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HATTHA KAKSEKAR LIMITED

THE SPIRIT & THE LETTER

Compliance Department

2017

Table of Contents

Objective of S&L.....	4	International Trade Controls	21
Your Personal Commitment.....	5	Money Laundering Prevention	22
Who must follow The Spirit & The Letter.....	6	Privacy.....	24
What employees must do.....	7	Government Business.....	26
What leaders must do.....	8	Working with Governments	26
Raise Your Voice: Your obligation to raise integrity concerns.....	9	Competing Globally	28
How to Raise an Integrity Concern	10	Complying with Competition Laws	28
What happens when an Integrity Concern is Raised.	11	In the HKL Community	29
Penalties for Violations	12	Good Relationship and Communication	29
HKL Policies and Procedures	13	Fair Employment Practices	29
THE SPIRITS and THE LETTERS		Environment Health & Safety	31
Regulatory Excellence	15	Security & Crisis management.....	33
Working with Customers & Suppliers	17	Protecting HKL Assets	35
Improper payments	17	Intellectual Property	35
Supplier Relationships.....	19	Controllership	37
		Conflicts of Interest	39
		Insider Trading & Stock Tipping.....	41

HKL

Code of Conduct

Objective of S&L

The conduct of every HKL employee may have an impact on our reputation. In each day that we perform our duties in conducting the HKL's business, we must comply with the Spirit and the Letter which helps to ensure that continue to conduct our affairs with unyielding integrity.

All HKL employees also have the responsibility to uphold the highest standards of ethical business conduct. We seek to go beyond simply obeying the law – we embrace the Spirit of Integrity.

The intent has been echoed and becomes apparent in HKL's code of conduct which must be observed by everyday HKL employee, everywhere and every day.

Your Personal Commitment

All employees shall be committed to achieve the result although we must spend our time and utilize our workforce. Employee commitment is highly valued, supported and motivated in order to meet employees' objective and goal. The followings are the activity of high commitment:

- Build feeling of love with HKL
- Be committed on the role and responsibility
- No hesitate to response and participate in all assigned activities
- Show their ability to perform the job.
- Acquire more knowledge and skill to catch up with the emerging world.

Further all HKL's employees must familiarize themselves with the Code of Conduct, including:

- Obey the applicable laws and regulations governing our business.
- Be honest, fair and trustworthy in all your HKL activities and relationships.
- Avoid all conflicts of interest between work and personal affairs.
- Foster an atmosphere in which fair employment practices extend to every member of the diverse HKL community.
- Strive to create a safe workplace and to protect the environment.
- Through leadership at all levels, sustain a culture where ethical conduct is recognized, valued and exemplified by all employees.

HKL's employees must abide at all time while employed by HKL. A notification is circulated notifying all employees to hold these codes as benchmark for conduct while under employment. Supervisors are tasked to observe and ensure observation of these codes by staff. Violators are subject to disciplinary action including and not limit to termination of employment.

You will be asked to acknowledge your awareness that every employee under Krungsri Financial Business Group must follow Code of Conduct and Corporate Policies and raise concerns about possible violations of law or conduct or policy with your manager, ombudsperson, Compliance Department or Legal Department.

The Code of Conduct as laid forth is not all encompassing and is considered to be the task of employees of all levels to use judgment to determine the correct of action in any given situation.

Question to pose to determine the correct action:

1. Whether the course of action taken is moral, legal and is in compliance with guidelines stipulated by HKL.
2. Whether the course of action increases personal integrity and that of the HKL and other
3. Whether the course of action is socially acceptable and can be openly disclosed
4. Whether the course of action can be deemed by others as "improper" behavior

Who must follow The Spirit & The Letter

Directors, Officers and Employees

Subsidiaries and controlled affiliate entities in which HKL owns more than 50 percent of the voting rights or has the right to control entity, are required to adopt and follow S&L.

Non-controlled affiliates

Non-controlled affiliates should be encouraged to adopt and follow HKL Code of Conduct and HKL Compliance Policies.

Third parties representing HKL

HKL employees working with third parties, such as consultants, agents, sales representatives, distributors and independent contractors must:

- require these parties to agree to comply with relevant aspects of HKL corporate compliance policies
- provide these parties with education and information about policy requirements
- take action up to and including terminating a contract, after learning that a third party failed to abide by HKL Compliance Policies.

What employees must do

All employees can contribute to HKL's culture of compliance by understanding HKL policies, embracing HKL's commitment to integrity and acting to enforce compliance and avoid violations.

Employee responsibilities are as follows:

Understand HKL Policies

- Gain a basic understanding of the policy requirement
- Learn the details of policies relevant to your job
- Check [HKL E-library](#) for complete and up to date policies
- Go to your direct supervisor, Compliance Department and Legal Department with any questions about the policies.

Raise Your Concerns

- Promptly raise any concern about potential violations of any HKL policy
- Understand the different channels for raising integrity concerns: manager, ombudsperson or Compliance Department.
- If a concern you raise is not solved, pursue the issues! Raise it through another HKL channels.
- Cooperate in HKL investigation related to integrity concerns.

