

# Anti-Misconduct and Corruption Policy Of Chiangmai Frozen Foods Public Company Limited

The Company has an ideal in conducting business with virtue, act in accordance with laws, transparent, adhere to responsible toward society and every group of stakeholder according to the principle of good corporate governance and morality in conducting business, not support every form of misconduct and corruption. Therefore in 2013, the company has joined the operation of Thai private sector in anti-misconduct and corruption.

So as to produce conviction and lead to the practical as form and appearance of things, the company then formulates duty and responsibility, practical line and provision in appropriate proceeding to protect misconduct and corruption in every activity of the company and so as to allow decision in conducting business that may have risk on misconduct and corruption part to receive consideration and thoroughly practice. The Company then manages to make anti misconduct and corruption policy in writing which uses as clear practical guide line in conducting business in order to intend and develop to the sustainable organization.

## Definition

Misconduct and Corruption means to use position and duty or to use existing possession in improper way, any form of bribery by offering, contract, giving, promise, claim or receive money, possession or other benefits that should not obtain for own advantage, family, friend, acquainted with government unit, public unit or related person either direct or indirect so as to allow unit or that person acts or abstain from doing right duty as formulated performance principle for obtaining or maintain other interests that not suitable in business unless it is a case that laws, discipline,

proclaim, regulation traditions, local customs or trading customs allow to do.

### Anti-misconduct and corruption policy

The Directors, executives and officials of the company are prohibited to do anything that concerns with every form of misconduct and corruption both for own benefits, family, friend and acquainted both direct or indirect whatever oneself shall be in the capacity as recipient, provider or proposer both money or not money to the government unit or public unit in which the company has conducted business or contacted and must act in accordance with the policy strictly. If not, it shall be punished by discipline according to the regulation formulated by the company and may be punished as laws if that act is illegal.

### Responsibility

1. Board of Company and high rank executives are accepted toward measurement of anti-misconduct and corruption, have an authority and responsibility in formulating policy, guide line and performance step and support to bring various measurement to perform to incur form and appearance of things to convince that Board of Company and high rank executives have fully aware and pay an important with such measurement truly and establish firmly to hold practice till become culture of organization.
2. Board of Audit Committee have a duty and responsibility in verifying accounting and financial statements report system, internal control system, internal audit system and risk of management system to be convinced that every system are having tightened, suitable, up-to-date and efficient to be in accordance with international standard and generally accepted auditing standards and have a duty in governance to act in accordance with policy and anti-measurement of misconduct

and corruption to convince that the company has performed duty as laws, business morality and formulated policy of good corporate governance.

3. Managing Director and/or high rank executives have a duty and responsibility in managing to have system of promoting and supporting, anti-policy on misconduct and corruption for communicating to the customer, co-traders, creditors, related unit through subsidiary company, co-company, other companies that the company has an authority to control and business representative, making revision of appropriate system and other measurements to coordinate with the change of business, discipline, regulation and provision of laws and manage to make auditing report according to the measurement of anti- misconduct and corruption toward Board of Company, Board of Audit Committee and Board of Corporate Governance regularly.
4. Internal inspector has a duty and responsibility in inspecting and verify the performance to be correctly to correspond with policy, guide line and performing step, power to proceed discipline, laws and provision of governance units to convince that anti policy on misconduct and corruption has appropriate control system and sufficient toward risk on misconduct and corruption that may occur and report result toward Board of Audit Committee, Managing Director and/or high rank executives.

#### Practical line

1. The Directors, executives and officials shall not do anything to show that it is to receive bribes or to bribe for the stakeholders in the matter that oneself performs duty and responsibility both direct and indirect way so as to acquire of interest in an improper way by perform as follows:

- 1.1 Not receive presents, souvenir which are cash, cheque, government bonds, shares, gold, jewel, real estate or similarly things with related person that oneself has contacted work both government units and private units that provide benefits to that person or oneself or make the company receives damage.
- 1.2 Not receive possessions, things, presents, any gifts or other benefits which persuades to incur refrain discharging own duty.  
All this, before receive souvenir, should examine to ensure that it has performed rightly as laws and company regulation in which things or presents that give each other in duty should have less value and having appropriate in each occasion.
- 1.3 Not allow possession, things, presents or any souvenir or other benefits to induce in consideration or resulted to cause the recipient not act in accordance with trading method in the same way with other co-traders. All this, to give things as occasion or various occasions must not have much value till over usual condition.
- 1.4 Not be a medium in offering money, possessions, things or other benefits with related person with business, government units or private units to change with privilege that should not get or make officers in charge or private refrain to act as rule, discipline, regulations and practical point of laws as formulated.
2. Purchasing, employment, making contract must proceed through the steps according to the company discipline, having transparent and capable to inspect.
3. Expense for business entertaining and other expenses related with act in accordance with the contract can do but must spend with reasonably, inspection.
4. Donation for meritorious actions

4.1 Spending money or company possession for donating merit must do on behalf of the company only in which donation for meritorious actions, recipient must be foundation, public health organization, temple, hospital, institution or organization for society benefits that are having certification or reliable and inspect by proceeding through the steps as company discipline and receive approval by authorized person.

