



SNC Former Public Company Limited

Anti-Corruption Policy and Measures

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1 Introduction

- 1.1 SNC Former Public Company Limited (the “Company”) is committed to conducting its business with integrity and transparency as well as compliance with good practices in corporate governance. The Company adopts zero-tolerance policy for all forms of corruption as it realizes that corruption and bribery erodes free and fair competition and also impedes economic and social development.
- 1.2 The Company has subscribed to the declaration of Thailand private section’s “Collective Action against Corruption” under which the Company shall cooperate with the civil society, media and international organization in order to establish standard for clean business community.

2. Objective

- 2.1 To express the Company’s position of zero-tolerance policy for all forms of corruption and bribery and taking bribe.
- 2.2 To determine criteria and guideline for preventing the Company from violation of laws relating to anti-corruption and bribery and taking bribe.
- 2.3 To determine procedures for review and monitoring to ensure that directors, executives and employees comply with this Policy.
- 2.4 To encourage directors, executives and employees to monitor and report via safe communication channel any bribery or taking bribe or corruption that come to their knowledge.

3. Scope

- 3.1 This Policy is applicable to all of the Company’s directors, executives and employees.
- 3.2 The Company expects its business agent and intermediary (if any) associated with or acting on behalf of the Company to observe this Policy.

4. Definition

Any word or expression used in this Policy shall have the meaning as provided below:

- 4.1 “Corruption” means abusing entrusted power to do anything to render benefit to oneself and also refers to any types of bribery.
- 4.2 “Bribery” means offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal or unethical or breaks the trust or persuades a person to do or omit any act in his capacity whether such act is lawful or not.
- 4.3 Kickback, backhander, tea money and any other terms whatsoever named having the same or similar nature shall be considered as a form of bribery.
- 4.4 Corruption and bribery may be in various forms including
 - (1) Political contributions
 - (2) Charitable contributions and sponsorships
 - (3) Facilitation payments
 - (4) Gifts and entertainment (hospitality) expenses

5. Duties and Responsibilities

- 5.1 The Board of Directors has duties and responsibilities to consider and approve anti-corruption policy.
- 5.2 The Audit Committee has duties and responsibilities to review appropriateness of anti-corruption policy and relevant measures.
- 5.3 Executives are responsible for ensuring that they and their subordinates realize and understand this Policy through sufficient and regular review and training.
- 5.4 Employees as well as executives and directors shall fulfill their respective roles in compliance with this Policy. In case of doubt or having discovered violation against this Policy, one shall report to the superior or via provided reporting channels.

6. Policy and Practical Guideline

6.1 General

- 6.1.1 The Company adopts zero-tolerance policy towards corruption and bribery and strictly adheres to all statutory provisions relating to anti-corruption and bribery in Thailand.
- 6.1.2 The Company shall not take part in any corruption or bribery, directly or indirectly and is committed to implement effective systems against corruption and bribery and shall also not associate with any business entity which has been held by the court that it has committed corrupted practice.
- 6.1.3 Directors, executives and employees shall not take part in corruption, offering bribe to/taking bribe from state officer and private officer such personnel of company having transaction with the Company, directly and indirectly, in order to procure or maintain business or advantage in competition or for one's own benefit or benefit of one's family, friend and associate.

6.2 Political Contributions

- 6.2.1 The Company adopts its political neutral policy and shall not provide support or do any act in favor of particular political party.
- 6.2.2 Political contributions refer to monetary and non-monetary support to political party or political candidate. Non-monetary support includes lending or donating equipment; provision of technological service free of charge as well as devotion of employee's working time.
- 6.2.3 In case the Company wishes to provide political contributions in order to promote democracy, such contributions must not be in violation of relevant legal principles or done with an expectation to get special treatment in return. Before making such contributions, it is also required to submit a written request for approval from Chairman of the Executive Committee by specifying name of person receiving contributions and the purpose thereof accompanied with all supporting documents.
- 6.2.4 Employees shall rights and freedom to take part in political activities as provided by the provisions of the Constitution as long as they must not claim the status of being an

employee of the Company or use any of the Company's property, equipment or tool for the purpose of political activities and shall take caution on the possibility that the Company is mistakenly understood to give support or be in favor of any political party.

