

ANTI-CORRUPTION POLICY MANUAL

**PRECIOUS SHIPPING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

2nd revised: 8 February 2019

Precious Shipping Public Company Limited

Anti-Corruption Policy (the “Policy”)

Message from the Board of Directors on the Anti-Corruption Policy

The Company has managed all its business affairs in accordance with the highest principles of good governance. Simultaneously, the Company has remained committed to conducting its business honestly with the highest ethics. The Company takes a zero-tolerance approach to bribery and corruption and acts professionally, fairly and with integrity in all its relationships and business dealings, wherever it operates. The Company is constantly implementing and enforcing effective systems to counter bribery and corruption and has also issued an Anti-Corruption Policy (the “Policy”). The Policy has been reviewed and approved by the Board of Directors of the Company, on the recommendation of the Audit & Corporate Governance Committee. This Policy supplements the Company’s Business Ethics & Code of Conduct and reinforces the Company’s commitment that it will work against corruption in all its forms, including bribery.

Directors, executives and all employees of the Company have a duty to guard against fraud and corruption. Executives and managers are required to fully understand this Policy and to adhere strictly to the practices it describes and are also required to convey these requirements to the staff members under their supervision and to monitor their compliance.

The Company will continue to uphold all laws and regulations relevant to countering fraud, corruption and bribery in all the jurisdictions in which it operates. For the avoidance of doubt, regardless of the guidelines and procedures set out herein, the Company and all those persons working for and with it have an overriding obligation to comply with applicable local laws and regulations at all times.

This Policy is publicly available on the Company’s website and can be issued to external parties such as Clients, Suppliers and Regulators, on request.

For and on behalf of the Board of Directors of
Precious Shipping Public Company Limited



Mr. Khalid Moinuddin Hashim
Managing Director



Mr. Khushroo Kali Wadia
Executive Director

8 February 2019

Precious Shipping Public Company Limited

Anti-Corruption Policy (the “Policy”)

1. Introduction

Precious Shipping Public Company Limited and its subsidiaries, both domestically and internationally, (referred to collectively as the “Company”) are committed to conducting business honestly and with ethical behavior. The Company takes a zero-tolerance approach to bribery and corruption and acts professionally, fairly and with integrity in all its relationships and business dealings, wherever it operates. The Company is constantly implementing and enforcing effective systems to counter bribery and corruption.

The Company participates in a group, which is known as the “Collective Action Coalition against Corruption in Private Sector (CAC)”, with other companies in Thailand. This is a national project which is supported by the Thai Government and the Office of the National Anti-Corruption Commission (NACC).

1.1 Purpose of the Policy

To ensure that the Company has a proper policy determining responsibilities, guidelines, and regulations, as a tool to prevent corruption from all business transactions, the Company has arranged a written guideline called the ‘Anti-Corruption Policy’ in order to prudently make a decision on any course of action that could possibly contribute to corruption and to serve as a clear guideline in performing business and effectively developing a sustainable organization, free of any form of corruption.

This Policy is designed to enhance and provide further guidance to the standards of conduct regarding bribery and corruption as set out in the Company’s Business Ethics and Code of Conduct and has been reviewed and approved by the Board of Directors of the Company, on the recommendation of the Audit & Corporate Governance Committee.

The Company is committed to:

- Provide a clear anti-bribery policy and procedures and keep them up to date.

- Make all Directors, executives and staff aware of their responsibilities to strictly perform under this Policy.
- Conduct periodical fraud risk assessments and independent reviews of compliance with this Policy.
- Train all Directors, executives and staff to ensure that they understand and can recognize and avoid the use of bribery by themselves and others.
- Set out the procedures designed to prevent bribery are transparent and clear and also ensure that they are monitored and reviewed and improvements made where necessary.
- Provide guidelines to all Directors, executives, staff and third parties to report breaches and suspected breaches of this Policy.

1.2 Scope

This Policy applies to all Directors, executives, staff and third parties acting on behalf of the Company and extends to all business dealings in all jurisdictions within which the Company operates.

This Policy shall be implemented in conjunction with the Company's Business Ethics and Code of Conduct.

1.3 Definition

For the purpose of this Policy:

Corruption is the misuse of public power for private profit, or the misuse of entrusted power for private gain.

Bribery is the offer, promise, or payment of cash, gifts, or even excessive entertainment, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage. An act of Bribery does not actually have to take place - just promising to give a bribe or agreeing to receive one is also considered as Bribery.

