



Manual on Anti-Corruption Procedures
(2019 Revision, effective as of 1 August 2019)

Khon Kaen Sugar Industry Public Company Limited

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Anti-Corruption Policy

Principle

Khon Kaen Sugar Industry PLC resists and supports the resistance of corruption to reduce or manage the corruption that causes business inequality and obstacles to competition as well as deteriorates society and economy as a whole. The Company formulates policies and set aside practices in compliance with the laws relating to anti-corruption of Thailand and foreign countries.

Policy

1. The Company prohibits the directors, executives and employees to commit fraud and corruption. The policy applies to all units of the Company, subsidiaries, affiliated companies, other companies that are under the Company's controlling power as well as any third party which is business-related in every country in which the Company operates its business.

2. The Company does not accept any act which concerns fraud and corruption in all types and provides internal control for procedures in respect of expenses, particularly expenses for gift, greeting expenses, donation to charity and financial support so as to ensure the correctness and the accountability of each operation.

3. The Company does not have policy to support financially or in other manners, directly or indirectly, to any politicians or political parties for the benefit of such politicians or political parties.

4. The Company communicates and discloses policy and anti-corruption measures to all stakeholders, e.g. directors, executives, employees, customers, suppliers and related companies etc. in order to let them know the Company's decisive intent to resist fraud and corruption as well as the procedures so that to perform the business in the same direction.

5. The Company provides investigative mechanism in respect of fraud and corruption and penalties applicable to directors, executives, employees and staff when it is clearly known that such person is involved in the misconduct. The Company shall not punish or cause negative effect to an employee who refuses to commit fraud and corruption even though such act would cause the Company a loss in business.

6. The Company provides channels of complaints in the case the internal or external personnel has suspicion or detects any act which is related to fraud and corruption as well as provides procedures to protect the personnel who has given information concerning the misconduct.

7. The Company maintains sufficient and appropriate internal control and provides consistent effective audit for functional units to ensure compliance with the laws and anti-corruption policy.

8. The Company provides assessment of risk of fraud and corruption and risk management to prevent and to rectify possible mistakes as well as to improve the policy and procedures as to anti-corruption and fraud.

Definition

Company means Khon Kaen Sugar Industry Public Company Limited.

Subsidiary (Subsidiaries) means a company or a juristic person in which Khon Kaen Sugar Industry Public Company Limited owns or holds more than 50 per cent of voting rights no matter as a direct or an indirect shareholding, or a company or a juristic person which Khon Kaen Sugar Industry Public Company Limited has control power on financial policy or on operations so as to obtain interest from various activities of such company or juristic person.

Director means a director of Khon Kaen Sugar Industry Public Company Limited and subsidiaries who has qualifications of directors in accordance with Article 68 of the Public Company Act B.E. 2535 and has been elected in a shareholders' meeting, including executive directors and corporate directors.

Executives means the executives of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries.

Staff means any person who enters into contract of employment or contract of special employment, including permanent employees, temporary employees, employees on probation and employees under fixed period employment.

Related person means spouse, offspring, parents, brothers, close relatives of a director, executive and staff of all levels including employees, company's agents and subsidiaries who acts for or on behalf of the Company no matter he/she is authorized in such act or not.

“State official” means a person holding political position, a state official or a local officer holding a permanent position or salary, an officer or a person performing work in a State enterprise or a State agency, a local administrator and a member of a local council who is not a person holding political position, an official under the law on local administrative procedures, and shall include a member of a committee, a subcommittee, an employee of a government agency, a State enterprise or a State agency, and a person or a group of persons who exercises power or entrusted to exercise State administrative power in the conduct of a particular act under the law, whether established in the official service, a State enterprise or other State undertaking as provided in the organic Act on anti-corruption and shall include a state officials, an officer,

state enterprise employee, employee, agent or any person who is an agent of the following authorities.

- Ministry, departments or state agency (e.g. Customs Department, Immigration Office, etc.)
- International organization (e.g. World Bank, International Monetary Fund, etc.)
- Political party, a person holding political position, or election contestants, local executives
- Regulating agency (e.g. Securities Exchange Commission, Bank of Thailand, Stock Exchange of Thailand, etc.)
- State enterprise or company or other state agencies or an entity that is owned or controlled by a state agency

Bribe means asset or any interest. Asset means property and intangible asset which is valued and disposable such as, money, house, car, etc. Any interest is given examples such as house or decoration for free or at extraordinarily low cost, free accommodation, discharge of debt, free touring, etc.

Gift and greeting expense means expense which occurs in a special occasion relating to traditions or trade practices.

Misconduct Information means information relating to misconduct or fraud or corruption or complaint or clue which is related to misconduct or fraud or corruption.

Complaint means submission of misconduct information.

Informant means a person who files a complaint or gives a clue relating to misconduct or fraud or corruption.

