



**Policies and Guidelines on Anti-Corruption  
Whistleblowing and Complaints  
of  
CH. Karnchang Public Company Limited  
and Companies in its Group**



The Board of Directors of CH. Karnchang Public Company Limited is determined to operate the business with honesty, integrity, fairness by making a commitment to and realizing the significance of the business operations with responsibility for society and stakeholders of all groups in accordance with codes of professional conduct, ethics and morality, corporate governance; strictly complying with rules, regulations of both public and private sectors, including desirable work practices of the Company in all activities which are involved with the business operations; steadfastly denying and fighting against fraud and corruption of all forms, from both public and private sectors, along with consciousness raising to ensure that all of its personnel have at all times adhered to the codes of conduct, the code of ethics and morality in provision of the services. It is then deemed appropriate to formulate the “policy and guidelines on anti-corruption” in writing to provide clear guidelines for practices in the business operations and develop into the sustainable organization, together with prevention of corruption in all business activities of the Company, and to rest assured that business decision-making and operations which may carry risks of fraud and corruption will be circumspectly considered and performed, as follows:

### **Policy on Anti-Corruption**

#### **Definitions under the Policy on Anti-Corruption**

“Business operator” means a person or legal entity which sells goods or provides a service in the business or professional context, such as, a company, a partnership, a joint venture, etc.

“State agency” means a central administration, regional administration, local administration, state enterprise under the law governing budgetary procedures, public organization, independent organization, constitutional organization, court secretariat, state autonomous university, agency under the command of the parliament or under the supervision of the parliament, state independent agency, and other agencies as prescribed in the ministerial regulations.

“State officer” means a state official, a person holding a political position, a judge of the Constitutional Court, a person holding a position in an independent organization, and the National Anti- Corruption Commission (NACC).

“State official” means a government official or a local official holding a position or receiving a permanent salary, a person performing work in a state agency or state enterprise, a local administrator, a deputy local administrator, an assistant local administrator, and a member of a local assembly of a local administrative organization, a competent official in accordance with the law governing local administration, or other competent officials as stipulated by the law, and shall include a member of a board/committee/commission, a member of subcommittee, an employee of a government agency, state agency or state enterprise, and a person or a group of persons required by law to exercise the power or to be empowered to exercise the administrative power as established in the governmental bureaucracy, a state enterprise or other state undertaking, excluding a person holding a political position, a judge of the Constitutional Court, a person holding a position in an independent organization, and the National Anti-Corruption Commission (NACC).

“Director/member” means a director/member of a business operator which participates in a bid.

“Executive” means a person who is assigned to take responsibility for supervising and performing activities of a business operator which participates in a bid.

“Staff” means a permanent staff under an employment contract, a probationary staff, and a staff under a special employment contract.

“Stakeholder” means a person or a group of persons which is affected by the business operation, both directly and indirectly, or which has any benefits from the business operation.

“Corruption” means an abuse of the gained power or a misuse of the acquired asset to obtain benefits for the Company, for oneself, or for related

persons, or which causes damage to benefits of third parties. Corruption takes varied forms including a bribe, valuable item, any other items or benefits, a conflict of interest between a private entity and a state agency and between persons or businesses in a private entity.

“Bribery” means an act of offering, promising or granting, as well as soliciting or receiving benefit related to a valuable item, directly or indirectly, with an intend to acquire a business or protect any other benefits which are undue under the code of business ethics.

“Any other items or benefits” means money, assets or any other benefits given to each other as a gesture of hospitality, rewards or incentives, provision of special privileges, as well as defraying expenses for travelling or touring, accommodation, meal, or any other things of similar nature, and whether it would be given in a form of card, ticket or any other evidence.

