



**KCE Electronics Public Company Limited**

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## **Fraud Risk Management Procedures**

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## **Fraud Risk Management Procedures**

### **1. Introduction**

KCE Electronics Public Company Limited ("the Company") is committed to achieving the highest levels of business integrity, morals and transparency through good corporate governance in responding to society and all stakeholders. Thus, fraud risk management is one of the key components applied by the Company to achieve its business objectives.

#### **1.1 Objectives**

The Company has developed formal "Fraud Risk Management Procedures" with the following objectives:

- 1.1.1 Creating measures or activities to prevent, detect, and respond to any potential risks of fraud.
- 1.1.2 Assigning the roles and responsibilities for each level of employees to prevent, detect, and respond to any potential risks of fraud in an appropriate manner.
- 1.1.3 Establishing guidelines for KCE Personnel to promptly act to prevent, detect and respond to any suspicious or actual fraudulent activities

#### **1.2 Scope**

These Fraud Risk Management Procedures ("FRM Procedures") apply to all levels of employees including the Board of Directors, Sub-Committees, Senior Management and employees of all ranks of KCE Electronics Public Company Limited and all of its subsidiaries (together called "KCE Personnel") as well as every agent, intermediary, contractor or consultant who acts on the behalf of the Company (together called "Related Business Parties").

In addition, these FRM Procedures are a part of the "Anti-Fraud & Corruption Policy," which has been approved by the Board of Directors. The FRM Procedures establish a fraud and corruption prevention, detection and response program ("Anti-Fraud & Corruption Program") and can be used in conjunction with the "Corporate Governance and Code of Conduct Handbook".

### **2. Zero Tolerance Policy Statement**

The Company upholds good ethics and morals as critical components in its business operations and does not tolerate any form of fraudulent or corrupt activities even if such activities would be beneficial to the Company. Thus, to ensure KCE Personnel will not disregard the risk of fraud and corruption, all KCE personnel must understand and strictly follow the Company's Anti-Fraud & Corruption Policy, Corporate Governance and Code of Conduct Handbook and all other relevant policies, procedures, protocols and guidelines without exception. All cases of suspected fraudulent activities will be thoroughly investigated and dealt with appropriately and

objectively. The process of investigating an incident, or an allegation of an incident, will be conducted without regard to other influencing factors such as the suspected wrongdoer's position/title, length of service or relationships in the Company. The perpetrator as well as anyone who had adequate knowledge of incidents but failed to report them may also be subject to appropriate disciplinary action.

### **3. Definition according to Anti-Fraud & Corruption Policy**

#### **3.1 Definitions**

- 3.1.1 Fraud<sup>1</sup> is an intentional action designed to provide the perpetrator and/or others with unlawful gains. Fraud can be defined in three types: asset misappropriation, fraudulent statements and corruption.
- 3.1.2 Corruption is the misuse of position or power of influence for illicit benefits for the organization, self or others. Corruption includes bribery, conflicts of interest, economic extortion and facilitation payment.
- 3.1.3 Bribery is the act of paying, offering, promising to give, receiving, requesting assets, money, any value items, rights or other advantages that are against good ethics, code of conduct, rules, regulations, policies, or laws with government officers, government organizations, private organizations or other individuals who are, whether directly or indirectly, a part of KCE's business chain, to influence or discharge that person in correctly performing his duties, to win new businesses, retain current businesses or any inappropriate benefits.
- 3.1.4 Political Contribution is monetary or non-monetary support provided to a political party, representative of a political party, politician, any persons relating to politics or candidate for election. As such, non-monetary political contributions include lending or donating any equipment for free of charge.
- 3.1.5 "Employment of any government employees or government officers", known as "Revolving Door", is hiring such person who is or had been government officer to work with the Company, and might take advantage of the relationship or misused inside information for the Company's benefit. This could lead to a conflict of interest with government organization and/or a malpractice of the government agents.

