

Anti-Fraud & Corruption Policy

1. Introduction

- 1.1. KCE Electronics Public Company Limited (“the Company” or “KCE”) has a policy to conduct its business with the highest standards for ethics and transparency, with a commitment to corporate social responsibility and its stakeholders according to KCE’s Corporate Governance Policy, Code of Conduct Handbook and other related policies and procedures.
- 1.2. Since KCE is aware that fraud and corruption are significant obstacles to economic and social development, creating injustice in business operations, and negatively impacting an organization’s credibility, in 2013 KCE signed a declaration of intent with the “Private Sector Collective Action Coalition Against Corruption” in order to state our commitment to work against all forms of fraud and corruption.

2. Objectives

KCE has developed a formal “Anti-Fraud & Corruption Policy” with the following objectives:

- 2.1. To declare the intent and commitment to working against fraud and corruption
- 2.2. To establish a clear framework and protocols for business operations to prevent fraud and corruption risks
- 2.3. To establish guidelines for review and oversight, to ensure that operations are conducted appropriately in accordance with this policy.

3. Scope

- 3.1. This policy applies to the Board of Directors, Sub-Committees, Senior Management and employees at all levels of KCE Electronics Public Company Limited and all subsidiaries (together called “KCE Personnel”).
- 3.2. This policy also applies to agents, intermediaries, contractors and consultants acting on behalf of KCE (together called “Related Business Partners”).

4. Definition according to Anti-Fraud & Corruption Policy

- 4.1. Fraud¹ is an intentional act committed to secure unfair or unlawful gains for self or others. Fraud can be broken down into three types: asset misappropriation, fraudulent statements and corruption.
- 4.2. Corruption is the misuse of position or power of influence for inappropriate gains for the organization, self, or others. Corruption includes bribery, conflicts of interest, economic extortion and illegal gratuities.
- 4.3. Bribery is the act of paying, offering, promising to pay, receiving, requesting, soliciting anything of value (e.g. assets, money, things), rights or other advantages that are against good ethics, conduct, rules, regulations, policies, or laws with government officials, government organizations, private organizations or other individuals – directly or indirectly – in order for that person to wrongfully act or wrongly refrain from performing duties to receive or retain benefits that are inappropriate for the business.
- 4.4. Political Contribution is monetary or non-monetary support provided to a political party, representative of a political party, politician or candidate for election. As such, non-monetary political contributions include lending or donating any equipment for free of charge.

5. Roles and Responsibilities

- 5.1. The Board of Directors is responsible for establishing the anti-fraud and corruption policy as well as overseeing that there are efficient protocols set in place to support the Anti-Fraud & Corruption Policy in order to ensure the appropriateness and completeness for the implementation of the Anti-Fraud & Corruption Policy.
- 5.2. The Audit Committee is responsible for overseeing internal control processes, accounting and financial reporting processes, internal audit processes, risk management processes as well as other processes in relation to the Anti-Fraud & Corruption Policy to ensure that the processes are properly designed and efficiently and completely implemented.
- 5.3. The Chief Executive Officer and Senior Management are responsible for establishing efficient protocols to support the Anti-Fraud & Corruption Policy, setting communications and a training program for all KCE personnel, regardless of rank, to ensure that KCE personnel have sufficient understanding and are able to effectively and efficiently apply related policies and protocols in their operations, as well as

¹ Reference from Thailand's Criminal Code, Clause 1(1)

- reviewing the appropriateness of related protocols to align with any changes in business operations, laws, rules or regulations.
- 5.4. The Internal Auditors are responsible for evaluating the design and operation of internal controls to ensure the compliance with applicable policies, procedures, authorities, laws and regulations, as well as the appropriateness and sufficiency of internal controls to prevent fraud risks. Internal Auditors are responsible for reporting to the Audit Committee.
- 5.5. All KCE Personnel are responsible for working according to this Anti-Fraud & Corruption Policy and any related protocols. KCE Personnel must report to their supervisor or to a designated reporting channel if they encounter any breach of policy or have any questions about this policy.