### **Policy on Anti-Corruption**

The Company requires that its directors, executives and staff at all levels, companies in its Group, including employees, representatives, affiliates, or any persons acting for or in the name of the Company, whether they have power to do so, shall perform their duties with honesty, integrity and transparency, and shall refrain from taking any action to seek any benefit for themselves and for connected persons, as well as strictly complying with applicable laws and the policy on anti-corruption, not soliciting or acting or supporting or accepting bribery or corruption in all forms and in all activities which are under their charge, so as to gain benefit for themselves and for related persons, whether directly or indirectly, as well as ensuring that control, charitable donations, business gift giving and support of various activities shall be transparently made without an intent to induce any public or private officer to commit any improper act, including business of all types and all relevant authorities; and also shall support or encourage customers, counterparties, contractors or subcontractors, stakeholders or other related persons who make business deal with the Company to ensure that they have guidelines for practices in the same

manner as that of the Company, in order to achieve success in the fight against corruption under the specified policy.

In this regard, the Company requires that corruption risk assessment in the work process which may give rise to corruption shall be conducted and implementation of this policy on anti-corruption shall be inspected, all of which are deemed part of the internal audit plan. In this connection, the Audit Committee shall review completeness and adequacy of the process and review the risk assessment in order to ensure adequacy and effectiveness in anti-corruption measures and report on result of review to the Board of Directors. Moreover, it requires regular review of the practical guidelines and operational requirements to be in line with changes in the business, regulations, rules, and provisions of laws.

### **General provisions**

1. Comply with the policy on anti-corruption and anti-bribery, the code of business ethics, including the rules, regulations and Articles of Association of the Company, without any involvement with fraud and corruption of all kinds, whether direct or indirect;
2. Perform his/her own duties with transparency, which also includes that preparations are at all times made for audit or inspection by the Company or companies in its Group or relevant authorities;
3. Do not act in a way that indicates an intention of fraud or corruption, including offering or accepting any bribe to and from any person who is related to the Company Group through any matter under his/her responsibility, whether directly or indirectly, in order to gain benefits for the organization, themselves or related persons;
4. No directors, executives, staff, together with third parties who are connected with the Company shall give any bribe, namely, not giving, offering or agreeing to give any other assets or benefits or inducing any person to join any acts, directly and indirectly, in exchange for benefit in a bid or bid rigging, to any state agency in order to gain some advantages and benefits in procurement process or fulfillment of

a contract, before, during the bid and after execution of a procurement contract, or to protect any other benefits which are undue under the code of business ethics.

5. Do not neglect or ignore any act of suspicious bribery and corruption which is related to the Company and companies in its Group, whereby it is deemed that it is all personnel's duty to report to their supervisors or responsible persons on such matter and provide cooperation in investigation of facts;
6. No directors, executives and staff at all levels receive any gift of value excessive more than usual under the traditional customs which the general people have treated to each other;
7. No directors, executives and staff at all levels enter into any transaction with the Company to gain benefit for themselves and for connected persons, except for a transaction at a fair market price and in an ordinary course of business;
8. No directors, executives and staff at all levels who have a conflict of interest shall jointly consider procurement of the Company;
9. Directors, executives and staff at all levels shall have duties and responsibilities to take care of and utilize the Company's assets for the Company's utmost benefits, not for their own benefit or any other connected person's benefit;
10. Unlawful monetary payment or offering of valuable items or services, such as, gift, entertainment, travel, to any state officers, foreign state officers or international organization officials, whether direct or indirect, in order to induce such person to do or omit to do any act, is strictly forbidden, as well as refraining from encouraging or jointly allowing other persons to commit such act.

## **Duties and responsibilities**

### **1. The Board of Directors**

Consider and approve a policy on risk management system assessment, as well as setting out guidelines and supporting arrangements to minimize or control risks which may lead to corruption in all activities of the Company to ensure that staff at all levels of the Company have understood, become aware and realized the significance of this matter at all times.

In the event that the Audit Committee reports on any act of corruption which has an effect on the Company, the Board of Directors shall provide advice, suggestions, as well as considering imposing punishments and jointly finding the solutions, to the Executive Board and the President in order to prevent recurrence of such corruption or any incident of similar nature.

### **2. The Audit Committee**

2.1 Review the accounting and financial reporting system, the internal control system, the internal audit system and the risk management system to rest assured that such systems are accurate, transparent, precise, suitable, modern, efficient and in line with international standards;

2.2 Receive notice on whistleblowing/complaints with which personnel in the organization are involved, and inspect facts as notified and submit such matter to the Board of Directors to jointly consider imposing punishment or resolve such problem.

