

Fraud Prevention and Anti-Corruption Policy

Muang Thai Insurance Public Company Limited



ยิ้มได้ เมื่อภัยมา

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Fraud Prevention and Anti-Corruption Policy Muang Thai Insurance Public Company Limited

Muang Thai Insurance Public Company Limited (“the Company”) had been certified by the Thai Private Sector Collective Action against Corruption (CAC), supported by the Thai Institute of Directors (IOD) since October 16, 2015 until the present. In order to develop more effective Fraud Prevention and Anti-Corruption Policy, the Company therefore deems appropriate to cancel the Fraud Prevention Policy dated February 20, 2012 and the Anti-Corruption Policy dated March 2, 2018, and establish this Policy to ensure compliance with the recent applicable laws, be aligned with the Company’s work procedures and establish effective internal control standard for prevention of internal and external fraud and corruption.

1. Objectives

1.1 To prescribe guidelines and procedures for the Company’s personnel in effectively preventing, monitoring and handling with internal and external fraud and corruption;

1.2 To set measures and internal control system to prevent, monitor and control risks of all forms of fraud and corruption, as well as prevent the impacts on the Company’s assets, reputation and image, including the impact caused by any legal punishments;

1.3 To build the Company’s credibility of trustworthy business operation and contribute to environmental, social, economic and governance (ESG) responsibilities, which lead to the Company’s business sustainability.

2. Scope of Policy

2.1 This Policy enforces the Company’s personnel at all levels, namely the Board of Directors, executives, employees, agents and brokers. This also includes business partners and stakeholders which are customers, debtors, creditors, government agencies, government officials, state enterprise employees and related persons;

2.2 The enforcement of this Policy shall be considered in line with the Company’s Code of Conduct and other recent and future policies and practices;

2.3 The Company is able to draw up guidelines or manual of fraud prevention and anti-corruption in compliance with this Policy.

3. Definition

“**The Company**” means Muang Thai Insurance Public Company Limited;

“**Corruption**” means an act of using power or bribery that may or may not be illegal with an intention of obtaining benefits that are not deserved, and corruption can occur in both public and private sectors;

“**Fraud**” means a misconduct, dishonest behavior or an act of cheating or defrauding with an intention to seek illegal benefits for his/her own or for other persons;

“**Bribe**” means property, gift, or other benefits given to any person, in office or in the course of official duty, in order to persuade him/her to perform or omit to perform any acts whether it is legitimate or not;

“**Government Official**” means a person who serves as state official or used to serve as state official or politician or advisor to the government agencies;

“**Stakeholders**” means the shareholders, employees, customers, business partners, creditors, business competitors, public sector, local communities and other organizations in the society;

“**The Company’s personnel**” means the directors, executives, employees at all levels including temporary employees, agents, brokers, advisors, or any persons acting for or on behalf of the Company;

“**Bribery, Gifts, Hospitality Payment**” means giving or accepting money, gifts, rewards, or benefits which have financial value, including things which are equivalent to cash and can be exchanged for goods and services, in order to persuade any person to make a decision, perform or omit to perform any acts, or enable himself/herself to obtain personal interests or accomplish something as wished by unlawful, dishonest means or in a manner that is against the Company’s Code of Conduct;

“**Sponsorship**” means giving or accepting money, things or other benefits to or by customers, business partners, associations, foundations, charities, non-profit organizations, or government agencies for the purpose of the Company’s promotion of brand and reputation which will help strengthen its credibility and business ties;

“**Donation**” means a contribution made in the form of money, things or benefits to persons or juristic persons, namely associations, charities, foundations, temples, hospitals and schools for charitable purpose without expectation of tangible return;

“**Political Contribution**” means a contribution made in the form of money, things or benefits for political purpose or an encouragement for the employee’s participation in any political

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campaign or activities on behalf of the Company to support a political party, a politician, or person who is involved in politics, both directly and indirectly, in order to seek any unlawful benefits, advantages or unfair business opportunities. This, however, excludes the case where the employee is willing to participate in such political campaign or activities on the basis of democratic right;

“**Conflict of Interest**” means a transaction or an action done by an employee, with authority to take action, who has personal interests that influence decision-making or fulfillment of a duty and such decision directly or indirectly affects the overall interests of the Company. This also includes improper segregation of the persons’ roles and responsibilities;

“**Facilitation Payment**” means an unofficial minor payment of money or giving things or benefits to the government officials in return for services to ensure that they shall proceed or expedite the procedure, with legitimate authorization and without discretion, and such services are generally considered as legal rights which any juristic persons are entitled to receive.