6.3 Charitable Donation and Sponsorship

- 6.3.1 Charitable donation either in the form of financial support or otherwise e.g. knowledge or time etc. is a part of social contribution activities and the Company's public relations and corporate image building scheme done without expectation of constructive return.
- 6.3.2 Sponsorship provides a channel for the Company to promote its business differing from charitable donation and may be done in various forms e.g. support for cultural activities, arts, education or sports etc.
- 6.3.3 Executives and employees shall exercise due care to ensure that charitable donation and sponsorship shall not be used as a mean for covering bribery and they are conducted transparently and in compliance with the law.
- 6.3.4 Employee shall submit for approval from executives a written request of charitable donation or sponsorship stating name of recipient, objective of donation/sponsorship, and clearly indicating the place in which donated money or sponsorship will be used and accompanied with supporting documents.
- 6.3.5 After having completed charitable donation or sponsorship, staff shall furnish evidence of receipt, pictures and summary report to executives to ensure that charitable donation has not been conducted for corrupted purpose.

6.4 Facilitation Payment, Bribe, Additional Charges, Tea Money

- 6.4.1 Facilitation payments refer to small amount of bribe given to government officers with an intention to speed up their routine works or to do certain work which is normally within their scope of duties.
- 6.4.2 Bribe, additional charges or tea money refers to the amount of bribe which, by abusing their power, is unlawfully demanded by government officer or officer in private sector for their personal or associates' gain.

- 6.4.3 The Company has no policy on facilitation payments or Bribe, additional charges or tea money. However, facilitation payments may be made under the circumstance that an employee is encountering threat to his/her physical body or believes that his/her life is endangered. After having made such payment, an employee shall prepare a written request for approval in which the objective and nature of such payment shall be clearly and truly recorded and then submitted to the executives for approval.
- 6.4.4 Directors, executives and employees shall not act as an intermediary to offer money, property, thing or any other interest to person involving in business, government agency or any organization in exchange of undue privilege or in order to cause such government officer to neglect the compliance with rules and regulations and statutory provisions.

6.5 Gifts and Entertainment Expenses

- 6.5.1 Gift refers to souvenir given in form of cash, check, bond, stock, gold, jewel, watch, land, real property, automobile, electric appliances and any other similar item or property.
- 6.5.2 The Company recognizes that fostering good relationship with business partners is important to its continued success.
- 6.5.3 Directors, executives and employees are not prohibited to give the gift and hold hospitality party to business partners if the following requirements are met:
- (1) It is an appropriate type and value, and given at an appropriate time and circumstances. For example, it is customary for small gifts to be given at New Year Festival.
 - (2) It does not include cash or cash equivalent e.g. gift certificates or vouchers.
 - (3) Gift shall be given to the Company not in personal manner and openly, not secretly.
 - (4) It is not made with the intention of influencing, inducing or rewarding a third party in order to gain any advantage through improper performance or in explicit or implicit exchange for favors or benefits.

(5) Employee shall submit a written request to executives for approval.

6.5.4 Directors, executives and employees are not allowed to receive gift, directly or indirectly, from supplier, business partner or related party with whom one has contacted or coordinated both in government and private sector.

(1) If it is not possible to reject and needs to receive such gift, directors, executives and employees must report to the superior and the top executive and deliver such gift to be pooled at HR for further permission to present those gifts as a reward to employees in special occasions or for charitable donation, as deemed appropriate.

(2) At the time when the Company is in the process of bidding, directors, executives and employees must not receive any gift or entertainment from supplier taking part in the bid, directly or indirectly.

6.6 Related Party

6.6.1 Subsidiaries and associated companies over which the Company has controlling power are obliged to follow this Policy.

6.6.2 All directors, executives and employees must not hire an agent or business intermediary (if any) with an intention to offer or take bribe or commit corrupted practice.

7. Risk Assessment

7.1 Risk assessment is considered a basis of measures against corruption, all directors, executives and employees are therefore required to understand how the Company's business operation is exposed to the risk of corruption and bribery in order to properly deal with such risk.

7.2 The executive shall cause to perform risk assessment of potential corruption and bribery on regular basis (at least once a year) including review the existing mitigation measures to ensure they are appropriate to prevent risk at tolerance level.

8. Control

- 8.1 The Company shall maintain effective internal control system against corruption or bribery which should also cover check and balance in accounting, data storage and business operation relating to this Policy.
- 8.2 The internal control system consists of total organization control including the control and procedures specifically determined and designed to manage risks from corruption that may specifically encountered by the Company.
- 8.3 Total organization control consists of declaration against corruption and bribery by the executive, the audit by the Internal Audit Unit, regulation by the Legal Office, human resource policy ranging from employment, determination of compensation and disciplinary action, authorization and proper job duties separation, recording and reporting correct and true accounting and financial records.

