



## **Thai Central Chemical Public Company Limited**

### **Compliance Program**



Thai Central Chemical Public Company Limited (“TCCC”) establishes and maintains an effective “**Compliance program**” in order to guide and train our employees to uphold the highest ethical standards and prevent and/or detect violations of law or Company policy and to earn the trust of our stakeholders. We regularly review and enhance our Compliance Program to meet our evolving compliance needs.

### 1. About “Compliance Program”

Policies under Compliance Program are developed to promote the conduct of business with integrity and avoid activities that may be viewed as improper. TCCC keeps to promote “**Compliance Program**” by adopting policies and procedures established under “**Compliance Program**”.

### 2. Responsibility of TCCC under Compliance Program

- Articulate high ethical standards of behavior and legal compliance guidance and principles, primarily through establishment and maintenance of “**Code of Conduct and Ethics**”, in order to enhance employee decision-making skills.
- Proactively and reactively implement compliance programming as necessary and appropriate
- Organize a “**Compliance Committee**” to assist with establishment of Compliance Program priorities
- Investigate compliance reports and undertake efforts to prevent or minimize recurrence of similar violations by providing appropriate guidance to employees.
- Endeavor to provide employees with guidance, training and communication on ethical behavior and legal compliance relevant to their duties.
- Foster a corporate culture that promotes compliance and encourages and allows employees to raise good faith concerns about compliance with internal policies and legal requirements, without hesitation or fear of retaliation.

### 3. Responsibility of all employees under Compliance Program

- Learn, understand and comply with the details of the internal policies, Code standards and applicable laws relating to her/his job duties, which may change from time to time.
- Be alert, prevent compliance violations and protect TCCC’s reputation by actively supporting ethical behavior.
- Seek guidance from her/his General Manager/Vice President and/or a responsible person for Legal Office when in doubt as to the correct compliance action to take, or if you believe or suspect a compliance violation has occurred, she/he may also immediately report the situation identified in “**Code of Conduct and Ethics**”.
- Fully and honestly cooperate in any investigation of possible violations of “**Code of Conduct and Ethics**” and any internal policies or laws and Regulations.



#### 4. About the “Code of Conduct and Ethics”

“Code of Conduct and Ethics”, which is an integral part of our “Compliance Program”, should be used by all of employees as a daily reference tool. This Code is a responsive document that may change from time to time to comply with current legal requirements and address evolving compliance needs. The most current version of this document may be found on TCCC’s Intranet website and listed on the notification board in each site.

#### 5. Organization of “Compliance Committee”

The **Compliance Committee** serves as the determining body with respect to the compliance issues of TCCC and amongst others, assists in the administration of “Code of Conduct and Ethics”.

The **Compliance Committee** is specifically vested with the authority:

- To make and work out implementation plan including those for the enlightenment on the code, or otherwise to review and approve implementation plans prepared by relevant organizational units;
- To review, revise, and propose the revision of, **the code** and other relevant rules on a regular basis and from time to time when necessary;
- To distribute and periodically update **the code**;
- To establish and maintain an emergency communication network to be used in the event of an unlawful acts, breach of rules including a violation of the Company Policies or any suspicious act;
- To form an investigation team on an as-needed basis to ascertain the facts relating to the unlawful act or breach of rule committed, and propose measures to be taken to deal with the problem including subsequent preventive actions; and
- To analyze and consider whether or not any violation should be referred to possible disciplinary action.
- To educate employees about their responsibilities under **the code**;
- To establish and periodically update procedures for reporting violations and responding to suggested changes and inquiries; and
- To identify managers who will have the responsibility for ongoing compliance training for employees and to monitor the training conducted by such managers.

The members of the Compliance Committee are:-

1. **President & CEO** (the Chairman of the Compliance Committee)
2. **Head of Legal Office** (the Secretariat of the Compliance Committee)
3. **All existing Executive Officers**

The Compliance Committee will be chaired by **the Chairman of the Compliance Committee**, who will:

- Develop and implement the measures needed to comply with the master plan and implementation



plan;

- Identify and implement initial action in case of any emergency;
- Determine the extent of unlawfulness or breach of rule for each unlawful act or breach of rule act, and make a final decision on remedial actions including an action to bring an end to such unlawful act or breach of rule; and

The Compliance Committee will be assisted by **the Secretariat**, (Head of Legal Office) in TCCC.

**The Secretariat** shall be vested with the duties to manage the implementation of “**Code of Conduct and Ethics**” under the direction and supervision of **the Chairman of the Compliance Committee**.

The duties of **the Secretariat** include:

- Managing the operation of the Compliance Committee;
- Reviewing and revising, where appropriate, “**Code of Conduct and Ethics**” and other relevant documents on a periodic basis, and submit the same to the Compliance Committee for its determination.
- Acting as an assistant to **the Chairman** in operating the **Chairman’s Hotline**;
- Reviewing the existing emergency communication network for improvement and distribute its revised versions when revised;
- Reporting to **the Chairman** any unlawful act, breach of rule or any suspicious conduct; and
- At the instruction of **the Chairman** and with the support of relevant corporate function departments, reviewing whether or not a reported act would constitute an unlawful or non-compliant conduct, identifying necessary initial actions, investigating the cause of unlawful activity or noncompliance, and determining where the responsibility lies. Where necessary, **the Secretariat** shall seek the advice of external lawyers or other outside professionals; and to report to **the Compliance Committee** the results of the foregoing review, investigation or advice.

