

[Translation]

**RATCH Group Public Company Limited
Regulation on Anti-Fraud and Corruption
(B.E. 2564)**

The amendment of the Regulation on Anti-Fraud and Corruption shall be made in order to enhance effectiveness of anti-fraud and corruption implementation, perform operation with manner of honesty, integrity, transparency and fairness, and reinforce the Company's Declaration of Intent to join Thailand's Private Sector Collective Action Coalition against Corruption (CAC), as well as to follow CAC's guidelines and the Company's anti-fraud and corruption policy. The Company's Board of Director meeting No. 8/ B.E.2564 dated on 24 August 2021, thus, approved the regulation as following detailed.

**Section 1
General Information**

1. Introduction

- 1.1. RATCH Group Public Company Limited (the "Company") sets forth a policy to operate business with fairness and transparency, by upholding responsibility for society and all stakeholders based upon good corporate governance practices and the Company's Code of Conduct.
- 1.2. The Company committed to fight against all forms of fraud and corruption. In 2014, the Company signed the Declaration of Intent to join Thailand's Private Sector Collective Action Coalition against Corruption.

2. Objectives

The Company formulated the written "Regulation on Anti-Fraud and Corruption" ("the Regulation"). The Regulation objectives are to;

- 2.1 Demonstrate the Company's commitment to fight against fraud and corruption.
- 2.2 Formulated principles and clear guidelines for business operations in order to prevent fraudulent and corruption risks.
- 2.3 Set guidelines for inspection and supervision, to ensure appropriate compliance with the Regulation.

3. Definition

- 3.1. "Fraud" means an intentional act to seek wrongful benefits for oneself or others. Fraud is divided into 3 types - corruption, embezzlement and reporting misconduct.
- 3.1 "Corruption" means abuse of power to gain wrongful benefits for the organization, oneself or others. Corruption entails giving and/or taking of bribery, conflicts of interest, extortion and/or demand for benefits, and facilitation payment.
- 3.2 "Bribery" means acts of giving, offering, promise of giving, taking, asking or demanding for asset, money, items, rights or other benefits that are against moral and ethics, regulations, policies or laws, by involving with government officials, government agencies, private organizations or individuals doing business directly or indirectly with the Company, in exchange for action or omission, to gain wrongful benefits and business existence, or to gain or keep inappropriate business benefits.
- 3.3 "Political support and assistance" mean cash and non-cash contribution to political parties, representatives of political parties, politicians or election candidates. Non-financial supports entail loans or in-kind donations with free of charge.

- 3.4 “Facilitation payment” means unofficial payment to government officials, and payment for assuring process run or speed up by the government officials under his/her judgement, authority, as well as right of juristic persons obliged by the laws.
- 3.5 Employment of government officials” means individuals currently or previously acting as government officials/politicians/government offices' advisors as a private company's employees who may use relationship or internal information for the benefit of the private company or cause conflicts of interest for the government office or regulatory body which governs the private company, with expectation of unfair business advantages or policies formulated in favor of the company the individuals previously worked for.

4. Boundary

- 4.1 The regulation shall conform to the Board of Directors, sub-committees, executives and employees of RATCH Group Public Company Limited and existing and incoming controlled-subsidiaries (called as “the Company’s personnel”).
- 4.2 The regulation cover representatives, middlemen, freelancers and advisors acting on behalf of RATCH Group Public Company Limited (called as “business partners”).

5. Formulation of additional practices

Chief Executive Officer is authorized to issue an order or formulate additional practices aligned to the regulation.

Section 2

Duties and Responsibility

1. **Board of Directors** is responsible for supervision of overall the Company’s anti-fraud and corruption practices and setting effective policies and regulations related to anti-fraud and corruption, as well as disclosing role of the Board in managing fraud risk to the auditor. The Board of Directors shall also take the lead in fighting against fraud and corruption in order to express its determination and standpoint towards the Company’s employees, business partners and the general public.
2. **Corporate Governance and Social Responsibility Committee** shall oversee compliance to the anti-fraud and corruption policy and regulation, fraud risk management covering preventive measures, fraud examination and response addressing to detected case. The committee is also responsible for validating and reviewing the Company’s policies, regulations, Ethics and Code of Conduct to ensure implementation of the policies and regulations completely and appropriately across the organization.
3. **Audit Committee** shall oversee internal control system, accounting and financial reporting system, and internal audit systems, ensuring that all internal procedures are suitably controlled and systems are employed comprehensively and efficiently.
4. **Chief Executive Officer and executives** shall put in place practice guidelines accommodating the anti-fraud and corruption regulation, communications and training concerning the policies and regulations for all-level personnel to ensure they have knowledge and understanding enough for effective implementation of relevant policies and regulations, and review the guidelines in corresponding with changes in business conditions, rules and regulations.