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<sup>1</sup>Refer to The Criminal Code section 1(1)

- 3.1.6 Facilitation payment is a small amount of expenses unofficially offered to the government officers. It is an offering only to ensure that such government agents will correctly and/or quickly proceed their task according to the procedures. In which such procedures do not require a personal judgment of the government agents and are considered a legal act by authorities. In addition, it is a lawful right of the Company to be entitled; for example, request for an authorization, certification and utilizing public services etc.
- 3.1.7 Charitable contribution is providing or receiving money, products or services contributing benefits to communities, public relief or religious upkeep without expecting business results or any benefits in return.
- 3.1.8 Sponsorship is offering or accepting financial support, products or services in order to promote the business, support the project's objective achievement and enhance good image of the Company.
- 3.1.9 The providing or receiving of gifts is to providing or receiving money, products, compensations, benefits or any valuable items that the Company receive or provide to business partners in order to build relationships with an appropriate manner and by appropriate value provided, in accordance with the traditions and under applicable laws.
- 3.1.10 Entertainment and Hospitality is expenses for providing business hospitality, such as receptions or sports events, other expenses directly relating to business operations or trading traditions as well as dissemination of knowledge about the business.
- 3.1.11 Conflict of Interest is any activities in which KCE personnel has personal interest or in conflict with the utmost benefits of the KCE group, both directly and indirectly, either intentionally or unintentionally, whether it is by direct contacting business partners of the KCE group, or abusing an opportunity or information as KCE personnel to harvest personal benefits, performing similar business to compete with KCE group or performing other outside work which affected performance under direct role & responsibility in KCE.

## **3.2 Actions Constituting Fraud**

According to the abovementioned definitions, listed below are examples of fraudulent activities:

- Any dishonest or fraudulent acts
- Misuse of the employing Company's resources for personal or other's interests
- Embezzlement or theft of the Company's resources
- Intentional distortion or concealment of information
- Intentional misrepresentation of financial reports or any financial information
- Falsifying financial statements including falsifying non-financial report such as falsifying information,

falsifying internal or external documents in order to mislead and negatively impact the Company or related individuals

- Disclosure of confidential and proprietary information to outside parties
- Profiteering as a result of insider knowledge of the Company's activities
- Seeking, requesting or accepting anything of material value from business partners
- Offering anything of value to any governmental or private entities, on behalf of the Company as an inducement to act dishonestly or illegally

This is not an exhaustive list. If one is in doubt as to whether any action may constitute fraud, one shall seek advice and guidance from the functions (in respective order) below:

- Your immediate supervisor
- Human Resources Function
- Internal Audit Function
- Environmental, Social Governance and Sustainability Development Committee
- Audit Committee

#### **4. Roles and Responsibilities**

Personnel at all levels of KCE must contribute to the highest ethical practices of the company, and as such, every staff member is responsible for supporting these FRM Procedures. Certain functions within the Company, such as the Board of Directors, Audit Committee, Senior Management, Internal Audit Department, or the Human Resource Department, also carry additional specific responsibilities to manage risks of fraud, which are set out in Appendix A of these FRM Procedures.

All the Company personnel (from operational level to the Board of Directors) must comprehend and comply with the Anti-Fraud & Corruption Policy and these Fraud Risk Management Procedures without exception. Any violation or non-compliance of such Policy and Procedures may be subject to the Company's disciplinary action.

#### **5. Fraud Prevention**

Preventive measures shall be designed and implemented to minimize the chance of fraud occurrences. Adequate fraud risk assessments, internal controls and promotion of fraud awareness among employees to create such anti-fraud culture and values are critical components of fraud and misconduct prevention. Below are the 5 main activities under the fraud prevention measures.

## 5.1 Fraud Risk Assessment

The objectives of performing fraud risk assessments are for all functions in the Company to proactively execute their duty by identifying, assessing and reviewing fraud risks, as well as to raise awareness on potential fraud risks and its impact to the business objectives and the operations of the organization in order to ensure that fraud risks are identified in a timely manner and managed appropriately. As such, the management of all functions must cooperate in providing any relevant information about fraud risks associated with his/her department.

The Fraud Risk Assessment can be divided into 4 steps as follows:

- Step 1: Prepare to determine risk parameters in terms of impact and likelihood of occurrences as well as determine the level of risk appetite for the organization.
- Step 2: Identify fraud risks, their root causes, and impact as well as perform risk analysis to determine the impact and likelihood level of each risk prior to considering the current controls in place (gross risk)
- Step 3: Assess the current controls in place and perform risk analysis to determine the impact and likelihood level of each risk, considering the current controls in place (residual risk)
- Step 4: Identify risk response measures to mitigate the risk to an acceptable level for the cases where the current controls in place are insufficient to prevent fraud risks.

Therefore, KCE Management appoints the Internal Audit Department to provide advice to the Management in performing fraud risk assessment as well as to play an active role in consolidating the fraud risk assessment results to develop fraud risks assessment documentation for KCE, which consists of fraud risk profiles and fraud risk registers. The Internal Audit Department shall also monitor the ongoing status of the risk response plan/ action plan in order to report to the Board of Directors, Audit Committee, the Risk Management Committee, Management, other Committees, or other relating parties.

