

ANTI-BRIBERY AND CORRUPTION POLICY

Capital Nomura Securities Public Co., Ltd. (CNS)

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1. Overview

Capital Nomura Public Company Limited (“CNS”) is committed to conduct the business with integrity and transparency to be in compliance with the principles of good corporate governance. CNS has participated “Thailand's Private Sector Collective Action Coalition Against Corruption” with a strong intention against all forms of corruption in order to set the standard of practices on transparency. CNS expects its Employees to comply with all such laws, rules and regulations and to be neither involved with bribery nor corrupt activities. CNS prohibits the offer, arrangement or acceptance on its own behalf of any form of bribe, regardless of whether that bribe is paid directly or indirectly by a third party to either a Public Official or any other individual. CNS’ employees need to be mindful that the offer of an inducement (which need not necessarily take the form of money) to do something which is dishonest, illegal or a breach of trust in order to give another individual or entity a commercial advantage, may also be seen to be a bribe. Gifts or entertainment offered by employees to clients, prospective clients, vendors or consultants, which although not illegal in many jurisdictions, may similarly be seen as a bribe or inducement particularly if that gift or entertainment is excessive in value, are offered to Public Officials, and/or is provided before the tender or bid (or equivalent) for a particular business or transactional opportunity. In this regard, CNS has formulated the written “Anti-Bribery and Corruption Policy” as an apparent guideline in conducting business and sustainable development.

The purpose of this Policy is to ensure that CNS does not become involved in the use of bribery whilst at the same time demonstrates CNS’ commitment to the elimination of bribery. In addition, it also assists CNS in making a positive contribution in the jurisdictions in which it does business by assisting in improving business standards of honesty, integrity, transparency and accountability.

The Board of Directors and Board of Executive Directors unanimously approved this Anti-Bribery and Corruption Policy, as a part of CNS’s Code of Ethics.

2. Anti-Bribery and Corruption Policy

CNS employees are prohibited to claim, commit, accept or support any forms of corruption, either directly or indirectly, in all geographical areas where CNS operates business except the permission prescribed by laws, rules & regulations, local culture and commercial tradition.

CNS officially identifies Definition, Duties and Responsibilities and Guidelines to be strictly complied by CNS’ directors, management and employees including agents acting on behalf of CNS. Any violations of the Anti-Bribery and Corruption Policy or any actions considered as a breach of the Anti-Bribery and Corruption Policy, the violators shall be subject to penalties as stipulated by Rule of Employment.

3. Definition

Corruption involves dishonest or preferential use of power or position which has the result of one person or organization being advantaged over another.

Bribe is defined as the intentional offer, promise, payment, arranging for the payment, transfer or receipt of anything of value, whether directly or indirectly, to or from private entities, government authorities, public officials as well as any persons or entities, for their actions or refrain from acting in breach of performance of official or fiduciary duties, or in breach of contractual or other obligations.

Bribery is defined as offering, giving, receiving, soliciting, or arranging for the giving, transfer or receipt of anything of value, whether directly or indirectly, to or from any person, for the purpose of influencing that person to perform or refrain from performing official, contractual or fiduciary duties, such that an improper advantage is created. The act of offering or giving anything of value includes promising or authorizing to offer or give.

Anything of value refers to any advantage, whether in financial, kind or any other form, which benefits the recipient and includes, but is not limited to: money, loans, fees, stock, contractual rights or interest, real estate, personal property or other interests arising from business relationships, gifts, meals, entertainment, contributions or donations made at the suggestion or direction of a Public Official, a client, another employee, or any other individual, travel and travel related expenses, below-market discounts, refunds, rebates, preferential treatment in the provision of, or preferential access to, business opportunities, goods or services that do not have a commercially reasonable justification, or other improper inducements. Anything of value can also mean an offer of employment to, or at the suggestion or direction of, a Public Official, a client, another employee, or any other individual.

CNS employee(s) or Employee(s) means any each salaried employee, directors, management, employees, agent acting on behalf of CNS, each person (whether salaried or non-salaried) working on a short-term or long-term contract direct with CNS or individuals on secondment or transfer from other companies including interns.

Public official means state official, person holding a political position, judge of the Constitutional Court, person holding a position in an independent agency, and the NACC.