Internal audit office means the internal audit office of Khon Kaen Sugar Industry Public Company Limited and shall refer to the internal audit offices of the group companies (if any).

Ethics means the ethics for doing business of Khon Kaen Sugar Industry Public Company Limited.

A person related to channel for receiving information means Manager of the internal audit office, Manager of Personnel Management, Chairman of the Audit Committee, Board Directors and high-ranking executives.

Fraud means the unlawful exercise of position, duty, authority, influence or the unlawful use of assets by directors, executives and employees of the Company in order to obtain undue benefits for himself/herself, family, friend, acquainted person such as making false financial evidence, unpermitted personal use of the Company's property, embezzlement, fraud and any act regarding conflict of interest.

Corruption means a giving, an offering, a promise to give, a covenant to give, acceptance, a demand for money or property or benefits in any other forms, either directly or indirectly, or through a third person, to state officials or outside agencies, customers, trade partners of the Company, or persons having duties in any matter, either directly or indirectly, so that the said persons shall act or not to act which may cause the Company to acquire or to maintain a permission, an approval, or any other benefits, illegitimately, or so that the third persons may be awarded a business contract or any other benefits from the Company illegitimately.

Designation of Duties and Responsibilities

1. The Board of Directors shall have the duties and responsibilities in designating a policy and supervising the Company to make available an efficient system that supports anti-corruption practices so that all staff would understand and be aware of the importance of anti-corruption and would help develop to be a corporate culture.

2. The Managing Director and the executives shall have the duties and responsibilities in arranging for a system and mechanism of risk management and prevention of corruption, measures promoting anti-corruption practices, guidelines on monitoring of compliance with this Policy, communicating the Anti-Corruption Policy to the staff at all levels of the Company, its subsidiary companies and affiliated companies.

3. The Audit Committee shall have the duties to monitor the anti-corruption policy and procedures to ensure that the Company shall comply with the legal duties and designated ethics.

4. The Internal Audit Office shall have the duties and responsibilities in examining and reviewing the carrying out of works of various departments to ensure the appropriateness and sufficiency of the internal control system against the anti-corruption risk and shall regularly report to the Audit Committee.

5. The directors, executives, and staff of all departments and at all levels must comply with the Policy on Anti-Corruption and Business Ethics, whereby they shall not act or support any form of corruption whatsoever.

Guidelines for Practices

The Board of Directors, directors, executives, staff, employees including contractors, sub-contractors, suppliers and related companies shall strictly comply with the business ethics, policy and procedures regarding the anti-corruption so as to create operational transparency by not involving corruption either directly or indirectly.

1. The personnel must not offer bribe or benefits in return of the like to state officials or suppliers or any persons, of both in Thailand and abroad, which is a description of corruption under the Corporate Governance Policy. Nevertheless, giving gifts, property, or any other

benefits to the state officials or suppliers or any persons must be first considered if it is against the laws and the local tradition and customs.

2. The personnel must not demand for benefits from the suppliers, customers, or any other persons, whether in the form of bribes, money, gifts, entertainment, expenses, or others, in exchange for business benefits from the Company.

3. The personnel shall not accept articles, gifts, or any benefits from trade partners, customers, or persons concerned with business of the Company, except it is for the benefit of normal business operation, or during festive season or as a traditional custom, which must be of a suitable value. If the value of the article so received is more than 3,000 (Three Thousand) Baht, the approval from Assistant Vice President or higher or the Chief Executive Officer shall be sought.

4. Business greetings and other expenses relating to the operation of business contracts shall be allowed so far as they are consistent with normal practice in accordance with the business ethics and the Company's rules and regulations; provided that the expenditure shall be reasonable and verifiable.

5. The personnel shall not accept invitations for inspection tours, seminars, and excursions, or any activities, the expenses of which are paid for by suppliers or persons concerned with the business of the Company, in a manner which can be expected that it is intended to offer bribe or to provide facilitation to the persons who are to be suppliers or customers or persons who are to have relationship with the Company in the future.

6. The personnel shall exercise due care in doing any act which would be prone to risk of fraud and corruption as follows.

6.1 The offer of gifts, greeting expenses and relevant expenses shall comply with the guidelines for practices in the Manual of Anti-Corruption Procedures.

6.2 The donation to charity and the support with money shall comply with the guidelines for practices in the Manual of Anti-Corruption Procedures and shall be subject to auditing procedures to ensure that the money is not used for committing fraud and corruption.

6.3 The business relationship with state officials including the contact with government units shall be conducted with transparency, honesty and legal compliance.

7. The Company shall make the Anti-Corruption Policy known to its staff for proper compliance widely and thoroughly, by preparing the Ethics on Anti-Corruption and Manual for various departments in the part relating to Anti-Corruption Policy, for use in training, implementation, or learning by the staff, and for dissemination through various suitable channels.