Notwithstanding, the Internal Audit Department shall only be responsible for advising and gathering documents; whilst the department's manager will hold the primary responsibilities for identifying and assessing the fraud risks and also establishing the measures for mitigating the risks of fraud. The Internal Audit Department is responsible for assessing the sufficiency and efficiency of the current controls in place that have been identified during fraud risk assessment sessions. If the current controls in place are insufficient or inefficient, the Internal Audit Department may offer advice and propose corrective measures to the Management to determine the risk response plan / action plan to mitigate the risk to an acceptable level.

The Company shall assess and review fraud risks annually to identify potential fraud schemes, scenarios and events that need to be mitigated as well as any changes in fraud risk ratings. The reviews shall include considerations of changes in operations, new information systems, changes in job roles and responsibilities, internal audit findings, new or evolving industry trends and emerging fraud threats/schemes, amongst others. Providing that the Company implements the Enterprise Risk Assessment, the Management can review the Fraud Risk Assessment Program together with the Enterprise Risk Assessment.

## **5.2 Anti-Fraud & Corruption Policy**

The Company has established anti-fraud & corruption policies, procedures, and measures – for instance, the Anti-Fraud & Corruption Policy, Fraud Risk Management Procedures, Corporate Governance and Code of Conduct Handbook, Government Officer Employment Procedure, Charitable Contribution and Sponsorship Procedure, Government Sponsorship Procedure and Gift and Hospitality Procedure – in order to create awareness and foster an anti-fraud environment within the Company. Such related policies, procedures and measures must be approved by the Board of Directors and shall be reviewed and updated once a year to ensure that fraud risks are effectively managed and that any changes in the business operation and regulations are properly updated in the policies, procedures and measures to ensure that fraud risks are properly mitigated and updated in accordance with relevant laws and practices.

The Company must communicate and establish steps to communicate related policies, procedures and measures to KCE Personnel as well as to communicate the policies and measures to external parties (related business partners and the public). All KCE Personnel have a duty to read, understand, and strictly follow all content of such policies, procedures and measures.

## **5.3 Communication and Training**

Communication and training are essential tools in fraud prevention in fostering knowledge, understanding and awareness of the importance of complying with anti-fraud & corruption policies, procedures, and measures as well as promoting the participation of KCE Personnel in managing fraud risks, taking part to prevent and detect fraud, communicating to related business partners to illustrate the transparency and the strive to work against fraud and corruption at KCE.

To serve the above objectives, the Human Resources Department shall develop a formal communication plan to annually communicate anti-fraud & corruption policies and measures to KCE Personnel and related business partners as well as determine appropriate communication channels to each type of audience, whether internally or externally, such as newsletter, posters, brochures, trainings, or workshops.



The communication plan must be reviewed and approved annually by the Chief Executive Officer and President. Furthermore, the effectiveness of communication plan and channels shall regularly be assessed by the Internal Audit Department to ensure the sufficiency of the activities conducted and the adequacy of the awareness raised to all KCE Personnel and related business partners.

It is essential that the communication plan cover the training session relating to the Anti-Fraud & Corruption Policy and Program. Such training shall be provided both to new staff as part of orientation induction and to KCE personnel annual as part of refreshing training. Additionally, for KCE Personnel to have the skills and understanding to comply with related anti-fraud & corruption policies and procedures, the training program shall outline anti-fraud & corruption measures, KCE's expectations and disciplinary actions for the violation of the anti-fraud & corruption program.

#### 5.4 Due Diligence

An important part of an effective fraud and misconduct prevention strategy is the use of due diligence in the hiring, retention and promotion of employees and in selecting related business partners. As such, The Company appoints the Human Resources Department to perform due diligence for employees prior to hiring or promoting. KCE appoints the Supply Chain Division to perform due diligence of related business parties prior to the commencement of work. The Company shall perform appropriate screenings, with the consent of individuals and under the regulations, in the following areas:

- **Pre-employment screening** - to verify the qualifications, suitability and experience of a potential candidate
- **Key position screening** - to verify the qualifications, experience, financial health, conflicts of interest, and references provided for Board Committee positions, senior management positions, financial personnel positions, etc.
- **Business Partner Screening: Potential vendors, contractors and service providers** -to verify the reliability, qualification, financial health, reputation and integrity of business partners

Furthermore, it is essential for all Board members, members of management, and employees in key positions, as determined by the Human Resources Department as well as related business partners, to disclose any conflicts of interest in the "Conflict-of-Interest Report" (Refer to Appendix B) to the Audit Committee for Board of Directors and to Chief Executive Officer and President for Management level annually, as well as to promptly update any relevant changes to the status of their interests. The Company prohibits any employee with a conflict of interest to participate in the procurement process and will punish any KCE personnel who fail to promptly report conflicts of interest.

