



ANTI-CORRUPTION GUIDELINE MANUAL

Prepared by
Corporate Governance Department

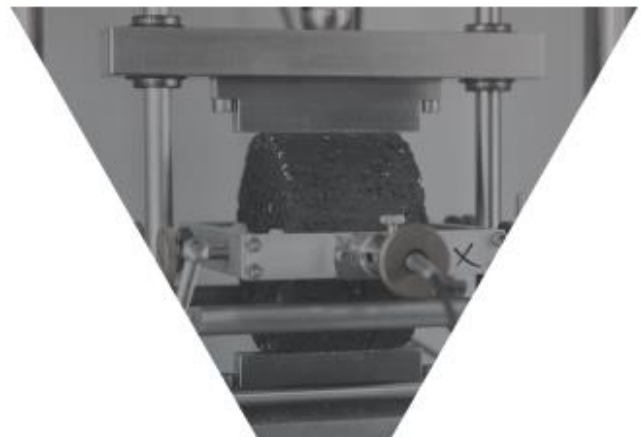


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Anti-Corruption Guideline Manual

Tipco Asphalt Public Company Limited (the Group) has revised the Anti-Corruption Policy to accommodate the constantly changing corruption situations and risks. Current laws and regulations place great emphasis upon anti-corruption activities and encourage both public and private entities to conduct their own effective internal control measures. With regard to this, the Group through the Corporate Affair team, has developed this Anti-Corruption Guideline Manual to serve as the comprehensive guidance for effective implementation of the Group's Anti-Corruption Policy and controls, with aim to prevent all types of corrupt activities.

1. OBJECTIVES

- 1.1 To establish formal guideline protocol for anti-corruption procedures.
- 1.2 To prevent and control any potential risks incurred from corruption, especially those that may have a negative impact to the Group's corporate reputation, and punishment measures.
- 1.3 To enhance corporate credibility and reflect integrity of the Group's business operations.

2. DEFINITIONS

- 2.1 "Tipco Asphalt Group" or "Tipco Asphalt" refers to Tipco Asphalt Public Company Limited, subsidiaries, joint ventures and affiliate companies that are consistent with the Code of Ethics under "Definitions" Section
- 2.2 "**Company**" refers to Tipco Asphalt Public Company Limited.
- 2.3 "**Corruption**" as stated in the Anti-Corruption Policy, "Corruption" means any type of bribery such as an offer, promise, guarantee, enquiry, or acquisition of money, assets, gift items, or other inappropriate benefits to or from the government officers, government units, private sectors officers, private sectors, or responsible persons through either direct or indirect action, so that such persons could proceed, disregard, or delay his or her function, in order to acquire, retain the business, recommend a specific company to the entity, or to achieve any improper benefits in a business transaction.
- 2.4 "**Fraud**" is defined as wrongful or criminal deception intended to result in financial or personal gain. It is vicious, malevolent behavior, involving dishonesty, and crooked actions, using unethical practices for the benefit of gain for oneself, or for others, that are against the law. For instance, the misappropriation of the company's assets for personal use, acting when there is a clear conflict of interest, fraudulently altering financial statements, or falsifying documents, as well as all types of bribery.
- 2.5 "**Political activities**" refer to the provision of financial contributions with purpose of supporting political parties, politicians or any other individuals relating to politics, both

directly or indirectly, in order to gain special privileges, unlawful interests or unfair commercial advantages. Nevertheless, the Group respects the freedom of employees to exercise their own political freedoms and rights, as specified in the Code of Ethics under “Political Activities” Section.

- 2.6 “Charitable Contributions”** are identified as donations and/or receiving of money, valuable items or any benefits to individuals or special non-profit entities such as associations, foundations, public organizations, temples, hospitals, academic institutions, or any organizations established to serve community. Such contributions are permitted, provided that they benefit the above, without any expectation in return on financial gains or benefits from those organizations receiving such donations.
- 2.7 “Sponsorship”** refers to money payments, in-kind items, or any other forms of supports (that can be calculated into value amounts) provided to, or received from, customers, partners, associations, foundations, charities, or non-profit organizations with the objective of promoting the commercial branding and reputation of the Group. Such sponsorship would enhance the Groups’ commercial image while enhancing business relationship and fostering appropriate opportunities.
- 2.8 “Facilitation Payments”** means unofficial payments, usually in small amounts, to government officials in order to ensure that such government officials would proceed with more prompt resolution of their procedures, such as license applications, requests for certification, and services to the general public. Note that such facilitation procedures must not require government officials’ personal discretion to make decisions: they are already under government officials’ normal roles & responsibilities to provide such services.
- 2.9 “Government Officers”** refers to any individuals who currently, or formerly, serve as officials of government agencies, political entities, or government consultants but now work for private company and might utilize any personal connections/relationships or inside information for the benefits of such private company or incur conflict of interests upon work of government agencies or regulators governing such company under their supervisions. Such actions aim to create improper, unfair business advantages and/or policy that directly benefit businesses which such former-government officials currently work for.
- 2.10 “Employee of the Company”** refers to Company Directors, management, and employees at all levels of Tipco Asphalt Public Company Limited, as specified in the Code of Ethics under “Definitions” Section.
- 2.11 “Company Directors”** refer to the directors of the Company.
- 2.12 “Management”** refers to the supervisors, departmental heads and key personnel regardless of their actual job titles.
- 2.13 “Employees”** refer to anyone contracted to work or to provide special services for the Tipco Asphalt Group.

