

Anti-Corruption Measures



VGI PUBLIC COMPANY LIMITED

21 March 2017
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Message from the Chairman

VGI Company Limited (the “**Company**”) has been established in Thailand since 1999 to carry out out-of-home media network service business, which presently expanded our ecosystem beyond Advertising and transform into a fully comprehensive Offline-to-Online Marketing Solutions provider, encompassing “Advertising, Payment, and Distribution”. Throughout its renowned establishment, the Company has achieved considerable success in business development, referred by the continuous growth, whether its performance and competitive capability, which is importantly supported by an accurate, efficient, transparent, auditable and non-corrupted work process and procedure. In this respect, the Company realises and believes that those will promote the confidence to all stakeholders, sustainably foster the Company’s growth, as well as generate long-term value for the Company and its shareholders.

In 2014, the Company declared its intention to join Thailand’s Private Section Collective Action Coalition Against Corruption (CAC), and is committed to striving against all forms of corruption and bribery. To state the Company’s position, the Company as a subsidiary of BTS Group Holdings Public Company Limited (“**BTSG**”) addresses “**Do it Right**” statement and applies the framework of relevant BTSG’s anti-corruption policies and practices in a manner that is in line with the Company’s nature of business. Accordingly, the Company strongly believes that the Anti-Corruption Measures and related policies will maximise the Company’s value, and that will serve as the clear and solid implementation guidelines within the organisation with the purpose of achieving its business objectives in a transparent and efficient manner, while sustainably growing in the fair competition and non-corrupted business environment.

Mr. Keeree Kanjanapas
Chairman

The Anti-Corruption Measures

The Company's Anti-Corruption Measures consist of:

- **Anti-Corruption Policy and guidelines of practices**, through which the Anti-Corruption Measures are implemented:
 - Sponsorship Procedure;
 - Charitable Contribution Procedure;
 - Political Contribution Procedure;
 - Gifts Giving and Receiving Procedure; and
 - Hospitality, Entertainment, and Expense Procedure.
- **Whistle Blowing Policy and Protection Measures;**
- **Fraud Risk Management Procedure**, which is additionally prepared to implement the Anti-Corruption Measures.

Remark: The Board of Directors previously set the anti-corruption policy in relation to (a) giving or acceptance of gifts; and (b) charitable contribution clearly in written in the Corporate Governance Policy and Code of Conduct. Yet, for the clarity of the actions relevant to the fraud risk and the establishment of clear and concrete implementation guideline within the organisation, the Board of Directors determines this 'Anti-Corruption Measures', separately from the Corporate Governance Policy and Code of Conduct in order to (i) state the Company's strong commitment against all forms of corruption, (ii) enhance direct access to the Anti-Corruption Measures by the employees expected to understand the anti-corruption under the same policies; and (iii) inform the Company's stakeholders of its commitment against the corruption.

Anti-Corruption Policy

VGI Public Company Limited (the "**Company**") adopts the policy to conduct its business with integrity, honesty, transparency under the relevant laws and standards by fastening on the responsibility towards society and all groups of stakeholders in accordance with the principles of good corporate governance. Not only the Company is committed to fighting against all forms of corruption and bribery, but its subsidiaries and related business entities are also encouraged and determined to apply the Anti-Corruption Measures, which covers compliance by all relevant divisions to carry out any action with transparency and integrity being prioritised, especially when dealing with government officers or agencies, in order to avoid operations that possibly affect inappropriate action and are contrary to good corporate governance.

In this respect, any actions and performances carried out by the Board of Directors, management and employees at all levels must be in line with the statement of the Chairman of BTS Group Holdings Public Company Limited ("**BTSG**") i.e. "**Do it Right**", including Anti-Corruption Measures and the Corporate Governance Policy and Code of Conduct by avoiding the involvement in any direct and indirect course of corruption.

Definition

‘Corruption’ means all forms of unlawful exploitation for personal gains or other gains, directly and indirectly, including **bribery, political contribution, charitable contribution, sponsorship, gift, hospitality and other expenses**, especially the abuse of entrusted power, whether in a manner of offering, promising to offer, accepting or demanding the bribery or any other illegitimate action, which causes the unfairness and damages to economy and society.