What leaders must do

A manager or supervisor must create a culture of compliance in which employees understand their responsibilities and feel comfortable raising concerns without fears of retaliation; encourage ethical conduct and compliance with the law by personally leading compliance efforts; consider compliance efforts when evaluating and rewarding employees; and ensure that employees understand that business result are never more important than ethical conduct and compliance with HKL policies.

Manager/supervisor must also take the following steps to build and infrastructure to prevent, detect and respond to compliance issues:

Prevent compliance issues:

- Identify business compliance risks
- Ensure that processes tailored to address your particular risk areas, are communicated and implemented
- Provide education on HKL policies and applicable law to employees and (where appropriate) board members and third parties.
- Commit adequate resource to your business's compliance program.

Detect compliance issues

- Implement control measures, such as “dashboard” and “scorecards”, to detect heightened compliance risks and/or violations.
- Promote an effective ombudsperson system.
- Ensure that periodic compliance reviews are conducted, with assistance of business compliance champions and/or the Internal Audit staff.

Respond to compliance Issues

- Take prompt corrective action to fix identified compliance weaknesses.
- Take appropriate disciplinary action.
- Consult with Legal Department and make appropriate disclosure to regulators and law enforcement authorities.

Raise Your Voice: Your obligation to raise integrity concerns

Raising an integrity concern protects the HKL community: our company, our colleagues and our stakeholders.

If you have a concern about compliance with HKL policy, you have a responsibility to raise that concern.

Raise Concern Early

The longer we wait to address a concern, the worse it may become

You May Remain Anonymous

However, if you identify yourself, we are able to follow up with you and provide feedback.

Confidentiality is Respected

Your identity and the information you provide will be shared only on “need-to-know” basis with those responsible for resolving the concern.

Retaliation Violates HKL Policy

HKL absolutely prohibits retaliation against anyone for raising or helping to address an integrity concern. Retaliation is grounds for disciplinary action which may include dismissal.

How to Raise an Integrity Concern

HKL offers several channels for raising concerns. Use the channel that is most comfortable for you.

Within Your Business

Generally, your supervisor or manager will be in the best position to resolve an integrity concern quickly. However, your direct supervisor is not your only option. Other resource include:

- Next higher level of management
- Compliance Department
- Ombudsperson

HKL Ombudsperson

HKL Ombudsperson process allow you to voice your integrity questions and concerns, anonymously if you choose and you will receive a response, if you identify yourself.

Channel to contact the Ombudsperson:

Mail: ombudsperson@hkl.com.kh

What happens when an integrity concern is raised

Concerns about compliance with HKL policy will be investigated. HKL investigation process includes:

1. Assigning an investigation team

Expert with the right knowledge and objectivity are assigned to investigate.

2. Conducting an Investigation

The team determines the facts through interview and/or review of documents.

3. Corrective Action

If necessary, the team recommends corrective action to the appropriate manager for implementation.

4 Feedback

The person raising the concern receives feedback on the outcome.

Penalties for Violations

Employee and supervisors who violate The Spirit and The Letter of HKL's policies are subject to disciplinary action up to and including termination of employment. Branch Disciplinary committee and Head office Disciplinary committee are obliged to ensure and handle all disciplinary actions against an employee who violates the Code of Conduct, according to the misconduct and disciplinary action procedure. Misconduct that may result in discipline includes:

- Violating HKL policy
- Requesting other to violate HKL policy
- Failure to promptly raise a known or suspected violation of HKL policy
- Failure to cooperate in HKL investigations of possible policy violations
- Retaliation against another employee for reporting on integrity concern
- Failure to demonstrate leadership and diligence to ensure compliance with HKL policies and law.

HKL Policies and Procedures

Your business may issue its own policies and procedures. You must follow those policies and procedures in addition to those describe in this guide.

HKL

The Spirit & The Letter

Policies

Regulatory Excellence

Virtually all of our Spirit & Letter policies are based on government laws and regulations. These regulations impact every business and every employee. Regulators establish and define the rules that we must comply with to conduct business. Effectively engaging with regulators as they establish regulations and assuring compliance with these regulations are critical to maintain HKL's reputation for integrity.

Today's regulatory environment is becoming more and more challenging. HKL is subject to a growing number of regulations and enforcement activities. This environment demands that every employee and manager is aware, knowledgeable and committed to regulatory excellence.

Responsibilities of all employees

- Be knowledgeable about and comply with Spirit & Letter policies that affect your job responsibilities.
- Be aware of the specific regulatory requirements that affect your business.
- Gain a basic understanding of the regulators (who they are) and the regulatory priorities (What they require) that affect your business and your work.
- Promptly report any potential issues that may lead to a regulatory compliance breach.
- Always treat regulators professionally with courtesy and respect.
- Assure that you coordinate with HKL's designated persons when working with or responding to requests of regulators.