9. Procurement

- 9.1 Corrupted procurement has been considered as serious threat encountered in Thailand and worldwide as it poses hindrance to country development in economic, social, political and national security aspect.
- 9.2 The Company adopts strict policy on forbidding its directors, executives or employee involving in procurement process from demanding or receiving financial or any other benefit for unlawful personal gain from supplier or service provider.
- 9.3 If supplier or service provider offers financial or any other benefit for unlawful personal gain, the Company's policy is to prohibit directors, executives and employees involving in procurement from accepting such offer and report thereof to the superior and senior executives immediately.
- 9.4 There shall not have patronage system or monopoly for personal or associate's benefit.
- 9.5 Procurement Department and executives shall cause the procurement to follow the regulation prescribed by the Company through authorization hierarchy with transparency, accountability and impartial treatment.

- 9.6 Procurement Department and executives shall not provide specification of goods or services in favor of any supplier or service provider.
- 9.7 Procurement Department and executives must not divide the order into several small ones to reduce the amount of money below the authorization amount as prescribed by the Company.
- 9.8 Procurement Department, Quality Control Department or Warehouse shall not accept any property and goods of which its condition or specification does not meet the standard, does not match the purchase order, is in shortage amount or any service the quality of which does not meet the standard or agreed terms.
- 9.9 Executives, Procurement Department, Quality Control Department or Warehouse shall cooperate, facilitate and disclose information for the benefit of the operation of the Internal Audit Unit.
- 9.10 In the event that an employee has witnessed unusual incident, such employee shall report to his/her supervisor and the top executive immediately to determine whether to decline or suspend acceptance of delivery of such goods or service as such incident may give rise to damage to the Company or the contractual party.

10. Trade, Investment

- 10.1 The Company's trade and investment policy is based on the Company's value, adherence to good competition framework and business operation in compliance with corporate governance.
- 10.2 The Company has no policy on demanding, receiving, offering financial or any other benefit for personal gain in unlawful manner for any person or organization in order to secure business transaction, privilege or purchase order.
- 10.3 Additional investment or reduction in investment shall be approved by authorized person(s).

11. Borrowing and Lending Fund

- 11.1 The Company and any company whose shares are held by the Company for more than 25% can borrow or lend the fund between each other with interest rate not less than the one applied by the bank and all companies are obliged to maintain not exceeding 3 times debt/equity ratio.
- 11.2 The Company has no policy on lending fund to other business entity; customer, supplier as well as the leniency on credit term of payment to be longer than such used in general trade practice.
- 11.3 The Company has no policy on lending fund to its employee or staff.

12. Accounting and Finance

- 12.1 Receiving money from customer, juristic person or any other person:
- 12.1.1 Before receiving money, Finance Department must always know that for what purpose such money is received and whether it is reasonable to receive such amount of money.
- 12.1.2 Upon receiving money, receipt must always be issued to the payer and there shall have document(s) that can be recorded according to accounting principle.
- 12.1.3 In case such money receipt is not legal or against the objective, it is required to reject such money and inform executives for determining protective and corrective measures and if there is a legal issue, consult the company group's Legal Department for appropriate response.
- 12.1.4 Ask the payer to make payment by crossed check "A/C PAYEE" or by crediting money into the Company's bank account. In case of cash, there must have the procedure to ensure that all cashes are deposited in the Company's bank account.
- 12.1.5 Do not credit money payable to the Company into any employee's or any person's bank account that the Company has no power to withdraw money from that account and shall not allow the payer to do so.

- 12.1.6 Shall not demand or receive, offer or give financial or any other benefit to the payer in exchange of extending the term for receiving money by the Company or to the detriment of the Company resulted from no receipt of money or receiving money in delay or in partial amount.
- 12.2 Payment to debtor, juristic person or any other person:
- 12.2.1 Before making payment of money, shall always review what the objective of such payment is and there must have approval and suggestion by Accounting as to its validity and correctness according to accounting principle and relevant laws.
- 12.2.2 If any entry is found to be improper or incorrect, report to the supervisor and find the method for prevention and correction in accordance with accounting principle and relevant laws.
- 12.2.3 For any and all payment, approval of the same must be secured in line of authorization power level.
- 12.2.4 Each payment must always be made upon receiving lawful proof of payment.
- 12.2.5 Shall adopt impartial treatment to creditors or payees based on reasonable business terms and refrain from discrimination against any creditor or payee based on prejudice.
- 12.2.6 Shall not demand, receive, offer or give financial or any other benefit to creditor or payee to the extent the Company may suffer damage from such payment or delay or partial payment.