“Conflict of Interest” means having personal or external interests that are in conflict with the best interest of VGI Group. A personal interest could be a financial interest, a personal relationship, or any interest or relationship that could affect the judgement and decision-making.

“Gift” means money or other forms of contribution given as a courtesy on occasions (or as a social courtesy) with appropriate value and timing that are in accordance with traditions and applicable laws.

“Hospitality and Entertainment” means the management or expenses of the Company’s activities for the benefit of business or to foster good relationship. In certain cases, it is an act of social etiquette, expression, or custom that is directly related to business operations. Hospitality expenses may include accommodations, transportation costs, food and beverage costs, or other expenses for business meetings, site visits, business trips, and business awareness sessions.

“Donation” means contributions in cash or in kind given to entities or other organizations for charity or public services to aid or support the society, community, or people in need.

“Sponsorship” means contributions in cash or in kind given to a clients, suppliers, partners, or others for business purposes, reputation of the Company or business relationships.

‘Political Contribution’ means giving of properties, benefits, places or venues to accommodate political parties, politicians, or relevant political persons with the intention to support an inappropriate action or any action against the constitution which adversely affect the community, society and country, including causing the separation, either directly or indirectly.

“Facilitation Payment” means money, things or any benefits provided to government officials with the intention to influence such a person-to expedite or facilitate the performance of routine government action or avoid government process or confirm the favorable result of the routine government action.

“Government Official” means a person who is a current or former government officer, government advisor, a person holding a political position, a government officer, or local government employee holding, a permanent position or salary, an officer or person working in state enterprises or government agency, a local government executives, and a members of local councils who does not hold a political position, an officers under the law on local administrative procedures, and including directors, sub-committee members, employees of government agencies, state enterprises, or government agencies, as well as a person or group of persons who exercise power or are entrusted to exercise state administrative power under the law to perform any act in accordance with the law, whether it is established in the system of government, state enterprises, or other state affairs.

Guidelines of Practices on Anti-Corruption Policy

1. Giving or Acceptance of Gifts

- 1.1 Do not accept, offer or demand gifts or rewards including cash, cheques, bonds, shares, gold, gems, properties or other equivalents from a third party such as government agencies or private sectors, to obtain illegitimate benefit;
- 1.2 Do not accept, offer or demand properties, gifts, rewards or any other kind of benefit which may cause the omission to perform the duties;
- 1.3 Do not accept, offer or demand properties, gifts, rewards or any other kind of benefit which influence the decision making or lead to inappropriate and unfair manners;
- 1.4 Do not act as a middleman regarding the offering of cash, properties or any other kind of benefit to persons related to the business, government agencies or any other entities with the aim in exchange of inappropriate privileges or omission to perform the legal or regulatory duties of governmental officers.

Exemptions

- 1.5 Giving of gifts or rewards during the festivals or traditional occasions, e.g. new year celebration, is permitted, subject to the reasonable price and the receiver's rules and regulations, e.g. gift price of not over THB3,000 for some government agencies, and must be made in the Company's name with clear objectives and auditable evidence based upon the Company's relevant rules.

With respect to acceptance of gifts or rewards, the Company adopts 'No Gift Policy' by determining the Company's directors, management, and employees to refrain from the acceptance of gifts or rewards from business-related persons, third parties, government agencies and any organisations. In case it is unable to (i) refuse the acceptance or (ii) return gifts or rewards to giver, receiver is required to (a) report the acceptance of gifts or rewards to supervisors for acknowledgement and deliver gifts or rewards to be appropriately handled further by the Administration Division.

For any additional details of the giving and acceptance of gifts, please refer to the Gifts Giving and Receiving Procedure.

2. Hospitality, Entertainment, and Expense related to the Company's business must act as follows:

- 2.1 Giving business entertainment is required to specify the objectives with the auditable evidences based upon the Company's rules.
- 2.2 Receiving business entertainment is required to specify certain business objectives. It shall be for a traditional occasion and shall not be a channel for corruption.