4. Roles and Responsibilities

4.1 The Board of Directors has roles and responsibilities for supervising this Policy to ensure its actual implementation as follows:

4.1.1 Review and approve the policies or measures in relation to fraud prevention and anti-corruption;

4.1.2 Supervise and assign a committee to supervise and make decision on the cases of fraud and corruption when it is reported to the Board of Directors for acknowledgement.

4.2 Audit Committee has roles and responsibilities for auditing and reviewing operations to ensure compliance with the Policy including reporting the investigation results of fraud and corruption cases to the Board of Directors. Such roles and responsibilities include:

4.2.1 Supervise and review financial reports, accounting system and internal control system, and ensure compliance with the applicable laws and standards in relation to fraud prevention and anti-corruption;

4.2.2 Acknowledge reports of ordinary or serious fraud and corruption cases, together with investigation results and penalties, both on regular and urgent manner;

4.2.3 Approve and review internal audit plan to ensure that fraud prevention and anti-corruption are covered and in line with the potential risks;

4.2.4 Supervise to ensure that the Company has independent and appropriate procedure for handling and investigating whistleblowing cases, especially in the event that such

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case is involved with an executive, including meeting with an auditor to find the appropriate solution for the significant case of fraud and corruption;

4.2.5 Review the reference documentation and Self-evaluation Form for certification by the Thai Private Sector Collective Action against Corruption (CAC).

4.3 Risk Management Committee has roles and responsibilities for formulating risk management policy and strategies to be aligned with Fraud Prevention and Anti-Corruption Policy, assessing risks of fraud and corruption in work procedures in accordance with the Company's risk appetite on a regular basis, and reporting risk management performance to the Board of Directors.

4.4 President and Chief Executive Officer and Executives ensure that the Company's operation adheres to this Policy and review the appropriateness of all systems and measures to be in line with changes of business, rules, regulations and laws with the following responsibilities:

4.4.1 Support and create anti-corruption values;

4.4.2 Supervise this Policy and assign personnel or working teams with knowledge and abilities to develop operational manuals which are consistent with the effective and sufficient internal control system to prevent fraud and corruption;

4.4.3 Support measures to prevent and examine suspicious fraud and corruption to prevent any potential risks.

4.5 Internal Audit Department has responsibilities for auditing the implementation of this Policy and reporting the audit result to the Board of Directors with the following duties:

4.5.1 Formulate an internal audit plan which includes the prevention of fraud and corruption in sales, marketing, procurement processes and making contracts or other work procedures with potential corruption risks, and provide appropriate methods to correct mistakes;

4.5.2 Set up, develop and improve the Company's internal control system, or give advice to relevant business units on improvement of internal control system or work procedures with problems or potential risks of fraud and corruption;

4.5.3 Take part as a member in investigation committee when there is a case of fraud and corruption in the Company.

4.6 Compliance and Corporate Governance Department has responsibilities for supervising the implementation of this Policy and reporting its result to the Audit Committee with the following duties:

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4.6.1 Draw up a policy, give advice and suggestion and supervise to ensure compliance with this Policy;

4.6.2 Provide training in fraud and corruption prevention, whistleblowing, Code of Conduct and related regulations and laws;

4.6.3 Take part as a member in investigation committee when there is a case of fraud and corruption in the Company.

4.7 Human Resources Management Department and Human Resources Development Department have the following responsibilities:

4.7.1 Check the personnel's background or qualifications and abilities, including criminal records and work history prior entering into employment contracts to ensure that they do not have problems concerned with honesty in their work, and specify conditions regarding fraud prevention and anti-corruption in the employment contracts;

4.7.2 The employees' recruitment, training, performance appraisal, remuneration as well as promotion must be aligned with this Policy, and conforming with the Company's Code of Conduct and fraud prevention and anti-corruption should be set as one of the indicators in appraising the performance of employees at all levels;

4.7.3 Provide training and communicate the issues of the Code of Conduct and fraud prevention and anti-corruption to all employees to raise awareness among them, and organize training courses to enhance their knowledge and abilities for more potential to prevent fraud and corruption in the Company;

4.7.4 Provide protection measures for any employee who resists fraud and corruption, as well as any whistleblower who cooperates with the Company by reporting the suspicious cases and providing facts on fraud and corruption in investigation process, without taking any unfair actions against his/her working conditions;

4.7.5 Provide an Exit Interview for the employee who resigns, which includes the issue of concern for fraud and corruption during performing his/her duties, to ensure that the Company has communicated and conformed with this Policy.

