

## **Anti-Corruption Practice**

Company directors, executives and employees must perform their duties with honesty and without corruption and dishonesty of all kinds, whether directly or indirectly; they have to strictly abide by and perform according to the policies and ethics of the company strictly.

### Guidelines of the year 2019

- Receiving or giving gifts

Receiving or giving gifts on behalf of the company to those involved in the business of the company according to social customs or etiquette that should be followed, to congratulate, or as souvenir on several occasions shall strictly comply with the laws, rules and policies specified strictly, in order to ensure that receiving or giving a gift does not create conflict of interest, not result in relief, or negligence, or compensation in business agreement, or inappropriate business practices, it will not lead to corruption or dishonesty.

From 2017 onwards, the company announced to stop receiving and giving new year gifts to customers / partners / government agencies / financial institutions / those involved with the company during the New Year festival, in order to show the intention to adhere to transparent business operation.

- Charitable donations

Donations, or support to public sector or private sector agencies shall be done transparently, not violating moral, or ethics, shall be done lawfully and complying with the policies and regulation of the company in such matter strictly; there shall be approval in accordance with the steps under the regulation of the company

- Entertainment cost

To provide entertainment in connection with the business operation of the company to individuals or any working unit, the entertainment cost shall be transparent and can be checked according to related regulations and is going to create good relations or expression of social etiquette, not to make conflict of

interest, not create result in relief, negligence, or benefits in a business agreement, or inappropriate business operation and lead to corruption or dishonesty.

Approval of entertainment cost shall comply with regulations strictly, there is making of report for consideration and approval in accordance with the regulations of the company.

#### Training and Communication

In 2019 the employees in every level from the executive director have been communicated through the weekly meeting arranged by the managing director to provide information and clarification of frauds and corruption regularly, including orientation for new employees which has included the training related to anti-corruption.

Guideline practice on supervision and control to prevent and monitor risk on frauds is as follows.

1. The examination and assessment processes arranged for the internal control system and risk management to cover all key working systems in the business of the company such as bidding process, procurement process, preparation of contracts, budgeting process, as well as accounting system related to receipts and disbursement. In 2016 the company has employed the new ERP computer system operated by Mango system which is used for budget control for construction work to ensure that the working system could reduce the risk on fraud and corruption through better accounting system.

2. There are channels provided for notification of information, clues or complaint on offence, illegal or unethical act of the company or practice on prevent practice related to corruption or doubt in financial report or internal control system with policy on protection of those providing information or clues and custody of information of those providing confidential information. There are measures on examinations and decision on disciplinary action of the company and other related laws if there is a case for contact of those providing clues or complainants and the company will notify the action undertaken in writing.

3. Chiefs of various operating units are required to monitor, improve and correct errors and mistakes (if any) and report to the authorized persons in respective order.

Practice on monitoring and assessment on the performance in accordance with the preventive measures related to corruption as follows

1. The internal audit division is assigned to examine the internal control system, risk management, business supervision and provide recommendations continuously and to conduct the examination in accordance with the annual audit plan approved by the audit committee and to make the presentation to the board of directors.

2. The management is assigned to take responsibility of the test and assessment on risk of frauds and corruption continuously to implement the anti-fraud and –corruption measures effectively and to monitor, review and improve the anti-fraud and –corruption measures consistently and the outcomes will be timely and consistently presented to the risk management committee and reported to the board of directors in a respective order.

3. If the investigation has revealed that the information examined or the complaint has sufficient evidence to believe that the transaction or the act has significantly affected the financial position and the operating results of the company, as well as the offence against the law or business ethics of the company or doubt in the financial reports or the internal control system, the audit committee will report to the board of directors of the company for improvement or correction within the period deemed suitable to the audit committee.

Information for Seatec Public Company Limited only.