6. Fighting against Fraud & Corruption

KCE establishes the Anti-Fraud & Corruption Policy as follows:

- 6.1. KCE has a zero-tolerance policy and will not support any form of fraud or corruption practices including bribery, whether direct or indirect.
- 6.2. KCE Personnel shall not engage in, conduct, or accept any form of fraud or corruption, whether direct or indirect. In addition, KCE Personnel shall not take part in, conduct, or accept bribery, economic extortion, or illegal gratuities involving government officials or private companies that may be considered to be fraud or corruption.
- 6.3. KCE Personnel shall not ignore or neglect to raise concerns or report any suspected instance of fraud or corruption in relation to KCE. KCE Personnel shall report to the designated personnel any suspected instance of fraud or corruption and provide support to the investigation process.
- 6.4. KCE Personnel shall encourage good values and awareness in working honestly, ethically and transparently, without fraud and corruption, as part of the organizational culture.
- 6.5. KCE Personnel shall operate in compliance with all related laws and regulations, especially the laws in relation to anti-fraud and corruption in every country in which KCE operates.
- 6.6. KCE Personnel shall operate with transparency, accuracy, and fairness under the applicable regulations, policies, procedures and guidelines of KCE, especially for marketing and sales, procurement, and accounting and finance processes.

- 6.7. Any act breaching this Anti-Fraud & Corruption Policy shall be considered for disciplinary action in accordance with KCE's Procedures which may include termination if deemed appropriate by KCE's Management. Additionally, any KCE Personnel found to be in violation of this Policy may be subject to the law if the act is proven to be a violation of related Laws.
- 6.8. KCE shall provide fair treatment and protect KCE Personnel. KCE Personnel will not suffer demotion, penalty or other adverse consequences for refusing involvement in any acts of fraud or corruption, even if such refusal may result in the Company's loss of business's opportunities.

7. Political Contributions

KCE establishes its policy on political contributions as follows:

- 7.1. KCE adopts a political neutrality policy and establishes independent management and operations, without involvement in political activities.
- 7.2. Political Contributions must be for the objective of supporting democracy without conflicting with applicable laws and regulations, and not made with the expectation of favorable treatment in return. Thus, request and approval processes must be in accordance with the Political Contribution Procedures.
- 7.3. KCE Personnel have the freedom to participate in political activities under the terms of the Constitution, related laws, and regulations. However, KCE Personnel must not participate in any political activities on behalf of KCE or employ any of KCE's resources as political contributions to political parties or any parties in relation to politics.

8. Charitable Contributions and Sponsorships

KCE establishes its policy on charitable contributions and sponsorships as follows:

- 8.1. Charitable contributions and sponsorships to individuals or organizations, both for government or private sector, must be transparent and with objectives for charity, and not made with the expectation of favorable treatment in return that may give the appearance as being for fraud or corruption. Thus, the request and approval processes must be in accordance with the Charitable Contributions and Sponsorships Procedures.

9. Gifts and Entertainment Procedures

KCE establishes its policy on gifts and entertainment as follows:

- 9.1. The providing or receiving of gifts and entertainment to/from individuals and/or either government or private sectors must be transparent and with objectives for charity, and not made with the expectation of favorable treatment in return that may give the appearance as being for fraud or corruption. Thus, the request and approval processes must be in accordance with the Gifts and Entertainment Procedures.

10. Fraud Risk Management and Internal Control Processes

KCE establishes its policy on fraud risk management and internal control processes as follows:

- 10.1. Establishes a program and procedures for fraud risk management covering fraud prevention, detection and response.
- 10.2. Establishes appropriate and sufficient internal controls for fraud and corruption prevention and the assessment/review of internal processes to ensure the efficiency and effectiveness of internal controls.
- 10.3. Establishes the assessment of fraud and corruption risks to ensure that KCE has appropriate internal controls in place to mitigate all types of fraud and corruption risks.
- 10.4. Establishes measures and procedures for particular expenses such as political contributions, charitable contributions, sponsorships, facilitation payments, entertainment, transportation, meals or other expenses to formally prevent fraud and corruption.
- 10.5. Establishes preventive measures to prevent the providing or receiving of gifts, assets or other benefits, entertainment, or any other expenses that are not aligned with the Company's policies or not in compliance with the applicable laws of the related countries.
- 10.6. Establishes protocols to support the issuance of transparent and accurate financial reports which comply with international accounting standards.
- 10.7. Establishes a process for maintaining accurate books and records that accurately, properly and fairly document all financial transactions in accordance with applicable laws and regulation. Expenses in particular need to have adequate supporting documentation with approvals from authorized person to ensure the appropriateness of the expenses and that they have not been made for the purpose of fraud or corruption.

- 10.8. Establishes channels to report, comment, or make complaints about fraud or corruption cases as well as establishes a process to investigate, enforce and report cases of fraud or corruption to the Board of Directors and Senior Management.
- 10.9. Establishes communications and training to provide understanding of the Policy and Procedures on anti-fraud and corruption to all levels of KCE Personnel, from the Board of Directors, Management and Staff to Agents and Intermediaries acting or working on behalf of KCE.