3. ROLES AND RESPONSIBILITIES

- 3.1 Board of Directors (BoD)** shall approve and supervise the development of a clear Anti-Corruption Policy and Guideline Manual and communicate to all staff across the organization, including related external parties in order to ensure practical implementations.
- 3.2 Audit Committee (AC)** shall review the Group's financial and accounting statements, internal control system and internal audit system to ensure full compliance in accordance with related laws and standards. Also, the committee shall review and approve of the suitability, accuracy and authenticity of all reference documents and self-evaluation tools on the Group's anti-corruption control measures set forth by the *Private Sector Collective Action against Corruption (CAC)*. Audit Committee shall also consider and propose to the Board of Directors the audit reports regarding Anti-corruption for their acknowledgement/approval on a regular basis.
- 3.3 Corporate Governance Committee (CG)** shall review the suitability, accuracy and authenticity of all reference documents and self-evaluation tools on the Group's anti-corruption control measures set forth by the *Private Sector Collective Action against Corruption (CAC)*.
- 3.4 Risk Management Committee (RMC)** shall develop risk management policies and strategies pertaining to corruption risks. They also need to review and approve strategic asset allocations in synchronization with the Group's corporate risk appetite while reporting on enterprise risk management progress to the Board of Directors.
- 3.5 Executive Committee (EC) and Management Members** shall apply the Anti-Corruption Policy to their normal working practices while ensuring regular reviews of the existing systems and control measures to be consistent with changes in businesses, rules, measures and regulations.
- 3.6 Internal Audit Department** is responsible for conducting audits on the execution of the Anti-Corruption Policy to ensure that the Group implements effective internal control measures pertaining to anti-corruption, while reporting results to the Audit Committee.
- 3.7 Corporate Affair Department** is responsible for developing the Anti-Corruption Policy, providing advice and recommendations on anti-corruption matters, supervising and monitoring the execution of the Anti-Corruption Policy to the Corporate Governance committee.
- 3.8 Employees** are responsible for fully complying to all related laws, rules, enforcements and regulations when contracting or engaging in any transactions with government agencies and private sector entities.
- Employees must record all actions according to the protocols, while maintaining full records and documents, to be used as evidence for future audits.

Please refer to the Code of Ethics under “Anti-Corruption” Section.

4. GUIDELINES OF PRACTICE OF THE ANTI-CORRUPTION POLICY

The Group has set internal control measures and financial recording procedure in accordance with Chart of Authority or relevant guidelines. With this regard, Board of Directors, executives, and staffs across all levels shall fully comply with the guidelines of practice of the Anti-Corruption Policy, with details as follows:

4.1 Gifts, Hospitality and Other Related Expenses

The Group prohibits all staff from receiving or offering gifts, hospitality and financial expenses including any other forms of potential benefits to customers, partners, government entities or government officials and individuals related to the business conducts of the Group with intentions to obtain businesses, or motivate government officials to conduct unlawful acts, under their own authorities, for the business benefits of the Group or impact to the business conduct of the Group, as specified in the Code of Ethics under “Giving and receiving benefits that could influence decision-making” Section.

The Group sets guidelines for best practice as follows:

1. The provision or receipt of gifts, hospitality or other related financial expenses can be done only if such gifts or benefits are perceived as part of normal tradition in local community or regular practice in society. They must be provided/received during appropriate occasions.
2. All staff “must” not accept gift of any kind or any other benefits, in any occasion, from entities and/or individuals that do business with the Group. Exceptions are made only in the following cases:
 - 2.1 Such item was provided on behalf of organization to the Group; such as official souvenir during contract signing ceremony. Such gift received must be treated as the Group’s property while the staff who received the gifts must complete and file a written report using the Appendix : Declaration of receipt (on behalf of the Group) and submit to the direct supervisor.
 - 2.2 Such gifts were for public relations purpose and with no commercial value, i.e. calendar, notebook and diary.All staff has responsibility to fully communicate to external parties the Group’s guidance and policy on receiving gift, hospitality and benefits.
3. All staff shall follow the Group’s approval process and controls including full reporting in accordance with the Group’s protocols.
4. The Group implements internal control protocols on complete record keeping by requesting full receipts and supporting evidence for each expense associated with third party, accounting record practice including record of reason/explanation for such payment.