4.8 The Company's Employees have duties and responsibilities in compliance with this Policy as follows:

4.8.1 Report any incidents or cases of suspicious fraud and corruption to supervisors or through whistleblowing or complaint channels as specified in this Policy;

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4.8.2 Study this Policy, the Code of Conduct, including other relevant policies, and communicate their details to business partners and related parties;

4.8.3 Be cautious about various risk factors that may arise during the course of work and report the issues which may involve with fraud and corruption to supervisors in a timely manner;

4.8.4 Comply strictly with other policies or measures related to this Policy and refrain from requesting, conducting, or accepting an act of corruption in order to seek personal interests or for family and other persons' benefits;

4.8.5 Cooperate in providing information and facts for the investigation committee upon request under the Investigation Policy.

5. Guidelines and Regulations on the Policy Implementation

The Company has developed guidelines and internal control measures to prevent fraud and corruption. All directors, consultants, executives, employees and temporary employees, as well as agents and brokers acting on behalf of the Company shall commit not to accept any acts involved with all forms of fraud and corruption, whether by offering, promising, requesting or giving and accepting bribes, embezzlement, fraudulence and act of making false accounting. This also includes all fraudulent behaviors within and outside the Company, whether in monetary or non-monetary form, for any inappropriate benefits which cause direct and indirect damages to the Company. It is the responsibilities of personnel at all levels to understand the guidelines and regulations on implementing this Policy without exception as follows:

5.1 Guidelines and Regulations on Fraud Prevention

The internal control measures for fraud prevention reduce the potential fraud risks in the Company. Therefore, the appropriate fraud risk control and assessment as well as establishment of awareness and values of anti-fraud among the employees are regarded as important goals of the Company for fraud prevention. The Company shall provide advice and determine the scope of responsibilities of employees at all levels, including developing the internal control system as a tool to prevent and detect fraud with fair and transparent investigation process under the Investigation Policy.

5.1.1 The following acts are regarded as fraud:

- 1) Dishonest performing of duties or conducting fraudulent acts on purpose;
- 2) Misusing the Company's properties to seek benefits for his/her own or for other persons;

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- 3) Intentional distortion or concealment of financial information;
- 4) Embezzling or stealing the Company's money or property, stealing a cheque and forging a signature, forging a receipt, spending money that should be deposited in the Company's account, collecting customer's money but not submitting the money to the Company, changing a deposit slip's date or withdrawing money in advance to take such money for personal spending, and adding personal expenses to operating expenses for reimbursement with the Company;
- 5) Making false accounting or changing information in financial reports or transactions for a wrongful purpose;
- 6) Making false non-financial reports or documents which causes misunderstanding or damages to the Company or related persons;
- 7) Disclosing the Company's confidential information or trade secret to the public;
- 8) Seeking, requesting or accepting valuable things or benefits from relate business partners;
- 9) Offering valuable benefits to government officials, government agencies or other juristic persons in private sector to conduct.

5.1.2 The Company determines that the investigation shall be proceeded in compliance with the Investigation Policy. The investigation result shall be reported to the President and Chief Executive Officer and the Audit Committee for consideration in order to assign the relevant executives or entities to take further action. In addition, such investigation result shall be reported to the Board of Directors for acknowledgement.

In conducting the investigation of fraud, the Company shall keep all given facts and information as confidential and shall not disclose them to irrelevant persons to avoid any legal impacts. Moreover, it shall refrain from revealing the identities of the whistleblower and related persons in the investigation process.

Protection measures shall be provided for the whistleblower who reports any fraud case or suspected wrongdoing. Anyone who misuses this Fraud Prevention and Anti-Corruption Policy to seek benefits, threaten or spread rumors or wrongfully damage the reputation of any person or the Company shall be subject to disciplinary action by the Company.

5.1.3 When a fraud case is found and reported in any Group, the responsible Group Head shall report the incident and the cause of fraud, together with the proposed appropriate measures to improve the related work procedures in order to prevent a recurrence of

the incident. In addition, the progress of such measures must be submitted to the Compliance and Corporate Governance Dept. in order to further propose to the executives and the Audit Committee for acknowledgement.