Responsibilities of Managers

Managers have the following special responsibilities for regulatory compliance:

Lead

- Assure that you and your team are engaged in addressing regulatory policy, meeting regulatory requirements and managing regulatory risks.
- Embed regulatory requirements into key operating processes.

Assess

- Determine the key regulators and regulatory requirements that affect your business operations.

Resource

- Assign owners for all regulatory risk areas to coordinate with the HKL Compliance Department.
- Confirm that the right domain expertise exists to effectively manage regulatory relationships and compliance.

Anticipate

- Implement effective processes that alert you to new and changing regulations. Include regulation in your risk assessments.

Relate

- Develop and maintain effective relationships with regulators

- Work proactively with regulators on the development of regulations that achieve policy objectives efficiently and effectively.

Control

- Monitor execution and conduct audits to assure that processes which support regulatory relationships and compliance are operating effectively.

Working with Customers & Suppliers

To introduce a new product to corporate customers, you arrange a conference at a beach resort hotel and invite the target corporate customers to join the conference at HKL expense, but also want to add a sea-diving trip.

Can we fund the whole trip?

Improper payments

What to know

An improper payment to gain advantage in any situation is never acceptable and exposes you and HKL to possible criminal prosecution. HKL expressly prohibits improper payments in all business dealings, in every location, with both government and private sectors.

Improper payments should not be confused with reasonable and limited expenditures for gifts, business entertainment and customer travel and living expenses directly related to the promotion of products or services or the execution of a contract. These payments are acceptable, subject to specific HKL corporate and business guidelines.

ANSWER TO THE ABOVE QUESTION

You should consult your manager or contact compliance division to determine whether the trip is acceptable. Since we have to consider many factors which include whether your customer is a government official, HKL or customer's guiding policy on this issue, and any other relevant concerns.

What to do

Before giving a gift, engaging in customer entertainment or reimbursing customer travel expenses, make sure you understand applicable legal requirements, the customer's own rules and HKL corporate and business guidelines.

Make sure records of such expenditures accurately reflect the true nature of the transaction.

Never offer a business courtesy, such as a gift, contribution or entertainment, under circumstances that might create the appearance of an impropriety.

Never offer, promise, pay or authorize anything of value (such as money, goods, services) to a government official or employee of a customer to obtain or retain an improper advantage.

Never give a gratuity or other payment to government officials or employees to expedite a routine administrative action without fully disclosing it to Legal Department. Some national laws that prohibit bribery outside that nation include an exception for 'facilitating payments' to expedite a routine administrative action to which a person is otherwise entitled. These payments are often illegal and HKL strongly discourages them. Make sure you understand the difference between a bribe – corruptly giving

someone else a thing of value in exchange for exercising discretion in your favor – and a facilitating payment, which involves the payments of a small amount of money to expedite a routine action to which you are entitled.

Never contribute HKL funds or other HKL assets for political purposes without the prior approval of Legal Department.

Require any person or firm who represents HKL (such as consultant, agent, sales representatives, distributor or contractor) to comply with this policy and related laws.

Follow your business due diligence procedures when selecting persons or firms to represent HKL.

[What to watch out for](#)

Background information about existing or potential third-party representatives that indicates:

- Allegations of improper business practices
- Reputation for bribes
- Family or other relationship that could improperly influence the decision of a customer or government official

Any demand to receive a commission payment before the announcement of an award decision.

Any suggestion to direct HKL business through a specific representative or partner due to “special relationship”.

Any request to make a payment in a country or to a name not related to the transaction.

A commission that is disproportionate to the services provided.

Supplier Relationships

Your low-cost supplier offers good quality and reliable delivery at prices that cannot be beat. But you are uncomfortable with the working and living conditions it provides to its workers.

Shrug it off, or make an issue of it?

What to know

HKL's relationships with supplier are based on lawful, efficient and fair practices. We expect our suppliers to obey the laws that require them to treat worker fairly, provide a safe and healthy work environment and protect environmental quality. Following HKL guidelines helps ensure that our supplier relationships will not damage HKL's reputation.

ANSWER TO ABOVE QUESTION

Do not shrug it off. It's a big issue – our reputation depends on doing business only with suppliers that deal responsibly with their workers and with their local environment.

What to do

Comply with Applicable Laws and government regulations covering supplier relationships.

Do business only with suppliers that comply with local and other applicable legal requirements and HKL guidelines relating to labor, the environment, health and safety.

Provide a competitive opportunity for suppliers to earn a share of HKL's purchasing volume, including small businesses and businesses owned by the disadvantaged, minorities, women and disable veterans.

Safeguard HKL's confidential and proprietary information with a confidentiality agreement, and safeguard any supplier provided information protected by any confidentiality agreement.

Safeguard "personal data" obtained from suppliers. (for instructions, see "Privacy" on page 24).

What to watch out for

Choosing suppliers on any basis other than open, competitive bidding.

