

(Translation)

# Anti-Corruption Policy

Thanachart Capital Public Company Limited

2 January 2020

# Anti-Corruption Policy

Thanachart Capital Plc. (the “Company”) realizes the harmful and obtrusive effects of corruption on social and economic development. In essence, it is a wrong business practice, which creates uneven playing field and could damage ethical reputation and competitiveness of the Company leading to rejection from domestic and international entities as well as a decline in confidence among shareholders, investors, and all stakeholders. The Company, thus, adheres to the principles of not providing any support to any enterprise, group of people, or person involved in exploitation, either directly or indirectly, abusing their power/ authorities. The Company has a clear direction to cooperate with and support government as well as private sectors. It, thus, formulates the Anti-Corruption Policy in accordance with regulators’ guidelines and “the Private Sector Collective Action Coalition against Corruption (CAC)” as the key principles for directors, executives, and any employee to follow. Details are as seen below.

## 1. Definition

“Corruption” refers to any form of misuse of power made in attempt to gain undue advantage, including any type of bribery; offering, promising, giving, or accepting money, asset, or anything of value to a public official, government unit, private company, or person of duties, either directly or indirectly, to induce favorable actions or restrain the person from performing duties and obtain or retain undue business advantages.

## 2. Anti-Corruption Policy

Directors, executives, and employees of the Company must not request, act, or accept any form of corruption, either directly or indirectly, for the benefits of the organization, themselves, their families, friends, acquaintances, or their business. The policy applies to all businesses of the Company in any country and all relevant units. Verification to ensure compliance with the Anti-Corruption Policy is to be conducted on a regular basis, including reviews of guidelines and requirements to ensure alignment with the changes in business, regulations, rules, or official requirements. In case of breach of the policy, any act considered as facilitative to, or implicated in corruption, shall be subject to penalties as stipulated by the Company’s policies.

### 3. Duties and Responsibilities

- 3.1 The Board of Directors of the Company undertakes its duties and responsibilities to formulate and approve the Anti-Corruption Policy, as well as ensure that efficient system for countering corruption is provided to help the Management recognize the importance and put the Policy into practice that it becomes a part of organizational culture.
- 3.2 The Audit Committee undertakes its duties and responsibilities to conduct reviews ensuring the Company's sufficient internal control and full compliance with the Anti-Corruption Policy.
- 3.3 The Management undertakes its duties and responsibilities to ensure that systems are established, supports are provided, and supervision is carried out to ensure that all employees and concerned parties' practices are fully in compliance with the Anti-Corruption Policy. The responsibilities also include reviews on suitability of the systems and measures to accommodate changes in business, regulations, and official requirements.
- 3.4 The Audit team undertakes its duties and responsibilities to conduct audit and review ensuring that all practices comply with concerned policies, guidelines, regulations, and laws and that the Company has proper and sufficient internal control systems for countering corruption risks which may arise, and report the Audit Committee on any finding.
- 3.5 Directors, executives, and employees shall fully comply with the Anti-Corruption Policy and shall not be involved, directly or indirectly, in corruption.
- 3.6 Affiliate companies, associated companies, or business representatives under the Company's controlling authorities must accept and operate in compliance with the Company's Anti-Corruption Policy.

### 4. Scope and practice guideline

- 4.1 The Company requires directors, executives, and employees at all level to be cautious against corruption in performing their duties as per detailed below.
  - **Offering and accepting bribes**

Offering or accepting bribe of any form in exchange for business advantages is prohibited. This includes delegating other person to commit such actions.
  - **Gifts, receptions and other benefits**

Giving or accepting gifts, assets, entertainments, or any other benefits from customers, business partners, public officials, or the Company's related parties, shall be in compliance with the Bank's "Guide to Business Conduct".
  - **Political contributions**

It is the Company's policy to not provide any contribution to political parties, political group or politicians, either directly or indirectly.

