

**CP All Public Company Limited**

**Anti-Fraud Procedures**

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## 1. Introduction

CP All Public Company Limited (“CPALL” or “the Company”) recognizes the importance of good corporate governance as well as commits to fight against corruption. To ensure that the Company can operate according to its commitment, the Company establishes these Anti-Corruption Procedures (“the Procedures”) for employees to use as guidelines aligned with the Company’s Anti-Corruption Policy in order to prevent, detect and respond to any fraudulent acts, including corruption.

### 1.1 Objectives

The Company has developed formal “Anti-Fraud Procedures” with the following objectives:

- 1.1.1 To establish activities and procedures as guidelines for CPALL personnel to prevent, detect and respond to any potential risks of fraud.
- 1.1.2 To delegate roles and responsibilities for each level of personnel to prevent, detect and respond to any potential risks of fraud in an appropriate manner, to declare the intent and encourage the Company’s culture in working against fraud as well as to raise awareness of the Company’s fraud risks.
- 1.1.3 To establish guidelines in accordance with the Company’s Anti-Corruption Policy for CPALL personnel to promptly prevent, detect and respond to any suspicions or fraud activities in timely a manner.

### 1.2 Scope Coverage

These Procedures shall apply to the Board of Directors, Sub-Committees, Management and employees at all levels of CP All Public Company Limited (together called “CPALL Personnel”). The Procedures also apply to agents, intermediaries, contractors and consultants acting on behalf of the Company (together called “Related Business Partners”).

Furthermore, this document is a part of the “Anti-Corruption Policy,” which has been approved by the Board of Directors. This document establishes measures to prevent, detect and response to fraud (“Anti-fraud Measures”) and is to be used in conjunction with the **Corporate Governance Policy** and **Code of Conduct**.

## **2. Definition**

### **2.1 Fraud**

Fraud is an intentional act committed to secure unfair or unlawful gains for one's self or others (e.g. family, relatives, friends or acquaintances). Fraud can be categorized into three types: corruption, asset misappropriation and fraudulent statements.

### **2.2 Corruption**

Corruption is the misuse of position or power of influence for inappropriate gains for the organization, one's self, or others. Corruption includes bribery, Facilitation Payment, conflicts of interest, economic extortion and illegal gratuities given to government officials or private organization, unless allowed by laws, regulations, tradition, culture or market conduct.

### **2.3 Asset Misappropriation**

Asset Misappropriation is any action leading to the illegitimate possession of the Company's assets causing a loss of the Company's assets, opportunities, or other benefits, for personal or others' gains (others includes family, relatives, friends or acquaintances) including cash and non-cash assets.

### **2.4 Fraudulent Statements**

Fraudulent statements is the intentional distortion of financial reports - for instance, financial statements and financial recordings – or non-financial reports, as to conceal misappropriation of assets or activities for personal and/or other's interests, resulting in misstatements in those reports and records.

### **2.5 Facilitation Payment**

Facilitating Payments means unofficial expenses paid to government officials. Which is a payment which exceeds the rate prescribed by law. Even if it's a small amount to persuade operators in their duties. Expedite the action or to ensure that any action according to the duty that such person is already obligated to perform. Such as applying for a permit requesting a certificate and receiving public services, etc.

### **3. Commitment to countering fraudulent acts**

CPALL does not tolerate any form of fraudulent or corrupt activities even if such activities would be for the Company's benefit. To ensure that CPALL personnel do not ignore or neglect fraudulent and corruption acts, all CPALL personnel must understand and strictly conform to the Company's Anti-Corruption Policy, Corporate Governance Policy, Code of Conduct, Anti-Corruption Procedures, Working Instructions, and all other relevant policies, without exception.

