



HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

ANTI-CORRUPTION POLICY AND PRACTICES

Approved by the resolution of the Board of Directors' Meeting No. 3/2021 held on 14 May 2021

Effective from 14 May 2021 onwards.

And reviewed by the Board of Directors at Meeting No. 2/2024 held on 27 March 2024.

Message from the Board of Directors

In conducting the business of Harn Engineering Solutions Public Company Limited, the Company places importance not only on delivering quality products and services that lead to strong performance, but also on conducting its business with accountability, fairness, integrity, transparency, independence, and responsibility toward society and all groups of stakeholders. This is to build confidence among stakeholders and support sustainable growth. The Company recognizes that corruption is a significant obstacle to achieving these objectives, as well as a major impediment to fair competition and to the economic and social development of the country.

The Board of Directors therefore places importance on corporate governance within a framework of sound ethics, transparency, accountability, and fairness to all parties concerned, and emphasizes strict compliance with applicable anti-corruption laws in all forms. The Company is committed to embedding anti-corruption as an integral part of its organizational culture and core values.

To demonstrate its intention and commitment to combating corruption in all forms, the Company declared its participation in the Thai Private Sector Collective Action Against Corruption (CAC) on 13 March 2017 and was certified as a member on 5 November 2018. The Company has established an Anti-Corruption Policy, together with clearly defined roles, responsibilities, practices, and implementation measures, to serve as a clear guideline for business operations and to advance toward a sustainable organization. The policy has been communicated to the Board of Directors, executives, and employees at all levels, including subsidiaries, associates, other companies under the Company's control, and business partners (if any), for study, understanding, and strict compliance. It is regarded as part of the Company's Work Rules and is also communicated to relevant external parties. In addition, the Company has established monitoring and evaluation mechanisms to regularly assess compliance with the Anti-Corruption Policy and reports the results to the Board of Directors on a quarterly basis.

- Sign -

(Mr. PICHET SITHI-AMNUAI)

Chairman of the board of directors.

- Sign -

(Mr. THAMMANOON TRIPETCHR)

Chief executive officer.

ANTI-CORRUPTION POLICY

The Board of Directors approved the implementation of the “Anti-Corruption Measures Manual” on 10 May 2018, which forms part of the Company’s ISO 9001:2015 quality management system documentation. The Quality Management function conducts internal quality audits in accordance with established procedures and reports the results to the Chief Operating Officer, the Chief Financial Officer, and the monthly Management Review Meeting to ensure that the Company’s operations comply with applicable anti-corruption laws and regulations. The policy and measures are communicated to the Board of Directors, executives, and employees at all levels, including subsidiaries, associates, other companies under the Company’s control, business partners (if any), and relevant external parties such as domestic and international counterparties and customers, through various communication channels, including the intranet, Digital Signage TV, email, and employee training programs, in order to promote anti-corruption as part of the Company’s culture and core values.

Definitions

	Asset Misappropriation	Means theft, fraud, misappropriation, or improper use of the Company’s resources; concealment or falsification of evidence; as well as any misuse of information or authority obtained through the performance of duties within the Company, in any improper manner, for the purpose of obtaining personal benefits and/or benefits for related persons.
	Falsifying Financial Statements	Means the omission of information or the intentional provision of false information in reporting the Company’s financial position.
	Corruption	Means any act, whether offering, promising, soliciting, demanding, giving, or accepting cash or cash equivalents, property, or any other benefit, including bribery in any form, to or from a government official or any other person in both the public and private sectors, whether directly or indirectly, in order to induce such person to perform or refrain from performing any duty so as to obtain or retain any improper business advantage for the Company, oneself, or related persons, except where permitted by applicable laws, regulations, local customs, or established commercial practices.

Guidelines

1. Directors, executives, and employees, including subsidiaries, associates, other companies under the Company’s control, and business partners (if any), shall comply with the Anti-Corruption Policy and measures,

corporate governance principles, and the Code of Conduct, and shall not be involved in any form of corruption, whether directly or indirectly.

2. Directors, executives, and employees shall not ignore or overlook any act suspected to constitute corruption. They must report such matters to their supervisor, the responsible person, the Audit Committee, or through the established reporting channels, and shall cooperate in any fact-finding or investigation process.
3. The Company shall ensure fairness and protection for employees who refuse or report corruption related to the Company's activities, without demotion, disciplinary action, or any adverse consequences.
4. Any person who commits corruption shall be deemed to have violated the Company's Code of Conduct and shall be subject to disciplinary action in accordance with the Company's regulations, and may also be subject to legal penalties if such act constitutes a violation of law.
5. The Company shall communicate the Anti-Corruption Policy and measures, including whistleblowing and complaint channels, both internally and externally through various media, such as notice boards, internal broadcasting, orientation programs for employees and directors, the intranet, the Company's website, and annual disclosure reports (Form 56-1 and 56-2), to promote understanding, implementation, and integration of this policy into the Company's culture.
6. Directors, executives, and employees shall avoid giving or accepting gifts, gratuities, property, other benefits, hospitality, or entertainment of excessive or inappropriate value in business relationships with the Company or from other parties, in order to prevent corruption risks, ensure fairness to all stakeholders, and maintain effective and appropriate procurement processes.

