

Kang Yong Electric Public Company Limited

Anti-corruption Practice Guidelines 2017

The Company has established anti-corruption practice guidelines for all directors, executives and staff members to communicate and follow in a bid to fight corruption and for clarity in the business operation and sustainable organization development and advancement looking forward.

Fraud or corruption is conducting of any act or not conducting of any act required by the duty of a person entrusted with a position of authority to secure unfair or unlawful gains for oneself or others, including abuse of power under duty of all forms, for example, giving/accepting bribe, offering/making a promise to do a favor, requesting/demanding items of value, rights or any other benefits to acquire unjust gains for oneself, the organization or other persons/parties.

Principles

1. Adhere to the Company's anti-corruption policy, code of conduct, rules and regulations, as well as relevant laws and regulatory requirements.
2. Be prohibited from committing or being involved in committing or participating in committing any type of fraud or corruption, both directly and indirectly.
3. Take great caution in doing any of the Company's business transactions, with observance of the code of conduct, or as customarily required, and without any damage caused to the Company.
4. Promote and support the anti-corruption policy by communicating the policy and procedures to the employees at all levels and all other relevant parties, and review the appropriateness of the work systems and practices to ensure effective control mechanism.
5. Regularly monitor work and operation processes of all work units that may incur fraud or corruption risk, assess the probability of risk incurrence, and manage such risk with appropriate improvement of the control systems and processes.
6. Promote and encourage personnel at all levels and of all positions to have and give importance to anti-fraud/anti-corruption awareness by making available channels for complaining or reporting on any fraud or corruption, and ensure fairness and safeguard employees who make claims or give reports or provide information in relation to fraud or corruption incidents and those who refuse to commit fraud or corruption.

7. Establish fraud or corruption fact-finding and investigation process and procedure which can ensure fair and transparent investigation and judgment of the corruption incidents and appropriate punishment of the persons who perform in breach of the anti-corruption policy or those who commit fraud or corruption.

Practice Guidelines

1.1 The Company shall conduct business with integrity and perform in strict compliance with relevant rules, regulations and laws.

1.2 The Company shall be aware of business operation in adherence to the Company's policies, code of conduct, rules and regulations, with due interests of the Company taken into account.

2.1 All directors, executives and staff members are prohibited from offering/taking bribe of all forms both directly and indirectly.

2.2 All directors, executives and staff members are prohibited from demanding, offering or making any commitment or surrendering to any fraud or corruption for their own benefits or for benefits of any other persons or persons with beneficial interests.

3.1 Giving/acceptance of gifts, properties, or any other benefits

3.1.1 Giving/acceptance of gifts may be allowed as customarily required in such festivals as New Year celebration, etc., which shall be made openly and in a disclosable way.

3.1.2 Gifts shall be in appropriate value according to the criteria specified by the Company.

3.1.3 Gifts, benefits or any items of value received shall not unjustifiably affect work performance and not breach the Company's rules and regulations as well as the relevant laws.

Receipt of any gifts in the unusually high value shall be reported to the supervisors in the supervision line.

3.2 Hospitality/Entertainment

Hospitality/entertainment offered to customers, business partners/counterparts, relevant individuals or companies, or government officers shall be within a socially justifiable limit not affecting work performance and not breaching the Company's rules and regulations as well as the relevant laws. It shall also be in the timing not prompting suspicion of an act of bribery or violation to the laws. Consulting with the relevant supervisors or regulatory bodies should be made in advance.

3.3 Donation/Grant/Monetary support

3.3.1 Making donation or giving any items to any individuals or entities shall be consistent with the Company's social support objectives, or as required by the customs or culture of the society, and the value of which shall be within a justifiable limit and not be in a way that could breach the Company's rules and regulations.

3.3.2 Giving monetary support or any items to business partners/counterparts or any entities may be made for the business benefits of the Company but the value of which shall be in a normal course of business operation and shall be compliant with or permitted by the Company's rules and regulations. Due caution should be exercised to ensure no act suspicious of bribery or in breach of the law.

3.4 Political support

The Company has a policy of being non-partisan and giving no support, both monetary and non-monetary, to any political party or political group. However, the Company respects the political rights and duties as citizens of the employees under the Constitution.

3.5 Making payment without reasonable grounds

No payment shall be made to business partners/counterparts, relevant individuals or companies, or government officers in a way inconsistent with the Company's business operation objectives or not in a normal course of business operation or not compliant with the Company's rules and regulations and the relevant laws.