### **3. The Executive Board and the President**

3.1 Formulate and review the policy on anti-corruption on a regular basis to ensure that it properly conforms with changes in the nature of business, rules, regulations or provisions under laws applicable to the business operations for submission of the same to the Audit Committee;

- 3.2 Communicate with, train, and encourage the Company's staff and related persons to ensure that they have knowledge relating to the policy and the practices in the fight against corruption on a regular basis;
- 3.3 Investigate and assist in all fact-finding procedures as notified or as assigned by the Audit Committee in case of an occurrence of corruption. In this case, the Executive Board and the President may assign the management team as they deem appropriate to assist in the fact-finding mission.

#### **4. The Internal Audit Unit**

- 4.1 Fulfill the duty to inspect and review performance of work to ensure compliance with the annual internal audit plan as considered and approved by the Audit Committee, whereby a report on internal audit system inspection and risk assessment in relation to corruption as perceived from the inspection shall be immediately submitted to the Audit Committee for acknowledgment when such inspected matter may cause a severe problem if it is not tackled urgently;
- 4.2 Perform work as assigned by the Audit Committee in regard to investigation of corruption which is involved with the organization other than the annual internal audit plan.

### **Guidelines for Practices under the Policy on Anti-Corruption**

#### **Guidelines for practices relating to a conflict of interest**

1. Perform the duties by mainly having regard to the Company's benefits in compliance with laws and ethics, with fairness and transparency;
2. Refrain from involvement with any activity which may give rise to a conflict of interest with the Company, not engaging in any business in competition with or in the same nature as that of the Company;
3. Do not unduly exploit information or any things of which he/she has become aware from his/her duty and responsibility;



4. Avoid performing any other work than the Company's work, which may affect the work in charge;
5. Directors, executives are required to report to the Company on their own interests and/or related persons' interests which are related to the Company's management, as well as report on their holdings of securities in the Company, whether direct or indirect;
6. The Board of Directors and executives shall thoroughly consider a conflict of interest concerning a connected transaction between the Company/subsidiaries/associated companies, with honesty, integrity, justification and independence based on moral principles by having regard to the utmost benefits of the Company, and shall duly comply with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as monitoring to ensure accurate and complete information disclosure on such matter.

#### **Guidelines for practices relating to securities trading and insider information**

1. Prepare, keep or disclose insider information properly and accurately in accordance with provisions of laws by taking into consideration impacts on stakeholders as a whole;
2. Do not unduly exploit insider information relating to business operation and management of which he/she has become aware from his/her own duty to seek benefits for himself/herself or for other persons;
3. Directors and executives should refrain from trading securities of the Company for 21 days prior to disclosure of information concerning annual or quarterly financial reporting until 24 hours after disclosure of the information to the public;
4. Directors, executives and staff shall neither disclose information which has not yet been disclosed to the public nor trade securities of the Company when he/she has become aware of such undisclosed information.

## **Guidelines for practices in respect of purchase/procurement**

1. Purchase/procurement shall be made in accordance with requirements or procedures specified in the regulations on purchase/procurement and in compliance with the power to do so, with fair treatment towards related persons; and in a decision-making, justification in terms of prices, qualities and services as provided must be taken into consideration, as well as taking into account various standards which goods sellers or service providers should have, such as, environmental standards, industrial standards, etc.;
2. No purchasers/procurers shall engage in any business which may constitute their own benefits by unduly exploiting their positions or duties in purchase/procurement, whether directly or indirectly;
3. No information of which he/she becomes aware from purchase/procurement shall be exploited to gain benefit for oneself or for other persons;
4. No directors, executives, staff, together with third parties who are connected with the Company shall give any bribe, namely, not giving, offering or agreeing to give any other assets or benefits or inducing any person to join any acts, directly and indirectly, in exchange for benefit in a bid or bid rigging, to any state agency in order to gain some advantages and benefits in procurement process or fulfillment of a contract, before, during the bid and after execution of a procurement contract, or to protect any other benefits which are undue under the code of business ethics. Such corruption takes different forms, including political assistance, charitable donations in favor of the Company's business, financial support with an aim of gaining an advantage for the Company's business, and other expenses which may be a channel which allows related persons to commit fraud or corruption, for instance, gift fee, customer welcoming fee, thereby leading to misuse of the power in a such manner as giving a bribe to a state officer, giving a gift or providing a service, giving cash or an item in lieu of cash, and bid rigging.

