



# Anti-Corruption Policy



Siam Makro Public Company Limited



Updated/ Revised 1/2017 (August 9, 2017)

**Message from the Chairman**

Siam Makro Public Company Limited and its subsidiaries (the “Company”) give great importance towards and are determined in conducting business in an honest, transparent and equitable manner. We are also committed to being responsible to society as a whole and to all stakeholder groups in accordance with the Company’s Corporate Governance and Code of Conduct Manual as well as according to international principles and practices.

The Company recognizes the importance of being against corruption. As such, in order to ensure that the Company has in place policies to determine overall responsibilities, operating guidelines and appropriate measures to prevent corruption within all the Company’s business operations as well as to enable all decisions and business activities that involve risks of corruption are undertaken with full consideration and carried out in an appropriate manner, the Company has prepared this “Anti-Corruption Policy” so as to serve as clear operating guidelines for use and adherence as a framework by the Company’s Board of Directors, management and all staff (“the Company personnel”) in carrying out their responsibilities. This “Anti-Corruption Policy” is also intended to make all involved stakeholders aware of the Company’s firm intent and full commitment in being anti-corruption and against all form of corrupt practices. The Company encourages everyone to apply and fully comply with this established Anti-Corruption Policy, through incorporating them as an integral part of the working rules and regulations; and request that all the Company personnel study them so as to fully understand and to then strictly comply with the established guidelines contained within this Company’s Anti-Corruption Policy. Those who breach or do not act in compliance with these policies will be subject to disciplinary action according to the Company’s rules and regulations, whereby they may be subject to the most serious punishment possible in being discharged from the Company or having their employment agreement or contract of hire with the Company terminated. However, at the same time, the Company has a policy to not punish and demote staff’s grade or position, or to not impose any negative treatment on those personnel who refuse to commit any acts of corruption, even if such refusal may result in the Company losing some business opportunities. Further, in the event that those who breach or

do not comply with this Anti-Corruption Policy also involve breaking any laws, they may be subject to additional legal prosecution accordingly.

This revised and updated version of the Company's Anti-Corruption Policy has been reviewed and approved by the Company's Board of Directors, and is effective as of August 9, 2017.



(Mr. Arsa Sarasin)

Chairman

**Definitions**

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| <b>The Company</b>             | Siam Makro Public Company Limited and its subsidiaries  |
| <b>Subsidiaries</b>            | Means companies as specified by the Securities and Exchange Act, as well as by the announcements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)   |
| <b>Corruption</b>              | Various activities and any acts regardless of whether it is the offering, promising, soliciting, demanding, and giving or accepting of assets or any other benefits to Government officials or any other persons doing business with the Company, whether directly or indirectly, in order to induce those persons to take actions or refrain from taking any actions in accordance with their duties, so as to obtain benefits or maintain various other benefits that are improper or inappropriate for the business activities, or to refrain from applying or imposing various measures that are normally allowed or required to be taken in accordance with the applicable laws, rules and regulations, as well as with customary local and business practices |
| <b>Political Contributions</b> | Giving contributions, whether it is in the form of money or any other types of contributions, in order to support political activities – such as: giving or providing goods or services; advertising, promoting or supporting political parties; buying tickets to join political rallies aimed at raising funds for a political party; or donating money to any organization that is known to be closely linked to a political party   |

**Charitable Contributions** Donating money or goods or any other things that can be calculated into actual monetary terms to any charitable organizations without wanting any benefits in return

**Sponsorships** Money given to or received from, any goods or any other types of benefits and gains that can be calculated into actual monetary terms, clients/ customers, business partners, suppliers, joint venture parties, with the aim making positive use of being associated with the brand name or reputation of the Company.

## Anti-Corruption Policy

### 1. General Principles

The Company has a policy to forbid the Company personnel from undertaking or accepting or supporting any acts and all forms of corruption, either directly or indirectly, whereby this also extends to any parties involved with the Company. The Company has determined that monitoring is undertaken on a regular basis with regard to full compliance with the established Policy on Anti-Corruption together with regular reviews of the operating guidelines and procedures, so that they correspond to current policies, required operating procedures, rules and regulations, announcements, laws and changes in the business situation.