3.6 Confidentiality of the Company's information

All directors, executives and staff members shall not disclose to any other persons/parties the Company's confidential information, such as trade secrets, personal information, internal information not yet publicly disclosed and which may cause damage to the Company, etc. Management of confidential information like identification of level of confidentiality, recording and keeping of such information, disclosure and sending of such information, and others, shall be carried out according to the information security management process and procedure in place.

3.7 Disclosure of the Company's information

The Company shall comply with the information disclosure criteria prescribed by the Stock Exchange of Thailand and those on information security management set out as the basis for disclosure of the information of the Company, such as financial information, information regarding operating result and product features, and so on, disseminated through the website of the Company and the Stock Exchange of Thailand.

3.8 Conflict of interests

3.8.1 Directors, executives and staff members are prohibited from performing any act or being involved in any business, where there is or there would be conflict between personal or other persons' interests and those of the Company, such as the Company's business dealings in which the directors/executives/staff have own interests, business decisions in the their own interests and not in the Company's interests, use of the Company's information, properties and corporate titles to acquire own business opportunities, wrongful trading of the Company shares, inappropriate withdrawal of cash from the Company, collusion with others to seek benefits from the Company, embezzlement of the Company's funds or assets, doing own businesses during working hours of the Company, etc.

3.8.2 Fair competition and prevention of trade monopoly/bidding collusion

- No exchange of information with competitors, which may restrict competition or lead to unfair competition, is allowed or agreed upon. In case contact with any competitor is required, reporting thereof shall be made to the supervisors and the Company's rules and regulations shall be strictly observed.

- Due caution shall be exercised when performing any act or activity with other persons/parties, such as exchange of information, participation in seminars, entertainment, events, golf tournament, etc., where there may be risk of indirect exchange of information through third parties.

- Conduct of bidding for procurement of any materials or services or participation in any bidding of business entities shall be under the principles of transparency, fairness, and strict adherence to the Company's rules and regulations and the relevant laws.

3.8.3 Making any transactions that fall within the purview of connected transactions (transactions between the Company and connected persons, such as major shareholders, directors, executives, controlling persons, etc.) shall comply with the criteria of the Stock Exchange of Thailand, the Company's rules and regulations and the relevant laws.

3.8.4 Making trade or service transactions between the Company and other persons or companies shall be on the basis of appropriate prices and follow relevant tax or legal provisions.

4.1 The anti-corruption policy and procedures shall be communicated within the organization by posting on the Company's announcement boards, disseminating through its Intranet, making available handbooks and supporting documents, provision of training for new employees, and ongoing training for directors, executives and employees at all levels, etc.

4.2 The anti-corruption policy and procedures shall be communicated outside the organization through KYE website, and by informing vendors, suppliers and relevant persons/parties of such information, and so on.

4.3 The anti-corruption measures shall be reviewed from time to time in accordance with the changing business environment.

5. Internal audit work unit shall examine work systems, procedures and performance of all work units that may be exposed to fraud or corruption risks, assess and manage risks, report the results thereof, and submit appropriate system improvement and control measures to the Board of Executive Directors and the Audit Committee at least once every 6 months.

6.1 The Company shall put in place director and executive nomination and appointment process based on the criteria of the Capital Market Supervisory Board and relevant laws, as well as under the human resource management process which covers selection, training, performance evaluation, promotion (in rank/position) and remuneration in accordance with the Company's criteria in effect. The Company has no policy of demoting (in rank/position) or punishing or negatively treating any persons who refuse to commit fraud or corruption.

6.2 Directors, executives and employees at all levels and of all positions shall perform duties with integrity and awareness of being the personnel of the Company all the time whether during or outside working hours.

6.3 Directors, executives and employees at all levels and of all positions shall not neglect nor ignore reporting on any conduct known or found to be in breach of anti-corruption practices to the supervisors or through complaint or communication channels, and shall give cooperation in the fact-finding and investigation process as per the criteria set forth.

6.4 Compliance work unit shall communicate and give clarification about complaint filing and proceed with the investigation of the complaint and fact-finding in accordance with the relevant procedure and criteria in place, and follow the applicable standards of safeguarding employees who make claims or give reports on fraud or corruption incidents.

7.1 Compliance work unit shall investigate the fraud or corruption incidents pursuant to the procedure and criteria in force and with transparency and fairness.

7.2 Decision making and punishment in case of anti-corruption policy breach or incident that falls within the purview of fraud or corruption shall be transparent, fair and compliant with the Company's rules, regulations and criteria in place.

These anti-corruption practice guidelines shall take effect on and from February 10, 2017 onward.

(Mr. Praphad Phodhivorakhun)

Chairman of the Board of Directors

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