Potential conflicts of interest in supplier selection, such as accepting improper gifts or other items of value.

Directing business to a supplier owned or managed by a relative or close friend.

Unsafe conditions in supplier facilities.

Supplier employees who appear to be underage or subject to coercion.

Apparent disregard of environmental standards in supplier facilities.

Entrusting "personal data" or confidential information to suppliers without ensuring that they have appropriate technical, physical, and organizational measures to prevent unauthorized access or use.

International Trade Controls

What to know

Japan has laws and the Foreign Exchange & Trade Law of Japan or so called “JFEL Sanction” to its embargoed countries or sanctioned persons, and the United States has laws and regulations to control financial service transactions crossing its borders and financial transactions services to its embargoed countries or sanctioned persons, so called “U.S. Sanction”. As a member of United Nations, Thailand adopts certain UN’s directives and sanction program, so called UN Sanction.

In addition, The United States also controls the release of technical information to non-U.S. nationals.

It is important that we carefully observe International Trade Controls (ITC) laws in connection to trade services business, international fund transfer business and importing of software and technology for our own use.

What to do

Comply with relevant laws and regulations as they relate to providing cross border financial services.

Ensure providing accurate and complete information to authorities. Check documents supporting cross border transactions to ensure our service not violating relevant laws and regulations.

Screen your transactions against all applicable rules that restrict transactions with certain sanctioned countries, persons and prohibited end uses.

Screen all your business partners involved in international transactions against government provided watch lists. Follow your business’s “**Know Your Customers**” procedures.

Be caution of any restrictive trade practices or boycott, especially restrictive imposed under U.S. sanctioned program – facilitating such a restrictive trade could damage HKL business and reputation.

Consult with your manager if a transaction involves a restrictive trade practice.

What to watch out for

Reluctant or otherwise unsatisfactory answers by a customer to questions, i.e. about beneficiary or origin of product imported/ exported.

Involvement of parties or activities suspected of any connection with the development of biological, chemical or nuclear weapons, or ballistic missiles.

Transactions involving an embargoed country, a citizen or representatives of an embargoed country or an individual or entity subject to a sanction program.

Money Laundering Prevention

A long-time valuable customer of a branch often makes large amount of deposit and withdrawal, over USD50,000, in cash but the value per transaction is always less than USD10,000. Having considered that the customer is a valuable customer to the branch and making value per transection of less than USD10,000 is his normal behavior as a suspicious transaction.

Should branch not report his behavior as a suspicious activity?

What to know

People involved in criminal activity – e.g. terrorism, narcotics, bribery, and fraud – may try to “launder” the proceeds of their crimes to hide them or make them appear legitimate. More than 100 countries now have laws against money laundering, which prohibit conducting transactions that involve proceeds of criminal activities. A related concern is that legitimate funds may be used to finance terrorist activity.

HKL is committed to complying fully with all anti-money laundering and anti-terrorism laws. HKL will conduct business only with reputable customers involved in legitimate business activities, with funds derived from legitimate sources. HKL shall implement risk-based “Know Your Customer” due diligence procedures calibrated to the risk in question, and to take reasonable steps to prevent and detect unacceptable and suspicious forms of transactions. Failing to detect customer relationships and transactions that place HKL at risk can severely damage HKL’s integrity and reputation.

ANSWER TO ABOVE QUESTION

Our AML law requires reporting cash transaction valued USD10,000 and up and any person of integrity will follow the law. Avoidance of following the law is red flag of a suspicious activity.

Should you have any doubt whether or not you should report as a suspicious activity, please consult compliance Department.

What to do

Comply with all applicable laws and regulations that prohibit money laundering and support and financing of terrorism, and that require the reporting of cash or suspicious transactions. Understand how these laws apply to your business.

Follow your business “Know Your Customer and Customer Due Diligence” Procedures.

Collect and understand documentation about prospective customers, agents and business partners to ensure that they are involved in legitimate business activities and their funds come from legitimate sources.

Follow your business’s rules concerning acceptable forms of payment. Learn the types of payments that have become associated with money laundering (e.g. multiple money orders or travelers checks, or checks on behalf of a customer from an unknown third party).

If you encounter a warning sign of suspicious activity, raise your concern to Compliance Department, Legal Department be sure to resolve your concern promptly before proceeding further with the transaction. Ensure the resolution is well documented.

What to watch out for

A customer, agent or proposed business partner who is reluctant to provide complete information, provide complete information, provide insufficient, false or suspicious information or is anxious to avoid reporting or record keeping requirements.

Payments using monetary instruments that appear to have no identifiable link to the customer, or have been identified as money laundering mechanisms.

Early repayment of a loan in cash or cash equivalents.

Transactions that are unusual or complex patterns or inconsistent with the customer's business or payment terms or reflect no real business purpose.

Unusual fund transfers to or from countries unrelated to the transaction.

Transactions involving locations identified as secrecy havens or areas of known terrorist activity, narcotics trafficking or money laundering activity.