Bribery and Corruption can take many forms, including but not limited to providing or accepting :

- Gifts, benefits, and special hospitality in cash or kind
- Facilitation payments or kickbacks

- Political contributions
- Charitable contributions and/or Sponsorships

2. Policy and Procedures

2.1 Prohibition

All forms of Bribery and Corruption are prohibited when dealing with any person, whether within or outside the Company and whether such person is in government, the public or private sector. The Company does not tolerate any act of Bribery and/or Corruption. Any Director, executive and/or staff member who breaches this Policy or relevant local laws will face disciplinary action, which ultimately could result in dismissal.

2.2 Role and Responsibilities

- The Board of Directors is responsible for establishing this Policy within the Company, supported by an appropriate corporate culture led by the Board, which prohibits Bribery and Corruption involving the Company's employees or any third parties acting on behalf of the Company. The Board of Directors has delegated responsibility to the Audit & Corporate Governance Committee for overseeing this Policy and its programme to ensure compliance with legal and ethical obligations.

- The Audit & Corporate Governance Committee is responsible for reviewing internal control systems, financial reporting and risk management systems. The Audit & Corporate Committee also recommends improvements to and conducts an annual internal review of this Policy while regularly monitoring its effectiveness and implementation. The Audit & Corporate Governance Committee shall make appropriate recommendations to the Board concerning revisions to the Policy and other necessary actions as may be appropriate in light of this review.

- The management and executives are responsible for establishing appropriate anti-corruption systems and promoting and encouraging anti-corruption culture among all staff and related parties. This also includes reconsideration of systems or Company regulations in order to best adjust with business changes, regulations, standards and laws.

- Internal auditors are responsible for auditing, assessing, and evaluating business transactions to ascertain whether they are accurate and comply with guidelines, approval authority requirements, standards, laws, and this Policy in order to assure that the internal controls are

sufficient and suitable to minimize any risk of corruption. The results shall be directly reported to the Audit & Corporate Governance Committee.

- It is the responsibility of all persons to ensure compliance with the terms of this Policy. If any employee believes that the terms of this Policy are not being correctly adhered to, then he/she should seek to raise his/her concerns through the channel available on the Company's website. All employees are encouraged, without fear of victimisation, to raise any concerns they may have regarding the illegal or improper conduct of the Company's business.

All Directors, executives and staff are required to avoid any activity that breaches and/or conflicts with this Policy.

The Company shall provide protection to all Directors, executives and staff members who act against Bribery and Corruption in accordance with this Policy, Business Ethics & Code of Conduct.

2.3 Guideline to mitigate typical Bribery and Corruption risks

The Company prohibits all Directors, executives and staff from soliciting, arranging or accepting a bribe for their benefit or that of their family, friends, associates or acquaintances. To stress the attention on processes which incur a high risk in corruption, the employees must conform carefully to the following courses of action.

2.3.1 Gifts, Benefits and Hospitality

Giving or accepting gifts or hospitality is sometimes an important part of maintaining and developing business relationships. However, the Company has set a policy herein for not giving and accepting any gifts, benefits and excessive or undue hospitality. This Policy must be read in conjunction with "Policy on Giving and Accepting Gifts and excessive or undue Hospitality" in the Business Ethics and Code of Conduct and relevant local laws..

2.3.2 Facilitation payment or kickbacks

"Facilitation Payments" are unofficial payments made to public officials in order to secure or expedite the performance/ non-performance of a routine or necessary action. They are sometimes referred to as 'speed' money or 'grease' payments or 'good-will money'.

"Kickbacks" are typically payments made in return for a business favour or advantage.

Unofficial payments to government officials or regulators are prohibited in almost all jurisdictions.

Director, executives and staff members are strictly prohibited from making any facilitation payments/kickbacks. Failure to do so could result in legal action against such Director, executive or staff member personally and/or from the Company.

2.3.3 Political contributions

A political contribution is a contribution, financial or in-kind, to support a political cause.

The Company does not participate directly or indirectly in party politics and does not make payments to political parties, politicians or related organisations.

In exceptional circumstances, contributions may be made to support the democratic system, with the requisition form naming the recipient(s) and describing the purpose of the contribution, along with all other supporting documents, are submitted to the Board of Directors for approval. The proposed payment must be made in a transparent manner and shall be in accordance with applicable laws.

The Company respects the right of relevant persons to participate in the political process. When pursuing such activities, relevant persons must ensure that their views are not identified as those of the Company.

The Company sets out in Annexes 1 and 2 of this Policy the procedures and the flowchart for dealing with political contributions.

2.3.4 Charitable contributions and Sponsorships

The Company makes charitable contributions and offers sponsorships for the purposes of social-economic development or linked to cultural or educational activities and not for improper business purposes. Charitable contributions and sponsorships must not be perceived as being given for improper purposes. When a charitable contribution or sponsorship is proposed, a requisition form naming the recipient(s) and describing the purpose of the contribution or sponsorship, along with all other supporting documents, must be submitted to the Company's authorized persons for approval in accordance with the Company's Approval Authority.