4.2 Facilitation Payments

In any case, the Group strictly prohibits all staff from offering facilitation payments to any government officials. Such facilitation payments constitute high-risk activities which could be deemed to be bribery, or an unlawful payment.

The Group sets guidelines for best practice as follows:

1. All staff shall not provide, offer or agree to provide facilitation payments or bribery, both in the form of tangible assets or benefits to any Thai government officials, foreign government officials or officials of international organizations to encourage or motivate them to proceed, disregard or delay their actions that could place an impact on the business conduct of the Group.
2. All communications with government units shall be conducted in transparent manner, with full integrity and in strict compliance with prevailing laws and regulations.
3. The Group should provide clear communication regarding such prohibition to all staff across the organization as well as other stakeholders relating to the businesses of the Group.

4.3 Charitable Contributions

The Group can provide or receive Charitable Contributions to/from any individuals or entities without any expectation in return on financial gains or benefits from those organizations receiving such donations.

The Group sets guidelines of practice as follows:

1. Such charitable contributions or receipt must only be done under the Group name.
2. All supporting documents and evidence for the charitable contribution must be available for the approval process. This must also be fully consistent with the Group's internal protocols for expense approval.
3. Charitable contributions shall not be used as an excuse for bribery or corruption.
4. Report of receipt of charitable contribution is required to be conducted as per detailed in Appendix: Declaration of receipt (on behalf of the Group)

4.4 Sponsorship

The Group can provide or receive sponsorship to/from any individuals or entities, with the objective of promoting the Group and of enhancing corporate reputation and image.

The Group sets guidelines of practice as follows:

5. Such sponsorship contributions or receipt must only be done under the Group name.
6. All supporting documents and evidence for the award of sponsorship must be available for the approval process. This must also be fully consistent with the Group's internal protocols for expense approval.
7. Sponsorship contributions shall not be used as an excuse for bribery or corruption.
8. Report of receipt of sponsorship is required to be conducted as per detailed in Appendix: Declaration of receipt (on behalf of the Group)

4.5 Political Activities

The Group prohibits all staff from providing any payments, assets or offer benefits for the purpose of supporting or assisting political activities. In addition, the Group does not provide support to any political parties, politicians or any individuals associated with politics, both directly or indirectly, in order to gain special privileges or unlawful benefits, or any unfair business advantages, as specified in the Code of Ethic under “ Political activities” Section.

Nevertheless, employees of the Group are able to exercise their political rights, as long as such expression be conducted as an individual, with strict prohibition of using any position, name or symbol associated with the Group to persuade other parties to support politicians or political parties. In addition, employees can participate in political activities in their own free time, resources and under their own expenses. However, such activities must not be conducted in the name of the Group with no impacts to or obstruct work operations of the Group.

4.6 Human Capital Management

The Group implements human capital management in order to ensure effective Anti-Corruption Policy execution, while preventing all forms of corrupt activities, as specified in the Code of Ethic under “Anti-Corruption” Section.

The Group sets guidelines of practice as follows:

1. The Group shall implement the Policy in the following human capital management processes
 - 1.1. Recruitment and Hiring
 - 1.1.1. Conducting background investigations for prospect candidates, in positions of member of the Board, Director and top management levels, for potential issues which could lead to conflict of interests, or any prior records of major disciplinary offences or have been found guilty of corruption.
 - 1.1.2. No hiring of public servants. This includes government officials, government contract workers, public organization employees, state-enterprise employees, political office holders or advisors to the public organizations, who are actively employed in the positions.
 - 1.1.3. Hiring of resigned or retired public servants, who were formerly employed in government agencies that directly regulate/supervise the Group’s business operations, shall observe a minimum of 2-year ‘cooling’ period. In case of such hiring, the former public servants must be clearly assigned in roles/positions which allow no

opportunity to misuse of prior government relationship, such as coordination with their former government agency employers.

1.1.4. Name list and profiles disclosure of top management members (Director level up) including the Board of Directors, who were previously employed by public sector, including explanation/ justification for such hiring in the Group's Annual Report.

1.2. Staff promotions, performance assessment and remuneration shall be based on performance, with no record on corruption involvement, as well as decent record of behaviors adhered to the Anti-Corruption Policy.

2. The Group shall provide knowledge and raise awareness for correct understanding regarding Anti-corruption Policy. The Group shall conduct orientation session for new staffs, with training course and test on the Policy to all staffs including the Board of Directors of the Group.
3. The Group shall inform all staffs about penalty protocols upon violation of this Policy
4. The Group shall adhere to policy guidelines that they will not demote, punish or cause any negative impact to those staffs who refuse to involve in corruption, even if in doing so could cause the Group to lose business opportunities. The Group shall also implement clear communication to all staff on this matter.