8. The Company shall protect the employee who informs or gives clues of corruption subject to relevant work regulations and rules and shall not punish or give negative effect against

the personnel who refuses to commit fraud and corruption even though the Company may lose business benefit.

9. Corruption shall be considered as misconduct or fraud, as the case maybe. The corruption doer shall be subject to disciplinary action and shall be punished in accordance with the work rules and may be prosecuted in a civil or criminal case.

10. The personnel shall not ignore the likelihood of corruption act and shall notify the superior or a relevant authorized person in accordance with the communication channels and shall cooperate with the examination of facts.

11. In order to make the Anti-Corruption Policy come to the acknowledgement of personnel and become the foundation of corporate culture, the Company materializes the human resource management ranging from recruitment, promotion, training, assessment, remuneration, protection of employee's rights; provided that the Human Resource Department shall take into account the Anti-Corruption Policy with all steps of human resource management. The Company allocates sufficient budget and personnel to the functional units or persons who are related to the operation pursuant to the Anti-Corruption Policy.

12. Directors, executives and employees shall exercise due care with any act which is likely a corruption risk and shall study the Corporate Governance Policy and Business Ethics that are relevant to the anti-corruption.

Policy regarding Political Assistance

The Company has no policy to support financially or in any other ways to politicians or political parties for the benefit of such politicians or political parties, either directly or indirectly. Moreover, the Company has set aside practices to prevent political assistance that the approver as authorized by the Manual of Empowerment shall not approve any transaction which is related to political assistance and shall assign the Internal Audit Office to audit the relevant transactions regularly.

The Company adheres to democracy and encourages the personnel to exercise their constitutional right on election and does not obstruct the personnel's exercise of political rights. The Company respects political liberty under the law and democratic regime by making the following guidelines for directors, executives and staff.

Guidelines

1. The Company supports political roles under democratic regime by the support must be transparent and conform with law or others relevant. And prohibits staff to use their employing status or corporate assets to support political activities of political parties, political groups or politicians, either directly or indirectly.
2. The Company supports the staff to enjoy liberty to attend political activities under the Constitution provided that they shall not use their employing status in the Company, company name or company seal to persuade other people to do any

political favor for politicians or political parties and prohibits the staff to join any activity which would cause an understanding that the Company is involved or supports any political party.

3. The supervisors and all level of staff are forbidden to make order to convince by any means to have the staff or subordinates join any political activity.
4. Directors, executives and staff should avoid expressing political view within the workplace or during working hours that would cause conflict of opinions.

Gifts, Greeting Expenses and Other Expenses

Presenting gifts or greetings to outsiders who have business relationship so as to express hospitality may be deemed a tradition for developing business relationship. However, such expenses may pave a way to an act against the Business Ethics and the Anti-Corruption Policy, the Company therefore makes the following practicing guidelines for directors, executives and employees.

1. The personnel must not demand or accept ~~for~~ benefits from the bidders, suppliers, customers, or any other persons who have interest in the Company's business, whether in the form of money, gifts, greetings, expenses or others, in exchange for business benefits from the Company, if it is considered that such giving or offering is likely to have an intention to obtain business benefits from the Company dishonestly.

2. The personnel shall not accept or give articles, gifts, greetings or any benefits from suppliers, customers or other persons related to the Company's business, except for the benefit of normal business operation, or during festive season or as a traditional custom, which must be of a suitable value. If the value of the article so received is more than 3,000 (Three Thousand Baht), the approval from Assistant Vice President or higher or the Chief Executive Officer shall be sought and recorded in the form "Report of giving or accepting gifts, souvenirs or any benefit"

3. The personnel shall not accept invitation for inspection tour, seminar, and excursion, or any activity, the expenses of which are paid for by suppliers, customers or persons related to the Company's business, in a manner which can be anticipated that it is intended to offer bribery or to provide facilitation to the persons who have potential to be suppliers or customers or persons who are to be related to the Company in the future, if it is considered that the acceptance of such invitation is appropriate and beneficial to the Company. Any invitation must be approved by the authorized superior first.

4. The personnel should consider whether the expenses for gifts, greetings or others, which have been paid or received to or from other persons, convey legitimate purposes and in conformity with the Company's Business Ethics and the Anti-Corruption Policy. Moreover, the directors, executives and staff of the Company should examine documentary evidence supplementing the expenses to ensure actual existence of the transactions, possibility to recheck and no involvement of corruption.

5. The personnel should abide by the Company's steps of payment for gifts, greetings (Annex A.) and other expenses (Annex B) so as to conform to the internal control system and to facilitate the audit. In case of suspicion or queries as to the payment for gifts, greetings or other expenses, the personnel should consult their superior or the communication channels provided by the Company.