11. Review of Policy

- 11.1. The review of this policy is set for at least once a year and is to be submitted to the Audit Committee for approval.

Political Contribution Procedures

A political contribution is defined as either a monetary or non-monetary contribution provided to political parties, representatives of political parties, politicians or candidates. A non-monetary contribution includes the lending or donating of equipment for free of charge. With a politically neutrality attitude and independent management and operations, KCE has established its political contribution procedures as follows:

1. Political Contributions must be made with the purpose of supporting democracy.
2. Political Contributions must be in accordance with applicable laws and regulations.
3. Political Contributions must not be made with the purpose of obtaining favorable treatment in return that may constitute fraud and corruption.

KCE Personnel must comply with the following political contribution steps:

1. The Requestor prepares the “Requesting Form” that indicates the receiving organization and the objectives along with supporting documents attached for the approval by the authority according to the authorization limits as indicated in the table below.

Authorized Amount	Approver
Less than THB 10 Million	The Chief Executive Officer and President
More than THB 10 Million but not exceeding THB 25 Million	The Chairman of the Executive Board
THB 25 Million and above	The Board of Directors

2. The Approver reviews and approves the “Requesting Form” if the objectives of the political contribution align with the established procedures.
3. The Requestor provides evidence of the political contribution, such as a “Thank You Letter” from the receiving organization, to the Finance Department as supporting documentation after the political contribution has been made.
4. The Finance Department reviews evidence relating to the political contribution as well as retains the evidence in a proper manner. In the event that there is insufficient evidence, additional supporting information or clarification shall be requested. If it is proven that the political contribution did not comply with the Company’s policy or has been used as an excuse/method for corruption, the perpetrator will be subject to the highest level of disciplinary action.
5. The Finance Department prepares a “Summary Political Contribution Report” which is submitted to the Executive Board and the Board of Directors on a quarterly basis.

6. The Internal Audit Department evaluates the political contribution process annually to ensure the efficiency, effectiveness and appropriateness of the internal controls of the process.

Charitable Contribution and Sponsorship Procedures

One of KCE's missions is corporate social responsibilities. Therefore, KCE believes that charitable contributions and sponsorships contribute to one of the successes of the Company. To ensure that charitable contributions and sponsorships are transparent with objectives for charity, not made with the expectation of favorable treatment in return that may appear as fraud and corruption, KCE establishes guidelines for charitable contributions and sponsorships as follows:

1. Charitable contributions must have the objectives of being for charity with contributions to society, without expectation of favorable treatment in return that may constitute fraud or corruption.
2. Sponsorships must have the objectives of supporting the success of projects which make a contribution to society, without expectation of favorable treatment in return that may constitute fraud or corruption.
3. Charitable contributions and sponsorships must be aligned with KCE's Social, Community and Environment Policies.
4. Charitable contributions and sponsorships must be made on the behalf of KCE only. The receiving entities must be certified by the Revenue Department representing credibility and traceability.
5. Charitable contributions and sponsorships must demonstrate that their activities, based on the objective of the project, have taken place and can be traced.

KCE Personnel must comply with the following steps for charitable contributions and sponsorships:

1. The Requestor prepares the "Requesting Form" that indicates the name of the receiving organization and the objectives with the supporting documents attached. The Requesting Form shall be approved by the authority according to the authority limits as indicated in the table below.

Authorized Amount	Approver
Less than THB 1 Million	The Head of Executive Office
More than THB 1 Million but not exceeding THB 10 Million	The Chief Executive Officer and President
THB 10 Million and above	The Chairman of the Executive Board

2. The Approver reviews and approves the "Requesting Form" if the objectives for the charitable contributions and sponsorships are aligned with the established procedures.

3. The Requestor provides evidence of the charitable contribution or sponsorship, such as a “Thank You Letter” from the organization receiving the contribution or a picture of the donation, to the Finance Department as supporting documentation after the charitable contribution or sponsorship has been made.
4. The Finance Department reviews evidence relating to the charitable contribution or sponsorship, as well as retains the evidence in a proper manner. In the event of insufficient evidence, additional supporting documentation or clarification shall be requested. If it is proven the charitable contribution or sponsorship provided do not comply with the Company’s policy or has been used as an excuse/method for corruption, the perpetrator will be subject to the highest level of disciplinary action.
5. The Finance Department prepares a “Summary Charitable Contributions and Sponsorships Report” which is submitted to the Executive Board and the Board of Directors on a quarterly basis.
6. The Internal Audit Department evaluates the charitable contribution and sponsorship process annually to ensure the efficiency, effectiveness and appropriateness of the internal controls of the process.