4.7 Communication and Information Report to General Public and Related Stakeholders

The Group shall communicate all information relating to anti-corruption to all staff, shareholders, customers, agents, partners, stakeholders and those related to the business conduct of the Group, through both internal and external channels such as the Intranet system, the Company's official website, and the Annual Report, as a way to enhance the Group's reputation and corporate image on anti-corruption, as specified in the Code of Ethics under "Requirement of the Code of Ethics" Section.

The Group sets guidelines of practice as follows:

1. The Group shall ensure that a comprehensive explanation of the Policy is provided to strategic partners and stakeholders for them to be informed about the Group's anti-corruption measures.
2. The Group will welcome any positive comments/suggestions associated with Anti-Corruption Policy from alliances and stakeholders, in transparent manner.

4.8 Corruption Risk Assessment

The Group shall conduct Corruption Risk Assessments; in particular, on those potential risks of bribery to government officials. Such assessments will focus on those staff with direct access to, or contact with, government units, state enterprises, or other external parties.

The Group sets guidelines of practice as follows:

1. Corruption risk assessments will be conducted on a regular basis, to reduce the probability of corruption risks, both internal and external to the Group.
2. Corruption risk assessment will be consistent with Enterprise Risk Management practice of the Group.

4.9 Whistleblowing System

The Group provides fair and appropriate protection to staffs who report potential corrupt activities (often referred to as “whistleblowing”). The Group has established formal channels for whistleblowing reports and complaints, alongside measures that protect the identity of whistleblowers, as well as strict investigatory procedures, as specified in the Code of Ethic under “Whistleblowing policy” Section.

The Group sets guidelines of practice as follows:

1. Channels for whistleblowing reporting

The Group has established multiple channels for reporting corrupt, as well as dubious and possibly corrupt or suspicious activity. Any staff or external parties can utilize these channels for whistleblowing reporting as follows:

- Any independent Director
- Chief People Officer
- Head of Internal Audit
- Company Secretary

2. Protection of issue reporters

The group provides the rights protection of those who report potential or actual corrupt or fraudulent activity to do so in an anonymous fashion, keeping their name, address or other personal information confidential, with no disclosure to non-related units, except when to do so would be against the law.

3. Fact-finding and Investigation procedures

On receipt of a whistleblowing report on corruption, the Group will launch a far reaching and equitable fact-finding investigation. The results shall be reported to the Managing Director and Chief Executive Officer for their acknowledgement and further orders.

4. Feedback and Comments

The Group offers channels for receiving feedbacks and comments associated with anti-corruption measures, as a way to improve and develop anti-corruption controls. The Group’s staff and external parties can share their thoughts through all those aforementioned whistleblowing channels in point 1 above.

5 Monitoring and Reviews

The Group, through the Board of Directors, shall regularly monitor and review the Anti-Corruption Policy, in order to stay fully updated on current situations and changing risk profiles. The Audit Committee shall be responsible for reviewing the Anti-Corruption

Policy and related internal controls through the annual audit plan of the Internal Audit Department.

Meanwhile, the Risk Management Committee shall direct the Risk Management Office (RMO) to monitor the risk control measure implementation and review the corruption risk assessments, and report to the Risk Management Committee on a regular basis.

6 Penalties

The Group establishes strict penalty protocols for staffs and Board of Director members who do not comply with the Anti-corruption Policy. These punishments include termination of employment contract, as specified in the Code of Ethics under “Policy Violation” Section. In addition, such staff with such policy violations could be further subjected to legal charges, if such wrong doings are considered unlawful and hence violate legal provisions.

Corporate Affair
10 November 2021

Appendix: Declaration of receipt (on behalf of the Group)

<input type="checkbox"/> Gifts/ souvenirs received between organizations <input type="checkbox"/> Sponsorship <input type="checkbox"/> Charitable Contributions
Description : <hr/> (include item description, number of pieces and, estimated value)
Received from (Organization's name) :
Nature of Relationship : <input type="checkbox"/> Associate in Tipco Group <input type="checkbox"/> Customer <input type="checkbox"/> Supplier <input type="checkbox"/> Partner <input type="checkbox"/> Others (please specify) Name of person from the Organization providing gifts: Please identify occasion of Gifts/ Souvenirs Event of Sponsorship Project of Charitable Contribution : Date of receiving :
Date of settling the Gifts/ Souvenirs Sponsorship Charitable Contribution ref.

Receiving represented by

Employee Name :	
Signature of Employee..... Date :	
Employee ID no. :	Sector/Division/Branch/Subsidiary:

Declaration Verified by the Supervisor (M1 or Higher)

Declaration acknowledged by Human Capital
Management Department

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Date :/...../.....

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Date :/...../.....