6. If the personnel detect the acceptance or the payment of expenses which may be against the Company's Business Ethics or the Anti-Corruption Policy, the directors, executives and staff of the Company should notify the superior or make a submission through the channels provided by the Company for further examination.

Donation to Charity and Financial Support

Donation means giving money or assets to a person or a juristic person without implicit purpose but with the intent for public interest, society, environment to non-profit seeking charity organization, foundation or fund. The donation that lacks economic benefit or social benefit shall be considered a fraud. The donation shall be approved by authorized executives pursuant of the authority list depending on the size of donation.

Financial Support means giving money or assets for business purpose or Company's reputation that are beneficial to build business trust or strengthen business relationship. The supporting money shall be used for public interest or to serve the supporting purpose and shall not be used for unlawful purpose pursuant to the Company's policy. The support shall be subject to transparency having documents, records for accounting, involving parties, clear business purpose, details of activity, supporting amount including photographs of such activity. The Company prescribes control and audit procedures to ensure that the financial support is not used to commit corruption as well as provides approval process, the use of money in accordance with internal control process as stipulated in the authority list.

These two types of payment are inclined to risk of fraud and corruption. Due to difficulties in assessing and monitoring the result form such payment, the Company hereby makes the following guidelines for practices.

1. Directors, executives and staff should abide by the Company's steps of payment for donation (Annex C) and financial support (Annex D) so as to conform to the internal control system and to facilitate the audit. In case of suspicion or queries as to the donation and financial support, the personnel should consult their superior or the communication channels provided by the Company.

2. Directors, executives and staff should consider whether the expenses for donation and financial support convey legitimate purposes and in conformity with the Company's Business Ethics and the Anti-Corruption Policy, the explicit purposes of request, the existence of the requesting entity and the documentary evidence proving the utilization of donation and

financial support pursuant to the purposes and the usefulness of utilization, e.g. receipts, photographs or report of running project for environment and society, etc.

3. If directors, executives and staff detect the donation or financial support which may be against the Company's Business Ethics or the Anti-Corruption Policy, the personnel should notify the superior or make a submission through the channels provided by the Company for further examination.

Procurement of Agricultural Raw Materials

In general, business activities concerning procurement of raw materials are inclined to risk of fraud and corruption. The Company realizes such risk and accordingly provides an internal control system which relates to procedures of raw material procurement in order to maintain operational efficiency and risk precaution.

The Company separates the duties and responsibilities of the personnel relating to raw material procurement, for instance, the staff who record purchase request, the accounting staff and the personnel who make payment to the farmers in order to recheck the procedures among themselves and to reduce risk of fraud and corruption.

Mostly, the sellers of agricultural raw materials are ordinary persons. The Company develops steps for examining the personal record with documentary evidence to confirm their identity. The farmers must not have past record of fraud and corruption. The data of the farmers is kept in the principal file with searching system so that the Company can retrieve relevant information for further examination and business analysis.

The Company has a policy of executing fair and transparent contract with the farmers. The contract shall contain clarity of content on volume of sales, time of delivery, delivery rules and the purchasing price in accordance with the price prescribed by the Government. The contract including other supplementary documents relating to the procedures of procurement, e.g., report on receipt of raw materials, report of payment and receipts, etc. shall be rechecked and approved by the authorized superior.

The Company communicates the Anti-Corruption Policy to the farmers regarded as the Company's suppliers and requests their cooperation to strictly abide by the Anti-Corruption Policy. The personnel who are involved in the raw material procurement procedures shall comply with the Business Ethics and the Anti-Corruption Policy and shall not demand any benefit from the suppliers in exchange for the procurement contract. The bidding information received from a supplier shall be kept confidential and shall not be disclosed to other bidding suppliers.

General Procurement

The Company provides steps for consideration of necessity and appropriateness for procurement of goods for manufacturing and consumption. The documents to be submitted to the authorized superior for approval shall be clarified and responsive to current circumstances, consisting of purpose of the procurement and not against the law and the Anti-Corruption Policy.

Before concluding a transaction, the Company has gone through regular checking process of personal record of the seller to ensure the identity of the seller and no past record involving fraud and corruption.

The Company exercises price and quality comparison of goods or services offered by several sellers. The Company prescribes qualifications of bidders and announces to public together with the relevant information and complete conditions of procurement on the basis of openness and equality so as to cause transparency and to get the competitive bidding which is based on market price.

The Company uses the format of contract which is appropriate to the value of contract which must be market price and fair, duration of contract or other contents which reflect the transparency and the possibility to recheck. The approvers pursuant to each level of purchase value are authorized to prevent risk of incorrect execution of contract.

The Company develops an internal control that relates to procurement process and audit the efficiency of the internal control system regularly to mitigate risk of fraud and corruption. The principle internal control issues which concern the procurement department are as follows.