4.2 Donation for meritorious actions on behalf of private can do but must not concern or incur doubt whether it is misconduct act for expecting any interest.

Practical line

4.2.1 That donation must be proved that it's having activity as project really for such merit and having proceed for supporting project objective successfully and incur advantage toward society truly or in accordance with objective of proceeding with responsibility toward society.

4.2.2 That donation must prove that it is for such merit, nothing concern with interests of each repay to any person or any units except proclamation of good reputation as general customs such as affix seal symbol, proclamation of company name-lists at the hall or various communications for public relation chiefly.

5. Money support

To give money or possession of the company for supporting project must mention name on behalf of the company only which those paid supporting money must have objective for business, good appearance and reputation of the company. All this, requesting payment must mention clear objective and having evidence that able to inspect and proceed through the steps as company discipline.

Practical line

- 5.1 Those supporting money must prove that one who asks for supporting money has really done such project activity and it is proceeding for supporting those project objective successfully and incur truly benefits toward society or for being in accordance with proceeding objective and responsibility toward society.
- 5.2 Those supporting money must prove that supporting money or other benefits that able to calculate as money such as providing residence and food chiefly, nothing concern with interests of each repay to any person or any units except proclamation of good reputation as general business customs. As a provider of money supporting would have to manage request note, mention name of supporting money recipient and supporting objective along with attach all document propose to an authorized person to consider approve according to the level of authorization of the company.
6. Not do anything that concerns with politics and not use any resources of the company for such proceeding. All this, the company is an organization that adhere in political neutral, support to act as laws and government of democracy regime inclusive no idea to give assistance political to the politician or any political party neither direct or indirect way.

#### Definition of political contributions

Political contributions means to support financial, things and/or join activity through promotion to allow the officials to join political activity on behalf of the company so as to acquire in having an advantage on trading business, all this not include the officials that join an activity according to the personnel rights and freedom but must not use an officials influence or bring possession, any instruments of the company to take advantage of political proceeding.

#### Practical line

The Company has a policy in conducting business with neutral, not to take interest in political, politician or any political party. The Company shall not support financial or things to the political party, politician in assist for political as mentioned above definition.

7. The Officials not ought to neglect when find any act or behavior approach misconduct and corruption or show in the way of misconduct that having result concerning with the company both direct / indirect. The Officials must inform their boss or responsible person for acknowledging and give cooperate in inspecting various facts. If having any doubt or inquiry, allow to consult their boss or assigned person by the company through various formulated channels.
8. The Company provides justice and defends the officials whose refuse misconduct or the officials that inform the matter of misconduct and corruption that related with the company by using measurement to defend one who complaints or one who give cooperation in notifying clue and report misconduct and corruption as formulated by the company in defending measurement and keep as secret. For the officials whose refuse misconduct and corruption, the company has a policy not to reduce rank, punish or result in contrary way toward those officials although those refusing misconduct and corruption would make the company loss an opportunity in business.
9. One who does misconduct and corruption is an offending in business morality and good corporate governance policy of the company would have to receive punishment in discipline as formulated by the company and may receive punishment by laws if those offending is illegal.
10. Board of Company, high rank executives are fully aware of an important in diffusing, give knowledge advice, consultation and make understanding with organization personnel, related

person through subsidiary company, co-company, other companies that the company is having authority to control and business representative concerning to bring measurement of anti-misconduct and corruption to perform in order to allow personnel and related person perform in accordance with this policy inclusive to be good example in the matter of having honesty, ethics and good moral.

11. The Company intends to create and maintain organization culture which adhere that misconduct and corruption and to give or receive bribe are an unacceptable performance whatever to perform with any person both public / private sector.
12. Anti-policy of misconduct and corruption allow to comprehend till human administration procedure, from nomination, personnel selection, promotion in rank, training, officials performance assessment which formulate to allow every level of boss communicate and make understanding with the officials in order to use in business activity that under responsibility and oversee performance efficiently.

#### Notify clue or complaints

1. Misconduct and corruption performance that concerns with an organization both direct and indirect such as meet person in organization to bribe or receive bribe officers of government units or private units.
2. To make mistake the steps as the company regulations or resulted toward internal control system of the company that may be a way in misconduct and corruption.
3. Performance to make the company lose interests or strike toward company reputation.
4. Illegal performance, good moral, business morality of the company.

