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**Operating Guidelines and Procedures for Financial Sponsorship,  
Hospitality, Travel and Entertainment, Gifts, Financial  
Assistance, Charitable Donations, and Political Contributions**

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## **Operating Guidelines and Procedures for Financial Sponsorship, Hospitality, Travel and Entertainment, Gifts, Financial Assistance, Charitable Donations, and Political Contributions**

By virtue of clause 5.7 of Notification Gor Jor 038/2560 on Anti-Bribery and Corruption Policy, dated 5 June 2017, and in alignment with the notification of the National Anti-Corruption Commission concerning Provisions of the acceptance of assets or any other benefit on a moral obligation basis by state officials B.E. 2543 (2000) and relevant notifications issued by the Securities and Exchange Commission, currently enforced and any other regulations to be introduced in the future, including amendments (these currently include the notification of the Capital Market Supervisory Board Tor Thor 35/2556 covering standard conduct of business, management arrangement, operating systems, and providing services to clients of securities companies and derivatives intermediaries and notification Nor Por 1/2558 on guideline for policy, measures, and operations to address conflict of interests with clients), as well as to comply with the guidelines established by the Private Sector Collective Action Coalition Against Corruption (CAC, the board of Krungthai Asset Management Public Company Limited has passed a resolution through board meeting 7/2017 on 18 January 2017 to establish written guidelines on providing financial sponsorship, hospitality, travel and entertainment, gifts, financial assistance, charitable donations, and political contributions that shall apply to the board of directors, management, and any type of employee. This will provide clear operating guidelines to comply with, going forwards.

### **Glossary of Terms**

**Political contributions** refer to contributions made on behalf of the company, whether financial or in-kind with the intention of providing support for political activities. Financial assistance may include extension of loans while contributions in-kind may include providing goods or services, promotional advertising, support for the party or politician, etc. Excluded are contributions towards improving democracy through means which the law permit.

**Acceptance of assets or other benefits on social or festive occasions** refers to the acceptance of assets or benefits from relatives or acquaintances on typical social or festive events common with social or cultural norms.

**Guidelines on giving** refers to guidelines applied to the amount of money offered as financial sponsorship, hospitality, travel and entertainment, gifts, financial assistance, charitable donations or any other benefits to clients or relevant persons or patrons of the company.

**Guidelines on accepting** refers to guidelines covering the acceptance of gifts and financial assistance, hospitality, travel and entertainment, or any other benefits.

**Gifts and financial assistance** refers to cash, valuables, or anything of psychological value, that is given or accepted on important occasions as determined by popular practice or cultural norms. This also include giving or accepting benefits typically exchanged as normal social etiquette or as part of local traditions, such as new year's gifts, birthday gifts, job promotion celebrations, cash donations for funerals, funeral rites, or any other similar events.

**Hospitality and travel and entertainment** refers to expenditures to treat and entertain according to social and cultural norms, covering the giving or accepting of privileges to services, entertainment, recreation, including the giving or receiving of travel and entertainment expenses, hospitality, accommodation and meal expenses, or any other similar benefits.

**Business Partners** refers to suppliers, subcontractors, service providers to the company or fund, including distributors, selling agents, freelance agents, and advisors.

**Financial sponsorship** refers to financial support, financial assistance, or financial contributions paid or received that is of a reasonable amount whereby the intention is to support business operations, brand awareness, or the company's reputation to strengthen the company's commercial integrity and business relationships. However, this does not apply to activities to promote financial investment literacy to ultimate beneficiaries who are individuals, juristic- persons and/ or funds, nor does it apply to benefits, activities, and obligations given as part of stated sales promotions, sales contract or agreement or job contract.

**Charitable donations** refer to donations for activities which are not intended to seek commercial benefits.

**Relatives** refer to parents, descendants, siblings and half-siblings, uncles, aunts, spouses, parents or descendants of spouse, adopted children or adopted parents.

**Company** refers to Krungthai Asset Management Public Company Limited.

**Any other benefits** refer to anything of value such as discounts, acceptance of hospitality, services, training, or similar.

**Clients** refer to persons who receive or will likely receive (Prospect Clients) the services from the company. This also includes such persons receiving services from distributors for persons whose identity are disclosed to the company (Non-Omnibus Accounts). For institutional clients, the definition of clients encompasses directors, management, employees and the juristic-person's fund committee which receive or will likely receive the services of the company.

