

PMC Label Materials Company Limited

Anti-Fraud and Corruption Policy

**Approved by Board of Directors No.2/2022
On February 25, 2022**

Edit Note

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ANTI-FRAUD AND CORRUPTION POLICY

Introduction

PMC Label Materials Company Limited and affiliated companies (together referred to as the "Company") place great importance on combating any forms of fraud and corruption. The Company dedicates to conduct its business in an ethical and honest manner, as well as complying with all applicable laws and regulations.

The Company has become a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC), and has acknowledged its responsibility to lead others by example in combating fraud and corruption, conduct its business rightfully and exercise all necessary business principles to counter corruption in all forms.

To help mitigate potential risks related to fraud and corruption, the Company has adopted and issued the Corporate Governance Guidelines and Code of Conduct and this Anti-Fraud and Corruption policy ("Policy") for stakeholders to follow.

Objective

- To showcase the intent to combat corruption, directly and indirectly.
- To establish a system to detect and prevent dishonest and bribery related undertakings.
- To determine roles and responsibilities of all employees in mitigating potential fraudulent and corruption related risks.
- To establish measures to prevent, detect, and respond to any fraudulent activities.

Scope

This Anti-Fraud and Corruption Policy shall apply to all directors, permanent and temporary employees, officers and management, and all agents of PMC Label Materials Company Limited and its affiliates, and other companies that the Company has power of control, whether in Thailand or overseas.

This policy shall be applied to all joint ventures that the Company has power of control in order to ensure consistency across the whole business. The Company shall encourage all related partners of joint ventures that the Company does not have power of control to meet the guidelines in this Policy.

Definitions

"Misappropriation" means dishonestly converts a property belonging to the Company in which he or she is in possession whether by duty or not, and whether for personal benefits or others' gains.

"Corruption" means a direct or indirect offer or receipt of any payment, service, gift, loan, fee, reward, or anything of value to or from any person as an incentive to do or refrain from doing something or to influence a decision on or by any person or organisation,

including government agencies, individual government officials, private companies, partnerships, and employees of the organizations. It shall include offering and/or receiving bribery, conflicts of interest, extortion, and/or claim benefits and payments for convenience as well as offering any money or benefits in order to receive the business in return, unless allowed by laws, regulations, announcements, rules, local manners, or trade customs.

“Fraud” means dishonestly intentional act deceives a person with the assertion of a falsehood or the concealment of the facts in which obtains a property from the person, or causes the person to execute, revoke or destroy a document of right.

Policy and Procedure

1. Measure against Fraud and Corruption

1.1 Fraud and Corruption

Any form of fraudulent and/or corrupt proceedings and activities shall not be tolerated under any circumstances, even if such activity could be of benefit to the Company. All transactions shall be undertaken rightfully and free from fraud and corruption. All employees as well as all related parties acting on behalf of the Company, including suppliers, distributors, agents and contractors (and parties acting on their behalf), etc., shall follow this Policy strictly.

The Company shall investigate all potential cases that could be deemed as fraudulent or corrupted. If found guilty, those who are found to have violated the Policy shall be undergo a serious disciplinary and legal action. The Company encourages anyone aware of such activity to inform the Company immediately. The Company shall provide protection and fair treatment to those who choose to do so.

1.2 Gifts and Hospitality (Entertainment) Expenses

It should be understood that business entertainment and gifts giving are a means of establishing good relationship between the two parties, which are between the Company and its customers, partners, regulatory bodies, government officials, or other third parties, but must not be taken as an activity to create dishonesty that could result in an unfair advantage. Employees of the Company shall not be allowed to accept gifts, money, or other forms of payoff that may result in the inclination to purchase products and services from that party. All employees shall not contact suppliers to request for free products and/or services or discounted rate without written authorisation. Gifts, rewards, or entertainment should never be offered, given, provided, or accepted by any employee (or the employee's family members) such as:

- Cash or cash equivalent, such as gift card or gift voucher;
- Any items with value over THB 3,000 or its equivalent in local currency;
- Gifts or services given in exchange for some action or can be seen as a bribe or payoff;
- Stocks or securities;

- i. Violation to laws, regulations, or applicable policies of the other party's organization.

All employees shall be aware if they are offered a gift, reward, or hospitality offer, even if such offer is not deemed as a bribery. In any event, acceptance of a gift must not impact the Company's operations and business decisions.

1.3 Sponsorships and Charitable Contributions

Charitable contributions and sponsorships are parts of the Company's responsibility towards corporate social responsibility, however, such sponsorships and charitable contributions practice should be carried out in the most transparent and ethical manner as possible. All transactions related to these activities should follow normal approval protocols, have all transactions recorded and all receipts stored away properly for subsequent audit purposes. It is imperative that all charitable contributions are verified and that all contributions will reach the intended beneficiaries. Employees shall not force charitable contributions from business partners and related third parties.