#### Clue notification or complaints channels



Every group of stakeholder can notify clue or complaints the performance that incur suspicion whether to be misconduct and corruption both direct or indirect by notifying clue or file complaints to:

Chairman of Board of Audit Committee /

Chairman of Board of Corporate Governance /

Company Secretary / Human Resources Section

Chiangmai Frozen Foods Public Company Limited

No. 149/34 Soi Anklo Plaza, Surawongse Road,

Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500, Thailand

or send by E-mail address: [cg@cmfrozen.com](mailto:cg@cmfrozen.com)

or by phone: 662-238-4091, 662-634-0061-4

In case one who notify clue or complaints, having file complaints Chairman of Executive, Board of Executive, high rank executive, you are requested to send complaints matter directly to the Chairman of Board Audit Committee.

People who can notify clue or complaints concerning misconduct and corruption namely: every group of stakeholder of the company, for instance: shareholders, customers, co-traders, competitors, creditors, related units, community, society and officials of the company. All this, whatever you would notify by any mean mentioned above, the company shall keep as secret.

#### One who notify clue or complaints defend measurement

So as to defend the rights of one who complaints and information providers that perform with honest, the company shall hide the name, address or any information that able to specify one who complaints or information provider and keep

information of one who complaints and information provider as secret.

In case of having complaints Chairman of Executives, Board of Executive, high rank executives, Board of Audit committee have a duty to accept matter, find information and inspect the facts as received complaints in order to report toward Board of Company to join in considering and formulate fault as suitable if find quilt as complaints and have a duty to provide defend one who notify clue and complaints, witness and information provider in investigation on finding facts, not receive trouble, not righteous and receive any danger that occur from notifying clue, complaints, witness or provide information.

Chairman of Executive has a duty in using discretion command as suitable in order to defend one who notify clue or complaints, witness and person who provide information in investigation for finding facts, not to receive trouble, any danger or not righteous that occur from notifying clue, complaints, witness and providing information.

Chairman of Executive can assign work to an executives either of them to perform duty representing in using discretion command for defending safety of one who notify clue and complaints, witness and information provider which assigned executive must not take part with notifying clue and complaints matters both direct or indirect way (such as one who is accused is directly own subordinate).

All this, information provider from performance duty that related with complaints has a duty to keep information, file complaints and evidence documents of one who complaints and information provider as secret. Such information are not allowed to disclose to other persons that not related unless to be disclosed as duty that formulated by laws.

### Proceeding steps on investigation and punishment

1. When receives notifying clue, Chairman of Executive, Board of Executives and Board of Audit Committee are to be distil, investigate for facts.
2. During investigating the facts, Chairman of Executive, Board of Executives and Board of Audit Committee may assign Board of Executives inform progressive result at intervals to one who notify clue and complaints for acknowledgement.
3. If such investigation for facts to find that information or evidence that having appropriate cause to believe that one who is accused has really performed misconduct and corruption, the company shall give the rights to one who is accused to acknowledge accusation and give the rights to one who is accused to prove oneself by seeking additional information or evidence to indicate that oneself has not taken part to concern with misconduct and corruption performance as accused.
4. If one who is accused has really performed misconduct and corruption, those performance regards as guilty toward company regulation. One who is accused must guilt by discipline as formulated by company regulation and may be quitted as laws if such performance is illegal. All this, quilt by discipline and judgement of Chairman of Executive shall regard as end.

### Five penalties by discipline

1. Warning by speech by recording in letter for evidence.
2. Warning by letter.
3. Warning by letter and cut wages or rank transfer or not take into consideration for receiving annual bonus except to adjust wages as laws.
4. Warning by letter and to be suspended from working without paying wages.

## 5. Quit-employ.

### Diffusion anti policy of misconduct and corruption

So as the customers, co-traders, creditors, related units, company officials through subsidiary company, co-company, other companies that the company having authority to control and business representative have acknowledged anti policy of misconduct and corruption, the company shall proceed as follows:

- The Company shall diffuse anti policy of misconduct and corruption through communication channel of the company such as website of the company, email, telecommunication, disclosure report of annual information (type 56-1 and 56-2) sheet fold, responsibility toward society report, first explanation, training course, seminar and post letter.
- The Company shall affix anti policy proclamation of misconduct and corruption in the place that see clearly, every officials in organization can be read and approached easily.
- The Company shall manage to have first explanation, training course, seminar concerning with anti-policy of misconduct and corruption to every official for acknowledgement and bring to perform earnestly.
- The Company shall have to revise anti policy of misconduct and corruption every year regularly.

Anti-policy of misconduct and corruption has received approval from Board of Company meeting No. 1/2015 dated February 26, 2015.

Signature

(Mr. Prayoon Pholpipattanaphong)

Chairman of Board of Company