## **5.5 Internal Control**

Internal controls are designed and implemented by the Board of Directors, Management, and all levels of employees to ensure that the Company's objectives are achieved. Internal controls serve as an initial tool to prevent fraud in all areas of operations. The Management of each function shall properly design, implement and monitor internal controls in the process under his/her responsibilities to mitigate and reduce fraud risks identified, as well as ensure that the employees under his/her command fully understand and comply with the designed controls.

Such designed controls for every process must be included in the written procedures for the Management to review and approve prior to implementation. Such procedures shall specify the segregation of duties in performing the controls to ensure transparency and independence as well as to prevent or detect fraud risks. The procedures shall be documented and be easily accessible to all relevant personnel and communicated to all relevant personnel.

Furthermore, the Management of each Function shall review the procedures and process regularly, at least once a year or when there are significant changes impacting the operations, to ensure that such procedures align with the current practices and better internal control practices.

Additionally, the Internal Audit Department is responsible for independently assessing the sufficiency, the appropriateness, the efficiency and the effectiveness of the controls designed, as well as providing recommendations for improvement to prevent or detect potential risks, especially fraud risks. The Internal Audit Department must communicate the results of the internal audit to the audited department for them to understand and develop and implement a realistic action plan to improve their internal control system. The Internal Audit Department must report to the Audit Committee on a quarterly basis; whilst the Management of the audited function must be responsible to implement the recommended actions proposed by the Internal Audit Department.

Once the Anti-Fraud & Corruption Program has been implemented, the Internal Audit Department is responsible to evaluate the design and the effectiveness of the program and report the internal audit results to the Audit Committee.

## **6. Fraud Detection**

Although prevention measures can reduce the occurrence of fraud, sufficient detection measure must also be designed and implemented in order to detect and report potential fraud cases in a timely manner to minimize the potential impact on the Company. Fraud Hotline and Fraud Reporting are critical components to detect fraud. Furthermore, to assure the appropriateness, the efficiency and the effectiveness of the detection measures, the Internal Audit Department must evaluate the design and the implementation of its relating controls annually.

There are 2 key activities for fraud detection as follows:

#### **6.1 Hotline and Whistleblowing Mechanism**

The Management shall design and implement reliable and independent communication channels allowing both internal and external parties to report anonymous tips, complaints, or suspicions of fraud without revealing their identities. Furthermore, the Company shall establish the method for protecting the whistleblower to assure that he/she will not be threatened or harmed by reporting their suspicions. In return, this will help the whistleblower to feel more confident and secure in performing such activities.

Therefore, it is the responsibility of all KCE Personnel to express their concerns or suspicions of fraud via the established channels. One who has adequate knowledge of possible fraud taking place is obligated to report such information or may also be subject to appropriate disciplinary action. Whistleblowers shall be assured that as long as they raise concerns in good faith, they shall be protected. However, one who is proven to be intentionally making a false accusation by providing false information will be subject to appropriate disciplinary action.

The Company has whistleblower channels for both internal and external parties. All of the reports will be directly submitted to the responsible persons as following channels:

- 1) Whistleblower channel in the Company's internet website: [www.kce.co.th](http://www.kce.co.th)
- 2) Whistleblower channel in the Company's intranet system (KCE Home Intranet)
- 3) E-mail: [whistleblower@kce.co.th](mailto:whistleblower@kce.co.th)
- 4) Mail to:  
Internal Audit Manager  
KCE Electronics Public Company Limited  
72-72/1-3 Lat Krabang Industrial Estate, Soi Chalongkrung 31, Lumplatew, Lat  
Krabang, Bangkok 10520
- 5) QR code whistleblower



- 6) CEO's mailbox
- 7) Other channels which the Company has made available (if any)

All conditions and procedures for consideration of anonymous reporting of suspected fraud can be accessed via the “Corporate Governance and Code of Conduct Handbook” as well as the Company’s website by both internal and external parties.

Those conditions and procedures should be periodically reviewed and updated by the responsible manager and communicated to all relating parties.