Under these procedures, the Company is committed to meticulously and appropriately investigate all cases of suspected fraud, regardless of external factors (such as, position, tenure and relationships within the Company of the accused) by conducting investigations objectively and impartially. Furthermore, the Company shall enforce disciplinary actions to offenders according to the highest measures and shall consider enforcing disciplinary actions to CPALL personnel who acknowledge such matters but fail to report fraudulent activities.

Nevertheless, the Company shall protect whistleblowers and provide fair treatment to CPALL personnel who refuse to engage in fraudulent acts or report fraudulent activities to the Company. The Company shall not demote, penalize or provide other adverse consequences to CPALL personnel who refuse to become involved with fraud especially corrupt activities, even if such refusal may result in the Company's loss of business opportunities.

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

CPALL personnel must act in accordance with the Company's values and Code of Conduct as well as support Anti-Fraud related policies and procedures, including these Procedures. As such, certain functions within the Company, such as the Board of Directors, Corporate Governance Committee, Audit Committee, Chief Executive officer, Corporate Governance Sub-Committee, Internal Audit Office and the Human Resources Department, also carry additional responsibilities to counter against fraud as follows:

#### **4.1 The Board of Directors**

The Board of Directors is responsible for overseeing the overall anti-fraud initiatives. Their main responsibilities are as follows:

- 4.1.1 Acting as leaders to show commitment to the anti-fraud program in order to make known CPALL's stance to all personnel, related business partners and public.
- 4.1.2 Overseeing the overall anti-fraud activities
- 4.1.3 Establishing and approving relevant policies. Code of Conduct, and anti-fraud measures.
- 4.1.4 Identifying and delegating the responsibilities to establish relevant anti-fraud measures to the Corporate Governance Committee so as to ensure compliance with relevant anti-fraud and corruption policies.

4.1.5 Complying with the policies and procedures pertaining to fraud and corruption.

## **4.2 The Corporate Governance Committee**

The Corporate Governance Committee is responsible for overseeing and supervising all the Company's policies including relevant fraud and corruption policies. Their main responsibilities are as follows:

- 4.2.1 Overseeing compliance with all relevant policies and procedures pertaining to anti-fraud and corruption.
- 4.2.2 Considering, determining, reviewing and updating the policy and procedures on anti-fraud and corruption in order to propose to the Board of Directors for consideration and approval as well as to monitor the implementation of these policies and procedures.
- 4.2.3 Assigning and delegating the roles and responsibilities of other procedures relevant to the anti-fraud measures, such as fraud risk management, whistle-blowing process, investigation process and fraud risk assessment, to the Corporate Governance Subcommittee and/or Management who are experienced and skilled with such matters.
- 4.2.4 Reporting the implementation and compliance with the policies and procedures to the Board of Directors on a semi-annual basis.
- 4.2.5 Complying with the anti-corruption policy and procedures pertaining to anti-fraud and corruption.

## **4.3 The Audit Committee**

The Audit Committee is responsible for evaluating the sufficiency and appropriateness of the anti-fraud procedures. Their main responsibilities are as follows:

- 4.3.1 Revising and approving the internal audit plan, proposed by the Internal Audit Office, to ensure it covers anti-fraud controls and measurements including key fraud risks and other relevant procedures.
- 4.3.2 Overseeing and ensuring the independence and appropriateness of the whistle-blowing process including the investigation process for any cases, especially when the allegations involve personnel at the management level.
- 4.3.3 Reporting the status of fraud case management as well as any fraud occurrences to the Board of Directors on a quarterly basis.
- 4.3.4 Consulting with the external auditor about occurrences of significant fraud.
- 4.3.5 Complying with the anti-corruption policy and procedures pertaining to anti-fraud and corruption.

#### **4.4 The Chief Executive officer**

The Chief Executive Officer is responsible for designing and implementing the fraud risk management plan, systems, procedures and internal controls for the prevention, detection and response to fraud risks. Their roles and responsibilities are as follows:

- 4.4.1 Supporting and fostering the value of the anti-fraud program of the Company.
- 4.4.2 Establishing appropriate and sufficient procedures, manuals and internal controls for fraud prevention.
- 4.4.3 Assigning competent and experienced personnel to oversee the relevant policies and procedures as well as providing sufficient time for those personnel to carry out the assigned tasks.
- 4.4.4 Complying with the anti-corruption policy and procedures pertaining to anti-fraud and corruption.