## **Guidelines for practices towards governmental agencies**

1. Strict compliance with applicable laws and regulations is required.
2. Execution of transactions with state agencies, contact with officials shall be made properly, straightforwardly, not committing any act which may induce any official to do or omit to do any act.
3. Making acquaintance or building good relationship between each other may be made on traditional occasions, according to festivals or traditional customs, if it is within an appropriate scope to do so.
4. Support of activities held by governmental agencies, property donations, may be made only when an accurate and transparent request for approval is made and it is within a reasonable amount of money.

## **Guidelines for practices in receiving or giving a gift, asset or any other benefits which may build inducement to make a decision**

1. Gift fee means an expense for operating activities of the Company to build good relationships or on some occasions, it is deemed to express social etiquette. The gift fee may be in various forms, such as, money, goods, service, voucher, etc. Such expense may be considered a bribe should it be given with an intent to induce a state officer to commit an offence against his/her duty.
2. Do not receive or provide any hospitality, gift/souvenir and other expenses which are excessive and inappropriate from and to state officers or persons who make business deal with the Company. In this regard, such receiving or providing the same in a manner which is made according to traditional customs, traditions, cultures or social etiquette, is deemed acceptable, but such doing must be justifiable, proper, in line with the policy, regulations and traditional customs on each occasion, provided that evidence of expenditure, record of expenditure as actually paid and receipts or certifying evidence must be kept for subsequent inspection;

3. Do not solicit or give money, assets, any other items or benefits from and to any persons related to the business which may lead to influence in making a decision in an unfair manner or with an intent to induce them to do or omit to do any wrongful act or in exchange for undue special privileges.

### **Guidelines for practices relating to hospitality**

1. Hospitality fee means an expense for operating activities of the Company to build good relationships or on some occasions, it is deemed to express social etiquette. Such hospitality fee may include accommodation allowance, travelling allowance for site visiting or sightseeing, meal and beverage allowance. Such expense may be considered a bribe should it be given with an intent to induce a state officer to commit an offence against his/her duty.
2. No hospitality on each occasion which is of excessive value as stipulated by law shall be provided to any state agencies or state officers, and no such expense shall be paid to induce the state officers to commit an offence against his/her duty or make a decision for the benefit of the Company's business, provided that actual expenses shall be recorded and receipts or certifying evidence are also required.
3. Hospitality fee by business etiquette should be reasonable and actual, subject to report to and/or request for approval of the Executive Vice President in each line of command.
4. Reimbursement of hospitality fee shall not include expenses of family members of staff.

### **Guidelines for practices relating to facilitation fee**

1. Facilitation fee means a tiny amount of expense as unofficially paid to a state officer and paid only to rest assured that the state officer will proceed in accordance with the process or speed up the process, provided that such process must not be at the state officer's discretion and it is legitimate for such state officer to do so. Moreover, the

Company is legally eligible for the right, for instance, to receive licenses, certificates and public services, etc.

2. The Company does not have a policy to pay for facilitation fee. However, payment for facilitation fee may be made in the event that staff is in a situation which his/her body is threatened or it is believed that his/her own life is in danger, provided that written document for such payment shall be required and shall be submitted to the supervisor for inspection. In this regard, the purpose and nature of such payment shall be accurately recorded.