If The Company decides to implement additional whistleblowing channel(s) in the future, the responsible manager is responsible for establishing procedures for whistleblowers and responsible persons for the additional channel(s), reviewing and updating procedures to reflect current practice and conducting annual training (including procedures, confidentiality, ethical conduct and related policies) for staff responsible for the additional whistleblowing channel(s).

## **6.2 Reporting Mechanisms**

The Internal Audit Department is responsible for gathering evidence of the suspected fraud reported, such as the number of reports, a summary of incidents and the status of actions taken to address the case of fraud (investigation status, enforcement action and statistical occurrences of fraud cases in the organization), and the status of the actions in the Anti-Fraud & Corruption Program, to report to the Management on a monthly basis and to the Board of Directors and Audit Committee on a quarterly basis. For major fraud issues where immediate action needs to be taken, the Internal Audit Manager must immediately escalate the issues to the Board of Directors, Audit Committee and other relevant parties that need to know.

All reporting shall be treated with the highest level of confidentiality. The Internal Audit Manager shall report directly to the authorized person only and shall not disclose information, regardless of type, to unrelated parties.

## **7. Fraud Response**

The response measures are designed to take corrective action and remedy the harm caused by fraud or misconduct in a timely manner, and consist of 3 critical components: the investigation, the enforcement and the public disclosure.

### **7.1 Investigation**

There must be a just cause for an investigation to commence. The Internal Audit Manager is appointed to consider whether anonymous complaints, allegations or incidents have sufficient information on which to begin an investigation. In matters deemed necessary for investigation, the Human Resource Department

will set up an Investigation Committee, comprising the representatives from the HR Department and department of the alleged wrongdoer. The investigation shall be conducted in accordance with the Disciplinary Action Procedures. Nonetheless, KCE may seek assistance from external experts in the absence or insufficiency of personnel performing such investigations. Procurement for external experts shall be done in accordance with the Procurement Procedures by the Supply Chain Division.

The Investigation Committee shall fairly and justly investigate the alleged fraud case. Information shall not be disclosed to any unrelated parties. The investigation status or results shall be regularly reported to the Internal Audit Manager on a monthly basis to be used for reporting to the Management. Moreover, the Investigation Committee shall report any obstacles encountered directly impacting KCE's business operations to the Internal Audit Manager for further reporting to the Board of Directors or Audit Committee for immediate action. Information from the investigation shall be recorded in the "Fact Report Form". Additionally, physical or electronic evidence obtained during the investigation must be retained for at least 2 years or until the expiry of the determined legal period to ensure that there will be sufficient evidence to be used in court if necessary.

Furthermore, The Company must provide training to the Investigation Committee at least once a year to ensure their understanding, knowledge, and skills in performing proper and just investigations.

It is everyone's obligation to cooperate with and provide support to the Investigation Committee. Failure to provide cooperation will result in appropriate disciplinary action.

## **7.2 Enforcement and remedy**

Firm and decisive disciplinary action will demonstrate that The Company is an organization that does not tolerate fraud and corruption in any circumstances; whilst, the action to remedy the impact from fraud incidents shall be promptly performed to demonstrate the commitment to solve fraud related issues.

### **7.2.1 Enforcement**

When the investigation is finished, the Investigation Committee shall report the facts and evidence to the authorized personnel for consideration of enforcement action, in line with the related policies and regulations. The enforcement shall be carried out by the wrongdoer's Function with reference to the "Disciplinary Fraud & Corruption Manual" for enforcement process and authorized personnel. The enforcement shall be documented in the "Disciplinary Action Form". This form and all relevant evidence must be retained with documentation from the investigation process for at least 3 years. Additionally, in the case where the enforcement might be perceived as a legal risk to the Company, the representative of the Investigation Committee shall discuss the matter with the internal legal counselor and the Management prior to taking any actions.

#### 7.2.2 Remediation

After the completion of the investigation, the Management shall participate in determining the remedial actions – for instance, the amendment of the Company's policies, the amendment of the internal controls, the amendment of the operating procedures, the prosecution for both civil and criminal cases and the extension of the investigation into other aspects of fraud. Such remedial actions will be taken by responsible parties on a case-by-case basis according to each action plan. The action plan must include the proposed plan and timeframe and must be submitted to the Chief Executive Officer and President for approval.

Similar accusations shall have similar remedial action. The foregoing procedures must explicitly define the remedial actions for a particular allegation.