The Company sets out in Annexes 1 and 2 of this Policy the procedures and the flowchart for dealing with charitable contributions and/or sponsorships

2.4 Business Relations

Any operations or activities in regard to business relations or procurement with both public and private sectors must be carried out in a transparent and honest manner in compliance with applicable laws including the Business Ethics and Code of Conduct and this Policy.

2.5 Human Resource Management

This Policy applies to all human resource management processes, including recruitment, promotion, training, evaluation, and benefits provided to staff. The recruitment practice and employment terms and conditions shall in furtherance of this Policy permit or allow the following (without limitation):

- Vetting or the taking of references to confirm an individual's suitability for given roles (where appropriate).
- Induction and training activities including briefing on, and agreement to this Policy.
- Clear disciplinary procedures by which the Company will take appropriate disciplinary action against employees who are involved in any corruption.

2.6 Accurate Books and Record-Keeping

Books and records must be kept in reasonable detail, which accurately and fairly reflect all payments, transactions, acquisitions and disposition of assets and to clearly identify the purpose of such transactions. No accounting record or other document related to any transaction shall be falsified in any manner which may obscure or disguise the true nature of the transaction.

The purpose of the books and records provision is to prevent the Company from concealing bribes and to discourage fraudulent accounting practices. The books and records provision applies to all documents and requires:

- Maintenance of books, records and accounts that accurately reflect each transaction and acquisition/disposition of Company assets.
- Maintenance of a system of internal accounting controls that can detect and prevent illicit payments to government officials (including semi-government or quasi-government officials) and other individuals.

- Conformance with generally accepted accounting principles that are applicable (International Financial Reporting Standards (IFRS)).

2.7 Communication and Training

It is important that this Policy and its procedures are embedded and understood throughout the Company through internal and external communication and training.

The Company will communicate this Policy through cooperative communication channels, such as the Company's internal email and website, Annual Registration Statement (Form 56-1), and Annual Report (Form 56-2).

For new employees, appropriate training programs will be formed as part of the induction process provided on joining the Company.

Appropriate and regular training on this Policy will be provided to all relevant existing employees.

The Company is concerned with the importance of dissemination, knowledge sharing, and communications with other relevant person(s) who are involved with or affect the Company so that those parties shall conform effectively to this Policy. In addition, this Policy will be disclosed on the Company's website and will be continuously and regularly monitored as appropriate.

2.8 Review and Monitoring

The Audit & Corporate Governance Committee monitors the effectiveness and reviews the implementation of this Policy regularly, and makes recommendations to the Board of Directors on the suitability, adequacy and effectiveness of this Policy.

Any improvements to the Policy identified by the Board of Directors will be carried out as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance to the Board of Directors that they are effective in countering Bribery and Corruption.

All stakeholders of the Company are invited to comment on this Policy and suggest ways in which it might be improved.

2.9 Reporting of Violation

If any person has any valid suspicions or concerns regarding any breach of this Policy by any Director, executive or employee of the Company, such person must report those concerns or actions to the immediate superior of the person who is in breach, the human resources department, the legal and compliance department, or per the Company's Whistleblowing Policy as explained in the Business Ethics and Code of Conduct.

Annex 1: Anti-Corruption Guidelines and Procedures

These Anti-Corruption Guidelines and Procedures supports the Company's Anti-Corruption Policy and should be read in conjunction with the Business Ethics and Code of Conduct.

Procedures for Gift, Benefit and/or excessive/undue Hospitality Giving/Acceptance

Principle

Business decisions should never be based on gifts, benefits and/or excessive/undue hospitality received or offered through our business relationships. Selection of suppliers and business partners, and similar choices made by our customers, must be based on objective factors such as price, quality, service, and value. The Company requires Directors, executives and staff to abide by this Guideline to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between the Company and external parties since a gift/benefit/excessive or undue hospitality can be seen as a bribe that may blemish the Company's reputation or be in violation of anti-bribery and/or corruption laws.

Procedures

- Directors, executives and staff are strictly prohibited from demanding any gift, benefit and/or hospitality from any trading parties or other external parties with whom the Company is doing business.
- Directors, executives and staff are strictly prohibited from offering any gift, benefit and/or hospitality to any trading parties or other external parties in any attempt to persuade them to commit a fraudulent action.
- Directors, executive and staff are not allowed to give/accept any gifts, benefits, and/or excessive or undue hospitality for any occasion to/from any trading parties or other external parties (including government agencies, quasi-government agencies, suppliers, banks, service providers), with whom the Company is doing business. However, if necessary, corporate gifts bearing the gift-giver's or company's corporate logo/emblem (Examples of the same as outlined hereunder) made generally (and not specifically) by the giver/company for distributing generally (and not specifically) to all or many of the giver's customers, associates, etc., and which are not related to any business commitment may be given/accepted. .