13. Maintenance of Information

- 13.1 The Company adopts the policy on compliance with standards, principle and applicable laws relating to financial and accounting report.
- 13.2 All kinds of expense shall be accompanied with documents. Storage and maintenance of information of the Company shall be in accordance with relevant laws and regulations.

- 13.3 The Company shall not allow the record of falsified data or information which is against the principle, invalid, incorrect or the result of statement manipulation and it shall also have no off-balance sheet for supporting or covering undue payment.

14. Human Resource

- 14.1 The Company shall adopt this Policy as a part of its personnel management including recruitment, training, performance evaluation, remuneration and promotion.
- 14.2 Directors, executives, supervisors or employees are prohibited from asking for or receiving benefit or compensation in any form from the candidate or person relating to job application whether in the stage of submission of application, evaluation of probation before recruitment.
- 14.3 Directors, executives, supervisors are prohibited from asking for or receiving benefit or compensation in any form from an employee in order to misrepresent the outcome of performance evaluation.

15. Training and Communication

- 15.1 Directors, executives and employees:
- 15.1.1 All directors, executives and employees will be provided with the trainings on anti-corruption and bribery on regular basis to raise their awareness of this Policy especially on the matter of various forms of bribery, risks from taking part in offering or taking bribe as well as procedures for reporting suspicious act of corruption.
- 15.1.2 All directors, executives and employees may read this Policy at the announcement board.
- 15.1.3 The Company shall circulate anti-corruption policy via its communication channels e.g. the Company's website (www.sncformer.com) or e-mail.
- 15.1.4 Training on this Policy will be part of orientation program for the Company's all new employees as well as part of annual training.
- 15.2 Agent, business intermediary, supplier/service provider and contractor:

- 15.2.1 The Company shall communicate zero tolerance policy towards corruption and bribery to agent, business intermediary, supplier/service provider and contractor from the very start of business relationship and thereafter as deemed appropriate.
- 15.2.2 The Company shall encourage agent, business intermediary, supplier/service provider and contractor to adhere to CSR standards in the same manner as the Company.

16. Corruption Complaint

- 16.1 Having experienced corrupted practice in connection with the organization, directly or indirectly, such as witnessing a person in the organization offering or taking bribe to government or private officer.
- 16.2 Having discovered the act non in compliance with the procedures and regulations prescribed by the Company or that may adversely affect the Company's internal control system in the manner that is suspicious of corruption.
- 16.3 Having witnessed the act jeopardizing the Company's benefit or reputation.
- 16.4 If any employee is suspicious that any act may be considered as offering/taking bribe or corruption, such employee should discuss with his/her direct supervisor or through the channel for reporting corruption.

17. Channel for receiving report on corruption

- 17.1 Complainant or informant may report any corruption, bribery or taking bribe that come to one's knowledge by describing the fact about it and submit it via following channels:
1. Chairman of the Audit Committee: bsuchat@yahoo.com or
 2. Chairman of the Executive Committee: somchai@sncformer.com or
 3. Vice Chairman of the Executive Committee: somboon@snc-spec.com or
 4. Chairman of the Executive Committee: samitt@sncformer.com or
 5. Deputy Managing Director: surapol@sncformer.com or
 6. The Company's website: <http://www.sncformer.com> or
 7. Tel. No. 02-108-0360-66 Public Relations Department/Secretary of the Company
or
 8. Red Box provided at the headquarter building

Please do not forget to indicate name-surname, e-mail address and contact number

- 17.2 If complaint of corruption is made against executives or senior executives, you are suggested to submit it directly to the Chairman of the Board of Directors and the Chairman of the Audit Committee satit.ck@gmail.com, bsuchat@yahoo.com
- 17.3 Persons eligible to report or complain about corruption are all stakeholders of the Company including employee, executive, shareholder, customer, competitor, creditor, government sector, community and the public. Whether you have chosen to report or complain by any channel as mentioned above, the Company shall keep confident of your secrecy.