### **Guidelines for practices in charitable donations and financial sponsorship**

1. The Company supports charitable donations and financial sponsorship for development of communities and society to improve the quality of life, build an economy for and strengthen the communities and society. The charitable donations and financial sponsorship to charitable organizations or other agencies are subject to process of consideration and approval of the Board of Directors or authorized person(s) of the Company, provided that a memorandum of request specifying name of the donated person/sponsored person and objective of the donation/sponsorship, with which all supporting documents must be also enclosed, shall be prepared for submission to the Company's authorized person(s) for consideration and approval according to the levels of approval authority of the Company. In such case, there are procedures of inspection, monitoring, including evidence or reply letters from the financially donated or sponsored agencies, to ensure that utilization of the money meets the specified objective.
2. Sponsorship is a method of public relations for the Company's business which is different from charitable donations. Such sponsorship may be made in many forms, for instance, provision of support for cultural, art, educational activities, etc.

3. Staff shall be careful to ensure that no charitable donations and sponsorship shall be used as a subterfuge for bribery and charitable donations and sponsorship shall be transparent and in accordance with applicable laws.

### **Guidelines for practices in terms of political contribution**

1. Political contribution means provision of monetary or non-monetary support to political parties, politicians, or political candidates. The non-monetary support shall include lending or contribution of equipment, provision of technology service free of charge, together with work-hour devotion of staff.
2. The Company shall not have any practice in assisting, supporting or representing any political party in various public activities, whether in a financial form or others. Furthermore, no other persons shall be given to understand that the Company has become involved with or aligned with the politics or any political party or any person who have political authority, whether directly or indirectly.
3. In the event that the Company intends to make a political contribution for promotion of the democratic regime of government, such political contribution shall not be contrary to applicable laws nor made in the expectation of preferential treatment in return. To do so, a memorandum of request specifying name of the contributed person and objective of the contribution, with which all supporting documents shall be also enclosed, is required for submission to the Executive Board for consideration and approval.
4. Directors, executives, staff shall lawfully have political rights and liberties. However, none of them shall do any act which causes the Company to lose its impartiality or sustain damage from political involvement.
5. Directors, executives, staff shall neither do any political activity within the Company nor use any of the Company's resources for such activity.

## **Guidelines for practices in terms of training and communication**

All executives and staff shall regularly receive training on anti-bribery and anti-corruption to raise awareness among them about this policy, particularly in relation to forms of bribery, risks from involvement in bribery, together with methods of reporting on perceived or suspicious bribery or corruption.

Each staff shall be provided with a copy of this policy to rest assured that they have become aware of and understand the Company's policy on anti-bribery and anti-corruption. In addition, this policy, together with all of updated information, is made available on the Company's website at [www.ch-karnchang.co.th](http://www.ch-karnchang.co.th). The Company will also keep staff informed of any material change in information.

This policy training shall be a part of orientation or shall be provided before each new staff of the Company will assume his/her position.

## **Whistleblowing/complaint channels and whistleblower/complaint protection measures**

The Company has provided channels for reporting on perceived acts of violence or fraud and corruption by setting out procedures for consideration, as well as measures to protect and mitigate damage of whistleblowers or complainants in accordance with the policy on whistleblowing and complaints relating to dishonest performance of duties, as formulated by the Company.

## **Punitive measures**

Any persons who commit violation or misconduct under the aforementioned policy and guidelines for practices shall be subject to disciplinary action in accordance with the work rules and regulations specified by the Company and also shall be liable for compensation for damage to the Company or persons who have been affected by such act. In addition, legal punishment may be imposed if such act is illegal.

## **Policy on whistleblowing and complaints relating to corruption**

Based on the corporate governance principles with regard to commitments to stakeholders, the Board of Directors has approved the policy on whistleblowing and complaints relating to dishonest performance of duty for use as a tool to help the Company to perceive complaints about violation of laws, the work rules and regulations, and the code of business ethics of the Company which cause damage to assets and reputation of the Company, from both internal staff and stakeholders of all groups. The Company has supported disclosure of information relating to corruption and bribery. Moreover, staff or persons who are involved with the business can rest assured that they are protected from reprisals as a result of such information reporting made in good faith. The policy and guidelines for practices relating to complaints/whistleblowing shall be then formulated, as follows:

### **Communication and disclosure of information relating to the policy on whistleblowing/complaints**

The management shall communicate with directors, executives, staff or stakeholders of all groups to ensure that they understand the policy on whistleblowing and complaints and procedures for consideration, together with whistleblowing/complaint channels, as well as ensuring that the information relating to the policy on whistleblowing/complaints shall be disclosed via various channels, namely, Annual Report, Annual Registration Statement (Form 56-1), and on the website of the Company.