The Compliance Committee meeting will be hold at a necessary matter upon calling by the Chairman. It is not requirement for all members to participate the meeting. The Chairman will select members to attend the meeting considering his/her relation to the matter to be discussed in the meeting.

## 6. General Manager / Vice President

**General Manager/Vice President** in each division has key roles in connection with implementing “**Code of Conduct and Ethics**”, and is expected to:

- Demonstrate their personal commitment to **the Code** and endeavor to act and manage their direct reports accordingly;
- Strive toward maintaining a workplace environment that complies with **the Code**; and
- Use reasonable diligence and discretion, and consider such employee’s ethics and integrity, before appointing any employee to any position of authority and responsibility.



All General Managers/Vice presidents must certify annually that:

- They have read and understand **the Code**;
- They have personally complied with **the Code**;
- They have reasonably monitored the acts or omissions of their direct reports for compliance with **the Code**;

## 7. All Employees

All employees in TCCC must exercise reasonable efforts to comply with the letter and spirit of “**Code of Conduct and Ethics**” and Company Policies and must promptly communicate to the appropriate Company authority any suspected violations.

## 8. Education

A programme of compliance education shall be developed. Under the programme, **the Secretariat** of the Compliance Committee will give lectures on “Code of Conduct and Ethics” and other compliance-related issues, either on its own or with the support of corporate function departments.

In addition, **the Secretariat** will hold seminars on this Code and other compliance-related issues periodically and on an as-needed basis.

All officers and employees shall periodically monitor the compliance with **the Code**.

**The Secretariat** will set up a website on the Intranet and each notification board to provide information concerning compliance-related issues including information necessary to prevent unlawful act or breach of rule, disclosure of non-compliant acts committed and subsequent actions, or notices of amendments to **the Code**.

## 9. Reporting Procedures

All actual or potential violations of laws, “**Code of Conduct and Ethics**” or Company Policies must be reported, in so far as such strict obligation is in compliance with local law, to any of the following:

- **Her/his General Manager/Vice President;**
- **Any member of the Compliance Committee; or**
- **The Chairman of the Compliance Committee.**

Her/his **General Manager/Vice President** is a good place to start when the employee has concerns relating to violations or perceived violations of this Code, any Company Policy or any law applicable to her/his business conduct. If she/he are not comfortable speaking with **her/his General Manager/Vice President**, she/he may seek out any of the aforementioned persons to discuss her/his concerns.

Reporting Procedures and individual contact information for each of the above positions will be distributed to her/him on a quarterly basis or as needed.



## 10. Protection from Reporting Violations

She/he may report suspected ethical and other violations in confidence and without fear of retaliation. TCCC recognizes the importance of having a procedure in place so that she/he can raise any concerns that they might have. However this policy is also designed to ensure that information and matters that are confidential to TCCC are not unnecessarily disclosed to the outside world.

Where she/he has a genuine concern which constitutes a protected disclosure she/he should not be afraid of bringing it to the attention of someone within TCCC as soon as reasonably practicable.

It is not necessary to have proof that any wrongdoing is taking place. All that is required is that she/he has a reasonable belief that the information she/he is disclosing is true.

Those who make such a disclosure can be assured that the matter will be dealt with and be taken seriously, and investigated thoroughly and as promptly as circumstances will allow.

Provided that she/he follows the reporting procedure set out below, she/he will not be disciplined or suffer any other detriment.

However, if a false accusation is made maliciously or vexatiously, this will result in disciplinary action being taken. TCCC will not tolerate any harassment or victimization of an employee who has made a disclosure in accordance with this policy. Any such harassment or victimization will be treated as a serious disciplinary offence.

If an employee suffers any detriment, harassment or victimization as a result of making a protected disclosure, she/he should report it to **Human Resource Division** or **any member of the Compliance Committee**.

The disclosure of only certain types of information will be referred to as "protected disclosures". Any information which relates to one of the following will be a protected disclosure:-

- a criminal offence;
- a failure to comply with any legal obligation;
- a miscarriage of justice;
- a danger to the health and safety of any person;
- damage to the environment; or
- a deliberate cover-up of any of the above.

If she/he becomes aware of any information falling within one of the categories set out above, she/he is encouraged, if appropriate, in the first instance, to disclose the information to **her/his General Manager/Vice President and/or a member of the Compliance Committee**.

If the employee feels it would be inappropriate for whatever reason to raise the matter with the **her/his General Manager/Vice President and/or a member of the Compliance Committee**, she/he is encouraged to refer the matter to **the Chairman's Hotline** as described below.

The disclosure should be in writing (after the initial oral disclosure) and ideally should identify the employee making the protected disclosure.