Transactions involving foreign shell or offshore banks, unlicensed money remitters or currency exchangers, or nonbank financial intermediaries.

Structuring of transactions to evade record keeping or reporting requirements (for example, multiple transactions below the reportable threshold amounts).

Request to transfer money or return deposits to a third party for reasons unknown.

Privacy

A representative from a potential new customer or supplier has given you his name card, containing his name and contact details.

Is it OK to put this information in a database where other HKL staff can access it?

What to know

A growing number of countries are more stringently regulating the collection and use of consumers' "personal data" (names, home and office contact information and other data). In addition, many countries regulate personal data of company representatives in business-to-business transactions. A few countries even regulate the privacy of information relating to corporations. HKL is committed to handling personal data responsibly and in compliance with applicable privacy laws.

ANSWER TO ABOVE QUESTION

No, the information is personal data unless he has granted express consent.

What to do

Learn and comply with the following as they apply to personal data including:

- Applicable laws and regulations of jurisdictions from which the personal data is collected and in which it is processed or used.
- The privacy policies of HKL and your business
- Any contractual obligations that apply.

Collect, process and use personal data for legitimate business purposes only.

Use "Anonymous" data (names removed and not identifiable) or "aggregated" data (summarized so as not to be identifiable to an individual) instead of personal data where appropriate or required.

Limit access to personal data to individuals who need it for legitimate business purpose.

Use care to prevent unauthorized access in processing of personal data or accidental loss or destruction of personal data.

If you learn that personal data has been used in violation of this policy or your business privacy implementing procedures, or if you learn that the security of any system or device containing personal data has been compromised, immediately notify your manager, Compliance Department or Legal Department.

What to watch out for

Inadequate access or security controls for personal data, such as e-mailing or otherwise distributing personal data to a larger group than legitimately needed or leaving printouts with personal data at a printer, copy machine or fax machine for others to see.

Sharing of personal data with unaffiliated third parties, such as vendors or suppliers, who lack appropriate security safeguards or restrictions on information use.

Transfers of personal data between countries, without considering applicable legal requirements.

Government Business

Working with Governments

You propose a complex risk management product to a customer who is a government agency. You know other banks also propose similar products to the customer. Once the customer agrees to buy our product, you immediately sign the contract.

Is it OK to urgently sign the contract even before ensuring the customer fully understands the risk associated with the products and can enter into the contract?

What to know

When HKL works as a direct or indirect counter party with governments and government-owned enterprises, in the course of our work, we frequently interact with government agencies and officials. In every instance, HKL employees must apply the highest ethical standards and comply with applicable laws and regulations, including certain special requirements associated with government transactions.

ANSWER TO QUESTION

We should ensure that the government agency has capacity to undertake the risk and enter into the contract to protect HKL from business risk as well as reputational risk.

What to do

Abide by applicable laws and regulations relating to working with governments, particularly special requirements associated with government contracts and transactions.

Require anyone working with HKL – i.e. as a consortium member, a financial advisor – to provide financial services to government to agree to comply with the intent of HKL's Working with Governments policy.

Be truthful and accurate when dealing with government officials and agencies.

Adopt processes that ensure reports, certification, statements and proposals are current, accurate and complete and that contract requirements are adequately identified and communicated to the responsible parties.

Do not make any unauthorized changes or deviate from contract requirements without the written approval of the authorized government official.

What to watch out for

Special requirements that apply to transactions with governments, including commercial transactions between private parties financed by government agencies or international agencies.

Incorrect or unauthorized charges on government contracts.

Deviations from contract requirements, i.e. allow withdrawing a loan prior to the completion of a task as specified in the government contract.

Violating government regulations that establish gratuity restrictions or bidding procedures.

Accepting information about a government's competitive selection of a supplier, or competitors' bid or proposal (unless the contracting officer or agency leader has specifically and lawfully authorized the information's release).

Negotiation for employment with government official or government official's family members while the official has the ability to influence decision making about contracts with the government.

Competing Globally

Complying with Competition Laws

What to know

HKL commits to operate our business with good governance.

Not only by strengthening our own good governance culture we would like to extend good governance to our societies and communities we live in.

Our competition laws, even though they are aimed to prevent unfair competitions among players in industrial sectors, we, as a financial facilitator to industrial sectors, require prior review in order to prevent the act of supporting customers violating competition laws.

What to do

Observe competition laws about how business should be conducted.

Review and understand both HKL and business specific policies and procedures, and if you have questions or issues, bring them up with legal advisory department.

Observe our customers' behavior concerning violations of competition laws and if any, take into consideration as a criterion to grant a loan to such customers.

Do not facilitate a customer who intends to use our facilitation as a vehicle to evade competition laws; for example using our letter of guarantee to bid a government project but not intend to win the bid or just to make the bidding appeared to be transparent, using our fund to facilitate unlawful merger or acquisition or to facilitate market activities in which will result in monopolizing the market or evading antidumping law.

Avoid contracts with suppliers or business partners that could create appearance of improper agreements or understandings.