#### **4.5 The Corporate Governance Subcommittee**

The roles and responsibilities of the Corporate Governance Subcommittee are as follows:

- 4.5.1 Reporting and liaising with the Corporate Governance Committee as well as Chief Executive Officer regarding anti-fraud initiatives.
- 4.5.2 Reviewing policies, procedures and processes in relation to fraud as well as fraud risk management to ensure the efficiency and completeness of implementation.
- 4.5.3 Acting as coordinator to communicate the requirements of the anti-fraud program to CPALL's personnel.
- 4.5.4 Following-up on compliance with the Anti-corruption Policy and relevant Procedures by the designated person and reporting the results to the Corporate Governance Committee on a quarterly basis.
- 4.5.5 Complying with the anti-corruption policy and procedures pertaining to fraud and corruption.

#### **4.6 The Internal Audit Office**

The Internal Audit Office is an independent and objective function responsible for performing the audit, providing consultation on the audit, evaluate risks and internal controls related to the anti-fraud measures. The roles and responsibilities for the Internal Audit Office are as follows:

- 4.6.1 Reviewing the efficiency and effectiveness of the Anti-Corruption Policy including related procedures and processes as well as an adequate internal control system for fraud risk management.

- 4.6.2 Evaluating the design and operation of internal controls related to fraud risks and determine whether any deficiencies found constitute fraud or have occurred due to fraud.
- 4.6.3 Gathering all whistle-blowing information as well as supporting and cooperating with the Investigation Committee in sharing information and making recommendations in the investigation process.
- 4.6.4 Reporting the internal audit results as well as the status of any reported or alleged fraud or any fraud occurrences to the Audit Committee on a quarterly basis.
- 4.6.5 Complying with the anti-corruption policy and procedures pertaining to fraud and corruption.

## **4.7 The Risk Management Function**

The roles and responsibilities of the Risk Management Function relating to fraud are as follows:

- 4.7.1 Liaising and providing advice on the anti-fraud program.
- 4.7.2 Providing advice to the Management regarding the fraud risk assessment as well as collating and documenting fraud risk assessment results as the Company's fraud risks.
- 4.7.3 Raising any issues relating to the Company's fraud's risks or new emerging fraud risks.
- 4.7.4 Monitoring that each function has sufficient controls on fraud prevention and fraud risk management as well as recognizing significant fraud incidents for efficient and timely management.
- 4.7.5 Complying with the anti-corruption policy and procedures pertaining to the anti-fraud and corruption program.

## **4.8 The Human Resources Division**

The roles and responsibilities of the Human Resource Division relating to fraud are as follows:

- 4.8.1 Establish guidelines and channels to create an ethical tone for CPALL personnel in ethics, fraud risk management and fraud awareness, as well as conduct training to increase the understanding and competency of CPALL personnel to prevent fraud in performing their work.
- 4.8.2 Performing background checks on document verification of employees' credentials and competency as well as work experience for key positions prior to the signing of employment contracts to ensure that there is no issue about personal integrity that may impact their suitability for the position.



- 4.8.3 Ensuring that employment contracts address relevant conditions of employment relating to fraudulent conduct.
- 4.8.4 Incorporating ethical principles against fraud in employee performance evaluations
- 4.8.5 Conducting exit interviews for all employees leaving the Company as they may recognize if possible fraud has occurred within the Company.
- 4.8.6 Complying with the anti-corruption policy and procedures pertaining to fraud and corruption.