State official means government official or local official holding a position or receiving regular salary, person performing duties in a state agency or a state enterprise, local administrator, deputy local administrator, assistant local administrator and member of a local assembly, official under the law on local administration or other official as provided by the law, and shall include member of a Board/Commission/Committee or of a Sub-Commission/Sub-Committee, employee of a government agency, state agency or state enterprise and person or group of persons permitted by law to exercise or being assigned to exercise the administrative power established under the government system, state enterprise or other state administration, but shall not include person holding a political position, judge of the Constitutional Court, person holding a position in an independent agency, and the NACC.

Foreign public official means any person holding a legislative, executive, administrative or judicial office of a foreign country, and any person performing duties for a foreign country, including for a public agency or public enterprise, whether appointed or elected, permanent or temporary, and whether receiving salary or other remuneration or not.

Public international organization means an organization whose members are any of the following:

- Countries or territories;
- Governments of countries or territories;
- Other public international organizations; or
- A mixture of the above

For the purposes of this Policy, the following would be defined as “**Government**”, and an employee of a Government would be considered a Public Official:

- A state-owned enterprise 100% owned by a government;
- A government ministry, statutory board, agency or affiliated body.
- Supranational organizations (such as Central Bank, Regulators, Exchanges, IMF, UN, World Bank); and,
- Any other entity or agency that exercises a public function for or on behalf of any country or territory.

An individual would be considered a Public Official even if he/she is retired from, discharged from, or had relinquished, the public function for whatever reasons, if he/she may still have significant influence by virtue of the previous position. In determining this, it is necessary to consider if the individual or his/her family members still maintain influential political links.

4. Duties and Responsibilities

1. The Board of Executive Directors and Board of Directors undertake their duties and responsibilities to approve the Anti-Bribery and Corruption Policy as well as delegate clear authorities and responsibilities to directors, management and employees including agents acting on behalf of CNS to strictly follow the Anti-Bribery and Corruption Policy.
2. Audit Committee undertakes its duties and responsibilities to review the Company’s financial reporting whether it is accurate and adequate. The Audit Committee shall assist the Company to have an appropriate internal control, corporate good governance, and risk management related to the Anti-bribery and corruption.
3. Internal Audit Department undertakes its duties and responsibilities to audit the operation in order to ensure the sufficiency of internal control and to be correctly complied with the Anti-Bribery and Corruption Policy. The Internal Audit Department is also responsible for continuously gathering audit evidences, periodically reviewing the Procedures and Guidelines, as well as presenting the audit results to the Audit Committee. The Audit Committee shall consider the audit results and further report to the Board of Directors.

4. CNS employees shall strictly comply with the Anti-Bribery and Corruption Policy and all related CNS' policies. Any violations of the Anti-Bribery and Corruption Policy or any actions considered as a breach of the Anti-Bribery and Corruption Policy, the violators shall be subject to penalties as stipulated by Rule of Employment.
5. CNS employees shall not neglect to notify CNS any likelihood or actions of corruption related to CNS through the communication channels as specified in Whistleblowing Policy.

5. Use of Third Parties: Intermediaries and Agents

Due care must be exercised by CNS when selecting and dealing with intermediaries or agents to either: (i) solicit new business; or (ii) support efforts to retain existing business. Appropriate due diligence on all third-party intermediaries or agents must be carried out prior to entering into any relevant contract or engagement with the third party, and prior approval obtained from appropriate senior management.

5.1 Procedures

Responsible department must perform reasonable due diligence when engaging third party intermediaries or agents in the situations described above. Whilst the exact level of due diligence that should be carried out may depend upon the person, entity and country involved, reasonable due diligence must be completed by Legal Department before engaging or entering into any agreement or understanding with the third party, so that CNS obtains assurance that they are reputable and no concerns have come to light with regards to bribery and corruption.

5.2 Agreement by the Third Party

All arrangements with third parties covered above must include a written agreement from the third party that they will not engage in bribery whether it be directly or indirectly. Typically this requirement is met by CNS adding an appropriate clause in the relevant contract with the third party.