#### 7.3 Public Disclosure

The public disclosure of internal fraud to the relevant external parties, such as the Securities and Exchange Commission of Thailand (SEC), shall be made only by the Chief Executive Officer and President or a delegate on the behalf of the Chief Executive Officer and President, depending on the discretion of the CEO.

The Company prohibits unauthorized personnel from disclosing information concerning fraud to others within the Company, the media, or to other entities. Any violators shall be subject to disciplinary actions.

#### 8. **Reference and Authority**

The principles and obligations set out in this document may refer to other relevant documents of the Company. In the case of a reference to another KCE's document, the Company shall follow the principles and procedures of the referenced documents to ensure alignment. KCE Personnel may contact the Internal Audit Function or Human Resources Function for any questions on these procedures.

#### 9. Fraud Risk Management Procedure Review and Update

The Fraud Risk Management Procedures are under the supervision of the Environment, Social Governance and Sustainability Development Committee. These procedures are reviewed annually or when there are significant changes impacting fraud risk management.

The amendments shall be approved by the Board of Directors and communicated to all KCE Personnel.

This Fraud Risk Management Procedures is effective from 11 November 2025 onwards



(Mrs. Siriphan Suntanaphan)

Chairman of the Corporate Governance  
and Sustainability Committee



(Mr. Bancha Ongkosit)

Chairman of the Board of Directors

## **Appendix**



## **Appendix A- Roles and Responsibilities in Fraud Risk Management**

The Company assigns roles and responsibilities for Fraud Risk Management to relevant employees. Set out below are the guidelines for the roles and responsibilities in relation to fraud risk management for each level of employee.

### **1. The Board of Directors**

The Board of Directors is responsible for the internal governance controls and Fraud Risk Management as follows:

- Acts as a leader in anti-fraud & corruption program in order to proclaim KCE's attitude/standpoint to all employees, related business partners and the public
- Creates policies or manuals relating to Fraud Risk Management, Anti-Fraud & Corruption, Code of Conduct and Anti-Fraud & Corruption Program including reviews and revises consistently.
- Identifies and assigns the responsibilities for Fraud Risk Management and other relevant processes (i.e. hotline and whistleblowing, investigation, fraud risk assessment) to experienced, competent and qualified personnel.
- Maintains oversight of the implementation of fraud risk management and anti-fraud & corruption related policies and program to ensure that the Management has sufficient resources for the execution of fraud risk management
- Acts as decision makers in the processes to manage cases where fraud has occurred or is being reported
- Provides external auditors with evidence regarding the Board's active involvement and concern about fraud risk management
- Complies with the policies and procedures relating to the Fraud Risk Management and Anti-Fraud & Corruption

### **2. The Audit Committee**

The Audit Committee is responsible for evaluating the sufficiency and appropriateness of the Fraud Risk Management Procedures and the process in place to mitigate fraud. Their responsibilities are as follows:

- Maintains oversight of the implementation of the Fraud Risk Management and approves guidelines or activities proposed by the Internal Audit Department
- Reviews the internal audit plan annually to ensure it covers key fraud risks, anti-fraud measurements and controls
- Receives periodic reports in relation to fraud, describing the nature, status and disposition of any fraud as well as regular reports on the status of reported or alleged fraud, investigation results and enforcement results.

- Maintains oversight of the processes for whistleblower reporting and fraud investigations to ensure that such processes are appropriate and free from bias especially when the alleged fraudster is in a Management position
- Consults with the external auditor about occurrences of significant fraud

### **3. Risk Committee**

The Risk Committee is a committee at the executive level, with responsibilities for overseeing the overall risk management practices of KCE. The roles and responsibilities of the Risk Management Committee in relation to fraud risk management are as follows:

- Revises the existing risk management policies, guidelines and scope to cover fraud risks
- Performs the assessment of the fraud risk at least once a year by experienced, competent and qualified personnel
- Reports the results of fraud risk management activities and any fraud incidents to the Board of Directors and the Audit Committee

### **4. The Management**

The Management is responsible for designing and implementing the Fraud Risk Management Plan, systems, procedures and internal controls for the prevention and detection of fraud. The roles and responsibilities for the Management are as follows:

- Creates and supports the values for anti-fraud & corruption
- Establishes appropriate and sufficient procedures, manuals and internal controls under their responsibilities to prevent fraud
- Assigns competent and experienced personnel to oversee the Fraud Risk Management Policy and provides sufficient time to the personnel to perform the assigned tasks
- Prevents and investigates suspicions of fraud and performs background checks of the Company's business partners to ensure the reliability of their financial status to prevent any fraud that might be incurred