1. Separation of duties and responsibilities of personnel in relation to procurement process so as to prevent possible fraud and corruption.

2. Principle record file of each seller for good order of filing and prevention of unapproved change of data. Search system is also provided to retrieve related information for examination.

3. Authorization to access the procurement data is provided in order to prevent illegitimate change of data.

4. Systematic keeping of document including electronic data in respect of procurement which follows the process of document keeping for the benefit of examination.

The Company communicates the Anti-Corruption Policy to the sellers or the service providers as the Company's suppliers and requests their cooperation to strictly abide by the Anti-Corruption Policy. The personnel who are involved in the procurement procedures shall comply with the Business Ethics and the Anti-Corruption Policy and shall not demand any benefit from the suppliers in exchange for the procurement contract. The bidding information received from a supplier shall be kept confidential and shall not be disclosed to other bidding suppliers.

Sales

Sales transactions are inclined to risk of fraud and corruption because they are significant to the result of the Company's business. The Company therefore provides an internal control system for efficiency and compliance with good corporate governance. The personnel who are related to sales process shall have specific duties, e.g. sales persons, approvers of transactions, accounting bookkeepers and cashiers, etc. to facilitate the audit and to prevent fraud and corruption.

The Company had a process of customer selection so as to mitigate the risk by probing the customers' record regarding financial status including record of fraud and corruption. The Company keeps the record of juristic entities or ordinary persons who become the customers in the principle data file for further use in sales analysis and prevention of unauthorized data change. The Company also develops search system from the principle data file so as to facilitate the retrieval of relevant information for use in examination and audit.

The Company provides explanation of sales procedures in a clear-cut restricted document so that the personnel would understand the procedures and their duties and responsibilities. Documents relating to sales, e.g. invoice, tax invoice, credit note approval, etc., shall be rechecked and finally approved by the authorized approver. Besides, the Company limits the right to access sales data in order to prevent unauthorized change of sales data.

In terms of sales contract, the Company treats the customers equally. The Contract establishes fairness to parties and must be approved by the authorized approver. The value of agricultural- related goods as specified in the contract may refer to the market price as stipulated by the Government. The inclusion of special covenants, e.g. discount etc., shall conform to business practices and sales policy of the Company which certainly are consistent with the law and the Anti-Corruption Policy.

As regards the development of business relationship by presenting gifts or greetings, the personnel must abide by the procedures and must get approval by the authorized approver. The activity must be in line with the business purpose and must not be against the law and the Anti-Corruption Policy.

Human Resource Management and Training

As the personnel is vital to the movement towards progress of the organization, the Company emphasizes on human resource management by providing rules and practices of the whole process ranging from recruitment, selection, assessment, training, remuneration and welfare by making a written statement approved by the authorized executive as guidelines for practices for the personnel. The Company provides an internal control system for the whole process of human resource management and implements the internal control system regularly to ensure efficient operation.

As to the recruitment of personnel, the Company sets a human resource plan consistent with business plan and growth of the Company. The Company shall recruit internal or external candidates for the functional units that need workforce; provided that the qualifications of the personnel must be consistent with the ones set by the units. Moreover, there are steps of examining personal identity, criminal record, record of fraud and corruption prior to the fulfillment so as to prevent risk which may occur.

The Company evaluates the performance with the explicit evaluation procedures to ensure that the personnel possess suitable and sufficient working skills. For career path and promotion, the Company prescribes conditions and qualifications concerned in writing for the sake of clarity and transparency of the procedures concerning occupational progress.

Regarding the personnel development, the Company sets annual plan for training and submits to the authorized executives for approval. Anti-corruption is an important training topic which is included in the orientation for new personnel and in the annual training program in order to express the Company's commitment to anti-corruption and to keep reminding the personnel of this matter. The training is conducted by way of lecturing and post-testing to evaluate the understanding of personnel in this matter. As such, the Company shall be ensured that personnel from all units acknowledge and understand the Company's policy and practices. The executives shall receive briefing of training result regularly.

The Company prescribes criteria and practices in respect of remuneration and welfare for the personnel so that the personnel and the executives shall understand their rights and benefits.

The Company provides internal control system in respect of human resource management including the systematic keeping of confidential document. Moreover, the internal audit office sets an audit program for internal control system to ensure that the system works efficiently and continuously.

Risk Management

The Company regards risk management as an important matter to prevent occurrence of mistakes and errors. Anti-corruption is considered one of the important risks which need a system of management ranging from risk assessment planning, objectives, duty and responsibility of relevant staff and duration to written criteria of risk assessment.

The risk which would cause financial and non-financial impact shall be assessed by considering internal factors, external factors and probability of risk occurrence so as to oversee imminent risks. The result of risk assessment shall be recorded and prioritized to set urgency for precautionary measures or to mitigate risk at acceptable level and to adjust policy and practices regarding anti-corruption to get along with the result of risk assessment.

