

ANTI CORRUPTION POLICY

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ANTI-CORRUPTION POLICY

Rationale

The Collective Action Coalition Declaration Program (CAC) is a national project which is supported by the Thai Government and the Office of the National Anti-Corruption Commission (NACC) which Industrial and Commercial Bank China (Thai) Public Company Limited (the Bank) joined in 2012. To be in line with the requirements of the CAC, the Bank, thus, has formulated the Anti-Corruption Policy.

The objective of this Policy is to ensure that the Bank conducts its business with transparency, integrity, good corporate governance and in line with Organic Act on Anti-Corruption and other regulatory requirements. Accordingly, the Bank has determined the responsibilities and appropriate guidelines to prevent corruption in all units of the Bank.

Definition

- “Corruption”** means: An abuse of power that involves obtaining unlawful benefits for oneself or others, including embezzling, cheating, requesting or obtaining, introducing, promising or sponsoring with any form of monetary or other benefits, both directly and indirectly, to any person, public organization, private organization or responsible persons for the purpose that such persons would act or neglect to act which, in turn, will lead to the gain or maintenance of inappropriate and unlawful business benefits.
- “Bribe”** means : Anything of value or benefit that is given to a particular person or a group of person in attempts to influence such person to act or neglect certain responsibilities in one’s roles, despite its lawfulness, for personal or the Bank’s gains.
- “Political contributions”** means : Any monetary or other provision, in the name of the Bank, to support political activities. Monetary support may include lending and other provisions such as giving objects or providing services, advertisement to promote or support politics, purchase of tickets for fundraising activities and donation to organizations that have close ties with any political parties. However, any lawful activity in support of democracy may be exempted.
- “Charitable/Public Contributions”** means: An expenditure on a project or activity for the benefit of the community, society or public which the Bank does not receive any tangible return from such expenditure.
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“Sponsorships”	means: Monetary support in exchange for the procurement of business, for the promotion of brand or for the reputation of the Bank.
“Hospitality ”	means: Valuable items, including products and services that are given or received directly or purchased at special price. This includes payments of any services received, for instance, travel and accommodation.
“Management”	means the Bank’s executives from the level of head of department and above.
“Facilitation Payment”	means: small amount of expense unofficially paid to the government official in order to ensure that the government official will proceed in accordance with the proceeding or in order to accelerate the proceeding which such proceeding does not depend on the discretion of the government official and it is a legal proceeding within the government official’s scope of responsibilities and it is a juristic right such as requesting for a license, company affidavit or receiving any public service.
“Appointment or Employment of Government Official”	means: a top management level of government official or former government official/ politician/ advisor to government agencies engaged to work for the Bank and may involve personal connection or inside information for the benefit of the Bank or may cause conflict of interest with government agencies or supervisory authorities which the intention of the action is to have an unfair business advantage or to issue a policy in favor of the Bank that the former government official works for.

Scope of Policy

This policy shall apply to the Directors, Management and all staff of the Bank.

Roles and Responsibilities

The Bank recognizes the importance of anti-corruption, hence has formulated policies, regulations and guidelines that reflect the Bank’s determination in fighting corruption. In addition, the Bank has a business model that places importance on the cultivation of anti-corruption culture through a clearly written Anti-Corruption Policy which shall be approved by the Board of Directors as well as communicating such Policy to all Employees in the organization. This Policy shall be implemented throughout the Bank, both at the organizational level and departmental level.

Board of Directors

- To determine the policy and oversee an effective monitoring system to support anti-corruption program.

Audit Committee

- To review the anti-corruption program and the related internal control systems on a regular basis and receive reports on the program's adequacy and effectiveness.
- To report on the Bank's anti-corruption program to the Board of Directors on a regular basis and recommend actions to be taken to the Board of Directors and the Management.
- To oversee all related procedures to ensure compliance with the Self-Evaluation Tool for Countering Bribery of the Bank and to ensure that the answers to all indicators are accurate and sufficient.
- The Chairman of the Audit Committee has the duty to sign on the Self-Evaluation Tool for Countering Bribery.