### **5. Internal Audit Function**

The Internal Audit Function is an independent and objective function responsible for providing assurance and consulting on the audit, the risk assessment, internal controls related to the Anti-Fraud & Corruption Program. The roles and responsibilities for the Internal Audit Function are as follows:

- Reviews the policy, procedures and processes for fraud risk management to ensure the comprehensiveness and effectiveness of the implementation

- Evaluates the design and operation of internal controls related to Fraud Risk Management and determines whether any deficiencies found constitute fraud or occur due to fraud
- Supports and cooperates with the Investigation Committee in sharing information and making recommendations

## **6. Human Resources Function**

The roles and responsibilities of the Human Resource Function are as follows:


- Establishes the guidelines and channels to create an ethical tone for KCE Personnel in ethics, fraud risk management and anti-fraud, as well as conducts training to increase the understanding and competency of KCE Personnel to prevent fraud in performing their work.
- Performs background checks, document verification of employees' credentials and competence, matches skills to the job requirements, and remains aware of any issues of personal integrity that may impact their suitability for the position.
- Ensures that employment contracts address relevant conditions of employment relating to fraudulent and corrupt conduct
- Incorporates fraud risk management matters for the evaluation of KCE's Management
- Incorporates ethical principles, integrity and behavior in employee performance evaluations
- Conducts exit interviews for all employees leaving the company as they may have information regarding possible fraud existing within the Company


## **7. Employees**


It is every employee's responsibility to report any suspicion of fraud or fraud that has occurred. Employees' roles and responsibilities are as follows:

- Understand all policies and procedures in relation to fraud risk management, code of conduct, political contributions, charitable contributions, sponsorships, and gifts and entertainment
- Understand and comply with their roles and responsibilities in fraud risk management
- Report immediately if they suspect or believe that there is evidence of irregular or improper behavior or that an incident of fraud may have occurred
- Cooperate by supporting the Investigation Committee in providing information or assist in the investigation process in providing requested information or other assistance
- Be aware of red flags of fraud and immediately report any suspicions to the Head of Department in a timely basis

## Appendix B – Conflict of Interest Report

	<h3>Conflict of Interest Report</h3> <h4>Board of Director</h4>
<p>Mr./Mrs./Miss ..... Surname .....</p> <p>Would like to report conflict of interest for the year ..... due to</p> <p> <input type="checkbox"/> Taking on new position             <input type="checkbox"/> Annual report             <input type="checkbox"/> Incidents which related to conflict of interest during the year         </p> <p> <input type="checkbox"/> I "DO NOT" have conflict of interest and in compliance with Code of Conduct and the Corporate Governance. I do not perform or neglect to perform duties that cause conflict of interest as follows:         </p> <ul style="list-style-type: none"> <li><input type="radio"/> Myself and my family do not conduct business either directly or indirectly having nature that is in competition with the business of the Company</li> <li><input type="radio"/> Do not use confidential information of the Company or its subsidiaries for their own benefits or for others'</li> <li><input type="radio"/> Refrain from entering into related party transactions which would cause possible conflict of interest with those of the Company</li> <li><input type="radio"/> Comply with the requirements and methods of disclosure of information on related party transactions in accordance with the law or with the requirements of relevant regulatory authorities and with the regulations of the Company</li> <li><input type="radio"/> Do not involve in the consideration the connected transaction that they do have the conflict of interest</li> <li><input type="radio"/> Do not receive and provide gifts and hospitality that do not comply with policy and procedures outlined in the Anti-Fraud &amp; Corruption Policy</li> </ul> <p> <input type="checkbox"/> I "DO" have conflict of interest as follows: .....              .....              .....         </p> <p>I hereby certify that the information set forth above is true</p> <p>(by) .....</p> <p style="margin-left: 40px;">(.....)</p> <p style="margin-left: 40px;">Date .....</p>	
<p><b>Opinion of the Audit Committee (In case of any conflict of interest of related party transactions)</b></p> <p>Acknowledge, and recommend the following actions for those with conflict of interest</p> <p> <input type="checkbox"/> Do not vote on matters where they have conflict of interest  <input type="checkbox"/> Recuse themselves from being the Board/Committee/.....  <input type="checkbox"/> Others .....         </p> <p>The Audit Committee meeting no. .... Date .....</p>	<p><b>The Audit Committee's secretary</b></p> <p><b>Acknowledgement</b></p> <p>(by) .....</p> <p style="margin-left: 40px;">(.....)</p> <p style="margin-left: 40px;">Date .....</p>