#### **4.9 The Communications Management and Image Office and Center of Development**

The roles and responsibilities of the Communications Management and Image Office and the Center of Development relating to fraud are as follows:

- 4.9.1 Establish guidelines and channels to create an ethical tone for CPALL personnel in ethics, fraud risk management and fraud awareness, as well as conduct training to increase the understanding and competency of CPALL personnel to prevent fraud in performing their work.
- 4.9.2 Complying with the anti-corruption policy and procedures pertaining to fraud and corruption.

#### **4.10 The Procurement Division**

The roles and responsibilities of the Procurement Division relating to fraud are as follows:

- 4.10.1 Performing background checks on business partners, especially vendors, contractors and service providers to ensure the reliability, creditability, reputation and competency relating to the business's requirements.
- 4.10.2 Communicating policies and procedures relating to anti-fraud to all relevant business partners.
- 4.10.3 Complying with the anti-corruption policy and procedures pertaining to anti-fraud and corruption.

#### **4.11 CPALL Personnel**

All CPALL personnel are responsible for reporting fraud or any suspicious fraudulent activities to the designated person. Employees' roles and responsibilities are as follows:

- 4.11.1 Understanding all policies and procedures in relation to fraud, fraud risk management, the Company's Code of Conduct, charitable contributions, sponsorships, gift giving and receiving, and hospitality expenses including other relevant expenses.
- 4.11.2 Communicating all policies and procedures in relation to fraud, fraud risk management, the Company's Code of Conduct, charitable contributions,

sponsorships, gift giving and receiving, and hospitality including other relevant expenses to related business parties.

- 4.11.3 Understanding and complying with their own roles and responsibilities in relation to fraud as well as fraud risk management.
- 4.11.4 Reporting through the provided channels immediately if they suspect or believe that there is evidence of irregular or improper behavior or that an incident of fraud may have occurred.
- 4.11.5 Providing cooperation by supporting the Investigation Committee in providing information or assist in the investigation process in providing requested information or other assistance.
- 4.11.6 Being aware of red flags and immediately reporting fraud-related incidents to the Management in a timely basis.

Under these procedures, it is the responsibilities of CPALL Personnel, at all levels, from general levels to the Board of Directors, to understand and comply these Anti-Fraud Procedures, as well as related policies and procedures without exception. Any violation of these policies and procedures shall be subjected to disciplinary actions.

## 5. Prevention Procedures

Prevention measures can assist CPALL in minimizing the chance of fraud occurrences. Fraud risk assessment, implementation of relevant policies, internal control design and implementation to reduce fraud risks, as well as communication to raise awareness among CPALL Personnel to create an anti-fraud culture and ethical values are critical components of prevention mechanisms for the Company. The prevention measures comprise the five main activities as follows:

### 5.1 Fraud Risk Assessment

The objectives of the fraud risk assessment are for all functions in CPALL personnel to proactively perform their duties by identifying, assessing and reviewing the Company's risks of fraud, as well as to raise awareness of potential fraud risks and its impact on the Company's operations. The assessment is to ensure that fraud risks are identified and managed in an appropriate and timely manner. As such, the management of all functions must collaborate in providing any relevant information regarding fraud risks associated with their functions.

The fraud risk assessment is comprised of 3 main steps as follows:

- 5.1.1 Preparation to determine the risk parameters in terms of impact and likelihood of occurrences as well as to determine the risk appetite of the Company.
- 5.1.2 Identification of risks and current internal controls as well as assessment of the current internal controls in place to evaluate the impact and likelihood levels after implementation of the current control in place (residual risk analysis).
- 5.1.3 Establishment and implementation of risk response measures to mitigate the risk to an acceptable level for cases where the current internal controls in place are insufficient to prevent fraud risks.

Thus, the Risk Management Function is assigned for providing advice to the Management in performing the fraud risk assessment as well as consolidating all fraud risk results from the assessment into the Company's documentation. As such, each risk owner must report their current operation on risk management schemes including the on going status of the risk action plan to the Risk Management Function so that they can report to the Board of Directors semi-annually.

