

Anti-Corruption & Bribery Policy

The SCB Financial Group

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Owner Unit : Compliance Division

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1. The Principles

One of SCB's **core values** is to hold itself, at all times, as a **socially responsible** corporate citizen. Any Corruption and Bribery or attempt thereto in SCB's business dealings and transactions is wholly inconsistent with this core value and, therefore, wholly unacceptable and shall not be tolerated. This is clearly enunciated in the SCB Code of Conduct prescribed for both directors and employees.

Consequently, we have **zero tolerance of Corruption and Bribery**. This is the underlying principle in this Anti-Corruption and Bribery Policy ("**Policy**"). The Policy extends to all of SCB's business dealings and transactions, regardless of jurisdiction in which they take place and it applies to all subsidiaries and affiliates that SCB has effective control over. This Policy shall be implemented in SCB through a diligent enforcement Program for Countering Corruption and Bribery ("**Program**"). This Policy will be updated from time to time to reflect changes in the law, regulation, reputational needs of SCB, and prevalent business practices.

All directors and employees are required to comply with this Policy. Specifically, the Policy prohibits all directors and employees of SCB, its subsidiaries and affiliates from: (i) soliciting, arranging or accepting a bribe for the benefit of the director or employee or for the benefit of his/her family, friends, associates or acquaintances; (ii) offering, promising or giving a bribe to public officials or other private individuals, directly or indirectly, on behalf of SCB and (iii) any abuse of entrusted power and authority.

This Policy enunciates the minimum requirements for Countering Corruption and Bribery. A higher standard may be imposed by specific legislation or regulation in a jurisdiction for certain types of business transactions, as well as within SCB's Code of Conduct.

2. Defining of Corruption and Bribery

“Corruption” means abuse of entrusted power or authority for private gain, including bribery, extortion, fraud, deception, collusion, cartels, embezzlement, money-laundering and other similar activities.

“Bribery” means the offering, promising, giving, accepting or soliciting of *an* advantage, in any form, as an inducement for *an action* which is illegal or a breach of a person’s fiduciary responsibilities¹.

An **advantage in any form** includes gifts or services, cash or in-kind that may be provided either directly or through or for third parties.

An *inducement for action* may be made to either public officials or private individuals.

3. Forms of Corruption and Bribery and related Policies

The policy on the more prevalent forms of Corruption and Bribery is enunciated below.

Political Contributions: A political contribution is a contribution, financial or in-kind, direct or indirect, to support a political cause, political parties, politicians, candidates for election, or political activists. Political contribution are permitted so long as they are legal, approved by the Board of Directors or the Executive Committee, suitably disclosed and made in a transparent manner solely.

Charitable contributions: Charitable contributions form an inherent part of the SCB’s culture to assist underprivileged members of the community and/or to alleviate the suffering caused through natural disasters, and/or to contribute to the current and future quality of life. All such contributions **shall be approved** in accordance with SCB’s established formal procedures and be made only to a registered charity in a transparent manner. The payment shall clearly identify the recipient and purpose of such contribution.

¹ *Business Principles for Countering Bribery*, Transparency International, May, 2009

In no event shall such contributions be used as a subterfuge for Corruption and Bribery.

Sponsorships: Typically, payments of this type are made for enhancing the brand or reputation of SCB through social activities. Transparent selection criteria shall be used for sponsorship decisions and all contracts or payments arising shall be **adequately justified and approved** in accordance with SCB's procedures and authority levels. In no event shall these contributions be used as a subterfuge for Corruption and Bribery.

Facilitation Payments: Facilitation payments that may lead to corruption are **prohibited**.

Gifts, Hospitality and Expenses: Gifts, hospitality and expenses present risks in terms of corruption. All directors and employees **shall not accept gifts or hospitality** which may, in conventional judgment, appear to leave them in a position of obligation and, thus, prepare the way for a corrupt act. The same provision applies to the giving of gifts or providing hospitality to third parties. Nonetheless, provided that gifts or hospitality do not appear to obligate the recipient and fall within the parameters of local cultural norms they are acceptable if consistent with SCB's regulations and Code of Conduct.

Extortion, fraud, deception, collusion, cartels, abuse of power, embezzlement, money-laundering: All abuse of entrusted power and authority for activities such as extortion, fraud, deception, collusion, formation of cartels, and money-laundering are corrupt, patently illegal and **expressly prohibited under this Policy**. Each constitutes a clear breach of fiduciary responsibilities as a director or an employee regardless of the underlying intentions.

The above list is not intended to be exhaustive. Directors and employees shall use good judgment to ensure that business dealings and transactions are devoid of any form of corruption and bribery.

4. Program for Countering Bribery ("Program")

SCB commits to the implementation of an effective Program to Counter Corruption and

Bribery. This Program shall be approved by the Board and publicized across all directors, employees and appropriate third-parties as frequently as appropriate in order to nurture a zero tolerance of Corruption and Bribery culture. This Program clearly states the values, policies and procedures to be applied to prevent Corruption and Bribery from occurring in all business dealings and transactions that are within SCB's control.