5.2 Guidelines and Regulations on Anti-Corruption

The Company has set guidelines and regulations for the personnel to comply as follows:

5.2.1 Bribery, Gifts and Hospitality Payment

The Company's employees are prohibited to accept or give gifts, hospitality payments, other relevant payments as well as any forms of benefit to customers, business partners, government agencies, government officials or related persons, in order to seek benefits. Also, they are prohibited to persuade the government officials to commit malfeasance for the benefit of the Company, or for other purposes which may affect the Company's operation.

The following regulations shall be complied:

- 1) Giving or accepting gifts, hospitality payments and other relevant payments are acceptable in case that those are done on ethical basis, or on a traditional or customary occasion;
- 2) All employees must follow approval, controlling and reporting procedures set by the Company;
- 3) The Company has kept records of expenses, together with receipts or documentary evidence.

5.2.2 Facilitation Payment

The Company's employees are prohibited to make facilitation payments to government officials in any cases as this is likely to become a potential risk of bribery or unlawful payment. However, making business connections or developing relationships with government officials or government agencies can be done in an appropriate manner.

The following regulations shall be complied:

- 1) The Company's employees are prohibited to give or offer facilitation payments or bribes in the form of properties or other benefits to government officials, officials of foreign governments or international organization officers in order to persuade them to perform, omit or impede to perform any acts which shall affect the Company's operation;
- 2) Business transactions with the private sector must be transparent, honest and in compliance with applicable laws;

- 3) Such prohibition should be precisely communicated to all employees and related persons for acknowledgment.

5.2.3 Donation

The Company has pursued its policy to make donations in the form of money or properties to persons or juristic persons for charitable purpose, which is in accordance with the Company's mission in strictly adhering to corporate governance and corporate social responsibility.

The following regulations shall be complied:

- 1) In making donations, the recipients must be verified to be non-profit and legal organizations or juristic persons;
- 2) Donations must be transparent and comply with the approval, controlling and reviewing procedures set by the Company to ensure that such donations are not made with intention to commit corruption;
- 3) Donations must not be used as an excuse for bribery and corruption.

5.2.4 Sponsorship

The Company is able to provide sponsorship for persons or juristic persons for the purpose of the Company's business operation or promotion of image and reputation.

The following regulations shall be complied:

- 1) Sponsorship shall only be provided on behalf of the Company;
- 2) Documentary evidence must be available for verification in the approval and disbursement procedure, which shall be in line with the Company's procurement procedure;
- 3) Such sponsorship shall not be used as an excuse for bribery and corruption.

5.2.5 Political Contributions

The Company's employees are prohibited to give an amount of money, properties or other benefits to support any political parties, politicians, or persons who are involved in politics, both directly and indirectly, in order to seek any unlawful benefits, advantages or unfair business opportunities. The Company has determined to remain neutral by not acting in favor of or giving financial or non-financial supports, directly or indirectly, to political parties, political groups, politicians or political candidates, whether at the local, regional or national level.

6. Human Resource Management

The Company has placed emphasis on human resource management to promote Fraud Prevention and Anti-Corruption Policy in order to prevent all forms of fraud and corruption.

The following regulations shall be complied:

6.1 The Company shall adopt this Policy in human resource management. The employees' recruitment, promotion, performance appraisal and remuneration system must be carried out in line with the Policy. Besides, all employees must not be involved in a fraud and corruption or been offensive to the implementation of this Policy;

6.2 The Company has no policy to employ government officials as directors, consultants, agents, or employees of the Company within 2 years from the date of retirement (Revolving Door) by relying on their relationships or public information to gain advantages for the Company or perform supervisory functions in an unfair manner or cause conflicts of interest;

6.3 Knowledge and awareness of fraud prevention and anti-corruption measures must be established among the Company's employees through orientation for newcomers and the tests for employees at all levels carried out on a regular basis;

6.4 This Policy and penalties for violation shall be communicated to all employees for acknowledgment via newsletters, posters, brochures, training, etc.;

6.5 The Company shall not punish or take any unfair actions which negatively affect the jobs or positions of the employees who deny corruption, even though the Company shall lose the business opportunities, and it shall be precisely communicated to all employees for acknowledgement.

7. Communication and Reporting of Information to the Public or Stakeholders

Information on fraud prevention and anti-corruption measures shall be communicated to all shareholders and related business partners through various internal and external channels so as to promote the Company's image and reputation on such measures.