Do not facilitate customers or suppliers who do not intend to use our facilitation for their own use (in other words, customers or suppliers who are nominees of unknown persons).

What to watch out for

Exclusive arrangements – if our customer or supplier is contracted, as an exclusive or sole agent broker licensee or licensor, to produce / to supply / to use its products or services, ensure the customer or the supplier does not violate competition laws.

Arrangements that restrict customers' choices.

In the HKL Community

Good Relationship and Communication

Communication is built with respect for human dignity and equality among each other, including employees, customers, business partners, suppliers, local authorities and other stakeholders. All employees have to comply and keep good relations.

Example: HKL creates the culture of good relation with dignity through calling each other Lork Krou, Neak Krou (Teacher) to show mutual respect in term of learning from each other.

Fair Employment Practices

What to know

Fair employment practices do more than keep HKL in compliance with applicable labor and employment laws.

They contribute to a culture of respect. **HKL is committed to complying with all laws pertaining to privacy, working time, wages and hours, no employment discrimination and freedom of association.** In the name of HKL, employees do not have rights to express the support of any political party or participate in the election campaign or involve in any political conflict. Beyond legal compliance, we strive to create environment considerate of all employees wherever HKL business is being conducted.

What to do

Base employment decisions on job qualifications (e.g. education and experience) and merit (an individual's skills, performance values, leadership and other job related criteria).

Make all employment related decisions and actions without regard to person's race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law.

Provide a work environment free of improper harassment and bullying.

Respect the privacy rights of employees by properly, maintaining and transferring personal data. (While seeking to maintain employee privacy, HKL reserves the right to monitor use of company property, including computers, e-mail, phones, proprietary information, etc. in accordance with applicable law.)

If a conflict arises between the requirements of this policy and the laws, customs or practices of a particular area, consult with management and Legal Department to determine the most appropriate course of action.

What to watch out for

A hostile work environment (for example, telling jokes or displaying materials that ridicule or offend a member of a particular race, religion or sex).

Making unwelcome sexual advances to another employee or person with whom you work.

Violating a labor law – for example, wages paid for working overtime, working hours of staff working in shift.

Refusing to work, or otherwise cooperate with certain individuals because of their race, religion, sex or other characteristic protected by law.

Disclosing employment data to a person who does not have business need, authority or the subject's consent.

Taking an adverse action against an employee (e.g. firing) because the employee has raised a concern about a violation of policy or law.

Environment Health & Safety

A department places 50 boxes containing documents to be delivered to warehouse for record keeping in the next few days. The boxes are placed along a walkway and take some space of fire-exit. It is difficult for 2 persons to walk passing through the area at the same time.

Should you place those boxes there?

What to know

Protecting the environment and the health and safety of employees is the law – and HKL believes it is also the right thing to do. Through management leadership and employee commitment, HKL commits to provide safe workplaces, not only for staff safety but also for customers or anyone who visit our workplaces. This policy affects all HKL activities – not just HKL’s workplaces, but everything we do – for example, acquiring a new business or providing customer service or driving a car on HKL business.

ANSWER TO THE ABOVE QUESTION

No, blocking the walkway of the fire exit would be considered as an unsafe working environment. Thus, do not place any article blocking the fire exit.

What to do

Comply with all applicable environment health and safety

Labor laws, related prakas of EHS and HKL EHS policies.

Create and maintain a safe working environment and prevent workplace injuries.

Assess EHS legal and reputational risks before acquiring a new business, especially a new business involved a hazardous business.

Consider EHS impacts as a credit criterion – take into account that if a customer violates EHS law and regulations, it may impacts its ability to repay our loan and impact our reputation as a company that funds an environmental hazard business.

Eliminate unreasonable EHS risks from HKL’s facilities, products, services and activities.

As practicable, reduce toxic and hazardous materials; prevent pollution; and conserve, recover and recycle materials, water and energy.

Continue to improve our EHS systems and performance as an integral part of HKL’s operational strategy.

Present Ideas that support the goals of this policy to your manager.

Promptly alert your manager or EHS contact of unlawful or unsafe conditions.

What to watch out for

Unsafe activities and conditions, such as

- Exposed or unsafe wiring
- Blocked fire or emergency exits
- Working on electrical or powered equipment without following safety (e.g. “lock-out, tag-out”) procedures.
- Potential exposure to serious infectious diseases
- Disabling safety control or protective guarding on equipment and machinery.

Failure to comply with health, safety or environmental regulations and procedures.

EHS complaints or unreported environmental, health or safety hazards or accidents or failure to respond to concerns about possibility to damage environment or public health and safety that are involved our customers’ operations should be taken into account as a potential to our credit risk and reputational risk.

Inadequate security procedures or practices that may present safety threats to a facility and/or employees.

New business acquisitions that may increase or lead to credit and reputational risks to our company.

Security & Crisis management

A Mexican customer requests for account opening with HKL. I don't have time to check the customer against our blacklist. I know that Mexico is not a country sanctioned by the UN or the U.S.

