issue in accordance with the Section 89/7 and found that there is no interference in the independent opinion, and the following information shall be disclosed in the notice of shareholders meeting under the agenda considering the appointment of independent director.

- (a) the business relationship or the professional service providing which cause providing which cause such person being unqualified
- (b) reasons and necessity to insist the appointment of such person as the independent director
- (c) the opinion of the director of directors of the Company to propose such person to be the independent director

For the benefit of the article (e) and (f), wording "partner" shall mean the person who is assigned by the auditing firm, or the professional service provider to be the signatory in the audit report or the report of rendering the professional services (as the case may be) on the behalf of the firm.