



ANTI-CORRUPTION POLICY

T. Krungthai Industries Public Company Limited



MESSAGE FROM THE CHAIRMAN

T. Krungthai Industries Public Company Limited has conducted its business successfully all along under the principles of good governance by adhering to good management practice, complying to the code of ethics and conduct, embracing the awareness of social responsibility, the environments, and all stakeholders affected. Also most importantly, the Company has given high priority and has strong determination to pursue the anti-corruption policy.

Along the course of the past performance, the Board of Directors recognizes the importance of good governance, particularly in the aspects of good and ethical management as well as operational transparency and accountability. The emphasis was put on the importance of systems and procedures that relate to or being risky to be involved with the possible corruption within the company, in all forms of corruption, directly or indirectly.

One major cause of corruption is from the lack of morality and ethics. The Board of Directors, therefore, laid down the anti-corruption policy bearing its purpose to prompt the communication and conduct campaign to reach all concerned in the company to understand and to uniformly act against corruption, under single command anti-corruption policy. That is for all members within the company to be fully acknowledged that the Board has given its strong will into the problem of corruption and urge that all concerned perform duty in compliance with the policy to combat corruption to the best of our efforts.

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28 October 2015

(General Terdsak Marom)

Chairman of the Board of Directors

T. Krungthai Industries Public Company Limited



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ANTI-CORRUPTION POLICY

The Company has been strongly committed to combat all forms of corruption. In order to attain such objectives, it has made it clear that all directors, management and employee at all levels, including those who are involved with the business of the company must act clean and clear in doing business at all stages. Mismanagement must not occur and that no one gets involved in malpractice via offering, or promising, or soliciting, or demanding, or giving or accepting bribes, or any kind or motif which can be construed as corruption motivated, whether it is in monetary or non-monetary terms, directly or indirectly.

Anti-corruption policy has become integral part of the concern in doing business and it is common duty and responsibility of Board of Directors, Management and employee at all levels to uphold as prerequisite in performing duty restrictively without any exception. It also requires that all must observe and act in compliance with all laws and regulations in connection with national anti-corruption policy. This corporate anti-corruption effort demands that no one gets involved with corruption neither directly nor indirectly and forbidding all sorts of related acts such as demanding, or agreeing to accept money or materials or other form of benefits from anyone having business relationship with the company, whether for the good sake of the company or for one's own good or for other beneficiary. These stipulations are part of business code of ethics presently in use for all in the company to conduct and to perform duty accordingly.

DEFINITION

The word "corrupt" as referred to in the Criminal Code, article (11) means "to seek or to acquire an unjustifiable and illegal benefit or valuable by unlawful means for self or for other"

The word "misconduct" or "mismanagement" as referred to in the Constitution by law Act on Prevention and Suppression of Corruption, B.E. 2542, article 4 means "act to perform or not to perform the given duty as prescribed by law for any single position or to make belief to the extent it become understood by other as being true position holder or using position to mismanage for unlawful benefit or valuable for self or for other"

Act of corruption means bribery, exploitation by position holder such as misuse of authority and/or leakage of information of the company and use it for own benefit, own group in order to receive unlawful benefit or valuable in exchange, directly or indirectly. The connotation of corruption also cover all other acts which are against or contrary to the code of business ethics of the company,

except those acceptable cases or practices specified in laws, Regulations, provisions, proclamations, local tradition and custom or accepted commercial practices.

FORMS OF CORRUPTION

The Company determines to constitute and to sustain corporate culture by upholding the belief that the behavior and business transaction of the Company with government and private entities must be without corruption. It will be unacceptable if corruption in the areas or categories as shown below is found to exist:

1. Political support, meaning financial support, or use of property, or giving materials or things, other benefit, use of location for convenience such as lodging, reception facilities, conference room and place for political party rally, politician or political purposes, or to participate in political event or to support political platform, or whichever unconstitutional act to result in social and political disunity, directly or indirectly, or even doing any good sake to company's business. The Company shall not donate or support any of the aforementioned activities.
2. Donation for charity, this type of expenditure does not bring about tangible result. It could be used as reference leading to corruption despite the fact that the Company still support non -profit charity groups set up legally to help the society. In order to promote such charity group, not to have hidden purposes, the Company set up policy and criteria to review the process of giving donation for charity purpose whereby the application for donation is required to satisfy the donor as given follows:
 - 2.1 It must prove that there will be activities described in the project to realize the objectives for charity purpose. There must be explanation as to how to implement to bring about the success that really brings benefit to the society.
 - 2.2 It must prove that the donation sum will not bring about fringe benefit to anyone, to any organization, except in the forms of giving certificate as in general practice such as using company logo, posting list of participants on the announcement board or through media for public relations purpose.
 - 2.3 Financial accounting department will review charity donations and must be in accordance with the "Manual Power Operation".