Finance and Accounting Practices

Receiving money

1. To receive and record the receipt of money, the Financial Department and Accounting Department must know the purpose and the receipt of that money and issue evidence of receipt which is acceptable by law and by accounting principle to the payer. The receipt must contain sufficient, clear and suitable content and must be approved by authorized executives.

2. In case of suspicion that the received money is against the law or the Anti-Corruption Policy, the employee must reject the money and inform the superior or the Company pursuant to the channels provided for this situation for further examination.

3. The personnel must not accept any benefit from any person if it is likely that the giving or proposal to give is meant to cause delay of receiving money or to receive incomplete amount.

4. The personnel must not deposit the money payable to the Company into another account which is not the Company's account and must communicate with the payer to strictly refrain from such act.

5. The personnel should seek cooperation from the payer to transfer money through banks or pay by Account Payee crossed check for evidence of audit. In case of receiving cash, there must be other document evidence showing that the Company has actually received the money.

Payment

1. The personnel shall comply with the procedures of payment as prescribed by the Company, particularly the payment which would be at risk of fraud and corruption, e.g. gifts, greetings, donation for charity and financial support, etc.

2. Before making payment and book-keeping, the Accounting Department and the Finance Department must know the purpose of such payment and consider if it is not against the law and the Anti-Corruption Policy as well as it complies with the procedures as well as to consider the sufficiency and suitability of the evidence supplementing the payment that are acceptable by law and accounting principle.

3. The payment pursuant to a contract must be made against the conditions stipulated in the contract only.

4. In case of suspicion that the payable money is against the law or the Anti-Corruption Policy, the staff must defer the payment and inform the superior or the Company pursuant to the channels provided for this situation for further examination.

5. Each payment must get prior approval from the approver who is authorized in accordance with the Company's Manual of Empowerment.

6. In case of payment with cheque, the name of the payee must be the same as specified in the receipt and the cheque must be crossed with Account Payee notification, except in case of an advance payment by a staff, the payment shall be made to the advancement payer subject to an approval by executives at the level of Assistant Vice President or higher of the Accounting and Finance Division (if not the case of paying cane farmers). A payment in cash (not including payment to farmers) must not exceed 10,000 Baht (Ten Thousand Baht) and must be accompanied with evidence to ensure that the Company has actually paid the cash; provided that the word “PAID” must be stamped in the receipt and evidence supplementary to the payment.

7. The personnel should treat the creditor fairly by making payment in accordance with the conditions as agreed and shall not demand any benefit if it is likely that the giving or the proposal to give is to obtain illegitimate business benefit from the Company or to cause business damage to the Company, e.g. incomplete amount of payment or payment beyond due, etc.

Recording and Data Filing

The Company establishes an internal control in respect of recording and keeping data to ensure that all documentary evidence is systematically filed pursuant to appropriate standard in safe place and is retrievable for examination. The following procedures apply.

1. The Company assigns each functional unit to prescribe duty and responsibility of document makers, recorders, approvers and keepers by separating duties among them for the sake of transparency and examination.

2. Important documentary evidence shall be kept in documentary file of each unit in numerical / alphabetical / date order with document register for convenience in further use and examination.

3. The Company provides enough space in suitable environment to store documents with security system and access limitation system.

4. The Company sets duration for keeping each type of documents and consistent with the law.

5. The Company provides electronic data base and relevant devices in suitable environment with security system and access limitation system as well as prescribes authority of personnel to access the data base. Moreover, the Company provide adequate backup system which necessary to trace back some transactions.

6. The Company establishes risk management in respect of keeping data with precautionary plan, solution plan and reserve plan to cope with risk of loss or damage to data.

7. The Company provides an internal control system in respect of data keeping and encourages the personnel to regularly implement the control system to ensure maximum efficiency of data keeping.

Channels for Complaints and Information

Principle

The stakeholders who care about the benefits of the Company or the persons sustaining distress and damage from an act of the Company or its staff have a suitable channel to provide information or to lodge a complaint which is beneficial to the elimination or prevention of wrongdoing or dishonest act, and the person providing information or lodging complaint shall be given protection suitably and shall not receive any impact from having provided information or lodged complaints in good faith.

Policy

1. The Company has a channel for reporting clues or information on any commission of wrongdoing and dishonest act, or whistle-blower hotline, so that the stakeholders may provide information which is beneficial to the examination, elimination, and prevention of wrongdoing or dishonest act, or lodging of complaints, and so that such shall be rectified accordingly.

2. An informant shall have a right to choose not to disclose his/her own identity, however, he/she must state the details, facts, or sufficient evidences, so that the Company may investigate to find facts that whether there has been a wrongdoing or a dishonest act or a violation of the regulations of the Company.