- **Charitable/ public benefit contributions and sponsorships**

The Company formulates a guideline for making charitable contribution or sponsorship as follows:

1. Offering or accepting charitable/ public benefit contributions or sponsorships shall be transparent, lawful, ethical, and does not cause any damage to the public.
  2. Offering or accepting charitable/ public benefit contributions or sponsorships shall not be used as subterfuge for bribery.
  3. Any action taken shall be in compliance with procedures of reviewing and approving charitable/ public benefit contributions or sponsorships as stipulated by the Company's regulations.
  4. In case of any questions, advice on significant matter with possible legal impact shall be sought from the Legal team in written form. Other significant matters are to be under the Management's discretion.
- 4.2 The Company is determined to create and sustain the organizational culture of zero tolerance of corruption when dealing with both government and private sector.
- 4.3 Directors, executives, and employees at all levels shall not be negligent when witness any action of possible corruption related to the Company, and shall report the matter to his/ her superior or the responsible person and give full cooperation in investigation. Channels for hearing any complaint from external parties shall also be provided. In this regard, it shall be in compliance with the Company's regulation.
- 4.4 The Company must be fair and protect any employee who refuses to associate with or gives information about corruptions. Accordingly, the Company shall not demote, punish, or cause any negative consequence to such employee, although his/ her action may lead to the Company's loss of business opportunity. This includes commendations for whistleblowers.
- 4.5 The Company's directors and executives at all levels shall demonstrate integrity and be a role model in following the Anti-Corruption Policy. The Compliance and Human Resources teams are assigned to educate, promote understanding, and encourage all-level employees to strictly and continuously adhere to the Anti-Corruption Policy so that it becomes a part of the organizational culture.
- 4.6 The Anti-Corruption Policy also encompasses human resources management procedures of recruitment, selection, promotion, training, and performance appraisal. Superiors at all levels are in charge of communicating to their teams creating understanding and enabling all employees to apply the Policy to business activities within their scope of work as well as monitoring to ensure effective application of the Policy.

4.7 Any action taken under the Anti-Corruption Policy shall be in accordance with guidelines stipulated in the Company's "Corporate Governance Policy", "Guide to Business Conduct", related working manuals, as well as any additional guidelines to be formulated in the future.

4.8 The Company stipulates that communication and public relation activities of Anti-Corruption Policy be carried out via both internal and external medias e.g. intranet, the Company's website, annual report. Such Policy of the Company is in compliance with Thai countering corruption laws.

## **5. Recommendations on the Anti-Corruption Measures**

If any director, executive, or employee is unsure if his/ her practice complies with the Anti-Corruption Policy, the following points are recommended to be considered prior to any action or decision making:

1. Is the action legitimate considering the country's laws, regulations, and the Company's policies?
2. Is the action acceptable to the society? Can it be disclosed to the public?
3. Does the action violate ethics or cause reputational damage to the person, others, or the Company during that time or in the future?

After initial consideration, if there remains uncertainty, please inform the superior of relevant information and findings for his/ her consideration, or seek consultation with the Compliance team to collaboratively consider and resolve the issue.

# Appendix

## 1. Definition of State official

State official means government official or local official holding a position or receiving regular salary, person performing duties in a state agency or a state enterprise, local administrator, deputy local administrator, assistant local administrator and member of a local assembly, official under the law on local administration or other official as provided by the law, and shall include member of a Board/Commission/Committee or of a Sub-Commission/Sub-Committee, employee of a government agency, state agency or state enterprise and person or group of persons permitted by law to exercise or being assigned to exercise the administrative power established under the government system, state enterprise or other state administration, but shall not include person holding a political position, judge of the Constitutional Court, person holding a position in an independent agency, and the NACC;

## 2. Definition of Public official

Public official means state official, person holding a political position, judge of the Constitutional Court, person holding a position in an independent agency, and the NACC;

## 3. Definition of political contributions, charitable/ public benefit contributions, and sponsorships

- Political contributions

Political contributions are contributions made on behalf of the Company, financial or in-kind, to support political activities. Financial contributions can include loans. In-kind contributions can include gifts or services, advertising or promotional activities endorsing a political party, the purchase of tickets to fundraising events, and contributions to organizations with close associations with a political party, for instance, excepts contributions made to support the democratic process, which are permitted by laws.

- Charitable and Public benefit contributions

Charitable contributions involve payments made without tangible return. Public benefit contributions are payments made to projects, activities for communities, societies, public, which the Company may not receive tangible return.

- Sponsorships

Sponsorships are different from charitable/ public benefit contributions as they are made for business objectives and usually for brand or reputation management purposes.

They can present risk as they involve payments made for services or benefits that are often hard to measure and track. Sponsorships can be subject to kickbacks; funds can be steered to front for corrupt purposes such as to create undue influence by sponsoring a favored cause.

#### **4. Favorable considerations**

Examples include awarding contracts, business or bidding opportunities; lowering or waiving fees; granting, facilitating or waiving licenses or permits outside of legitimate governmental decision-making processes; waiving or disregarding regulatory requirements; or granting or arranging access to public officials.