5. **The Company's employees** have to perform duty in accordance with the regulation and follow relevant orders. In case of doubt or noticing violations of the regulation, they have to report to supervisors or through whistle-blowing channels as prescribed by the Company.

Section 3 Key Principles

1. Anti-fraud and corruption

- (1) The Company will not involve with any forms of bribe giving or taking, or fraud or corruption in doing business with government or private entities.
- (2) The Company's personnel or individuals acting on behalf of the Company must not demand, propose, persuade, promise, give or take bribes, or pay other wrongful expenses including facilitation payments.
- (3) All the Company's personnel must conform laws relating to anti-fraud and corruption and the regulations on prohibition of bribe giving and taking and corruption; and comply the laws and regulations with the Company's suppliers, contractual parties, contractors and joint venture partners. In case of violations, they are subjected to disciplinary actions or liable to legal actions.
- (4) Business partners or individuals acting on behalf of the Company shall strictly comply with applicable laws in respective countries where the Company operates and the Company's regulations. They must not offer, give or take bribes and must have in place appropriate preventive measures against the giving and taking of bribes as well as corruption.
- (5) The Company prohibits any facilitation payments to government officials for speeding up or shortening process .
- (6) The Company prohibits any giving and taking of bribes or commit all forms of corruption in doing business with private entities.
- (7) The Company does not allow inappropriate payments through a third party.
- (8) The Company stipulates caution procedures for employment of government officials serving in positions of management, employee or worker of the Company, and must comply with the Company's specified guidelines and criteria with an aim to prevent conflict of interest or unfair business advantage.
- (9) The Company requires thorough background checks on the selection of agents, advisors, contractors, suppliers, joint venture partners, business partners and other service providers. Appropriate conditions are specified in contracts, to prevent the taking and giving of bribes.
- (10)The Company's personnel shall engage in building values and awareness in honest, transparent and corruption-free work process, to subsequently making it a corporate culture.
- (11)The Company's personnel shall complete all work processes in a transparent, correct and fair manner as guided by the Company's regulations and orders.
- (12)The Company's personnel must not ignore or neglect any suspicious acts that involve the Company and may breach the anti-fraud and corruption regulation. The suspicious acts must be reported to supervisors or responsible persons and they must cooperate in related fact-finding process and investigation.
- (13)The Company guarantees fairness and protection for the personnel who will not be punished or demoted if refusing to commit corrupt acts, though such loses the Company business opportunities.

2. Political support and assistance

- (1) The Company shall maintain political neutrality, not favouring or supporting any political party or any political figure; not participating the activities of political parties, political groups or political figures, directly or indirectly; and not allowing political groups to use the Company's resources or premises for political activities.
- (2) The Company shall not make cash or in-kind donations to political parties.
- (3) The Company respects personnel's freedom to political rights – rights to express opinions or rights to participate political activities – as stipulated in the Constitution and relevant laws and regulations. Personnel can, for instance, cast vote, be a political party's member, and participate a political activity after work as long as they do not represent or act in the name of the Company and use their own resources.
- (4) The Company's personnel must not propose the Company to give a political support, directly or indirectly.
- (5) The Company's personnel shall refrain from expressing political opinions at workplace or during working hours, to prevent possible conflicts.

3. Charitable donation and financial support

- (1) Charitable donations and financial supports to government and private entities or their personnel shall be transparently executed and for charitable causes, without expectation to win in return benefits or other things which may be deemed a fraudulent and corrupt act.
- (2) Requests for charitable donations and financial supports shall follow the Company's regulations.

4. Giving/Taking of gifts and souvenirs

- (1) The Company considers taking or giving gifts/souvenirs as part of local traditions an acceptable practice. However, the Company are not expected the personnel to receive gifts/souvenirs with exceptional value from business partners.
- (2) Giving and taking of gifts and souvenirs shall be appropriately in line with business purposes and shall not significantly influence the decision-making process of the Board of Directors, the Management, employees or outsiders.
- (3) Do not give or take gifts and souvenirs, inclusive of other benefits, in exchange for a special business deal.
- (4) Avoid giving or taking gifts and souvenirs or other benefits which are deemed bribes or cast doubt on integrity or conflict of interest involving the Company's personnel which may harm the Company's reputation.
- (5) Do not personally receive gifts and souvenirs valued above the Company's limit from distributors, customers or competitors.
- (6) Do not receive discounts or other benefits, offered on a personal basis, from distributors or customers
- (7) Do not offer or receive money, provide services, gifts or valuable items to government officials and private entities for inappropriate business advantage.
- (8) Approval for gift/souvenir giving and taking involving government officials and external parties shall follow the Company's specified regulation.