3. The Company has measures protecting the rights of the informant or complainant from any action that may affect his/her position, or the carrying out of his/her duties, or from other unfair treatments, so as to create confidence to the person wishing to provide information which is beneficial to the Company.

Guidelines for Practices

1. Duties and Responsibilities

1.1 Staff shall have the duty to report or to provide information of wrongdoing as committed against the Company, directors, executives, and staff of the Company, to their respective superiors and/or to the channels provided in the Corporate Governance Policy immediately.

1.2 Reporting or providing information of wrongdoing must be made in good faith. Deliberately giving false information or framing other persons which causes damages to said persons or to the Company shall be regarded as a disciplinary violation which shall be subject to disciplinary action, and legal action may be taken against said person.

1.3 Staff must render cooperation and assistance to the Management or a work unit of the Company carrying out an investigation of wrongdoing or fraud.

1.4 The executives shall set a good example in complying with the Ethics, and shall have the duty to monitor and promote their subordinates to comply with the Ethics as well.

1.5 The executives shall have the duty and responsibility to promote and provide sufficient and effective internal control system to prevent any wrongdoing, fraud and corruption in the part of works under their responsibilities.

1.6 The executives shall have the duty to render support and cooperation to the Internal Audit Office, the Fact Finding Committee, the Inquiry Committee, and work units concerned in the investigation of wrongdoing or fraud.

2. Channels for Giving Information

2.1 When a staff finds, or there is reason to believe in good faith, that a wrongdoing or a fraud concerning the Company or its subsidiary companies has been committed, the staff shall inform his/her superior from the level of Manager forthwith, either verbally or in writing. If such report is ignored, the staff shall notify the higher superior. However, the staff should not self-conduct further inquiry of any suspicious acts.

2.2 If a staff is in a difficult situation or is not comfortable to notify the said superior, or suspects that his/her superior or any executive of the Company is connected with a wrongdoing, the staff may choose to file a report through the following channels:

2.2.1 e-mail or telephone

1) Manager, Internal Audit Office; email: ia@kslgroup.com Tel. 02-642-6092, Ext. 127

2) Manager, Human Resources Management; email: ampaporn@kslgroup.com Tel. 02-642-6092, Ext. 969

2.2.2 letter sent by post or by hand to Chairman of the Audit Committee / Manager of the Internal Audit Office or the Manager of the Human Resources Management to the following address:

Khon Kaen Sugar Industry PCL
503 KSL Tower, 22nd Floor, Sri Ayudhya Road,
Thanon Phayathai Sub-District, Rajathevi District,
Bangkok Metropolis 10400

In filing such a report, the staff may choose to disclose or conceal his/her personal information. However, if the staff is willing to reveal his/her personal information for the Company to further request facts, the staff may reveal his/her name and phone number. The Company is obliged to keep such personal information confidential.

2.3 When the persons or above departments have been notified of a commission of wrongdoing or fraud, they must report such to the Internal Audit Office at once.

2.4 The Internal Audit Office shall have the duty to prepare a register of complaints and shall prepare a report summarizing the receipt of information of wrongdoing to the Audit Committee at the next meeting.

2.5 The Internal Audit Office shall consider initially that at which department the commission of wrongdoing occurred, and shall then send the complaint to the said department for investigation, and shall also monitor the proceeding of said department from time to time.

2.6 The fact-finding, the investigation, the disciplinary action and the legal action shall be in accordance with the regulations governing such.

2.7 Upon completion of the complaint, the work unit concerned shall report the result to the Internal Audit Office for forwarding the matter to the Audit Committee at the next meeting.

3. Protection of Informant

3.1 The Company shall not terminate employment, suspend, inflict disciplinary action, or threaten to take any action against any staff who provides information of wrongdoing. Whoever violates this clause shall be imposed with disciplinary action.

3.2 The Company shall protect the informant including the person rendering cooperation or assistance in the investigation in good faith from any threat and harassment.

3.3 The Company shall provide protection additionally and specially according to suitability, by taking into consideration the degree of severity and the importance of complaint. In the event the informant is threatened or harassed, he/she shall report such to the Managing Director for ordering the Human Resources Department to provide protecting measures for the informant suitable to the circumstances.

4. Punishment for Informant of false Statement

In the event a staff has reported a complaint or has provided information of wrongdoing in good faith, even though the Company finds no wrongdoing as lodged, the Company shall not inflict any punishment on the said informant. Nevertheless, if the result of investigation finds that the complaint is baseless and is done with ill intention or an intent to yield damage to other persons, or it is a giving of false statement, the Company shall consider inflicting disciplinary action to the staff who gives the information according to the work regulations, and shall also consider taking legal action against the said person.