### **Whistleblowing/complaints**

1. Directors, executives, staff or stakeholders of all groups can make whistleblowing/complaint about perceived violation of the code of business ethics of the Company with the Chairman of the Audit Committee or agencies in charge or the personnel department or the supervisors or the President.
2. Making whistleblowing/complaint requires name-surname and telephone number of the whistleblower/complainant, factual



details, witness, evidence, together with documentary evidence (if any). In this regard, the Company will keep information of the whistleblower/complainant confidential if the whistleblower/complainant intends to keep his/her identity anonymous. In such whistleblowing/complaint, facts or evidence which is clearly obvious and sufficient to prove the corruption shall be given in detail.

3. Making whistleblowing/complaints shall be made via the available whistleblowing/complaint channels, as follows:

3.1 Letter to the President, Human Resource and General Administration

CH. Karnchang Public Company Limited No. 587,  
Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict,  
Dindaeng District, Bangkok 10400.

3.2 Email to the Executive Vice President: Human Resource and General Administration at [ck.whistleblowing@gmail.com](mailto:ck.whistleblowing@gmail.com).

3.3 Via complaint box within the Company.

### **Procedures for consideration under the policy on whistleblowing/complaints**

When a whistleblowing/complaint on suspicious dishonest performance of duty from any directors, executives, staff or stakeholders of all groups, is received, it shall be referred to the following procedures for consideration:

1. The person who receives the whistleblowing/complaint shall collect facts relating to corruption, violation, or non-compliance with the ethics;
2. The person who receives the whistleblowing/complaint shall report on facts to the independent directors to perform duty in investigation of facts for consideration of the

whistleblowing/complaint until completion within 30 days, by dividing relevant matters into issues in terms of management, development of knowledge, inspection of facts, etc.

3. As for implementing measures, the person who receives the whistleblowing/complaint shall propose the independent directors to conduct investigation of facts and formulate the implementing measures to tackle such violation of or non-compliance with law.
4. Disciplinary punishment shall be imposed against any persons who violate or fail to comply with the policy on anti-corruption and the work rules and regulations as the Company deems appropriate, and damage sustained by the affected person shall be also mitigated.
5. As for reporting on result, the person who receives the whistleblowing/complaint shall have duty to notify the whistleblower/complainant of the result if the whistleblower/complainant has disclosed his/her identity. In the case of significant matter, report on result shall be made to the Chairman of the Board of Directors and/or the Board of Directors for acknowledgement.

### **Whistleblower/complainant protection measures**

1. Whistleblowers/complainants or persons who provide cooperation in inspection of facts alternatively may not disclose his/her identity if he/she deems that the identity disclosure will make him/her unsafe or sustain damage. On the other hand, in the event that he/she discloses his/her identity, the organization will be then able to make progress report and make clarification on facts to him/her or mitigate damage more conveniently and rapidly.
2. The Company shall not disclose name-surname, address, photo of the whistleblowers/complainants or persons who provide

cooperation in inspection of facts, or any other information which can identify them, except as required by law.

3. The person who receives the whistleblowing/complaint shall keep all related information confidential/have regard to security. The measures to protect staff who makes whistleblowing/complaints and/or persons who provide information and/or provide cooperation in inspection of facts have been formulated. In this case, such staff shall be protected from unfair treatment, for instance, demotion, change of job descriptions, change of workplace, work suspension, threat, work interference, employment termination, resulting from such whistleblowing/complaint.
4. In the event that whistleblowers/complainants and persons providing cooperation in inspection of facts consider that they may be unsafe or may be in trouble or sustain damage, they may request the Company to formulate appropriate measures to protect them or the Company may formulate such protective measures without their request to do so if the Company deems that such matter has a tendency to cause trouble, damage or harm.
5. Proper and fair process shall be taken to mitigate damage for the persons who become in trouble or sustain damage.