Gifts and Entertainment Procedures

Gifts and Entertainment are defined as anything valuable that KCE provides or receives to/from Related Business Partners to build relationships in an acceptable manner with appropriate value and in accordance with traditions and applicable laws. Thus, to ensure the transparency and the fact that gifts and entertainment are not provided or received with the expectation of favorable treatment in return that may appear as fraud and corruption, KCE has established guidelines for gifts and entertainment as follows:

1. The receiving or providing of gifts and entertainment is permitted according to tradition but must not impact KCE's operations and business decisions. KCE Personnel must not ask for gifts and entertainment.
2. The receiving or providing of gifts and entertainment must be transparent and not with the expectation of favorable treatment in return.
3. The receiving or providing of gifts and entertainment must be in accordance with applicable laws and regulations as well as KCE's related policies, procedures, guidelines and manuals.
4. Receiving or providing gifts and entertainment but be done on behalf of KCE only.
5. Receiving or providing gifts and entertainment must be reasonable. Approval is required for receiving or providing gifts and entertainment with an amount exceeding THB 5,000 or the receiving of gifts and entertainment with an amount exceeding THB 10,000 from one source within a calendar year.

Listed below are examples of gifts and entertainment that KCE Personnel may receive or provide:

- Promotional products in small values such as pens, books, calendars, or mugs with the organization's logo
- Gifts or gift baskets during festive seasons
- Meals for business discussions

Listed below are examples of gifts and entertainment that KCE Personnel must not receive or provide:

- Cash or cash equivalents
- Entertainment at inappropriate venues such as bars or nightclubs
- Entertainment activities, sports activities, usage of vacation homes or other activities for personal benefit

KCE Personnel must comply with the following gifts and entertainment steps:

1. Receiving gifts [for an amount exceeding THB 5,000 at once or amounts not exceeding THB 10,000 from one source within a calendar year].
 - 1.1 KCE Personnel receiving gifts prepares “Receiving Form” that indicates the receiver (KCE Personnel), the details of the gifts received, the amount, the received date, the name and the relationship to KCE of the provider, and the objectives as well as the required supporting documents attached. The Receiving Form shall be approved by the Head of the Executive Office.
 - 1.2 The Head of the Executive Office reviews the “Receiving Form” to ensure the objectives of receiving gifts are in accordance with the Company’s procedures.
 - 1.3 The Head of the Executive Office determines actions to be taken with the received gifts such as returning the gifts to be used in the receiving department, keeping the gifts for a lucky draw during festive seasons, or making donations.
 - 1.4 The Executive Office prepares a “Summary Gifts Received Report” and submits it to the Executive Board on a quarterly basis.
 - 1.5 The Internal Audit Department annually evaluates receiving of gifts process to ensure the efficiency, effectiveness, and appropriateness of the internal controls of the process.
2. Providing gifts and entertainments
 - 2.1 The Requestor has to prepare “Requesting Form” that shall be indicated the name of the organization receiving the gifts and entertainment, the details of gifts and entertainment to be provided, the quantity, the amount, and the objectives as well as the supporting documents attached. The requesting Form shall be approved by the authority according to the authorization limits indicated in the below table:

Authorized Amount	Approvers
More than THB 5,000 but not exceeding THB 50,000	Head of the Executive Office
THB 50,000 and above	the President and Chief Executive Officer

- 2.2 The Approver reviews and approves the “Requesting Form” if the objectives for gifts and entertainment align with the established procedures.
- 2.3 The Requestor provides evidence of gifts and entertainment, such as receipts and a “Thank You Letter” from the organization receiving the gifts or entertainment, to the

Finance Department as supporting documentation after the gift or entertainment has been provided.

- 2.4 The Finance Department reviews evidence relating to the gifts or entertainment as well as retains evidence in a proper manner. In the event of insufficient evidence, additional supporting documentation or clarification shall be requested. If it is proven that the gifts and entertainment provided do not comply with the Company's policy or have been used as an excuse/method for corruption, the perpetrator will be subject to the highest level of disciplinary action.
- 2.5 The Finance Department prepares a "Summary Gifts and Entertainment Provided Report" which is submitted to the Executive Board on a quarterly basis.
- 2.6 The gift and entertainment process shall be evaluated by the Internal Audit Department annually to ensure its efficiency, effectiveness and appropriateness.