Communication and Disclosure of Information

The Company provides communication and disclosure of Policy and anti-corruption measures to all stakeholders, e.g. executives, employees, customers, suppliers, related companies and shareholders, all groups of stakeholders, etc. The communication is made through various channels, i.e., website, self-search data base in intranet, e-mails to staff, news board,

annual training of personnel and letter requesting cooperation from suppliers to comply with the Company's Ethics and Anti-Corruption Policy. The Company wishes the personnel in all parts would acknowledge and understand the intent of the Company to resist fraud and corruption so as to render the transparent and auditable business operation.

Penalties for the Wrongdoer of Fraud and Corruption

The Company provides appropriate sanction procedures against the staff who do not abide by the anti-corruption procedures. The examination pursuant to the disciplinary action shall be conducted when the violation of the anti-corruption procedures occurs either directly or indirectly and by a director or an employee. A warning, punishment or dismissal may be imposed and a legal action, either civil or criminal, may be taken if it is found that the violation is intentional. Directors and staff should acknowledge and abide by the anti-corruption policy in every work process. As the allegation regarding corruption shall have adverse effect upon reputation of persons and the Company even without any foundation, any staff who comes across any act which tends to defy the anti-corruption procedures should inform the supervisor or give the information through the provided channels.

1. If the accused person (director, executive or staff) actually commits corruption, such person shall be imposed with disciplinary sanction up to dismissal and may be inflicted with legal punishment.

2. A direct supervisor who ignores the wrongdoing or acknowledges the wrongdoing but fails to act in accordance with the policy, such person shall be imposed with disciplinary sanction up to dismissal.

3. Ignorance of the policy or related laws shall not be an excuse for non-compliance.

4. A director, executive or relevant person who unduly discloses information given by the informant, complaints, documents shall be imposed with disciplinary sanction, except the disclosure in accordance with a legal duty.

5. A supplier, agent, distributor or contractor who defies the criteria provided herein or is aware of the act against the policy but fails to report to the management or gives incorrect information may be terminated his employment.

Internal Control and Audit

The Company establishes internal control system for each work unit, e.g., Business Development, Raw Material Procurement, General Procurement, Human Resource, Finance and Accounting, etc. to prevent possible risks particularly risk of fraud and corruption. The Company provides internal control system as a principal foundation for risk precaution.

Effective and efficient internal control activities are identified to mitigate risks against the Company's achievement to acceptable level. The pattern of controlled activities are both manual and automated pursuant to internal control principle, e.g. separation of duties, policy and

practices regarding related transactions or conflict of interest, transparent operation, accessibility for examination, fairness, etc.

The Company authorizes the access to data by using SAP-Access Control and prescribes procedures on recording and keeping data to ensure the completion and safe environment of important information.

The Company issues regulations, policies, rules, manuals in written form by drawing scope of duties of executives and employees at all levels as well as the steps of work so as to be guidelines for operation. The audit whether performance conforms to regulations, policies, rules and manuals is done regularly.

The Company has procedures on monitoring and evaluation of internal control and accordingly stipulates improvement approach so as to ensure that the internal control system runs efficiently and effectively. The Internal Audit Office, an independent unit reporting to the Audit Committee, is designated to audit and evaluate effectiveness of each internal control activity in accordance with the audit program as approved by the Audit Committee. The audit program is made in line with the Company's strategy and important risks which would have impact upon business operation. The Internal Audit Office also make recommendations to elevate the efficiency and effectiveness of internal control by communicating to the executives for improvement and report the audit result to the Audit Committee on quarterly basis.

Monitoring and Review

The Company monitors and reviews the Anti-Corruption Policy regularly to ensure that it is consistent with the new law or regulations, risk assessment, relevant situations and circumstances. In case of suspicion that fraud and corruption occurs, the Company provides procedures on monitoring and investigation to find the facts. Besides, the anti-corruption is made an agenda in Board of Directors so that the directors and the executives acknowledge the movement regularly. This practice implies that the directors and the executives take good care of the matter and help solve the problems on fraud and corruption more smoothly.

Annex

Annex A-1 Procedures on Payment for Gifts and Welcome Service

Annex A-2 Flow Chart of Procedures on Payment for Gifts and Welcome Service

Annex B-1 Procedures on Payment to Personnel

Annex B-2 Flow Chart of Procedures on Payment to Personnel

Annex C-1 Procedures on Donation to Charity

Annex C-2 Flow Chart of Procedures on Donation to Charity

Annex D-1 Procedures of Payment for Financial Support or Business Assistance

Annex D-2 Flow Chart of Procedures of Payment for Financial Support or Business Assistance

[NOTE: The above Annex comprises Procedures and Flow Chart of some types of payment which are mentioned above in several headings. Due to its lengthy details and internal use, the Company deems it appropriate to exclude the part from this publication.]

This Manual of Anti-Corruption Procedures is published in www.kslgroup.com

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