This Anti-Corruption Policy is applicable to all activities involved with the conduct of business by the Company, which includes the Company's domestic as well as overseas business operations.

### 2. Political Contributions

The Company has a policy to not give political contributions, whether directly or indirectly, or to undertake any activities that are aligned towards or in favor of any particular political party or group. As such, the Company has the following guidelines with regard to activities in giving political contributions:

- (1) The Company conducts its businesses in a politically neutral and impartial manner, without participating in or joining or being aligned with any particular political party or influential person with political power, as well as in not using any money or other resources of the Company to support, whether directly or indirectly, any particular political party or politician.
- (2) The Company personnel have the right and freedom to participate or join any political activity in accordance with their basic personal rights as specified by the Constitution. However, they are not allowed to indicate that they are doing so as

the Company staff or to make use of any Company assets, equipment, machinery and tools for the benefit of any particular political party, so as to imply and create an understanding that the Company is involved in any way or is giving support to any such activities.

- (3) The Company has announced to and informed the Company's personnel that the Company will not participate in or join in, or will not give any contributions to any political activities.

### **3. Charitable Contributions and Sponsorships**

The Company has a policy to oversee and control activities in contributing to charities and in giving sponsorships or assistance in various forms, so as to ensure that such activities are not a means for or that lead to any possible acts of corruption. As such, specific processes and controls are clearly defined together with procedures to monitor and review, so as to be sure that any such contributions to charities or sponsorships are undertaken in a fully transparent manner and in accordance with the established Company regulations and all applicable laws. Therefore, the Company has the following operating procedures relating to making charitable contributions and giving sponsorships:

- (1) All activities in making charitable contributions and giving sponsorships are required to be connected with, related to and correspond with the established financial plans, policies and objectives of the Company; as well as must have a clearly defined starting date and ending date.
- (2) The Company has established a specific business unit or persons clearly responsible for the disbursement of monies in making charitable contributions and in giving sponsorships for various purposes and objectives. As such, all requests for such disbursements must be approved by those within the Company having the approval authorities, as well as must clearly specify the amount of money involved, the purpose and intended use of the money, and the recipient together

with compiling all relevant supporting documents or proper receipts for the money received for audit purposes.

- (3) The Company personnel wishing to have the Company participate in making a charitable contributions or in giving sponsorships must complete the required request form for approval, in giving the intended charitable contributions or sponsorships, which form must clearly specify the recipient of such monies, the objective and purpose. The request form together with the relevant supporting documents must then be submitted to the designated Company person with the approval authority; as well as ,thereafter, proper evidence of receipt or an actual official receipt must be submitted to the assigned business unit for full review and audit.
- (4) Monitoring and auditing are then undertaken, as part of the internal controls and internal audit activities. This is to ensure that the charitable contributions or sponsorships given are not made for the corrupt purposes.

#### **4. Gifts, Hospitality, and Other Associated Expenses**

The Company has a policy to forbid the Company personnel to solicit, receive, give, or promise to give any assets or goods of value, other types of benefits from or to clients/ customers, business partners, suppliers and any the persons/ parties who are involved with the business operations of the Company, so as to induce taking of any improper actions or refrain from undertaking any actions or other such similar actions. The exception is during traditional or customary gift-giving festivities, when gifts may be given/ received but not to exceed Baht 3,000 in value; whereby the Company has determined an operating procedures guideline regarding the value of gifts and hospitality and other associated expenses as follows:

- (1) The Company personnel are strictly forbidden, for whatever reason, to solicit, receive, or give, or promise to give any assets or goods of value, other types of benefits from or to clients/ customers, business partners, suppliers and any



persons/ parties who are involved with the business operations of the Company, whether on a personal basis for the benefit of others; whereby such actions may lead to decisions to take actions that are inequitable, bias towards a particular party or that cause problems and which may result in a conflict of interests.