3. Sponsorships, this is for business purpose such as to do public relations for the industry, logo or good image of the Company. Payment for this category is risky because it is spent for services or benefit which is hard to measure or to evaluate. Sponsor money may be linked with bribery. Therefore, the Company set up policy and criteria to review the process of giving sponsor including control and evaluation whereby the application for sponsorship is required to satisfy the donor as given below:
 - 3.1 It must prove that the applicant has truly accomplished all activities in the project, having done necessary steps to attain project objective successfully, and giving real benefit to society.
 - 3.2 It must prove that sponsored sum or other type of supports can be calculated in terms of money such as the cost of lodging and meal which is not given to individual or to any organization, except the cost of certificate as in general practice.
 - 3.3 All supports given or rendered shall be reviewed by Financial accounting department and must be in accordance with the “Manual Power Operation”.
4. Expenses for gifts, reception facilities, and other expenses, the company also act based on generally accepted accounting principle and details control by the Code of Conduct that concern with gifts and business entertainment. The value was determined comply with “Manual Power Operation” and has been reviewed by Financial accounting department.
5. Procurement and contract must follow the procedures given by procurement and contract administration policy and in accordance with corporate regulations and the requirements for transparency and accountability.

DUTY AND RESPONSIBILITY TOWARDS ANTI-CORRUPTION POLICY

Board of Directors (BOD)

The Board of Directors has duty to scrutinize, approve policy, and support activity of anti-corruption program of the Company to the extent that the policy be put into practice and that employee at all levels understand and appreciate the value and importance of the problems derived from corruption.

Besides, whenever the Management receive the Report from the Anti-Corruption Action, Review & Investigation Committee on corruption issues that need to be brought up for consideration by the

Board of Directors, depending on the impact of relevant corruption problems, the Board of Directors contemplate and render advice or suggestions, or to make decision regarding the punishment provision as well as to jointly seek solutions to all problems with the Managing Director.

Anti-Corruption Action, Review & Investigation Committee (ARIC)

1. Scrutinize company's anti-corruption policy as proposed by Managing Director, consider the policy statement in terms of its suitability to type of enterprise, environments, and corporate culture.
2. Review the suitability of the adopted anti-corruption policy change and recommendation for approval by the Board of Directors.
3. Determine on operation guidelines and procedures for actions and operations in accordance with anti-corruption policy, review internal audit control system, as well as conduct evaluation on risk of corruption to ensure at any time that there is least possibility and risk for corruption affecting company's financial status and business performance to the minimum. Such system and subsystems shall be suitably compatible with the pattern of enterprise of the Company.
4. Receive clue and evidence about corruption and misconduct involving company's personnel, conduct investigation of the facts obtained and submit report to the Board of Directors to act on punishment or to solve such problem.

Managing Director (MD)

1. Prepare anti-corruption policy for ARIC to review and implementation.
2. Promote and support anti-corruption activities which include searching and appointing qualified team to take up anti-corruption action.
3. Communicate with staff and employee from all levels, and concerned parties to inform about anti-corruption policy.
4. Review the suitability of anti-corruption policy from time to time to adjust it to the changing circumstances of the enterprise, or legal stipulations to present to ARIC.
5. Assist ARIC in the process of probing and investigating facts obtained as well as performing action as required by ARIC to examine case of malpractice by reassigning to capable management team to find out important and pertinent facts.

Employee (MP)

1. Perform duty with soul and spirit accepting corporate interest over personal interest and without personal vested interest.
2. Keep in mind the position of oneself and judge in terms of win/lose position whether there is conflict of interest against the company as mentioned in No.1 or not, even if in doubt such person should withdraw from the team and seek other alternate to perform in lieu. This is to avoid conflict of interest, abuse authority for own good, and not to jeopardize the interest of the company.
3. Not to stay aloof when knowing there is violation of anti-corruption policy. Every MP is required to report the case immediately to immediate supervisor or responsible officer to take action and being willing to cooperate in the investigation process.

Internal Audit (IA)

1. Perform internal audit function as already installed and prepare audit report on internal control and report on corruption risk evaluation as found from regular audit cycle, IA submit these reports to ARIC as required.
2. Conduct specific report as assigned by ARIC particularly on corruption investigation case affecting the organization in addition to regular periodical internal audit plan.

OPERATING GUIDELINES AND PREVENTIVE MEASURES AGAINST CORRUPTION

1. Director, Managing Director, Management, employee from at all levels must act strictly in compliance with anti-corruption policy and business code of ethics by not getting involved with corruption completely, directly or indirectly.
2. Managing Director must realize the importance of information dissemination and knowledge to promote thorough understanding how to operate accordingly to anti-corruption policy. MD is required to be good example and to set good pattern in the company in terms of honesty, morality, ethics and code of conduct.
3. Avoid any action, or behavior to be construed as receiving or offering bribe to anyone, directly or indirectly, including the use of company's property or facility in favor of politician.
4. The company shall provide for good internal control system for good control and supervision environments in order to promote positive attitude of employee towards internal

control operation. Since corruption risk evaluation may cause negative impact to internal control objectives and its success, therefore it is better to have good monitoring and evaluation system to ensure the policy become operational practically and can be used for improvement whenever required.