Can I process the account opening request now and I will check the names later?

What to know

In an age of increasing terrorist threats, protecting the security of our people, workplaces, information and business is critical. It starts with every business implementing a rigorous and comprehensive security and crisis management (SCM) plan. HKL's SCM plan includes measures for preventing terrorist and other criminal acts on our employees, facilities, information, information technology (IT) infrastructure, business continuity and crisis management. In addition, employees must take every precaution to avoid doing business with known terrorists or those known to support terrorist activity.

ANSWER TO THE ABOVE QUESTION

No, do not process the request until the screening is done. HKL cannot agree to business for a customer until all required blacklist screening has been performed.

What to do

Implement rigorous plans to address the security of employees, facilities, information, IT assets and business continuity.

Participate in your business emergency planning and emergency drills.

Comply with the entry and exit rules at HKL facilities, including wearing the appropriate badge.

Protect access to HKL facilities from all but authorized personnel.

Protect IT Assets from theft or misappropriation.

Create and maintain a safe working environment – this includes identifying and reporting indicators of workplace violence.

Conduct appropriate background checks on new hires and contractors, wherever allowed by law.

Ensure proper business continuity plans are prepared for an emergency.

Screen all customers, suppliers, agents, dealers and business partners against appropriate terrorist watch lists.

Report any apparent security lapses to your manager, crisis management leader or HKL

Ombudsperson.

What to watch out for

Individual at HKL facilities not wearing appropriate badges and loitering in our premises.

Unsecure IT assets such as laptop, servers, etc.

Unsecure areas of a facility where only authorized personnel allowed to enter

Security complaints from employees, customers or neighbors.

Unauthorized entry to a facility.

Doing Business with a customer, supplier or any third party without sufficient screening.

Protecting HKL Assets

Intellectual Property

Product Department has internally revealed an innovative financial instrument. A big customer of mine is pressing me to describe the new instrument to her now because she needs to make her decision this week. I know HKL wants to protect the feature but I'm not sure the application has been filed yet.

Can I show the customer the new product?

What to know

HKL's intellectual property is one of its most valuable assets.

All employees must work to safeguard our patents, trademarks, copyrights, trade secrets and other proprietary information. At the same time, **it is critical that we respect the valid intellectual property rights of others.** Unauthorized use of others' intellectual property can expose the Company and even individual HKL employees to civil law suit and damages, including significant fines and criminal penalties. A key to protecting our intellectual property and, at the same time, guarding against these risks, is the timely and reasonable review of new HKL products, services, processes and software, for possible inventions and trade secrets and infringement of the intellectual property rights of others.

ANSWER TO THE ABOVE QUESTION

No. You should consult with your manager if the product has gone through internal approval process as well as regulatory process and reach the stage that you could release it to a customer.

What to do

Protect our brand – use of our brand and HKL's name shall be reviewed by Legal and Compliance Department.

Respect valid patents, copyrighted materials and other protected intellectual property of others.

Consult with legal advisory department concerning necessary licenses or approvals to use protected intellectual property of other such as patents, trademarks or proprietary information (i.e. information that is in confidence and not publicly known or generally available).

Consult with Legal Department before:

- Soliciting, accepting or using proprietary information of outsiders (for example, obtaining name list from illegal source)
- Disclosing our proprietary information to outsiders
- Permitting outsiders to use our proprietary information

Understand your responsibilities to protect our trademark and trade name. Consult with legal advisory department if you have any question about the responsibilities.

Comply with the guidelines for use of HKL and our Financial Business Group's as our strategic partner primary trademarks and trade names.

What to watch out for

Accepting proprietary information belonging to outsider without first consulting company legal advisory department.

Discussing HKL proprietary information with customers or suppliers.

Using another company to develop new products or software without a written agreement in place covering ownership and other rights in the developed intellectual property.

Threatening anyone suspected of infringing any HKL intellectual property without first consulting with Legal Department.

Employing a new person, especially a person who previously worked for a competitor, without putting in place safeguards to prevent the person from inadvertently disclosing or using the proprietary information of the previous employer.

Controllership

What to know

Controllership embodies three fundamental elements: (1) rules that classify transactions and balances appropriately; (2) systems and controls that protect assets and accumulate information consistently and correctly; and (3) financial and transaction reporting that is timely and unbiased.

Controllership creates the right environment for disclosing timely, reliable and accurate information to government agencies and the public.

What to do

Follow general accounting procedures, as well as applicable generally accepted accounting principles, standards and regulations for accounting and financial reporting.

Ensure that financial and non-financial information and operating metrics are reported accurately and in a timely fashion.

Maintain complete, accurate and timely records and accounts to appropriately reflect all business transactions.

Safeguard all company assets (physical, financial and informational).

Provide timely, candid forecasts and assessments

Maintain sound processes and controls.

Complying with established document management procedures as well as all applicable laws and regulations relating to the preservation of documents and records.