Nevertheless, the Risk Management Function shall only be responsible for providing advice and collating risk-related documents; whilst the functions' management will primarily hold responsibility for identifying and assessing the risks including establishing measures for fraud risk mitigation. Additionally, the Internal Audit Office is responsible for assessing the sufficiency and efficiency of the current internal controls in place that have been identified during the risk assessment sessions. If the current internal controls in place are insufficient or inefficient, the Internal Audit Office may offer advice and propose corrective measures to the Management for implementing risk response plan/ action plan to mitigate those risks into an acceptable level.

CPALL shall assess and review fraud risks annually to identify potential risks or changes in fraudulent schemes, scenarios and events. The reviews shall include considerations of changes in operations, new information systems, changes in job roles and responsibilities, new or evolving industry trends and emerging fraudulent threats/schemes.

## **5.2 Anti-Corruption Policies and Procedures**

The Company has established policies and procedures as part of the Company's anti-corruption program – for instance, the Corporate Governance Policy, Anti-Corruption Policy, Anti-Fraud Procedures, Charitable Contribution Procedures, Sponsorship Procedures, Gift and Hospitality Procedures, and other relevant Expense Procedures, and Code of Conduct – in order to foster knowledge, good recognition and practices as well as to raise awareness and create values for anti-fraud.

These policies and procedures must be approved by the Board of Directors or the designated personnel delegated by the Board of Directors. Additionally, the Corporate Governance Subcommittee shall review and revise the related policies and procedures at least annually to ensure that fraud risks are managed and such policies and procedures are properly considered to change according to any changes in business operations and relevant laws and regulations.

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

## **5.3 Communication and Training**

Communication and training play an essential role in fraud prevention to help foster the knowledge, understanding and awareness of the importance of complying with anti-fraud policies and procedures as well as promoting the participation of CPALL personnel in managing the Company's fraud risks through preventing and detecting fraud and communicating to related business partners to illustrate transparency and anti-fraud initiatives at CPALL.

Therefore, the Company has set the steps to communicate the anti-fraud policy and procedures as follows:

- 5.3.1 Establish a formal communication plan for anti-fraud related policies and procedures for the communication to both internal and external parties.
- 5.3.2 Determine appropriate communication channels for each type of audience, whether internal or external, such as newsletters, posters, letters, training, workshops, etc.
- 5.3.3 Determine the frequency of each communication channel.
- 5.3.4 Determine the communication contents to properly cover relevant policies and procedures, the Company's expectations for employees, the policy that

employees will not suffer demotion or punishment for any refusal of involvement with corruption, and enforcement actions to address violations of the program.

5.3.5 Perform communication activities according to the approved annual communication plan.

The communication plan and channels should be reviewed by the Internal Audit Office to ensure the efficiency of the communications.

Furthermore, the communication of policies and procedures related to anti-fraud initiatives is the responsibility of the Communications Management and Image Office, Center of Development, and Procurement Function as well as other functions dealing with external parties. The communication plan must include training sessions on anti-fraud related policies and procedures. Such trainings shall be provided both to new staff as part of orientation induction training and to current personnel as part of annual refresher training.

Additionally, the contents for the training shall include anti-fraud related policies and procedures, the Company's expectations for employees, and disciplinary actions in order to foster understanding and create awareness. The responsibility to communicate relevant policies and procedures to business partners and external parties is assigned to the Public Relations Function.

## 5.4 Due Diligence

An important part of an effective fraud 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 delegates the Human Resources Division to perform due diligence for employees prior to hiring or promoting and delegates the Procurement Function to perform due diligence of related business parties prior to the commencement of work.