4.1 Organization and Responsibility: The roles and responsibilities for implementing the Program SCB are as follows:

Board of Directors: The Board of Directors shall approve and adhere to this Policy. Among others, it shall ensure that an effective system of internal control and risk management is implemented to cover all SCB's business transactions and dealings that may give rise to the risk of Corruption and Bribery. Also, the Board shall ensure that there is periodic assessment of the risk of Corruption and Bribery as part of the Program together with effective monitoring thereof.

Executive Committee: All members of this Committee shall adhere to and promote compliance with this Policy. The Committee will also consider and recommend changes to this policy to the Board of Directors.

Audit Committee: On behalf of the Board of Directors, this Committee shall ensure that the system of internal control is adequate to prevent the risk of Corruption and Bribery at SCB. It shall report findings to the Board of Directors, together with any recommendations for improvement to this Policy and Program.

Compliance Division: This Division has the overall responsibility for Implementing the Program and ensuring that this Policy is consistent with the laws, regulations, business environment and for nurturing the corporate culture of zero tolerance of Corruption and Bribery. The Division shall develop the detailed guidelines for employees so that there is awareness and understanding of the Policy across all directors and employees. The Compliance Division will also submit report on implementation of the Program to the Audit

Committee at least semi-annually.

Audit Division: The Division will lead the efforts to monitor compliance with the Policy and Program.

Directors and Employees: All directors and employees shall be in compliance with this Policy in all of SCB's business dealings and transactions. Further, members of the Board of Directors and executive management shall be seen by the employees as both practicing and advocating compliance with this Policy.

4.2 Scope of the Policy: This Policy extends to SCB and all subsidiaries and affiliates over which SCB has control. It covers all directors and employees and all business dealings and transactions. It will extend, to the extent applicable, to all agents, business partners, suppliers and others who are involved with these business dealings and transactions. It shall be adopted by the Board of Directors of subsidiaries and affiliates.

4.3 Support and Operational functions: The success of this Program hinges on the skills and resources of the key support functions of SCB (mainly finance, legal, audit & compliance and risk management) to implement it. The Program shall focus on the prime risk functions of procurement / contracting and marketing and sales / relationship management. Members from the Finance, Legal, Audit & Compliance and Risk Management Groups shall establish and enforce procedures in procurement / contracting to ensure both transparency and fairness in the selection and contracting process. Audit and the Compliance Division shall conduct periodic checks in key areas within the in sales and marketing functions where risk of Corruption and Bribery is high and, when required, recommend improvements to such procedures and practices.

4.4 Human Resources: The support and commitment of all directors and employees is core to the success of the program. As such the Program will be reflected in all major aspects of the human resource function – recruitment, communication, performance evaluation, remuneration, recognition and promotion.

In particular, no director or employee shall be sanctioned or admonished for refusing to pay a bribe or misuse entrusted power and authority, regardless of the financial impact of such refusal to SCB. On the contrary, all directors and employees shall be informed that a breach of this Policy shall result in sanctions to the employee, including potentially termination of employment for cause, regardless of any benefit to SCB that may have arisen as a result of the bribe or misuse of entrusted power and authority.

4.5 Awareness Raising: Awareness is core to the success of the Program in terms of developing a culture of zero-tolerance of Corruption and Bribery. All directors and employees, including any new directors or employees, shall be made aware and to comply with the program.

In addition, the Compliance Division, Human Resource Group, and Audit Division shall provide a channel for directors and employees to seek confidential advice on matters relating to or arising from the Policy without the risk of reprisal. This may include use of the 'whistle blower' channel to inform SCB of breaches or likely breaches of this Policy.

4.6 Communication: Effective communications is of critical importance to the Program. Through internal communications, all directors and employees are informed of the zero tolerance principle on corruption and bribery under this Policy and the consequences of non-compliance therewith. This may include formal guidance through, for example, responses to frequently asked questions, brochures and videos. This Policy and its implications shall also be disclosed to agents, business partners, customers and other third parties who have or may have business dealings and transactions with SCB.

4.7 Internal control and record keeping: The management of SCB shall ensure that its system of internal control provides reasonable assurance on compliance with this Policy. This internal control environment includes financial and organizational checks and balances over the accounting records and other business processes relating to the Program, particularly through the segregation of duties and maintaining adequate audit trail for all transactions. This system of control is under the oversight of the Audit

Committee and shall be assessed periodically by both internal and external audit.

4.8 Penalties: Any breach of this policy by a director or employee shall be investigated in accordance with SCB's disciplinary process and may result in an admonishment, sanction, or termination of appointment or employment. In certain cases, SCB may pursue both civil and criminal remedies in event of a willful breach.

5. Updates

This policy will be reviewed and updated, if necessary, at least annually or more often, if so required.

Acknowledgement: This Policy draws upon the best practice suggestions provided by Transparency International and the Private Sector Collective Action Coalition Against Corruption in Thailand.