Giving and receiving business entertainment shall be based upon the Company's rules as stated in the Hospitality, Entertainment, and Expense Procedure.

3. Charitable Contribution

- 3.1 Use of the Company's funds or assets, including but not limited to offering of the Company's media without any expenses, to support any charitable contribution must be made in the Company's name to certified, reliable, inspectable foundations, non-profit organisations, temples, hospitals or other organisations, and/or that is in compliance with the Company's rules as stated in the Charitable Contribution Procedure.
- 3.2 Charitable contribution on a personal basis is permitted if it is not related or caused any doubt on corruption manners.
- 3.3 The Company has no policy to accept charitable contribution from any organizations.

4. Sponsorship

- 4.1 Use of the Company's funds or assets, including but not limited to offering of the Company's media without any expenses, to support any program arranged by a third party, other than BTSG Group and/or VGI Group, must be solely made in the Company's name. The purposes of such sponsorship shall be only for business, good corporate image and reputation.
- 4.2 In this respect, objective for any sponsorship must be clearly specified in writing with the auditable evidence and is in compliance with the Company's rules as stated in the Sponsorship Procedure.
- 4.3 The Company has no policy to accept sponsorship from any organizations.

5. Political Contribution

- 5.1 The Company is committed to be politically neutral and supports statutory compliance and democracy. The Company has no policy to accommodate political parties, politicians, or relevant political persons, whether in a direct or indirect manner, except for public benefits, e.g. offering of the Company's media to promote national election; given that it should be requested by government agencies in written specifying the clear objective with the auditable evidence and complying with the Company's rules as stated in the Political Contribution Procedure.
- 5.2 The Company's directors, management and employees of VGI Group are at the political liberties as good citizens. Political contribution can be conducted after working hours with personal resources. Carrying out any actions related to political contribution in the Company and use of the Company's resources for personal political contribution are prohibited.

6. Government Interaction

- 6.1 Employees shall perform duties carefully and transparently as regards government interaction.
- 6.2 Employees shall avoid any actions that might cause (a) the leniency of the

governmental control or (b) the government officers to omit any actions which is considered as abuse of power.

7. Facilitation Payment

The Company does not have a policy to make facilitation payment. However, legitimate special expedited procedures are acceptable as long as they are accessible to everyone or conducted in accordance with the laws of the respective country.

8. Revolving Door

The Company has no policy to employ government officials or former government officials for the benefit of the Company or lead to conflicts of interest between government entities and the Company or provide business advantage to the Company.

9. Employees shall not, directly or indirectly, ignore or overlook any fraud actions in the Company. Employees shall immediately report such actions to the Chief Executive Officer or through the particular channels provided in the Anti-Corruption Measures.
10. The directors and management must place the importance on the communication, knowledge sharing and making suggestion regarding anti-corruption to employees including being a role model of integrity and morality, so that employees shall effectively comply with the Anti-Corruption Measures.

If any of the directors, management and employees at all levels fails to comply with the Anti-Corruption Measures, punishment will be consequence, taking into account the fact and circumstance. The consequence shall include the disciplines and disciplinary actions as stated in the Company's work rules and imposed by law. Meanwhile, the Company has no policy either to demote or punish employee who refuses the corruption, although such refusal will cause the Company's loss of its business opportunities.

Whistle Blowing Policy and Protection Measures

The Company encourages the Company's directors, management, employees and officers to carry out business correctly, transparently, fairly and accountably by aligning with the Corporate Governance Policy and the Code of Conduct of VGI Group. The Company aims all employees to honestly report any manner against the Anti-Corruption Policy to the Company to improve or develop further integrity, appropriateness, transparency and fairness.

In light of the above, the whistle blowing policy and protection measures are determined to ensure that (a) chiefs and divisions of compliance and human resources perform their duties in overseeing, suggesting and monitoring behaviors, manners and any actions of employees or officers; and (b) the whistleblowers/informant will be protected if their actions are honestly carried out.