5. Receptions and other benefits

- (1) Hosting receptions or giving in-kinds to government agencies and private companies in person or by organization must be done in a transparent manner, not for expecting benefits or others in return that may be deemed fraudulent and corrupt acts.
- (2) Accepted proper receptions for business purposes must not significantly influence the decision-making of directors, executives, employees or external parties.
- (3) Hosting or receiving receptions and other benefits for exchanging special business deals are not allowed.
- (4) Hosting or receiving receptions or other benefits that possibly deemed bribes and cause of doubt on integrity and conflict of interest of the Company's personnel consequently impacted to the Company's reputation must be avoided.
- (5) Do not allow to offer or receive receptions and other benefits involved with government officials and personnel of private companies expecting for an inappropriate business advantage.
- (6) Approval for arranging or receiving receptions and other benefits must be conformed according to the Company's specified regulations.

Violation against the Regulation on Anti-Fraud and Corruption is subjected to disciplinary actions as stated in the regulation or termination of employment contract if considered necessary. Wrongdoers may also file legal actions if proven guilty by law.

Section 4

Risk Management and Internal Control

The Company has issued risk management and internal control practice framework as follows:

1. Establish measures and guidelines on the management of corruption-related risks that encompasses preventive measures, fraudulence inspection and responses against corruption findings.
2. Put in place appropriate and sufficient internal control system for fraud and corruption protection, and inspecting for internal work processes to ensure efficiency and effectiveness of the internal control system.
3. Conduct enterprise risk assessment in aspects of fraud and corruption assuring that the Company's internal control measures enable to mitigate all forms of the risks effectively.
4. Put in place expenses practice guidelines, especially special items of political contribution, charitable donation, sponsorship, gift, souvenir, facilitation payment, reception, travel allowances, meal allowance or others, as a concrete way to prevent fraud and corruption.
5. Put in place preventive measures in giving or taking of gifts, asset or other benefits, receptions or over-limit expenses that breach the Company's applicable rule or relevant countrys laws.
6. Establish mechanism facilitating transparent, accurate and consistent financial reporting system in accordance with internationally-accepted accounting standards.
7. Establish document management procedures covering document origination and keeping control of financial information and supporting document, to ensure that financial information is recorded and reported in factual, accurate and complete basis which is in line with applicable laws and regulations. Concerning supporting document relating to expense justification process, it is

required precision, transparency, accuracy and approval from the authorized persons, to ensure that the expense is reasonable and does not constitute fraud and corruption.

8. Set up channel for whistleblowing, providing recommendation, placing compliant regarding fraudulent or corrupt cases, and also put in place investigation procedures, penalty mechanism and process of reporting to the Board of Directors and top management when finding fraud and/or corruption.
9. Providing communications and training on the anti-corruption regulation and orders of the Company to all levels of employees, as well as representatives of business agents and intermediaries acting on behalf of the Company.

Section 5 Whistleblowing

1. Whistleblowing and complaint reporting

Any person who notices misconduct or suspicious acts of corruption in direct or indirect manner, must not ignore or neglect the acts and shall immediately report their supervisors or the Board of Directors or through the Company's prescribed whistleblowing channels.

2. Protection to whistle blowers and informants

To protect whistle blowers and informants who act in good faith, the Company promises them fairness and protection by keeping confidentiality of their information and allowing information access only for responsible persons in charge of investigation process. Those responsible persons must keep confidentiality of the relevant information, complaints and supporting evidences and disclosure of the information to irrelevant persons is also prohibited, excepting for law conformity. Aside, the Company will not take any adverse action against employees who refuse committing corruption despite loss of the Company's business opportunities.

3. Cooperation in investigation process

Executives and employees shall cooperate with investigation committees when asked.

Section 6 Communications and Training

1. Communication

To acknowledge employees about the Company's anti-fraud and corruption policy, regulations and orders, the Company puts in place communication channels for disseminating messages and relevant information as follows :

- (1) Corporate channels such as E-mail , website
- (2) Reporting Form 56-1 One Report

2. Training

The Company arranges training on fraud and corruption to all-level employees on a regular basis, and provides a session in the orientation for new-hired employees. It aims to enhance awareness and understanding about anti-corruption implication in their work process, and raise their acknowledgement in the Company's policy, regulations and relevant orders regarding to



anti-fraud and corruption, all forms of fraud -particularly bribery, risks caused of involvement in misconduct, ways of misconduct or suspicious act reporting, objectives & goals of the Company effort against fraud and corruption, and penalties for breaches of relevant policies and regulations.

Section 7
Review and Improvement of the Regulation

The Regulation on Anti-Fraud and Corruption is under the supervision of the Corporate Governance and Social Responsibility Committee. The regulation shall be reviewed and amended in the event of significant changes, to ensure its alignment with the Company's relevant policies, regulations and laws.

Announced on 24 August 2021

(Mr. Boonyanit Wongrukmit)
Chairman
RATCH Group Public Company Limited