6. Facilitation payments

Facilitation payments involve the giving of very small amounts of money – which, in certain jurisdictions, are commonly paid (typically to Public Officials) – in order to ensure the successful completion of certain routine administrative tasks, for example, the granting of an entry visa.

This Policy prohibits the passing of any form of facilitation payment made either directly by an employee or indirectly by a third party on behalf of CNS or a CNS employee. Where a facilitation payment is made inadvertently by a CNS employee in the normal course of duties, or where an employee was under threats to make such a payment or had concerns for their personal safety, the matter should be reported to Supervisor and Compliance Department, as soon as possible after the payment has been made, who will provide further guidance and advice.

7. Gifts and Entertainment

The Gift and Entertainment Policy has specific requirements in place for the giving or receiving of gifts and/or client entertainment including guidance on the monetary thresholds above which approval comply with Expense / Payment Authorization Policy_would be required. Where gifts or entertainment are directed towards former or current Public Officials, approval of Department head and BoED is required in every case.

8. Charitable and Philanthropic Donations

In general, the giving of charitable or philanthropic donations by CNS entities is permitted, however donations made either directly or indirectly to charities, philanthropic or other causes used to disguise a bribe or transfer or anything of value to, or for, the benefit of a Public Official or any other individual are prohibited.

9. Political Donations

In general, employees may make personal political contributions, either directly or through corporation-sponsored or other political action committees, providing they are permitted by local legislation. Political donations made in exchange for obtaining or retaining business or other improper advantage for the benefit of CNS entities, employee or any other person including a Public Official, are prohibited in any circumstance.

10. Procurement

No CNS Entities or Employee may solicit, offer, pay or receive, or arrange for the payment of bribes in any form either directly or indirectly in connection with any commercial transaction or relationship where CNS is a party. Where CNS invites bids for tenders (either competitively or non-competitively) from external suppliers for goods and/or services, suppliers may not engage in bribery, collusive practices or any other form of corruption in order to obtain or retain business. Suppliers of products or services should not be taken into consideration by CNS if they seek to extort bribes either directly or indirectly from CNS.

11. Client Risk

Certain clients identified during the due diligence or enhanced due diligence process (either through initial client take-on or through on-going client checks) may potentially represent a greater degree of risk for CNS. Such due diligence or enhanced due diligence findings may include the identification of adverse publicly available information from credible sources that calls into question a client's activities regarding corruption, or, indeed, that indicates that prosecutions or actions have been taken by law enforcement, regulatory or governmental bodies into such activities.

If such information has been identified upon account opening process, CNS will refuse to establish a business transaction with that client. However, if such information has been identified during the on-going due diligence, the matter should be referred to the Anti Money Laundering Committee (AMLC) for investigation and consideration.

11.1 Politically Exposed Person Risk

As part of Know Your Customer (KYC) Procedures, it is a requirement to identify whether any clients or relevant principals associated with the client are, or ever have been, Politically Exposed Persons ("PEPs"). Relationships with PEPs represent increased risks due to the possibility that individuals holding such positions may misuse their power and influence for personal gain and advantage or for the personal gain or advantage for their family and/or close associates. Such individuals may also use their families or close associates to conceal funds or assets that have been mis-appropriated either as a result of abuse of their official position or as a result from bribery and corruption.

PEPs are always considered as a high-risk customer which require one executive director to sign-off in each case. In addition, for those PEPs, extra attention needs to be paid to ensure that any account activity is consistent with legitimate or expected transactions or activity. CNS also has in place a process to undertake daily screening of all client data and associated principals in order to identify any new PEP relationships.

11.2 Transaction Risk

As with all financial institutions, there is a risk that CNS may be misused by its clients to further their own acts or corruption, for example by: (i) a client directing or collecting funds through CNS for the purpose of paying a bribe; (ii) a client receiving a bribe and depositing it with CNS; or, (iii) the laundering of a bribe payment. In most cases, and without further information, it may be impossible for CNS to distinguish between accounts and transactions associated with such corruption and those accounts and transactions that have a legal and sound commercial basis.

CNS has developed the process and procedures to identify and detect suspicious transactions or activities and could immediately report when the suspicious transaction was found. Where a suspicious transaction has been identified, a suspicious transaction report (STR) should be submitted to AMLC for review and investigation. If AMLC has agreed to report the transaction, the report should be submitted to Anti-Money Laundering Office (AMLO) within 7 days.