- (2) The receipt and giving, as described above, must not result in an unfair advantage through the taking of improper actions or the clear exchange of benefits “quid pro quo” or through having a hidden agenda. This then leads to assistance or benefits being received in return that would result in concessions or an easing of any applicable rules or previously agreed terms and conditions in an improper manner, leading to subsequent various business decisions. The giving of any gifts must be made in the name of the Company and not in a personal capacity, and by giving products that have the Company’s brand name as well as that are appropriate to the festivity and occasion.
- (3) The Company personnel are not allowed to receive gifts or any other benefits or rewards that are more than appropriate for the occasion or beyond the customary manner. Nevertheless, the Company personnel are allowed to receive gifts, and/or return hospitality and other benefits and expenses, so long as they correspond to the normal customary festivities and traditional occasions.
- (4) Gifts, hospitality or other benefits having a value of more than Baht 3,000 are not allowed to be accepted, as well as any gifts that are in the form of cash or cash equivalent. In the event of being in a situation where acceptance of the gift or benefit offered is difficult to decline, then the Company personnel should accept the gift offered and then inform his/ her supervisor immediately together with completing and submitting to the HR Department a gift receipt report. Thereafter, in accordance with the judgement of the Group CEO, the Company will decide to allocate and donate the gift items to public charities in the name of the Company as appropriate.

- (5) The Company will communicate to all the Company personnel the established Company operating procedures guideline relating to gift giving, hospitality activities and other associated expenses during the annual staff meeting and via other existing communications channels within the Company.
- (6) The Company will also communicate to all customer/ clients, business partners/ suppliers, or those involved with the Company' businesses, so as to inform them of the Company's policy and operating procedures guideline on gifts giving/ receiving, hospitality and other associated expenses via the documents introducing the Company or via the Company's Public Relations pocket folder on the Company's business operations.

#### **Guidelines of Practices on Anti-Corruption Policy**

- (1) Undertaking any activities in accordance with the Anti-Corruption Policy should be in accordance with the established operating guidelines in the current Manual on Corporate Governance and Code of Conduct together with any future operating guidelines as determined in the future.
- (2) The Company personnel are strictly forbidden to solicit, undertake or accept any acts of corruption, for the benefit of the Company or themselves as well as their family, friends and associates, and any other involved parties.
- (3) The Company personnel are required to act in accordance with the Company's Anti-Corruption Policy, Manual on Corporate Governance and Code of Conduct; as well as must not be involved in any acts of corruption, whether directly or indirectly.
- (4) The Company personnel who breach or do not act in compliance with the Company's Anti-Corruption Policy will be subject to disciplinary actions and punishment according the established Company's Regulations, which may involve the highest punishment: namely discharge from the Company's employment, or

termination of employment or hire with the Company. However, at the same time, the Company has a policy to not demote or down grade the staff rank or position, to not punish or not impose any negative treatment on those who refuse to take any corrupt actions, even if such acts of refusals mean that the Company loses some business opportunities. Further, if in breaching the Anti-Corruption Policy also involves breaking any laws, the involve person may also be subject to legal prosecution accordingly

- (5) The Company personnel should not be negligent about or silently ignore the situation when coming across any suspicious activities that may involve or be considered as alleged acts of corruption. They must immediately inform and report this to the Company through the established channels of communications together with cooperating with the Company in the subsequent investigation of the true facts in accordance with the established regulations of the Company.
- (6) The Company will give equitable treatment to the Company personnel and protect those who refuse to take any corruption action relating to the Company's businesses, through applying the whistle-blower protection program and also to maintain full confidentiality.
- (7) The Company has established safe and secure channels of communications available for use by the Company personnel and other stakeholder groups to submit suggestions as well as confidential information and recommendations or complaints regarding any alleged acts of corruption.
- (8) The Company has also communicated and disseminated, as well as informed and educated and also advised all Company personnel about fighting dishonesty and corruption, so that the Company personnel and all those involved with the Company can act in accordance with this Company's Anti-Corruption Policy. The Company has also communicated, disseminated, informed and educated various

external parties of the Company's Anti-Corruption Policy; and that the Company's overall policy comply with all the applicable Thai laws in fighting corruption.

