

TSFC Securities Public Company Limited.

Policy No. 8/2021

Subject: Anti-Corruption Policy

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TSFC Securities Public Company Limited. "the Company" is dedicated to conducting its securities business transparently and ethically. The Company has joined the " Thai Private Sector Collective Action Coalition Against Corruption" initiative to demonstrate its commitment and determination to combat corruption in all forms. In line with this, the Company has established a policy on combating corruption to ensure clear guidelines for its business operations and to develop the Company sustainably.

To ensure the policy on combating corruption is appropriate and aligned with the current business environment, the Board of Directors, at the 7/2021 meeting held on 19 July 2021, resolved to revoke Regulation No. 2/2020 on the policy on combating corruption, which was issued on 16 November 2020. This new policy will take effect from 20 July 2021, onward, replacing the previous regulation.

## 1. Objectives

- 1.1. To ensure that the Board of Directors and employees at all levels of the company do not engage in any form of corruption.
- 1.2. To promote the role and participation of employees in preventing and combating corruption related to the company's business.
- 1.3. To build confidence among stakeholders in conducting business together with honesty and integrity.

## 2. Definitions

- 2.1. **Corruption refers to** any act of misconduct intended to induce or omit the performance of duties, regardless of the form, including offering, contracting, granting, or demanding benefits related to money or other inappropriate benefits, whether directly or indirectly, to obtain or maintain business or other undue advantages. This includes providing bribes to government officials or private entities.
- 2.2. **Gifts, entertainment, and hospitality refer to** the provision of gifts, welcoming services, hospitality expenses, special privileges, welcoming facilities, and other expenses or benefits that may be linked to the provision of bribes. This includes the provision of valuable items, entertainment expenses, and other forms of compensation.
- 2.3. **Business support refers to** the expenditure of money or the provision of goods or services for business purposes, aimed at creating an image or reputation.
- 2.4. **Donations refer to** the provision of money or goods in any form to legal entities, organizations, whether they are government organizations, private entities, state enterprises, or foundations, without expecting anything in return.

2.5. **Political support refers to** providing financial assistance or any other form of support to support political activities, such as providing goods or services, advertising to promote and support political parties, granting employees leave or representing the company to participate in political campaigns, and other related activities.

2.6. **Conflict of interest refers to** a situation where an individual has dual roles or conflicting interests, where personal interests do not align with the company's interests, forcing the individual to make a choice. This may lead to corruption and unethical behavior.

2.7. **Facilitation payments refer to** small payments made to government officials unofficially, and they are provided to ensure that government officials carry out their duties efficiently without delays. These payments are made to expedite official processes without exercising the discretionary power of the government officials and are considered customary practices. Examples include requesting licenses, issuing certifications, and receiving public services.

2.8. **Hiring government employees refers to** the act of employing individuals from the public sector, including directors, commissioners, employees of government agencies, state enterprises, or state-affiliated organizations. These individuals hold positions of authority or have been granted the delegated power of government governance to carry out specific functions in accordance with the law. They may also be involved in overseeing or conducting the company's operations.

2.9. **Management team refers to** the board of directors, deputy managing directors, assistant managing directors, and the highest-ranking executives in the department.

2.10. **Employees refer to** all members of the management and staff.

2.11. **Anti-Corruption Committee refers to** the committee appointed by the management board to perform the duties specified in section 4.7.

### 3. Commitment to Adhering to the Anti-Corruption Policy

The company is dedicated to adhering to the policy of combating corruption, thereby ensuring that all board members and employees refuse any form of corruption for the benefit of the company, themselves, their families, relatives, friends, and acquaintances. This includes rejecting any form of bribery or inducement, both directly and indirectly, and maintaining a steadfast commitment to creating and preserving an organizational culture that opposes corruption. The board members and employees are expected to demonstrate honesty and serve as role models in their conduct, including subsidiaries, affiliated companies, and those involved in the company's business, encouraging their active participation in anti-corruption measures.

### 4. Roles and Responsibilities

4.1 **Board of Directors:** The board of directors is responsible for establishing an anti-corruption policy and ensuring the existence of an efficient system that supports anti-corruption efforts. They must ensure that the management understands the importance of these efforts and implements them as

an organizational culture. The board of directors delegates the task of setting clear guidelines in accordance with the policy to the management.

**4.2 Audit Committee:** The audit committee examines the adequacy of the company's internal control system in combating corruption. They oversee and ensure compliance with the anti-corruption policy and guidelines, as well as report the results of audits to the board of directors for acknowledgment.

**4.3 Directors:** The directors have the responsibility to adhere to the anti-corruption policy and guidelines outlined in the board manual, while being aware of the penalties for non-compliance.

**4.4 Management:** The management is responsible for establishing and maintaining systems and controls to ensure compliance with the anti-corruption policy and guidelines. They also review the appropriateness of various measures in line with changing business conditions.

**4.5 Employees:** Employees have the responsibility to adhere to the anti-corruption policy and relevant regulations strictly, while being aware of the penalties for non-compliance.