12. Employees Connected to Public Officials, Clients or CNS Employees

Whilst employment of family members and close associates of Public Officials, clients or CNS employees is neither prohibited nor undesirable, particular care needs to be exercised (for the benefit of both the particular individual as well as for CNS) to prevent suggestions of corruption, conflict of interest or

other impropriety in connection with any such employment including permanent hire, graduate scheme, internships, temporary or other roles.

13. Books and Records

Employees must ensure that corporate books and records (which include virtually all forms of business documentation) accurately and fairly reflect, in reasonable detail, all transactions and dispositions of assets. No undisclosed or unrecorded fund or asset may be established or maintained for any purpose.

14. Guidelines

1. Any actions taken under the Anti-Bribery and Corruption Policy shall be complied in accordance with the guidelines specified in CNS' Compliance Manual, Code of Ethics of Nomura Group, Employee Regulations, Good Corporate Governance Policy, Gifts, Entertainment and Expenses policies including any future regulations and guidelines formulated by CNS. CNS has communicated to its Employees to strictly comply with CNS' the Anti-Bribery and Corruption Policy and related guidelines.
2. CNS has Gifts and Entertainment Policy and Expenses / Payment Authorization to stakeholders. Employees shall not build up any special relationship with clients which would affect such employee's impartiality and would lead to biased client services. Employees shall refrain from accepting gifts of great value or accept other compensation/benefits from clients or outside parties related to clients or third parties related the Company. Where such cannot be avoided, the employees must comply with the Gifts and Entertainment Policy.
3. CNS has clearly defined Personnel Management to align with the Anti-Bribery and Corruption Policy which includes Recruitment, Training, Performance Appraisal, Remuneration as well as Employee Promotions.
4. CNS shall not demote, penalize or cause any negative consequences to directors, management and employees including agents acting on behalf of CNS, who act against corruption, despite the fact that their actions may lead to CNS' loss of business opportunities. CNS shall give fair treatment and protect the person who acts against corruption.
5. Any person who finds any likelihood or actions of corruption related to CNS must directly inform their superior and notify CNS through the communication channels provided in CNS's Whistleblowing Policy. In case that the superior is the accused, the whistleblower must directly notify CNS through the communication channels provided in CNS' Whistleblowing Policy.
6. The Anti-Bribery and Corruption Policy has been publicly disclosed and communicated to CNS employees, customers and public through CNS' internal and external communication channels.

15. Review

Violations of the laws that this Policy reflects can have serious legal and reputational repercussions for CNS and its employees. Reports of offers or solicitations of bribes, suspected acts of bribery and potential violations of this Policy, may be made to Legal Department immediately to determine whether the relationship constitutes such a violation and whether any regulatory filings or reports, including suspicious activity reports, need to be filed with the appropriate law enforcement or regulatory authority. Employees may also satisfy their reporting obligation by making such a report through CNS' Whistle Blowing Telephone Line (as detailed on the Whistle Blowing Policy).

The Policy must be reviewed and where necessary revised at least every year by Compliance Department (CD) to ensure the alignment with the changes of business, rules, regulations and legal requirements.

16. Alteration and Abolition

Alteration and abolition of this Policy shall be subject to the resolution of the Board of Executive Directors.

17. Training

Compliance Department and Human Resources Department will ensure that regular training on bribery and corruption is provided to employees working in applicable departments where necessary. Appropriate records of attendance will be maintained in accordance with CNS' record keeping requirements. Bribery and Corruption training is also a component of CNS' new hires and on-going training.

18. Effective Date

This version of the Policy is effective from December 31, 2018.

Version History

Version	Date	Description
1.0	February, 2015	Initial Version, Presented to BoED in February 26, 2015
2.0	December, 2015	Revised Version
3.0	March, 2016	Revised Version
4.0	May, 2017	Revised Version
5.0	December, 2017	Revised Version
6.0	December, 2018	Amended Gifts and Entertainment
7.0	November, 2019	Reviewed and amended the Topic 3) Definitions in the sub-topics; 1) Public official 2) State official and 3) Foreign public official
8.0	July, 2020	Revised Version