5. The company established ARIC to undertake risk management functions including corruption risk evaluation, devising prevention plan, follow-up operation to detect risk according to the plan, and prepare report for ARIC.
6. This anti-corruption policy is adopted as part of total company's rules, regulations, and directives being in use for business operation of the company. The Board of Directors, Managing Director, and all staff and employee of all levels must strictly observe and perform duty accordingly. Act of violation or negligence will be treated as disciplinary offences which the company can penalize violator according to its regulations.

RECEPTION OF CORRUPTION CLUE, EVIDENCE OR COMPLAINTS

1. Witness action / behavior of or alike corruption relating to organization directly or indirectly such as seeing a person in organization giving or receiving bribe to or from officer of government agency or private enterprise.
2. Witness wrong doing, by not following corporate procedures or violate internal control system to the extent which open chance to harbor corruption.
3. Witness action which may cause the company to lose its interest or being harmful to good reputation of the company.
4. Witness wrong doing which is not transparent, illegal and immoral, against local tradition, custom, practice and business unethical.

CHANNELS FOR RECEPTION OF CLUES OR COMPLAINTS

The Board of Directors has assigned to ARIC to consider the clue or complaints or any action which may be suspected as corruption in the company, directly or indirectly, received through established channel in the anti-corruption policy whereby:

The witness must describe in details of the case to report or only listing the item(s) to report with reporter's name and address and tel.no.....for return call and send to/through channels given below:

1. Send through email to ARIC at auditor@krungthai.com or
2. Send through website of the company (investor rel. / clue)

3. Send letter to ARIC, T.Krungthai Industries Public Co. Ltd. addressing :
23 Soi Chant 43 Branch 21 Tung Watdon, Sathon Dis. BKK 10120

Providing that MD or Management being accused person and being subject of scrutiny, then send evidence or complaints directly to ARIC,

Eligibility to report clue or complaint about corruption can be anyone being stakeholder of the company, inclusive of shareholder, customer, business competitor, creditor, government, community, society at large, Management and employee. Whatever method being used for sending the report, the company shall keep all clues and complaints highly confidential.

MEASURES FOR SOURCE PROTECTION AND CONFIDENTIALITY

In order to protect the right of accuser or clue pointer and other witness who give information in good faith, the company shall keep all names, addresses and related personal information and evidences, classified as top confidential. Access to this information shall be confined only to authorized person or committee in charge of this matter.

If the case is directed towards Managing Director, as accused person, ARIC shall protect the source person and witness and related information sources in order to shelter them not to be affected in their duties/position and must not be harmed and be safe from unjust treatment due to filing report, accusation, being witness, or giving information, even though the company may lose business opportunity.

The Managing Director is justifiably authorized top officer to use discretion to protect the source persons and related witness, evidences, papers and materials as mentioned above not to get into troubles or being harmed as results of their good deeds.

The Managing Director can delegate the aforesaid functions to other member of Management to act in lieu and to do the same to protect the source persons and related. This person must not be involved with the case directly or indirectly, (:, for example, the accused person is the immediate boss of the Management in charge assigned to handle this case).

Actually, the officer in charge to receive all information about the accusation has such duty to keep in custody all data, accusation papers and evidences thereof and keep it confidential, not to disclose to anyone except by legal provision.

INVESTIGATION PROCEDURES AND PUNISHMENT PROVISION

1. After receiving the accusation with clues and/ or evidences , the Managing Director and

ARIC shall contemplate and investigate.

2. During investigation process, MD and ARIC may assign an executive in charge to inform the accuser to know the progress periodically.
3. If the result of investigation show substantial evidence to believe that the accused person got involved with corruption, the company shall give the right to the accused person to be informed of the accusation and give the chance for him/her to prove and defend self by providing data, or evidences to prove that he/she is not involved with corruption.
4. If otherwise the accused person is found to commit misconduct, the company shall take it as violation to anti-corruption policy, company's business code of conduct, this person shall face disciplinary action per company's regulation. If such case is also violating provision of law, then he/she may face punishment by court of law,\. As to disciplinary action, the decision of the Committee is final.

In case that a complaint is directed to MD or Management, ARIC has duty to receive the matter, search and investigate the evidence informed then report to the Board of Directors for consideration and punishment as needed.

PROPAGATION OF ANTI-CORRUPTION POLICY

In order to make sure that everyone in all parts of the company being well-informed on Anti-Corruption Policy, the Company will pursue the following steps:

1. Post it on announcement board at obviously visible location to be easily seen and read.
2. Publicize it through corporate media such as website: www.tkrungthai.com \investor relation\good governance.
3. Conduct training session for all newly recruited staff and employee