## **Operating Guidelines and Procedures**

### **1. Financial sponsorship**

- 1.1) The administration of financial sponsorships must be conducted transparently and legally, without being unethical nor adversely impact society as a whole in any way.
- 1.2) Financial sponsorship must comply with relevant regulations and prevailing standard operating procedures or notifications, including future measures that may be introduced or amended. For example, they must follow rules regarding company expenditures (currently notification Gor Jor 7/2547 regarding company budgets and notification Gor Jor 100/2553 regarding guidelines for advance payments) and follow authorized expenditure limits prescribed by company guidelines (currently notification Gor Jor 014/2559 regarding authorization of payment disbursements, clause 3). Payment disbursements must clearly explain purpose of expenditure and contain all necessary documentation for auditing purposes; the chief executive officer shall be empowered to issue guidelines on giving financial sponsorships or relevant rules).
- 1.3) Company directors, management, or staff who propose that the company provide a financial sponsorship must prepare an "internal memo" to seek approval for such financial sponsorship. The memo must state the name of the beneficiary, objective, and benefits of making this financial sponsorship. The location of the activities being sponsored must also be described clearly, accompanied by supporting documentation, when submitting the application to the company's authorizer.
- 1.4) A company director, management, or any type of employee who propose that the company provide a financial sponsorship is obligated to carefully examine the person, institution, fund, organization, charity, company, business, or any type of beneficiary of the intended financial support, before submitting a request to the authorizer. See details below.
  - Ensure that the financial sponsorship will not become an indirect way of making a bribe. The process must be transparent and legally comply with relevant regulations.
  - For projects, there must be proof that the financial sponsorship will go towards supporting the success of the project's objectives. The project's objectives must also be legal, ethical, and comply with traditional norms. There must be no incentives that may lead to misconduct of duty.
  - Ensure that the aforementioned activities do not become part of a reciprocal arrangement to a person or organization, except for honoring someone for an achievement according to traditional norms.

- 1.5) If the work division that proposes to give financial sponsorship, or the company discovers or is informed by the authorities, that the beneficiary is involved in corrupt practices, the company shall abort such financial sponsorship activities immediately.
- 1.6) Record all actual financial sponsorship payments incurred to help enable analysis, planning and serve as internal information useful towards consideration of future sponsorships.
- 1.7) The work division that proposes to give financial sponsorship must appoint a person responsible for overseeing the activity being funded and to report upwards to superiors on the progress of the project or activities being funded as supporting evidence to accompany payment disbursements. This is to ensure that the financial sponsorship is not involved in corruption and to facilitate internal auditing.

## **2. Hospitality, Travel and Entertainment, Gifts and Financial Assistance**

- 2.1) Company directors, management, and any type of employee may give/accept gifts and financial assistance on various occasions which are considered a moral obligation and in-line with customs and traditions, or social norms, and deemed common practice. This must take place transparently and openly. Such giving/accepting must not lead to an advantageous gain through inappropriate action or constitute a direct or indirect exchange of benefits, assistance, or inappropriate relaxation of business conditions that compromises business decisions. Furthermore, giving/accepting must comply with relevant laws, standard operating guidelines, and company rules currently enforced or to be issued in the future, including future amendments. These include guidelines for the authorization of payment disbursements as designated by the company (currently notification Gor Jor 014/2559 regarding authorization of payment disbursements, clause 4). Payment disbursements must clearly explain purpose of payment and contain all necessary documentation for auditing purposes. Gifts provided by the company must be presented on behalf of the company, not on personal basis. This may be accomplished through gifts bearing the company logo that is appropriate for the occasion, such as new year gifts, Chinese New Year gifts, or Songkran. Gifts should not be in the form of cash, except for urgent cases which will require approval from the chief executive officer on a case by case basis. The chief executive office shall be empowered to issue guidelines regarding giving/accepting gifts or any other relevant guidelines.
- 2.2) Company directors, management, and any type of employee must not demand or accept gifts or financial assistance from clients, business partners, or persons connected to the

company business regardless of reason, which may potentially influence or bias one's decisions in conducting one's duty or lead to a conflict of interests.