- (9) The Company has established risk management procedures relating to acts of corruption; whereby an assessment has been undertaken of the various related risks together with ranking them in order of importance, critical level and priority. Various risk management measures were then determined for the respective identified risks; as well as the progress of these risk management measures have been monitored.
- (10) The Company has established various levels of approval authority for the various business transactions of the Company that are clearly defined, effective, transparent and fully accountable.
- (11) The Company has established operating procedures that are clear and adequate for implementation so as to be in full accordance with the established Policy which are able to prevent acts of corruption from occurring in the conduct of the Company's businesses.
- (12) The Company has established a system of internal controls together with various internal audit procedures, in order to ensure the effectiveness and efficiency of the established Anti-Corruption Policy. As such, these internal procedures cover documenting and maintaining of all financial and accounting records, together with information relating to personnel management, procurement and purchasing, and all relevant operations procedures of the Company. Additionally, the results and outs of all such internal controls activities are then reported to the responsible personnel.
- (13) The Company has established various personnel management procedures that reflect its established commitment in fighting corruption. Such procedures start from the recruitment process, training and development activities, personnel evaluation procedures, compensation and remuneration plans, promotion

procedures; as well as to establishing its organization structure so that it clearly defines the respective positions and responsibilities as appropriate, and also to the various related procedures that are undertaken to ensure that the Company's personnel and people resources possess adequate and appropriate skills to act in full compliance with the established Anti-Corruption Policy and procedures.

- (14) The Company has established appropriate procedures for reporting, monitoring, and reviewing actual compliance to established Policy on Anti-Corruption, so as to ensure that such Policy is comprehensive, adequate and always timely to the current situation.
- (15) The Company is committed to creating and sustaining a corporate culture of having full zero-acceptance of or zero-tolerance for any acts of corruption or bribery; as well as is committed to developing and instilling in its personnel a positive mindfulness and mindset in this regard.

### **Roles and Responsibilities**

- (1) The Company's Board of Directors has a duty and responsibility to determine and oversee that there is in place an effective system to promote anti-corruption, so as to ensure that the management recognizes the importance of fighting corruption and of creating and determining an appropriate corporate culture accordingly.
- (2) The Audit Committee has the duty to audit and review that the Company acts in full compliance with the established Anti-Corruption Policy and associated operating guidelines, as well as for the financial reports, internal controls systems and internal audit activities. This is to ensure that the operating activities by the various Departments are effective and comply with all legal requirements, as well as correspond to the various regulations and appropriate positive ethical standards.

- (3) The Group CEO and executives/ managements at all levels have the duty and responsibility to determine the appropriate system and procedures and to promote the Anti-Corruption Policy so as to inform their respective staff, all involved parties, and all business units; as well as to review the appropriateness of the various systems and measure so that they correspond to the changing business situation, applicable regulations and rules, and involved laws.
- (4) The Internal Audit Department has the duty and responsibilities to control, oversee and review the operating activities so that they are correct and in accordance with the policies, operating guidelines, regulations, working instructions and established operational approval authority as well as applicable laws. This is to ensure that there is an appropriate system of internal controls in place that is adequate and sufficient to prevent any acts of corruption that may occur. The Internal Audit Department reports directly to the Audit Committee.
- (5) The Risk Management Committee (at the operating management level) is responsible for assessing, on a regular basis, various risks relating to possible acts of corruption that may occur within each operating procedure and process, as well as for proposing guidelines in mitigating such risks as appropriate, which are then reported or submitted to the Board of Directors for review and recommending as appropriate measures so as to minimize such possible risks.

### **Submitting Complaints and Information (Whistle-Blowing)**

The Company has established channels of communications to submit any complaints and information (or whistle-blowing) on any alleged breach of the law and Code of Conduct as well as possible acts of corruption, improper behavior or wrongdoings by the Company personnel or other involved stakeholders together with any breach of or non-compliance with the established Anti-Corruption Policy. Appropriate measures and mechanisms are in place to protect the complainant or informant together with giving importance to maintaining the confidentiality of the complaint or information, so as to assure and create full confidence on

the part of the complainant or informant or other involved stakeholders in order to correspond to the need to protect the overall interests and benefits of the Company.