Roles and Responsibilities

1. The Board of Directors has the duty and responsibility to establish policies and oversee the implementation of effective anti-corruption systems to ensure that management recognizes and prioritizes anti-corruption and embeds it as part of the Company's corporate culture.
2. The Audit Committee has the following duties and responsibilities:
 - 2.1 To consider and provide opinions on the monitoring of compliance with anti-corruption measures, and to review the financial reporting and accounting systems, internal control system, internal audit system, and risk management system related to corruption risks, in order to ensure that the Company's operations are robust, appropriate, up to date, and effective in accordance with generally accepted standards.
 - 2.2 To receive complaints or whistleblowing reports of corruption from both internal and external sources involving directors, executives, or employees of the Company; to investigate the reported facts; and to propose to the Board of Directors appropriate disciplinary actions or remedial measures in accordance with the Anti-Corruption Policy.

3. The Executive Committee has the following duties and responsibilities:

- 3.1 To ensure that systems are in place and to promote and support the Anti-Corruption Policy, and to communicate it to employees and all relevant parties.
- 3.2 To review the appropriateness of systems and measures to ensure alignment with changes in the business environment, regulations, rules, and legal requirements.
- 3.3 To assist the Audit Committee in fact-finding based on reports received or assignments from the Audit Committee relating to corruption investigations, and to assign such tasks to appropriate management teams as necessary.

4. The Risk Management Committee is responsible for assessing corruption risks in the Company's activities and overseeing the establishment of effective preventive and risk-mitigation measures, including monitoring and evaluation.

5. Executives of all departments are responsible for ensuring that their subordinates are aware of and understand this Manual through adequate and regular training.

6. All employees shall perform their duties in compliance with the Anti-Corruption Policy. If there is any doubt or any violation is observed, it must be reported to their supervisor or through the Company's established reporting channels.

Review of the Anti-Corruption Policy and Practices

Directors, executives, and employees, including subsidiaries, associates, other companies under the Company's control, and business partners (if any), are prohibited from engaging in, participating in, or accepting any form of corruption, whether for direct or indirect benefit to themselves or related persons. This prohibition applies regardless of whether they act as the recipient, giver, or offeror of a bribe, whether monetary or non-monetary, to any government agency, private entity, or business counterparties with whom the Company conducts or seeks to conduct business.

1. The Company has established practices, measures, roles, and responsibilities, and has implemented regular monitoring and review of compliance with the "Anti-Corruption Measures Manual" to ensure alignment with changes in the business environment, rules, regulations, and applicable laws. The key anti-corruption policies are as follows:

- (1) Political Contributions
- (2) Charitable Donations and Sponsorships
- (3) Giving or Receiving Gifts, Assets, or Other Benefits
- (4) Hospitality and Entertainment
- (5) Bribery and Facilitation Payments
- (6) Employment of Government Employees/Officials

- (7) Promotional Items or Compensation, Trade Discounts, and Third-Party Commissions
 - (8) Procurement and Purchasing
 - (9) Trade and Investment
 - (10) Preparation of Financial Reports
 - (11) Receipt of Payments from Customers or Other Parties
 - (12) Payments to Creditors or Other Parties
 - (13) Borrowing, Lending, and Incurrence of Obligations
 - (14) Conflict of Interest
 - (15) Related-Party Transactions
 - (16) Recording and Retention of Information in Computer Systems
 - (17) Human Resource Management
 - (18) Communication of Policy within the Organization and to External Parties
 - (19) Complaint and Whistleblowing Measures
 - (20) Whistleblower Protection Mechanisms
 - (21) Audit and Internal Control Processes
 - (22) Monitoring and Compliance with Anti-Corruption Measures
 - (23) Review of the Anti-Corruption Policy and Practices
 - (24) Flowchart of Complaint/Whistleblowing Procedures
2. On 27 March 2024, the Board of Directors reviewed the Anti-Corruption Policy and measures and found no significant changes. The policy and measures therefore remain aligned with and appropriate to changes in the business environment, rules and regulations, and applicable legal provisions.