- Any normal business hospitality, such as receptions, tea/coffee, meals, or other similar nature that is directly relating to business operations or trading traditions without being excessive, is excluded from this requirement but such expense should be a reasonable amount and should not be related to any business commitment.

Examples of gifts, benefits or hospitality that Directors, executives and staff may provide or receive, are as follows:

- a) Promotional products in small values such as pens, books, calendars, diaries, mugs, etc with the organization's logo/emblem that are made generally (and not specifically) for distribution to customers, associates, and other parties ; and
- b) Refreshments and meals for business discussions in the office or outside.

Examples of undue hospitality that that Directors, executives and staff must not provide or accept are as follows:

- a) Entertainment at inappropriate venues such as bars or nightclubs; and
- b) Entertainment activities, sports activities, usage of vacation homes or other activities for personal benefit.

The internal audit department annually evaluates the procedures for giving/accepting gifts, benefits and/or excessive/undue hospitality to ensure the efficiency, effectiveness, and appropriateness of the internal controls and reviews any transactions related thereto and shall report such transactions to the Audit and Corporate Governance Committee in order to enable them to make any recommendations to the Board of Directors (if required).

If any person has any doubts on the appropriateness of gifts, benefits or corporate hospitality offered by an external party for e.g. a contractor or supplier, such person should either decline the offer or consult the authorized Director. In case of the Directors, such Director should seek advice from the Chairman of the Board of Directors or the Managing Director. This is not only to safeguard the Company's reputation, but also to protect Directors, executives and staff from allegations of impropriety or undue influence.

Procedures for Charitable contributions and sponsorships

Directors, executives and staff must comply with the following charitable contributions and sponsorships procedures:

- When a charitable contribution or sponsorships is proposed, a requisition form naming the recipient(s) and describing the purpose of the contribution or sponsorship, along with all other supporting documents, must be submitted to an authorized Director for approval in accordance with the Company's approval authority.

However, if the proposal of the charitable contributions or sponsorships is equal to or exceeding Baht 5 million, such transaction must be proposed for the Board of Directors' approval only.

- Supporting documents such as receipts or appreciation letters from the receiving organization will be provided to the Accounts Department (or the Internal Audit Department if applicable) as supporting documentation after such transaction contribution has been made.
- The Accounts Department (or the Internal Audit Department if applicable) reviews evidence relating to the charitable contributions and offers of sponsorships as well as retains the evidence in a proper manner. In the event that there is insufficient evidence, additional supporting information or clarifications shall be requested. If it is proven that the charitable contributions or sponsorships did not comply with the Company's policy or has been used as an excuse/method for corruption, the perpetrator will be subject to the highest level of disciplinary action.
- The Internal Audit department annually evaluates the charitable contributions and sponsorships procedures and implementation to ensure the efficiency, effectiveness, and appropriateness of the internal controls and reviews any transactions related thereto and shall report such transactions to the Audit and Corporate Governance Committee in order to enable them to make any recommendations to the Board of Directors (if required).

Procedures for Political Contribution

Directors, executives and staff must comply with the following political contribution procedures:

- When a political contribution is proposed, a requisition form naming the recipient(s) and describing the purpose of the contribution or sponsorship, along with all other supporting documents, must be submitted to any authorized Director for approval in accordance with the Company's approval authority.

However, if the proposal of the political contribution is equal to or exceeding Baht 1 million, such transaction must be proposed for the Board of Directors' approval only.

- Supporting documents such as receipts or appreciation letters from the receiving organization will be provided to the Accounts Department (or Internal Audit Department if applicable) as supporting documentation after the political contribution has been made.
- The Accounts Department (or Internal Audit Department if applicable) reviews evidence relating to the political contribution as well as retains the evidence in a proper manner. In the event that there is insufficient evidence, additional supporting information or clarifications shall be requested. If it is proven that the political contribution did not comply with the Company's policy or has been used as an excuse/method for corruption, the perpetrator will be subject to the highest level of disciplinary action.
- The Internal Audit Department annually evaluates the political contribution procedures to ensure the efficiency, effectiveness, and appropriateness of the internal controls and reviews any transactions related thereto and shall report such transactions to the Audit and Corporate Governance Committee in order to enable them to make any recommendations to the Board of Directors (if required).

Annex 2: Anti-Corruption Process Flowchart for each activity

Charitable contributions, sponsorships and Political contributions Process Flowchart