1.4 Business Relations and transactions with the Public Sector

Any business relations or transactions with the public sector must be carried out with integrity, transparency, and strictly in accordance with applicable laws and regulations.

1.5 Political Contributions

A political contribution means any direct or indirect help or support, whether financial or in-kind, to support a political activities. Political contributions include providing loans, gifts, services, advertising or promote a political party, purchase of tickets to fundraising events, contributions to entities associated with a political party, and any other participation in political campaigns.

The Company has adopted a policy of political neutrality. All political contributions or activities must be carried out as private matters and not on the Company's behalf.

1.6 Entering the transaction

Prior to entering into any transaction with the organisation, government agencies, individual government officials, private companies, partnerships, and employees of the organization, whether in national level or international level. The Company shall ensure that such transaction shall be carried out with integrity, transparency, and strictly in accordance with applicable laws, including but not limited to national laws, but international laws.

2. Roles and Responsibilities

Board of Directors The Board of Directors of the Company shall oversee the Company's overall anti-fraud and corruption scheme on a corporate level. This includes the review,

implementation and evaluation of the scheme, as well as any other policies it deems necessary.

Audit Committee

The Audit Committee is responsible for ensuring that the Company's process and operations align with Anti-Fraud and Corruption Policy. In addition, it is to ensure that anti-fraud and corruption measures, including financial reports, internal control system, internal audit, and risk management system are effective, Including the operation in an orderly, concise and appropriate manner.

Executive Committee

The Executive Committee is responsible for formulating Anti-Fraud and Corruption Policies and regularly review the policy to comply with the change in the nature of business, rules, regulations, or legal requirements in the relevant business operations in order to propose to the Audit Committee, including communicating, training and promoting the Company's employees and related persons to always aware of Anti-Fraud and Corruption Policy and guideline. In addition, the Executive Committee shall have a duty to investigate and assist the Company in every process to ascertain the facts as informed or as assigned by the Audit Committee in the event of corruption. The Executive Committee may delegate to the management team that is considered that they shall be able to assist in the investigation of facts.

Internal Audit

The internal audit is responsible for auditing and reviewing operations in accordance with the annual internal audit plan approved by the Audit Committee. The internal audit shall propose the internal control system audit report and the corruption risk assessment found from the audit to the Audit Committee immediately if detected issues may cause serious problems if not acted promptly. The internal audit is also responsible for performing duties as assigned by the Audit Committee regarding corruption investigations related to the organization in addition to the annual internal audit plan.

Executive Management

Executive Management, led by the Chief Executive Officer, shall strive to foster the culture of compliance and to lead by example, whilst ensuring a smooth implementation and control of the Company's anti-fraud and corruption scheme. The Executive Management shall allocate resource and assign personnel to oversee various policies and protocols, in addition to providing supervision over the implementation of risk management plan, systems, procedures, and internal controls for the prevention, detection, and response to fraud and corruption.

Human Resources

Human resources department shall provide guidance and facilitate in the process of raising awareness and importance of combating fraud and corruption. It is also required to provide training and communicate the requirements of risk management scheme and policies across the organisation. The Company and HR department shall be required to conduct background checks, particularly the candidate's credentials and competency for key positions before the start of employment.

Procurement Department

The procurement department shall be responsible for evaluating business partners, vendors, contractors, and service providers to ensure reliability, creditability, reputation, and competency, communicating policies and procedures relating to anti-fraud and corruption to all relevant business partners.

Employees

All employees of the Company are responsible for reading, understanding, and strictly complying with all policies and procedures in relation to fraud and corruption, Code of Conduct, and promptly reporting fraud or any suspected fraudulent activities, and providing information to assist in the investigation process.

3. Reporting of Fraud and Corruption

In case where any suspected fraudulent activities in relation to the violations of this Policy, the complainants can report via the following channels:

- Email: ac@pmclabel.com, ceo@pmclabel.com
- Company's Website: www.pmclabel.com
- Letter: PMC Label Materials Co., Ltd.
30/28 Moo 2 Khokkham Sub-District
Muang District, Samutsakorn Province 74000

Complainants may choose to remain anonymous if they deem that disclosure would cause any insecurity or damage. In the event that the complainant agrees to disclose the information, the Company shall keep the relevant information confidential, taking into account the safety of the complainants as important.

4. Penalty

Any employee who fails to comply with this Policy or acknowledges of, but fails to report a violation of this Policy, shall be subject to disciplinary action, up to and including termination of employment.

The Company has the right to terminate the contractual relationships with any third parties acting on behalf of the Company, who violates this Policy, acknowledges of and fails to report a violation of this Policy, misleads, obstructs or fails to provide reasonable cooperation in the investigation.

This Anti-Fraud and Corruption Policy has been approved by the Board of Directors Meeting No. 2/2022 on February 25, 2022, which effective from February 25, 2022 onwards.

PMC Label Materials Company Limited

(Mr. Athavudhi Hirunburana)
Chairman of the Board of Directors