- 2.3) Company directors, management, and any type of employee must not accept gifts or financial assistance or any other benefits that are of excessive value from persons who are not relatives, due to one's normal job position or duty. For example, during bidding processes, one must not accept gifts or financial assistance from companies bidding for contracts or from connected companies. Company directors, management, and any type of employee may accept gifts and financial assistance on festive occasions or within normal social practice. The value of such items must not exceed 3,000 baht (three thousand baht) per person/occasion, such as calendars, pens, memo booklets, mugs, etc. Items received cannot be cash or equivalents, such as store coupons, gift certificates, etc.
- 2.4) Prohibited acceptance of gifts or financial assistance. Acceptance of gifts or financial assistance is prohibited from anyone for occasions when the giver is not giving it on a personal basis, or the gift is valued over 3,000 baht (three-thousand baht) regardless of whether personal or not, whereby the giver is not a relative. This also applies to gifts which are cash or equivalents such as store coupons, gift certificates, etc. When in a situation that would be considered inappropriate to reject the gift, such as in meetings with clients, or the acceptance is an important gesture in preserving good personal relationship, the acceptance of such gifts must not have a bearing on the selection of products or services for the client. The giver should have already determined such gifts or financial assistance in quantities which are generally offered to other recipients with a business of similar nature to the company and not of significantly different quantities. The acceptance must not create an obligation for the company to provide reciprocal business in any way, whether directly or indirectly, or persuade a relaxation of business conditions in an inappropriate way. The receiver may accept gifts or financial assistance initially but must report the matter to one's supervisors promptly and prepare a "gift registry" to be submitted to the Compliance Office.

For gifts/financial assistance received from abroad that the recipient's supervisor considers unfit for the recipient's personal benefit, the recipient shall promptly turn the gift/financial assistance into company property.

For gifts/financial assistance received from domestic sources that the recipient's supervisor considers unfit for the recipient's personal benefit, the recipient shall promptly return the gift/financial assistance to the giver. If returning is not possible,

the gift/financial assistance shall immediately be turned into company property in order for the company to subsequently donate this gift/financial assistance to charity for the broader society's benefit. The chief executive officer shall be empowered to issue guidelines regarding acceptance of gifts/financial assistance and any other relevant guidelines.

Any measures taken as described above must be approved by the chief executive officer, the compliance unit, and one's supervisor, respectively.

- 2.5) Prohibited acceptance of hospitality, travel and entertainment expenses, or other benefits. Acceptance of hospitality, travel and entertainment expenses, or other benefits from anyone that is not a relative on any occasion whereby the value exceeds 3,000 baht (three thousand baht) is prohibited. However, this excludes hospitality, travel and entertainment expenses, or other benefits that do not have any part in affecting decisions to select products or services to offer the client and such benefits are also generally offered to recipients with a business of similar nature to the company and not of significantly different quantities. An example is coverage of costs to attend an investment conference whereby invitations are also extended to other asset management companies across Asia to attend. The offer must not obligate the company to provide reciprocal business in any way, whether directly or indirectly, or persuade a relaxation of business conditions in an inappropriate way. Furthermore, acceptance of such benefits must comply with relevant laws, standard operating guidelines, and company rules currently enforced or to be issued in the future, including future amendments. The chief executive officer shall be empowered to issue guidelines regarding acceptance of such benefits or any other relevant guidelines. There must be sufficient proof to confirm that the acceptance of such hospital and entertainment expenses and similar benefits is not an excessive amount nor occur too frequently, creating obligations with the giver, whether directly or indirectly.

Any measures taken as described above must be approved by the chief executive officer, the compliance unit, and one's supervisor, respectively.

- 2.6) Prohibited offering of gifts and financial assistance. Offering of gifts and financial assistance to government and state enterprise officials and civil servants is prohibited when value exceeds 3,000 baht (three thousand baht) per item/person/occasion or if the offer is in cash or equivalents, such as store coupons, gift certificates, etc. Gifts to individuals or juristic persons apart from those described above must not be valued over 3,000 baht (three thousand baht) per item/person/occasion. Financial assistance shall be limited at no more than 5,000 baht (five thousand baht) per



person/occasion (for funeral) and no more than 10,000 baht per person/occasion (for funeral hosted by the company or any other event when financial assistance is offered). Gifts or financial assistance to individuals or juristic-persons who are not government or state enterprise officials or civil servants, valued at over the amounts stated above shall be subjected to relevant laws, standard operating guidelines, and company rules currently enforced or to be issued in the future, including future amendments. These include guidelines for the authorization of payment disbursements as designated by the company (currently notification Gor Jor 014/2559 regarding authorization of payment disbursements, clause 4) and relevant guidelines which the chief executive officer is empowered to establish.

