

Policy and Program for Anti-Bribery and Corruption

Krungsri Securities Public Company Limited (“the Company”) is strongly committed to upholding the principle of business ethics. Bribery and corruption, in any forms, are strongly prohibited even though such bribery and corruption may provide business opportunities for the Company in its operations. Also, business opportunities of the Company shall not be illegally exploited for the benefit of one’s own or others through abusive use of properties and information of the Company or one’s authority. In order to ensure above commitments, the Company shall set up Anti-Bribery and Corruption Compliance Program (“the Program”) as described in this Policy.

Prohibited activities

The Company prohibits all forms of bribery and corruption, whereby the employees are not allowed to perform the following prohibited activities:

1. Giving or receiving cash/cash equivalents (for local traditions, i.e. funeral, wedding and Buddhist ordination, the cheque issued by the Company is allowed).
2. Giving or receiving Anything of Value directly or indirectly (including planning, supporting, or authorizing such activities) if intended or could reasonably appear as intended to improperly obtain or retain business or other business advantages.
3. Using personal funds (e.g. an employee’s own money, which the Company will not reimburse) to provide Anything of Value to any counterparty in connection with the Company’s business.
4. Giving facilitation payment to government officials to improperly expedite / facilitate government actions or services.
5. Falsifying or concealing any books, records, accounts, or other information or data that relate to the activities of the Company, its clients, service providers, vendors, suppliers, or other business partners.
6. Violation of any relevant laws, regulations, or the Company’s Policies.

General Controls requirements

1. Internal control framework is established to ensure that the Company’s Program is appropriate, adequate, effective, and practical as well as support the prevention and examination of corruption and bribery in the organization which leads to successful achievement of anti-bribery and corruption goals. The internal control framework is also to ensure correctness of financial information and provide efficient and proper identification, measurement, classification, and reporting tools.

2. Program shall be established based on anti-bribery and corruption laws and standards. The Board of Directors (BoD) shall hold the ultimate responsibility concerned. In this regard, the formulation of Policies and any Company's documents shall be supported by the assessment of potential bribery and corruption risks associated with the organization. Guidelines and measures for preventing, managing, and controlling potential bribery and corruption risks shall also be considered and put in place to address each relevant risk. Examination shall be regularly conducted and reporting channels which are adequate and appropriate shall be made available.
3. Transaction which are related to the Company's business operations shall be governed by the general approval process or approved by executives who are specifically assigned. In addition, transactions which may have exposure to corruption risks shall be subject to the approval from the Board of Executives (BoE) or assigned officer.
4. Access to information or properties of the Company shall be governed by the general approval process or approved by executives who are specifically assigned.
5. Transactions which are related to the Company's business operations shall be recorded on a basis of necessity and available for examination, especially transactions in the financial statements which must be correct, transparent, and in accordance with the Generally Accepted Accounting Principles. There must be no off-the-book records or separate entries to conceal inappropriate payments.
6. Anti-bribery and corruption practices shall be promoted and encouraged. In addition, recruitment and selection processes, onboarding program, training, and punishment, etc., must support anti-bribery and corruption efforts. Employees refusing corruption activities shall be protected and shall not suffer demotion, punishment, or negative consequences although such refusal may result in the Company's loss of business opportunity. Parties related to the business, third party representative and counterparties shall be notified of implementation of anti-bribery and corruption measures as deemed necessary and appropriate.
7. High-level executives shall be role models and oversee operations to achieve the purpose of anti-bribery and corruption.
8. Warning, reporting, and whistle-blowing systems as well as whistleblower protection measures shall be in place. There shall be easily accessible whistle-blowing channels for employees and external persons to promptly report suspected violations of this Policy. The Company is committed to ensuring that employees can speak up with confidence and without adverse consequence if they have any concerns or need guidance. The Company shall not retaliate or tolerate retaliation against any employee who in good faith reports a suspected violation of this Policy, provides evidence, or otherwise participates in an investigation or review of a potential policy violation.

9. The Company is committed to fully investigating any reported or suspected violation of this Policy. In this regard, a corruption investigation committee shall be established and appointed to investigate facts, solve reported issues, make responses, and report the issues to the BoE, the Audit Committee (AC), and the BoD.
10. Communication procedures shall be established in order to disclose the availability of this Policy to the public and employees.
11. The AC shall be responsible for overseeing internal controls and internal auditors shall conduct audits to assess risks and propose to the BoD on recommendations for risk mitigation practices which shall be put in place, result of document examination, and operations. This is to promote confidence of executives, investors, and stakeholders of the Company in strict compliance with this Policy. Such audits may be conducted by external and independent parties assigned by the Company. There shall be adequate and effective channels to facilitate reporting of issues and urgent issues as well as proposing recommendations to the BoD on a regular basis.

Requirements and preventive measures on anything of value

While providing or receiving Anything of Value to or from anyone may be permissible, it nonetheless can create bribery and corruption risk and appearance concerns for employees and the Company. Accordingly, employees are expected to exercise good judgment and ensure that such activity is for a legitimate business purpose, reasonable, accurately documented, and not causing a conflict of interest situation or violation of local law. As set forth below, under certain circumstances employees must obtain pre-clearance of Anything of Value offered / received directly or indirectly to / from clients, prospective clients, Public Officials, or others.