(1) Allowing the Opportunity to Involved Stakeholders to Provide Information (whistle blowing) or Complaints

So as to encourage the Company personnel to conduct our businesses in a correct, transparent, accountable manner, the Company has established various channels of communications for submitting any complaints or information (whistle-blowing) as well as procedures from receiving such information or complaint, investigating the actual facts, and to summarizing the conclusion together with the protection of the complainant or informant and other involve persons/ parties. This is aimed at receiving any opinions and recommendations from involved stakeholders who may be affected by the business operations and associated risks, and the activities of the Company personnel that may involve breaching any laws or violating of any Code of Conduct, as well as undertaking any possible acts of corruption, which acts are the breaching of or non-compliance with any established Government laws, rules and regulations or the established Corporate Governance and Code of Conduct Manual, and regulations of the Company. Such actions have the appearance of being acts of corruption, namely: any actions that are carried out in an improper or illegal manner with the aim of seeking personal gains or benefits or for those of others - such as: assets embezzlement, fraud, or acts of corruption,

In the event that any person comes across any such suspicious behavior relating to the carrying of the duties by the Company personnel or the conduct of the Company's business activities that may appear to be an alleged violation of some regulations or established Anti-Corruption Policy or any laws, and rules or regulations of the Company, such persons need to inform the responsible persons within the Company immediately through use of the established channels of

communications for submitting complaints and information (whistle-blowing) within the Company.

(2) Communications channels for making complaints and for submitting information or “whistle blowing”



By mail to:

Chairman of the Board/ Chairman of the Audit Committee/ Group Chief Executive Officer/ Head of Internal Audit Department  
Siam Makro Public Company Limited.

1468 Pattanakarn Road, Suan Luang, Suan Luang, Bangkok 10250



Email : [cgooffice@siammakro.co.th](mailto:cgooffice@siammakro.co.th)



Telephone: 0 2067 9300



Fax : 0 2067 9119

(3) Scope in Submitting Complaints or Information (Whistle-Blowing)

(a) Any non-compliance with established procedures as contained within current the Company Corporate Governance and Code of Conduct Manual and on Anti-Corruption Policy; or violation of any rules or regulations of the Company; or actions that are in breach of the established operating procedures of the Company; as well as any suspicious actions that appear like acts of corruption.

(b) Actions that result in the Company losing any benefits or that have a negative effect on the reputation and name of the Company.



- (c) Not receiving equitable treatment from the conduct of business by the Company, or from any actions undertaken by any Company personnel or any other person involved/ associated with the business of the Company.

(4) Protection for informant (whistle-blowers) or complainants

The Company has established policies and procedures guideline for protecting informants (whistle-blowers) and complainants about wrongdoers, whereby the information about the informant or complainant will be kept strictly confidential, and the authorized recipient of the information also has the duty to keep strictly confidential any information and associated documents received without disclosing any information except as required by law.

Any stakeholders who submit confidential information or complaint according to the above paragraph, can chose not to disclose their name and identity, if they feel unsafe in doing so; although the Company has determined measures to protect the informant or complainant within its established operating rules and regulations, and also does not consider that submitting any information or complaints is a wrongdoing requiring disciplinary action despite the fact that such activities may have some negative effects for or may cause some damage to the Company.

(5) Submitting information or complaints in a dishonest manner

In the event that the Company eventually discovers that the information or complaint was submitted dishonestly, if the informant or complainant is the Company employee he/ she will be subject to disciplinary actions; and if it is an external party and results in the Company receiving some damage, the Company will consider taking legal action against such persons.

### Monitoring and Reviews of the Anti-Corruption Policy

The Company has determined that regular reviews of the existing Anti-Corruption Policy together with the associated anti-corruption measures and operating guidelines be undertaken at least once every year. As such all business department and units as defined in the Company's organization, have the duty and joint responsibility to undertake an adequate review as appropriate and the CAC Committee will then compile, analyze and submit its opinions to the Executive Board Members (EBD) for eventual proposal to the Board of Directors for consideration and approval.

### Training and Communications

The Company has a policy to communicate, disseminate and discloses various information relating to the Anti-Corruption Policy and associated measures to all the Company personnel and any other stakeholders or parties involved with the Company's business operations, as well as to inform any subsidiary companies, any companies under the control of the Company, and business representatives. This is in order to make them all aware and comply with this policy. This communication will be actioned through the regular management meetings and public relations announcements in the Company journals, together with deploying PR posters, posting information in the Company's website, disclosing relevant information in the Company's Annual Registration Statement (Form 56-1) and the Company's Annual Report (Form 56-2) or other appropriate communications media. This is in order to ensure that the Company is an organization that is free of any corruption as well as fully transparent and accountable in the conduct of all its businesses.