- 2.7) Prohibited offering of hospitality, travel and entertainment expenses or similar benefits. Offering of hospitality and entertainment expenses or similar benefits is prohibited if the value exceeds 3,000 baht (three thousand baht) per person/occasion when offered to government or state enterprise officials or civil servants. Offering of hospitality, travel and entertainment expenses or similar benefits to persons or juristic persons who are not government or state enterprise officials or civil servants is prohibited if the value exceeds 5,000 baht (five thousand baht) per person/occasion. This does not apply to offers which are beneficial to the fund management process for clients and/or promotion of financial investment literacy to target audience and/or business partners. Offers to persons or juristic-persons apart from government or state enterprise officials or civil servants that exceed 5,000 baht (five thousand baht) per person/occasion must comply with relevant laws, standard operating procedures, and company rules currently enforced or to be issued in the future, including future amendments. These include guidelines for the authorization of payment disbursements as designated by the company (currently notification Gor Jor 014/2559 regarding authorization of payment disbursements, clause 4) and relevant guidelines which the chief executive officer is empowered to establish.

### **3. Charitable donations**

- 3.1) Company directors, management, and any type of employee who propose that the company offer a charitable donation must prepare an "Internal Memo on Charitable Donations" showing name of recipient, objective, supporting documents and must seek approval from the company's authorizer in compliance with applicable laws, standard operating procedures, and company rules currently enforced or to be issued in the future, including future amendments. These include

guidelines for the authorization of payment disbursements as designated by the company (currently notification Gor Jor 014/ 2559 regarding authorization of payment disbursements, clause 3) and relevant guidelines which the chief executive officer is empowered to establish.

3.2) The person who is proposing that the company make a charitable donation is obligated to carefully examine the charity organization, foundation, company, business, etc. that the company will make a donation before submitting the proposal for the authorizer's approval. See details below.

- Ensure that the charitable donation will not become an indirect way of making a bribe or create an unfair business advantage. The process must be transparent and legally comply with relevant regulations.
- Verify that the charitable cause or event had been actually held. For donations to public charities, verify that the charitable cause or event is indeed beneficial to society.
- Verify that the cause or event is genuinely for charity purposes and not linked to benefits directed at certain persons or organizations, except for honoring someone for an achievement according to traditional norms.

3.3) If the work division that proposes the company make a charitable donation, or the company discovers or is informed by the authorities, that the charity organization is involved in corrupt practices, the company shall abort such donation activities immediately.

3.4) The work division that proposes the company make a charitable donation must appoint a person responsible for overseeing the activity being funded and to report upwards to superiors on the progress of the project or activities being funded as supporting evidence to accompany payment disbursements. This is to ensure that the donation is not involved in corruption and to facilitate internal auditing purposes.

#### **4. Political contributions**

The company has no policy to encourage the providing of financial contributions or company resources to support politics.

**Promote awareness regarding the operating guidelines and procedures on financial sponsorship, hospitality, travel and entertainment, gifts, financial assistance, charitable donations, and political contributions.**

1. To ensure all employees acknowledge the company's policy and guidelines on this matter, the company shall promote awareness among directors, management and all types of employees by implementing the following:
  - 1.1 Distribution of information through the company's communication channels such as website, e-mail, and other communication methods in use.
  - 1.2 Provide training to all newly recruited staff.
  - 1.3 Arrange training/refresher courses for every employee regularly every 2 years or when changes are introduced.
  - 1.4 Conduct exams to test employee's understanding after the company has administered training/refresher courses for its staff.
2. The company will announce or inform clients, business partners, and persons connected to the company's business about acknowledgement of the company's operating guidelines and procedures on financial sponsorship, hospitality, travel and entertainment, gifts, financial assistance, charitable donations, and political contributions, through the company's website.

Notification issued 18 July 2017

*"Important Notice: This document has been translated from Thai. If there is any inconsistency or ambiguity between the English version and the Thai version, the Thai version shall prevail."*