TCCC understands that there may be situations where she/he does not wish to be identified. However, this



policy is designed to promote openness within TCCC's organization and any investigation is likely to be more effective if it has the input of the person who discovered the suspected illegal or unethical conduct. TCCC will treat as confidential and will not disclose the identity of the individual who has made the protected disclosure unless:-

- it is under a legal or other obligation to do so;
- the information is already in the public domain; or
- it is required to disclose it, on a confidential basis, to a lawyer in order to obtain legal advice.

The Chairman will arrange a meeting to discuss the disclosure as soon as possible after the disclosure is first made. Notes will be taken at this initial meeting and a summary made of the matters discussed, which will be given to the employee. A copy of this summary will also be sent to the Compliance Committee.

However, only necessary personal data will be processed.

Personal data processed by this protective scheme is usually deleted within two months of completion of the investigation. If legal proceedings or disciplinary measures are initiated against the implicated person or the person making the disclosure in cases of false or slanderous declaration, personal data will be kept until the conclusion of these proceedings and the period allowed for any appeal. Such retention periods will be determined by local law. Unsubstantial data will be deleted immediately. Any national rules relating to archiving of data by the Company remain applicable.

If the Chairman, upon getting the hotline from the person making the disclosure, is satisfied that the matter raised is a protected disclosure and that it requires investigation, the Chairman will direct the Compliance Committee to carry out **the investigation** as quickly as possible with a view to prompt appropriate action being taken.

Unless it is inappropriate, if a particular individual is implicated in the protected disclosure wrongdoing, she/he will be informed as soon as reasonably practicable that her/his personal data is being processed. She/he will also be informed of the disclosure and provided with any supporting evidence. That individual will be permitted to make representations which will be taken into account as part of the investigation. She/He will be kept informed of the progress of the investigation and the outcome.

## 11. Chairman's Hotlines and Use of the Hotline

**Chairman's Hotline** is established to better administer **the Code**, which are available in **e-mail, letter and telephone** to be directly connected to **the Chairman of the Compliance Committee, who are President & CEO in TCCC** to report any incident in breach of the Code.

As mentioned above, if any officer or employee of TCCC becomes aware of any unlawful act, breach of rule or any suspicious conduct, such officer or employee shall immediately and in the first instance, report it to either her/his General Manager, a member of the Compliance Committee.

However, such report may be made directly **without going through the usual organizational reporting channels** in the case of any report relating to a suspicious conduct of the superiors themselves. In such a



situation, such officer or employee may directly, at her/his own discretion, contact to **Chairman's Hotline**.

All reports or calls made to **Chairman's Hotline** may be made on an anonymous basis. The Company will treat the identity of the person who provides information as well as the information provided by that person in strict confidence.

In the case of any report made or information provided through **Chairman's Hotline**, at the instruction of **the Chairman, the Secretariat** shall report to the person who provided information, the relevant action (if any) taken in response to the report made or information provided.

**Chairman's Hotline** may also be used to communicate information concerning sexual harassment or any violation of export-related laws or regulations relating to security trade. **the Chairman** may instruct **the Secretariat** to deal with the issue in consultation with **each responsible Executive Officer**.

## 12. Disciplinary Action

Violation of **"Code of Conduct and Ethics"** will lead to the Compliance Committee's imposing disciplinary action appropriate to the particular violation, in accordance with any legislation or statutory disciplinary procedure from time to time in force under the Thai law. The following are examples of action that might be taken;-

- Forfeiture (including a requirement to return or pay over to the Company) of previously paid bonus or incentive compensation;
- Elimination of or reduction in duties, responsibilities and authority or reassignment;
- Written warning with a copy filed in the personnel file;
- Reimbursement of the Company and third parties for all losses, damages, expenses or penalties incurred by TCCC or third parties;
- Suspension or termination of employment;
- Any other action, which TCCC deems necessary or appropriate;
- Commencement of a lawsuit or other proceeding to recover damages or enjoin acts or omissions; and/or
- Referral of any matter to governmental, regulatory or police authorities.

Discipline may also be imposed in situations that violate the spirit of **the Code** but that are not specifically addressed in **the Code** or any Company Policy.

## 13. Monitoring Compliance with the Code

Internal auditing is an independent and objective assurance and consulting activity within TCCC that is guided by a philosophy of adding value to improve the operations of TCCC. Internal audits within TCCC will be carried out by Internal Audit Office. The purpose and scope of the internal audits to be carried out shall be to examine and evaluate the adequacy and effectiveness of the Company's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned





responsibilities to achieve TCCC's stated goals and objectives.

In connection with this Code, General Manager of Internal Audit Office will

- regularly audit and monitor the activities of TCCC's business units to ascertain whether all employees are complying with the guidelines established in this Code, and
- report on corrective actions taken or proposed to be taken in regard to the specific findings and recommendations.

Notwithstanding the internal audit process carried out by Internal Audit Office, General Manager of each department within the Company shall also supervise the compliance within its Division of this Code on a periodic basis by way of self-assessment or other appropriate means.