(1) Guideline for communications with the general public

- (a) Public relations activities via the Company's website.
- (b) Company's Annual Registration Statement (56-1 Form) and Annual Report (56-2 Form).

(2) Guidelines for communicating with and informing the Company personnel

- (a) The Company Secretary will inform the Anti-Corruption Policy to all Board of Directors together with holding an orientation session for any newly appointed directors on the subject of the Anti-Corruption Policy and associated operating guideline.
- (b) Board of Directors, executives/ management members, and new employees will receive a copy of the Anti-Corruption Policy and associated operating guideline, as well as training session as a part of the orientation program for newly appointed directors, executives/ management members, and new employees together with a document to confirm their respective acceptance of and confirmation that they will comply with the Anti-Corruption Policy, and Corporate Governance and Code of Conduct that is an integral part of their employment contract, in which all new directors, executives management members, and new employees are requested to acknowledge in writing and sign a confirmation that they will strictly comply with and adhere to such Policies.
- (c) The current Company personnel will receive a copy of the Anti-Corruption Policy, so as to ensure they will be fully aware and understand the Company's Policy against corruption.

(3) Communications with clients/ customers or business partners/ suppliers

- (a) The Company will communicate its Anti-Corruption Policy with business representatives, supplier/ services suppliers, distributors of goods and services, and contractors from the start of the business relationship and thereafter as appropriate. As such, the Company supports and encourages all business representatives, supplier/ services suppliers, distributors of goods and services, contractors to also adhere to such Anti-Corruption Policy.

- (b) Arranging to have official documents and agreements that also incorporate conditions or comments to support clients or business partners to also be aware of the Company's Anti-Corruption Policy.

### **Risk Management Relating to Corruption**

The Company has established procedures to manage risks relating to acts of corruption; whereby the various risks are assessed and classified at their importance, and then various appropriate risk management measures are determined together with procedures to monitor the progress of each risk management measures that are already deployed. As such, the Risk Management Committee (at the operational management level) is responsible for proposing information resulting from the assessment of various risks for the various business operational activities within the Company as well as identifying which one have the highest levels of risks and the associated resulting impact from such risks, and recommending appropriate risk management measures to prevent or mitigate the identified risks. This Risk Management Committee is also responsible for monitoring and assessing the effectiveness and results of deploying these risk management measures, with a report of the results are then submitted to the Audit Committee and the Board of Directors at least once a year.

### **Recording and Safe-Keeping of Information**

The Company has a policy to adhere to and comply with all required operating standards and applicable regulations together with all applicable laws relating to reporting accounting and financial information. Further, the Company will not accept the recording of any false or incorrect information or falsifying its accounts as well as maintain any external financial account for the purpose of facilitating or non-disclosure of any acts of corruption.

The Company has a system to keep and protect its key information, whereby it has determined the authority to access such information on its electronic database; as well as documents, classifies into groups and maintains various records and financial information so as to ensure that there is an established secure system for safe-keeping such key information that is effective and traceable.

**Internal Control and Internal Audit on compliance with the Anti-Corruption Policy**

The Company has established Internal Audit Department that is fully independent with the responsibility for assessing the established system of internal controls system, risk management systems, and corporate governance procedures together with the key operational activities and key systems of the Company – such as: procurement and purchasing procedures, and the commercial procedures, are fully adequate, appropriate and fully effective in accordance with the objectives for which they were established as well as fully comply to the applicable legal requirements, rules and regulations, and Anti- Corruption Policy of the involved business units,

The Company has determined specific procedures for reporting all internal audit activities as follows:

- 1) The Internal Audit Department must quarterly reports the result and findings to the Audit Committee
- 2) Should an urgent matter be found, the Internal Audit Department will directly notify the Chairman of Audit Committee
- 3) The Audit Committee will then report to the Board of Directors

Additionally, the Company's financial statements and operating performance results are audited by the authorized qualified external auditor every quarter and at the end of every year, so as to ensure that the financial or accounting information and reports are all accurate, credible, and timely and fully comply with the legal requirements.

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