The Company may perform appropriate screenings, with the consent of individuals and under the relevant laws and regulations, in the following areas:

- 5.4.1 **Pre-employment screening** - to verify the qualifications, suitability and experience of a potential candidate including historical tracking of fraud.
- 5.4.2 **Key position screening** - to verify the qualifications, experience, financial health, references provided, or conflicts of interest that may occur when taking new position.
- 5.4.3 **Business Partner Screening: Potential vendors, contractors and service providers** - to verify the reliability, qualification, financial health, reputation and product qualification or integrity of business partners including historical tracking of fraud.

Furthermore, it is essential for all Board members, the Management, and employees in key positions, as announced to the Office of the Securities and Exchange Commission, to disclose any conflicts of interest to the Company Secretary within the required timeframe

on an annual basis, as well as to promptly update any relevant changes to the status of their interests.

## **5.5 Internal Controls**

Internal controls are designed and implemented by the Board of Directors, the 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 their responsibilities to mitigate and reduce the identified fraud risks, as well as ensure that the employees under their command fully understand and comply with the designed controls.

The controls designed for each 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 corruption 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 processes regularly, 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 Board of Directors assigns the Internal Audit Office to be responsible for independently assessing the sufficiency, the appropriateness, the efficiency and the effectiveness of the controls designed, as well as providing recommendations for improvements to prevent or detect potential risks, especially fraud risks. The Internal Audit Office must communicate the results of the audit to the auditees for them to understand, develop and implement a realistic action plan to improve their internal control system. The Internal Audit Office must also report the results to the Audit Committee on a quarterly basis; whilst the Management of each function must be responsible to implement the recommended actions proposed by the Internal Audit Office.

Once the anti-fraud program has been implemented, the Internal Audit Office is responsible for evaluating the design and the effectiveness of the program and for reporting the internal audit results to the Audit Committee.

## 6. Detection Procedures

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. Fraud hotline and fraud reporting mechanisms are critical components to detect fraud. Furthermore, to assure the appropriateness, the efficiency and the effectiveness of the detection measures, the Internal Audit Office must evaluate the design and the implementation of its relating controls annually. There are two key activities for fraud detection as follows:

### 6.1 Hotline and Whistle-Blowing 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. 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 reporting such activities.

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

In order to remain anonymous, whistleblowers must provide adequate information for investigation process as follows:

- Name of accused person
- Date and time of occurrence
- Place of incident
- Overview of incident surrounding
- Frequency of occurrence

Currently, the Company has three main reporting channels for both internal and external parties as follows:

6.1.1 Via e-mail by selecting any of the recipient below:

- |                                      |   |
|--------------------------------------|---|
| - The Audit Committee                | E-mail <a href="mailto:AuditCommittee@cpall.co.th">AuditCommittee@cpall.co.th</a> |
| - The Corporate Governance Committee | E-mail <a href="mailto:CGcommittee@cpall.co.th">CGcommittee@cpall.co.th</a>       |
| - The Board of Directors             | E-mail <a href="mailto:BOD@cpall.co.th">BOD@cpall.co.th</a>                       |

6.1.2 Via post by address to:

Internal Audit Office – CP All Public Company Limited  
119 Tara Sathorn Tower, 16th Floor, Soi Sathorn 5,  
South Sathorn Rd., Bangkok, 10120 Thailand

6.1.3 Via Information Center at:

Phone 02 - 071 – 2770

Phone 02 - 826 – 7744

Fax 02 - 071 - 8623

All conditions and procedures for consideration of reporting of suspected fraud are detailed in the Information Reporting Announcement, which can be accessed by both internal and external parties in any areas. Nevertheless, those procedures should be periodically reviewed and updated by the Internal Audit Office and communicated to CPALL personnel and relevant business partners.

If CPALL decides to implement additional whistle-blowing channel(s) in the future, the Internal Audit Office shall establish procedures for whistleblowers and responsible persons to use such additional channel(s), as well as review and update the procedures to reflect the current practices and conduct annual training (including procedures, confidentiality, ethical conduct and related policies).