1. Gifts, Entertainment and Other Expenses

Entertainment and other Expenses generally includes an event (e.g. meals, entertainment, training, conferences, and related travel and accommodations) in which the provider / payor accompanies the recipient or participates in the event. If the provider / payor does not accompany the recipient or participate in the event, then the event is considered a gift. Gifts, entertainment, and other expenses above certain value thresholds shall be concurred by Compliance Division and proposed to the BoE for approval except for the cases of overseas training opportunity with sponsorship from vendors, customers, institutes, associations etc., which shall be approved by Human Resources Division (HR) and the BoE.

The giving or receiving of gifts, entertainment, etc. must be appropriate and in line with the local traditions and conventions as well as comply with applicable laws including the laws of the counterparty country.

2. Donations and Sponsorships

No donations or sponsorships can be made to any individuals or juristic persons if such activity may create bribery risk and are prohibited if they are intended or could reasonably appear as intended to improperly obtain or retain business or other business advantages.

In making donations or sponsorships, the due diligence must be conducted on the individuals or entities receiving the donations or sponsorships. Any donations and sponsorships must be approved by the BoE comply to Policy on Social Contribution and Project Formulation.

Donations and sponsorships initiated by functional units (i.e. not Social Activity), and such requests are originated from Public Official, client, or prospective client above certain value thresholds require compliance pre-clearance and propose to the BoE for approval.

3. Political Contributions

Employees are not permitted to make political contributions with the Company's funds or on behalf of the Company or personally, to improperly influence any external party in connection with the Company's business, or in exchange for any improper business advantage, other than pursuant to applicable the Company's policies on legal political contributions which requires approval by the BoD or assigned persons

Political contributions include:

- a) Provision of contributions in cash or in kind such as provision of financial support or gifts being properties or services, assistance, resources of the Company, etc. to political parties or candidates,
- b) Participation and support of political campaigns of political candidates, and
- c) Involvement with political parties as members or directors or relationship with local politicians, etc.

4. Speaker Fees and Honoraria

Speaker fees or honoraria paid to Public Officials may create the appearance that such payments are intended or appear intended to improperly influence the recipient so that such activity shall be avoided in principle. Invitation of Public Official as speaker or speaker fees / honoraria paid to the Public Official requires approval from Human Resources Division and the BoE, Compliance pre-clearance is required for cases above certain value thresholds.

5. Employment or Work Experience

Extending an offer of employment or work experience (paid or unpaid) to a candidate with the expectation that, as a result, the Company will obtain or retain an improper business benefit or advantage is prohibited.

Before the Company provides employment or work experience to high-risk candidates (i.e. candidates who are known to be Public Officials, clients or prospective clients, were referred by Public Officials, clients or prospective clients, or who have a close personal or familial relationship to Public Officials, clients or prospective clients), the

Company shall treat such candidates in the same manner as any other candidates (they must not receive any preferential treatment), and require Compliance pre-clearance and propose to the BoE for approval before the offer of employment or work experience.

6. Third Party Intermediaries (TPIs)

TPIs present heightened anti-bribery and corruption risk because they may provide Anything of Value to Public Official, client, or prospective client to obtain a benefit for the Company. A bribe paid by a TPI in connection with the Company's business can be just as damaging as a bribe paid by an employee.

The due diligence must be conducted on TPIs and relevant documents must be kept for examination. Before creating any relationship with TPIs, the commitment and accountability clauses must be included in writing in the contracts. The approval process, including by compliance pre-clearance, and propose to the BoE for approval, must be established whereby factors such as profile, experience, reputation, etc. must be taken into consideration. Also, TPIs must be informed of the anti-bribery and corruption policy and measures.

Relationship with TPIs breaching any anti-bribery and corruption measures shall not be established or shall be cancelled. This shall be applicable to transactions executed with the local or foreign governments as well as public and private entities. There must be control over payment made or benefits given to TPIs. Details of transactions, records and relevant documents must be available. Also, approval must be obtained from the functional units / persons assigned by the Company.

7. Mergers, Acquisitions, and Joint Ventures

Before entering into mergers, acquisitions, or joint ventures, appropriate examination must be conducted to determine whether the entities to be merged or acquired or to enter into a joint venture have any corruption records or any involvements in corruptions in order to prevent and check corrupt payments.

Assessment must be conducted to measure the adequacy of their anti-bribery and corruption measures, internal control, and compliance with relevant laws and regulations as appropriate and practicable. Also, anti-bribery representations and warranties must be stated on the merger contracts or joint venture contracts.

8. Other Business Transactions

For other business transactions, all employees shall take into consideration that business activities in which the Company provides traditional banking services to its customers, such as underwriting, lending, and advisory services, may also present anti-bribery and corruption risk.

Other requirements (Anti-Bribery and Corruption (ABC) Compliance Program)

1. Risk Assessment and Annual Compliance Plan / Testing

The Company shall conduct risk assessment to evaluate measures related to anti-bribery and corruption. Annual Compliance Plan shall be developed based on the risk assessment results, including compliance checklist, onsite / offsite compliance testing, and planned initiatives to further reduce ABC-related risk exposures.

2. Issue Management and Board of Directors / Management Reporting

The business executives are responsible for monitoring and reporting of ABC-related issues to Compliance Division that is responsible for monitoring and reporting periodically of ABC-related key reporting metrics to the BoE, the AC and the BoD.

3. Training and Awareness

The Company shall arrange training to provide employees with knowledge relating to ABC. All employees are required to regularly attend refresher courses related to ABC as well as relevant Policies and any Company's documents.

4. Recordkeeping and Record Retention

The Company must maintain and retain customer records, transaction information, records of ABC investigations, and post-investigation activities in compliance with the relevant legal, regulations, and Company's Policies.