**4.6 Internal Audit and Compliance Department:** They conduct audits and examinations to ensure accurate compliance with the anti-corruption policies, orders, and regulations. They report to the Audit Committee.

**4.7 Anti-Corruption Committee:** The committee is responsible for proposing the review of anti-corruption policies and guidelines, providing guidance, or creating recommendations related to corruption. They receive and investigate reports, complaints, and inquiries related to corruption, as well as coordinate and collaborate with external agencies in combating corruption.

## **5. Risk Assessment to Establish Guidelines for Anti-Corruption Compliance within the Legal Framework in Thailand**

The company conducts risk assessments for corruption and develops procedures that reflect effective risk mitigation measures in all activities under robust controls. It ensures that these guidelines align with relevant laws in Thailand concerning anti-corruption, within the legal boundaries that governs organizational operations, particularly the Securities and Exchange Commission's standards for securities business operations.

## **6. Anti-Corruption Policy Guidelines**

The company establishes guidelines for anti-corruption efforts, and all board members and employees are required to acknowledge and adhere to these guidelines.

The policy on anti-corruption covers the following areas:

### **6.1 Gifts, Entertainment, and Hospitality:**

The company has a policy that prohibits the giving or receiving of gifts, entertainment, or hospitality from/to customers or individuals related to the company's business. This policy is in place to prevent any potential influence on the performance of duties unless it is a customary practice or occurs on special occasions.

### **6.2 Business Support:**

The company has a policy that prohibits providing financial support, goods, or services for activities that are unlawful or contradict cultural traditions, as well as serving as a channel for corruption.

#### 6.3 Donations:

The company has a policy that ensures transparent and lawful donations, in line with ethical standards, and does not contribute to any harm to society or be used as a pretext for corruption.

#### 6.4 Political Support:

The company has a policy of conducting business impartially and supporting compliance with the law and governance under the constitutional monarchy. The company does not provide support to political parties, engage in political activities, or support financially any political party, politicians, or political candidates, directly or indirectly.

#### 6.5 Conflicts of Interest:

The company has a policy regarding conflicts of interest, which requires all board members, management, and employees to strictly adhere to it.

#### 6.6 Payment for Convenience:

The company has a policy prohibiting payments made for the purpose of expediting or facilitating operations beyond standard services. This includes prohibiting giving or receiving money, gift cards, checks, shares, or any valuable items to/from government or private sector officials, both directly and indirectly, to obtain or maintain a competitive advantage in business.

#### 6.7 Hiring Government Employees:

The company has a policy not to hire government employees who are currently involved in the supervision or operations of the company as employees, board members, or consultants unless they are appointed as directors by shareholders in proportion to their shareholding and have obtained approval from the Office of the Securities and Exchange Commission (SEC).

#### 6.8 Procurement:

The company's procurement activities must be conducted transparently, honestly, and in accordance with the company's procurement regulations, as well as relevant laws and regulations related to procurement in both the private and public sectors. This includes compliance with laws that prohibit inappropriate influence on officials, as well as regulations and rules issued by the National Anti-Corruption Commission (NACC).

#### 6.9 Human Resources Management:

The company has guidelines for recruitment, promotion, training, orientation for new employees, performance evaluation, and recognition that reflect the commitment to combat corruption. No employee should be demoted, penalized, or negatively affected for refusing to give or receive bribes, even if such actions result in the company losing business opportunities.

#### 6.10 Communication and Training:

The company has a policy to effectively communicate its anti-corruption policy to all internal and external stakeholders through various communication channels, such as the company's website, email, intranet, letters, and annual reports. Additionally, support is provided for board members and employees to participate in training related to combating corruption.

#### 6.11 Reporting and Complaints:

The company has a policy that encourages all employees to report any incidents or observations of corruption-related activities involving the company to the management or the anti-corruption committee. Reports can be made through designated channels specified by the company. The company ensures fair treatment and non-retaliation against whistleblowers in accordance with the company's regulations and policies.

#### 6.12 Data Recording, Financial Audit, and Internal Controls:

The company has a policy to maintain accurate accounting records in accordance with generally accepted accounting standards. An audit committee is responsible for reviewing internal controls and relevant measures, ensuring proper approvals according to established procedures. Additionally, the company has a system of financial reporting audits conducted by internal auditors and external auditors certified by the Securities and Exchange Commission (SEC) to ensure reliable financial reporting and instill confidence in stakeholders.

#### 6.13 Monitoring, Oversight, and Review of Anti-Corruption Policies:

The company monitors, oversees, and regularly reviews the appropriateness, adequacy, and effectiveness of its anti-corruption policies. The audit committee or the company's board of directors assesses the sufficiency of the measures independently and discloses the results of such audits in the annual report, providing transparency to shareholders. Regular reviews of anti-corruption policies and measures are conducted annually or when significant changes occur.

#### 6.14 Sanctions:

Any actions that violate this policy, whether directly or indirectly, will be subject to appropriate disciplinary measures. If the actions constitute a legal offense, the responsible individuals will be reported and prosecuted according to the law.

Announcement as of 20 July 2021

(Mrs. Kesara Manchusree)

Chairperson of the Board of Directors