18. Protection Measures and Confidentiality

- 18.1 To protect the rights of the complainant and whistleblower acted in good faith, the Company shall conceal name, address or any personal identifiable information of such person and maintain such information in confident to the extent it shall be accessible only by those who are responsible for investigating the complaint.
- 18.2 In case of complaint of corruption by executives or senior executives, the complainant is asked to submit the complaint directly to the Audit Committee and the Audit Committee shall take steps to protect the whistleblower or the complainant, witness and person providing information useful for the investigation to ensure that they shall be held harmless against any unfairness or threat as a result of whistleblowing, lodging the complainant, being a witness or giving useful information.
- 18.3 The Audit Committee and the Executive Committee are responsible for exercising their discretion to take steps to protect the whistleblower or the complainant, witness and person giving useful information for the investigation to ensure that they shall be held harmless against any unfairness or threat as a result of whistleblowing, lodging the complainant, being a witness or giving useful information.
- 18.4 The Audit Committee and the Executive Committee may assign any of the executives to act on behalf of them in exercising his/her discretion to take steps to guarantee safety of the whistleblower or the complainant, witness and person giving useful information. Such assigned executive shall not have involvement with the matter of

such whistleblowing or complaint, directly or indirectly, for instance, the accused is his/her direct subordinate.

- 18.5 The person being in charge of dealing with the complaint is obliged to maintain in confident information, complaint and evidence of the complainant or of the person giving information and shall not disclose such information to the third party who has no interest in such matter except for disclosure as required by law.
- 18.6 All directors, executives and employees who intend to comply with this Policy shall not be downgraded, punished or affected as a result of refusal to offer or receive bribe although such refusal may cause the Company to lose its business or business opportunity.
- 18.7 If directors, executives and employees believe that one has been threatened or harassed or coerced, such person shall report to direct supervisor and the top executive immediately and if situation has not been remedied, he/she shall report through the channels provided hereunder.

19. Investigation Procedures

- 19.1 Upon receiving primary details, the Audit Committee and/or the Executive Committee shall review them and investigate the fact.
- 19.2 During investigation, the Audit Committee and/or the Executive Committee may assign any executive or agent to update the progress from time to time to whistleblower or complainant.
- 19.3 If the facts from the investigation suggests that it is reasonable to believe based on such details or evidence that the accused has committed corrupted practice, the Company allows the accused to acknowledge the accusation and prove him-/herself by producing details or evidence to confirm that he/she has not involved in such corrupted practice as accused.
- 19.4 The decision made by the Audit Committee and the Executive Committee shall be final and conclusive.

20. Violation and Penalty

- 20.1 If the accused has been found to really have committed corrupted act, the wrongdoer (directors, executives and employees) shall be subject to disciplinary action up to dismissal and the convicted shall also be punishable by law.
- 20.2 Direct, supervisor who has neglected the wrongdoing or acknowledged that offence has been committed but failed to handle it properly as required by this Policy shall be subject to disciplinary action up to dismissal.
- 20.3 The claim that one has not known about this Policy and/or related laws may not be used as an excuse to not comply with such Policy or laws.
- 20.4 Directors, executives or related party divulging information about whistleblower, complainant, complaint and evidence in violation of duty of confidentiality shall be subject to disciplinary action except in case of compulsory disclosure by the operation of law.
- 20.5 Any agent, business intermediary, supplier/service provider or contractor of the Company who has violated the requirements of this Policy or to whom the violation of this Policy has been known but fails to report the executive of the Company or otherwise misrepresents such information when interrogated by the Company's investigator about such violation may be terminated from his/her employment agreement.

21. Related Policies

- 21.1 Directors, executives and employees should read and understand this Policy in association with Corporate Governance Policy and employee's work rules.

22. Monitoring and Review

- 22.1 The executive shall review this Policy on yearly basis and any amendment hereto shall be proposed to the Audit Committee for review and the Board of Directors for approval and shall also monitor the implementation of this Policy and give advice continually. If it is required to revise any part hereof, it must be carried out as soon as possible.
- 22.2 The Internal Audit Unit shall audit internal control system and procedures on regular basis to ensure that the effectiveness of internal control system against corruption and

bribery. Auditing results shall be discussed with related person to find appropriate solution and to further report to the executive and the Audit Committee.

Effective as of 5 November 2014 and henceforth

(Dr.Somchai Thaisa-nguanvorakul)

Chairman of the Executive
Committee

(Mr. Satit Chanjavanakul)

Chairman of the Board