Group Risk Supervision and Internal Control Committee

- To Set up an Anti-Corruption Risk Management Policy
- To evaluate the effectiveness of corruption risk management.

Management

- To be responsible for determining anti-corruption system, promoting and encouraging anti-corruption attitudes to be conveyed to all staff and related parties. This also includes the reconsideration on the changes in the system or regulation in order to best adjust to the current business, regulation, standard and laws.

Compliance Department

- To liaison with related departments in providing advice, recommendation, and suggest direction on matters related to anti-corruption.

Internal Audit Department

- To be responsible for the audit, assessment and evaluations of all business transactions related to the potential area to ensure that they are accurate and in compliance with the guidelines, approval authorities, standards, laws and policies in order to assure that the Bank's internal control is sufficient, suitable and effective with the probable risk of corruption. The results shall be directly reported to the Audit Committee for acknowledgement.

Risk Management Division

- The Bank has put in place the risk management system to avoid unethical conducts for personal gains to ensure that this risk can be controlled and prevented. Unethical conducts shall be identified, assessed, controlled and monitored, and reported as per the Bank's risk management policies

Human Resources Department

- The Bank shall focus on effective human resources management, knowledge-based communications for staff and regular training on its Anti-Corruption Policy as well as on related operational guidelines, to promote genuine understanding and compliance with it this Policy.

Staff at all Levels

- All staff shall comply with this Policy; they also have the legal obligation not to commit any act of Bribery.

Policy Statement

- Prohibits bribery in any form but not limited to the use of facilitation payment.
- Prohibits the use of charitable donations, sponsorships and direct or indirect contributions to political parties or organizations as a subterfuge for Bribery.
- Prohibits the offering of gifts or offer to entertain as an advantage with an intention to commit Bribery. All gifts and entertaining shall be offered or received in accordance with the Bank's policies and procedures.
- Prohibits Bribery committed on its behalf by intermediaries. Intermediaries who are regarded as posing an enhanced risk of Bribery shall be subject to due diligence, appropriate contractual terms and governance.
- Charitable contributions and financial sponsorships shall be given with transparency and shall conform to applicable laws and moral principles.
- The Bank shall maintain processes to enable its staff to raise concerns they may have with respect to non-compliance with this Policy in confidence, as staff are encouraged and required to.
- The Bank shall consider terminating its relationship with an associated person who commits or is suspected to have committed Bribery.
- No employee shall suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if such refusal may result in the company losing business.
- The Bank shall not sanction or disadvantage any staff or associated person(s) for refusing to commit Bribery.

- The Bank shall institute disciplinary proceedings against staff found to have breached this Policy or related procedures. This may result in termination of their employment.
- The Bank shall provide appropriate channels of communication for staff and other stakeholders to report suspicious circumstances, in confidence, without the risk of reprisal and the designated officer shall be assigned to investigate all report received.
- The Bank shall put in place good corporate governance principles and an internal control culture where there are assessments of significant risks, effective control activities and appropriate segregation of duties. An adequate and reliable information system shall be put in place as well as regular monitoring of internal control.
- The Bank shall cooperate with the certification process of Collective Action Coalition Council and consider adopting the recommendations made by the Council.
- The Bank shall not provide any support to political party, political group or political directly or indirectly. This includes the use of any of the Bank's assets for such purpose.
- The Bank shall put in place the Guideline on Offering or Accepting Gifts, Gratuities, Entertainment, Hospitality or other Benefits.
- The Bank shall prevent Revolving Door which means the appointment or employment of a top management level government official or former government official/ politician/ advisor to government agencies to work for the Bank. The Anti-Corruption Measure for the appointment or employment of government officials shall be put in place for transparency purposes and avoidance of unfair advantages or benefits to the Bank.