What the concerns should be whistled

1. Misconduct, directly or indirectly involved with the organisation e.g. finding that bribes are offered to or accepted from the officer of government agencies or private sectors by the Company's officer
2. Actions contrary to the Company's operational manuals and rules or impact the Company's internal control system which may lead to fraud
3. Actions that might cause the Company to lose benefits or impact the Company's reputation
4. Illicit or immoral actions against business ethics

Whistle Blowing Channels

The Company, at present, has 3 whistle blowing channels as follows:

1) **Through intranet**

The complainant can report or submit any suspicion of corruption and bribery occurred directly or indirectly to the Company via intranet or VGI_CAC@vgi.co.th;

2) **Through supervisor / line manager;**

3) **Company Secretary Division;**

Tel: +66 (0) 2273 8884 ext. 390 or 391;

Email: VGI_CAC@vgi.co.th; or

By post to the Company Secretary Division at the Company's address.

Protective Measures and Confidentiality

To protect the right of complainant and whistleblower with honesty, the Company will keep the identity of complainant or whistleblower confidential and allow only the persons responsible for investigation to access such information.

Moreover, persons who can access the information in performing their duties are required to keep information, clues and any evidences given by the complaint and whistleblower confidential and shall not disclose the same to unauthorised persons, unless to comply with the laws.

Investigation Process and Penalty

1. Once receiving relevant information, the Company Secretary Division is assigned to conduct the preliminary investigation. If the information is considered by the Company Secretary Division as verifiable and reliable, it will coordinate with the HR Division for the appointment of investigation committee by proposing to the Chief Operating Officer for consideration and the investigation process shall be further commenced.
2. During the investigation, the Chief Executive Officer, the Chief Operating Officer and the Audit Committee may designate a representative (management level) to notify the investigation progress to complainant.
3. In case where it is founded that the information are true, the Company will inform the suspect of the accusation and will have the suspect to defend such accusation.
4. If it is established that such suspect committed fraud that is in breach of the Anti-Corruption Measures, the Corporate Governance Policy and Code of Conduct of VGI Group, the suspect will be punished with disciplinary actions as provided in the Company's work rules. If such fraud is against the law, the offender may be punished by law as well.

Fraud Risk Assessment and Internal Control

The Company realises that risk management plays an important role to determine various risks, and that the Company can prepare itself in responding to any changes in business circumstances in an appropriate, efficient and timely manner as well as to increase the opportunities of sustainable business growth. The Company, therefore, regularly (at least once a year) identifies and evaluates any factors that may cause an adverse effect on the business, financial position and results of operations of the Company, including the probability of corruption in working process, e.g. risk from the interaction with the government agencies, as well as, review existing risk management plan and provide any additional measures (if required) so as to manage and minimise the impact of the risks to appropriate and acceptable level. The Company also necessarily provides various processes to be in line with the Company's nature of business to ensure the availability of the internal control system to manage corruption incidents.

Training and Communication

The Company will arrange awareness training on overview of anti-corruption, including the Company's Anti-Corruption Measures and Fraud Risk Management Procedure to the management and employees, with the objectives to correct, transparent and auditable operational implementation. As such the procedures and process of whistleblowing and following investigation are focused in order to encourage the employees to report any clues of corruption. Furthermore, other additional and related matter and awareness campaign will be provided to the management and employees through additional trainings, communication channels and arrangement of special activities, so that they will act under "**Do it Right**" framework.

Distribution of the Anti-Corruption Measures

To ensure that all employees are aware of the Anti-Corruption Measures, the Company will carry out following actions:

1. The Company will communicate the Anti-Corruption Measures through its communication channels, e.g. email, website, information board, intranet, notification letter to the Company's business partners and vendors, annual registration form (form 56-1), annual report (form 56-2), to the employees and third party;
2. The Company will arrange training courses on the Anti-Corruption Measures, including relevant procedures to new employees by including it as a topic in the Company's orientation, for awareness and accurate understanding on the same;
3. The Company will regularly review the Anti-Corruption Measures.