	<h2 style="margin: 0;">Conflict of Interest Report</h2> <h3 style="margin: 0;">Management Level</h3>
<p>Mr./Mrs./Miss ..... Surname .....</p>	
<p>In the position of    <input type="checkbox"/> Chief Executive Officer                      <input type="checkbox"/> Managing Director                      <input type="checkbox"/> Executive Vice President</p> <p>                                 <input type="checkbox"/> Senior Vice President                      <input type="checkbox"/> Vice President                      <input type="checkbox"/> Assist Vice President</p> <p>                                 <input type="checkbox"/> Manager                      <input type="checkbox"/> Assist Manager</p>	
<p>Would like to report conflict of interest for the year ..... due to</p> <p><input type="checkbox"/> Taking on new position                      <input type="checkbox"/> Annual report                      <input type="checkbox"/> Incidents which related to conflict of interest during the year</p>	
<p><input type="checkbox"/> I "DO NOT" have conflict of interest and in compliance with Code of Conduct and the Corporate Governance. I do not perform or neglect to perform duties that cause conflict of interest as follows:</p> <p style="margin-left: 20px;"> <input type="radio"/> Myself and my family do not conduct business either directly or indirectly having nature that is in competition with the business of the Company  <input type="radio"/> Do not use confidential information of the Company or its subsidiaries for their own benefits or for others'  <input type="radio"/> Refrain from entering into related party transactions which would cause possible conflict of interest with those of the Company  <input type="radio"/> Comply with the requirements and methods of disclosure of information on related party transactions in accordance with the law or with the requirements of relevant regulatory authorities and with the regulations of the Company  <input type="radio"/> Do not involve in the consideration the connected transaction that they do have the conflict of interest  <input type="radio"/> Do not receive and provide gifts and hospitality that do not comply with policy and procedures outlined in the Anti-Fraud &amp; Corruption Policy         </p>	
<p><input type="checkbox"/> I "DO" have conflict of interest as follows: .....</p> <p>.....</p> <p>.....</p>	
<p>I hereby certify that the information set forth above is true</p> <p>(by) .....</p> <p style="margin-left: 40px;">(.....)</p> <p style="margin-left: 40px;">Date .....</p>	
<p><b>Opinion of the Executive Board (In case of any conflict of interest of related party transactions)</b></p> <p>Acknowledge, and recommend the following actions for those with conflict of interest</p> <p><input type="checkbox"/> Do not vote on matters where they have conflict of interest</p> <p><input type="checkbox"/> Recuse themselves from being the Board/Committee/.....</p> <p><input type="checkbox"/> Others .....</p>	<p><b>Internal Auditor Acknowledgement</b></p> <p>(by) .....</p> <p style="margin-left: 40px;">(.....)</p> <p style="margin-left: 40px;">Date .....</p>

	<h2 style="margin: 0;">Conflict of Interest Report</h2> <h3 style="margin: 0;">Risk-Based Work</h3>
<p>To ..... (Division supervisor and upper-level)</p> <p>Mr./Mrs./Miss ..... Surname ..... Position .....</p> <p>Section ..... Division .....</p> <p>Description of work performed .....</p> <p>.....</p> <p>Would like to report conflict of interest for the year ..... due to</p> <p> <input type="checkbox"/> Taking on new position             <input type="checkbox"/> Annual report             <input type="checkbox"/> Incidents which related to conflict of interest during the year         </p> <p> <input type="radio"/> I "DO NOT" have conflict of interest relating to work process or work performed  <input type="radio"/> I "DO" have conflict of interest or related party transaction relating to work process or work performed as follows:              .....              .....              .....              .....         </p> <p>I hereby certify that the information set forth above is true</p> <p>(by) .....</p> <p>(.....)</p> <p>Date .....</p>	
<p><b>Opinion of Division supervisor and upper-level</b></p> <p>Acknowledge, and recommend the following actions for those with conflict of interest</p> <p> <input type="checkbox"/> Do not vote or make a decision on the work process they have conflict of interest  <input type="checkbox"/> Recuse themselves from being the Board/Committee/.....  <input type="checkbox"/> Cancel the conflict-of-interest transactions  <input type="checkbox"/> Others .....         </p> <p>(by) ..... Position .....</p> <p>(.....) Date .....</p>	<p><b>The Audit Committee's secretary</b></p> <p><b>Acknowledgement</b></p> <p>(by) .....</p> <p>(.....)</p> <p>Date .....</p>