Preserve documents and records relevant to pending or reasonably foreseeable litigation, audits or investigation, and as directed by legal advisory department and court proceeding division.

What to watch out for

Financial results that seem inconsistent with underlying performance.

Inaccurate financial records, such as overstated travel and living expense reports, or erroneous timesheets or invoices.

Transactions that are inconsistent with good business economics.

Absence of controls to protect assets from risk of loss.

Physical assets or other resources that could be more fully used, reallocated or disposed of.

Circumventing review and approval procedures.

Inadequate Routines and Controls at newly acquired businesses and at remote or understaffed sites.

Inadequate Routines and Controls to preserve documents (including e-mail) for pending or reasonably foreseeable litigation, audits and investigations.

Disposal of Documents without knowing what is being discarded or whether the documents are subject to legal preservation requirements.

False or exaggerated statements in e-mail, presentations or other documents.

Conflicts of Interest

Your cousin owns a company that supplies office equipment to HKL.

Is that a prohibited conflicts of interest, no matter what HKL's function you're in?

What to know

On the job or in our free time, nothing you do should conflict with your responsibilities to HKL. No activity at work or at home should hurt HKL's reputation or good name. Misusing HKL resources or influence is also prohibited. Even when nothing wrong is intended, the appearance of a conflict can have negative effects. It is crucial to consider how your actions might appear, and to avoid the perception of a conflict of interest.

ANSWER TO THE ABOVE QUESTION

This is not explicitly prohibited, but the Conflicts of Interest policy requires that you disclose the situation to management, if you or your department is involved in the selection of the supplier or the ordering of supplies related to this supplier, and that you do not attempt to influence HKL business with your cousin's company.

What to do

Disclose (in writing to your manager and **to compliance**) all of your outside activities, financial interests or relationships that may either present a conflict or the appearance of one.

Use good judgment in all personal and business dealings outside your HKL job.

Avoid Actions or Relationships that may cause potential conflict or create the appearance of a conflict with your job or HKL's interests.

Do not Misuse or use for personal gain HKL resources, intellectual property, customer contracts, time or facilities – this includes office equipment, e-mail and computer applications.

Do not take for yourself personally any opportunities that HKL could have an interest in that result through the use of HKL position, information or property.

Get Approvals before accepting officer or director positions with an outside business while you are a HKL employee.

Get your Manager's Approval when accepting not-for-profit board positions, particularly if the organization has a HKL relationship or might expect HKL financial or other support.

What to watch out for

Financial Interests in a company where you could personally affect HKL's business with that company (for example, a customer, supplier or investment).

Part-time Jobs which you perform using HKL hours or HKL equipment or materials.

Gifts of other than nominal value from suppliers, customers or competitors, particularly if you're making decisions (on HKL's behalf) that involve them.

Personal Discount or other benefits from suppliers, service providers or customers that the public or your HKL peers do not receive.

Directing Business to suppliers when you know they are owned or managed by your family members or close friends.

Misusing HKL Resources, your position or influence to promote or assist an outside activity.

Hiring, Promoting or Directly Supervising a family member or close friend.

Personal Relationships that may conflict with your HKL responsibilities or compromise company interests.

Insider Trading & Stock Tipping

I was chatting with my brother and mentioned that I had an upcoming business trip to close the deal for HKL to acquire Company X.

Could this create a problem?

What to know

In the course of your job, you may learn of material information about HKL or Krungsri or other companies before it is made public. You may be the relationship manager of the company or may simply overhear a hallway conversation or come across a memo left at a copy machine. Using this information for your financial or other personal benefit or conveying this information to others constitutes a violation of this policy and may even violate the law. This includes buying or selling the securities of any company about which you have material non-public information and giving this “inside information” to anyone else who might base financial trades on the information you’ve shared.

ANSWER TO ABOVE QUESTION

Yes, if Company X is a public company and the possible acquisition of Company X has not been publicly announced. If your brother trades Company X stock based on your tip, both of you could be charged with insider trading.

What to do

Do not buy or Sell the securities of any company, including Kurngsri, either directly or through family members or other persons or entities, while you are aware of inside information about the company. (This is known as “insider trading.”).

Do not recommend or Suggest that anyone else buy or sell the securities of any company, including Krungsri, while you have inside information about the company. (This is known as “tipping.”).

Maintain the Confidentiality of Company information and do not convey information to anyone outside the Company unless it is necessary for the Company’s business activities.

If questions arise, consult company counsel before trading in the security or disclosing company information.

What to watch out for

Non-public information Which, If Disclosed, would reasonably be expected to affect the price of a security or would influence your decision to buy, sell or hold a security, such as an earnings announcement or a prospective acquisition announcement (this is known as “inside information”).

Buying or Selling a Security because you hear or learn of information at work that you think will make the price go up or down once it's publicly announced.

Engaging in Trading Activity around the time of a significant company announcement.

Discussing HKL Business with family and friends.

Talking about what you're working on.