The following guidelines shall be followed:

7.1 Knowledge sharing on this Policy shall be conducted among business partners and stakeholders via the Company's intranet, website and annual report for more understanding of the fraud prevention and anti-corruption measures;

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7.2 Comments and suggestions of business partners and stakeholders on the Company's fraud prevention and anti-corruption measures would be welcomed.

8. Internal Control System

The Company has an internal control system with measures to prevent corruption risks, as well as internal controls on finance, accounting, document retention, supervision and auditing, sales, marketing and procurement processes, including making contracts and other works in accordance with the Code of Conduct and Corporate Governance Policy. It also determines roles and responsibilities for preventing and suppressing fraud and corruption as a guideline for the Board of Directors, executives and employees in honestly performing their duties with honesty and integrity.

In addition, the key content of this Policy should be contained in internal audit plan and be aligned with the Audit Committee Charter, internal audit policy and standards to ensure that this Policy is practically implemented and meets the international standards.

The following regulations shall be complied:

8.1 The Company shall make the financial reports and follow the accounting procedure on a transparent and verifiable basis;

8.2 The effective document retention system and procedures shall be applied. Documents, evidence of financial transactions and relevant information must be available for verification in accordance with fraud prevention and anti-corruption measures;

8.3 Each department's executive must design sufficient and appropriate internal control system for his/her responsible work procedures to minimize fraud and corruption risks in accordance with the Company's risk appetite;

8.4 Each department must develop written work procedures or standard operating manuals for every job, which shall be approved by the Group Head, by taking account of the clear separation of duties to ensure the transparency and independency in operations, and help prevent or detect fraud and corruption risks.

9. Fraud and Corruption Risk Assessment

The Company shall carry out a fraud and corruption risk assessment, particularly pertaining to risks of fraud and giving bribes to government officials by the employees at all levels who deal or contact with the public sector, state enterprises or other people.

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The following regulations shall be complied:

9.1 The corruption risk assessment must be carried out consistently to reduce fraud and corruption risks both within and outside the Company;

9.2 A risk management policy must be established in accordance with risk management standard applied by other insurance companies.

10. Whistleblowing System

The appropriate protection measures shall be provided with fairness for the whistleblower who reports a case of fraud or corruption. The Company has determined channels for whistleblowing or complaints, protection measures for whistleblower or complainant and fact inquiry and investigation process under the Whistleblowing Policy.

The following guidelines shall be followed:

10.1 Channels for Whistleblowing or Complaints

When encountering a case of fraud or corruption, or suspicious wrongdoing, the employees or other people can report a case or lodge a complaint through the channels specified in the Whistleblowing Policy.

10.2 Protection Measures for Whistleblower or Complainant

The Company shall protect the whistleblower or complainant by keeping his/her name, address or other information as confidential and not disclosing any information to irrelevant persons, unless by order of the court, relevant supervisory authorities or government agencies.

10.3 Fact Inquiry and Investigation Process

The Company shall proceed with the fact inquiry and investigation process with fairness in accordance with the Investigation Policy upon receiving the complaint or being reported of fraud or corruption case, and shall report to the President and Chief Executive Officer for acknowledgement and consideration.

10.4 Channels for Comments and Suggestions

Channels for comments and suggestions on the Company's fraud prevention and anti-corruption measures are provided for the development and improvement of such measures. The Company's employees and other people can give any comments and suggestions through the channels specified in the Whistleblowing Policy. The Company shall collect data and information

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in relation to fraud and corruption that may occur between the Company and government agencies, or between the Company and other companies, and shall report them to the management for acknowledgement on a regular basis.

11. Review, Monitoring and Amendment

The Company must review, monitor and amend this Policy to assess its effectiveness and develop relevant measures and internal control for fraud prevention and anti-corruption to be consistent with the changing risks. This Policy is required to be reviewed and considered, at least once a year, by the Audit Committee and the Board of Directors respectively.

12. Punishment

The Company shall impose appropriate punishment on the employee at all levels who is found to be in non-compliance with the Fraud Prevention and Anti-Corruption Policy. Such punishment includes termination of employment, in accordance with the Company's work regulations. Moreover, he/she may be taken a legal action if his/her act is considered to violate the laws.

This Policy shall come into effect from October 27, 2023 onwards.

(Eng) 

(Mrs. Nualphan Lamsam)

President and Chief Executive Officer