## 6.2 Reporting Mechanism

In the event where case of fraud is being reported, the Internal Audit Office is responsible for conducting primary investigation. If the case is valid, the Company must delegate an Investigation Committee to seek fact and propose enforcement actions including prosecution in civil and criminal cases. The Investigation Committee must summarize the case (investigation status, enforcement action and statistical occurrences of fraud cases in the organization) and the conclusion of the case to the Corporate Governance Subcommittee in order for the Corporate Governance Subcommittee to report to the Corporate Governance Committee on a quarterly basis. The Investigation Committee must also report to the Central Human Resources Committee and Audit Committee on a quarterly basis, including major fraud issues, where immediate action needs to be taken, must immediately escalated for further consideration.

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



## **7. Fraud Response Procedures**

The fraud response measures are designed to take corrective action and remedy the harm caused by fraud in a timely manner to prevent the same types of fraud from re-occurring. Fraud response measures consist of the investigation, the enforcement and remediation, and the disclosure protocols are as follows:

### **7.1 Investigation**

In the event where case of fraud is being reported, the Internal Audit Office is responsible for conducting the primary investigation. If the case is valid, the Company must delegate an Investigation Committee, which includes representatives from the Internal Audit Office and the Human Resources Division as part of the Investigation Committee, to perform the investigation in accordance with the Company's Procedures on dealing with fraud or illegal activities. Nonetheless, the Company may seek assistance from external experts in the absence or insufficiency of personnel performing such investigations.

Under the investigation process, the Investigation Committee shall fairly and justly investigate the case of alleged fraud. Information shall not be disclosed to any unrelated parties. The Investigation Committee must also report the status of actions taken to address the case of fraud (investigation status), and the investigation results, to the Corporate Governance Subcommittee. If the Investigation Committee encounters obstacles that may impact the Company's operations, the Investigation Committee must immediately escalate the issues to the Corporate Governance Subcommittee for further consideration.

Additionally, the Investigation Committee must prepare the investigation report, report the results, and submit all evidence, both physical and electronic, to the Human Resources Division for retention for at least 10 years or until the expiry of the determined legal period to ensure that there will be sufficient evidences to be used before the court, if necessary.

### **7.2 Enforcement and Remediation**

A firm and decisive disciplinary action will demonstrate that CPALL is an organization that does not tolerate fraud 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**

Once the investigation is completed and concluded as fraud or illegal activities, the Investigation Committee shall propose the enforcement actions based on Employee Working Regulations in the Investigation Report to the Corporate Governance Subcommittee for consideration. The Company considers fraud or illegal activities as major issue with may lead to prosecution of civil and criminal action whereby the Company will not allow for any negotiation for lesser penalty in all cases.

The enforcement process and the results shall be formally documented. Additionally, in the case where the enforcement might be perceived as a legal risk to the Company, the Company will take legal action in all cases.

### 7.2.2 Remediation

After the completion of the investigation, the Investigation Committee and Management shall determine the remedial actions for the cases occurred – 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 for approval.

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

## **7.3 Disclosure**

CPALL delegates the responsibilities to the Corporate Governance Subcommittee for disclosing relevant information on anti-fraud measures or any fraud cases to external parties (such as the Securities and Exchange Commission of Thailand, the Stock Exchange of Thailand etc.) or to the public

CPALL 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 pre-existing documents of the Company. In the case of a reference to another document, the Company shall follow the principles and procedures of the referenced documents to ensure alignment. CPALL Personnel may contact the Corporate Governance Subcommittee for any questions on these procedures.

## **9. Procedures Review and Update**

The Anti-Corruption Procedures are under the supervision of the Corporate Governance Committee. These procedures are reviewed annually or when there are significant changes impacting fraud risk management to ensure that the procedures align with the Company's regulations as well as relevant rules and regulations.

Furthermore, the amendments shall be approved by the Corporate Governance Committee as delegated by the Board of Directors and communicated to all CPALL personnel.