

**Code of Business Conduct**  
**Krung Thai Bank PCL**

## Message from the Chairman

Krung Thai Bank has moved forward to operate its business in accordance with the good corporate governance principles and aspires to perform any operations with transparency, morality and responsibility toward shareholders, customer, employees and all stakeholders.

Since 1998, Krung Thai Bank has established the Code of Business Conduct Handbook and revised it to be update and in comply with the changing situations constantly. The Bank's Board of Directors has best acknowledged and adhered to the Code of Best Practice of Directors of Listed Companies. In this regard, the Boards, executives and employees at all level have performed their duties with the principle instilling of Integrity, Transparency and Ethics and also the consciousness of the Bank's reputation and prestige as a reliable and stable financial institution with more than 40 years of business operation.

During 2004 – 2007, the Bank has seriously and continuously campaigned for corporate governance culture, beginning with the CG project, the promulgation of CG charters, the promotion of CG principles, the campaign of CG dissemination to public organizations as well as the encouragement for recognition as social and environmental responsibility organization.

In 2007, the Director Committees Charters and Code of Conduct Handbook for employees had been revised and update to be in consonance with the good corporate government development as specify by the Stock Exchange of Thailand. Code of Conduct Handbook for employee had been adjusted to be Code of Business Conduct with the gathering information of goal, vision, mission, good corporate governance, values of the organization. The revision of Code of Business Conduct has combined details in Code of Conduct Handbook of employee within and increased further contents, for instance the Implementation and Enforcement, in order to establish advance completeness.

The Board of Directors shall encourage the executives and employees in all levels to acknowledge that they have studied, understood and embraced the Code of Conduct Handbook as the working and moral ethic guidelines. With this regards, the Boards and Executives shall perform their duties in accordance with the established Code of Conduct suitably and all employees are required to strictly comply with the Code as part of the Operation Procedures and Regulations of the Bank thereof.

Suparat Kawatkul

Chairman

28 December 2007

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# Business Conduct Guidelines

## 1. Goals of Business Conduct

- 1.1 Operate business with morality and good corporate governance as well as attach great importance to creating maximum satisfaction on product and service to customers.
- 1.2 Respond to all stakeholders equally.
- 1.3 Benefit society and aware of environmental concern

## 2. Code of Conduct Guidelines

2.1 Directors, executives, employees in all levels (called *staffs* hereinafter) shall continuously strive to implement and maintain with the Code of Conduct; not stimulate, encourage or support other to violate the Code of Conduct; shall not ignore whenever any conduct against the Code of Conduct is found; must not impede but must give corporate to the fact examining process when the accusation of conduct against the Code of Conduct raised; and must not perform unfair labor practice to the person who is accused of performing non-compliance with Code of Conduct. Report to supervisor whenever any conduct violating or against the Code of Conduct is found

2.2 *Staffs* are responsible to acknowledge and understand content in the Code of Conduct, especially in the part directly related to their tasks as well as update the knowledge and understanding of the Code of Conduct regularly.

2.3 *Staffs* are in the position to acknowledge appropriate understanding to the persons performed duties related to the Bank.

2.4 *Staffs* shall consult supervisor or authorized person upon any inquiry or uncertainty regarding the implementation of the Code of Conduct.

2.5 *Staffs* shall cooperate with persons assigned by the Bank in examining any fact.

2.6 Supervisor at all levels shall pursue the highest standards of the Code of conduct and strive for a work environment of good governance.

2.7 Report to consistent supervisor whenever any conduct violating or against the Code of Conduct is found. The staffs that find any conduct violating or against the Code of Conduct can report or to all channels of the Bank such as the staff's supervisor, or Managing Director of Human Resources & Corporate Governance Group, the Corporate Governance and Social Responsibility Committee via the committee secretary by mailing to Krung Thai Bank PCL, Sukhumvit Bldg, 22nd Fl., Sukhumvit Rd., Klong Toey Subdistrict, Klong Toey District, Bangkok 10110

2.8 If any complaints are received, Responsible persons receiving those complaints shall gather information and fact concerning by him/herself or empower the proper person to conduct, and then report

them to the relevant authorities for processing, examining and alleviating any performing against or non-compliance with the Code of Conduct.

In case of the vital issue arising, such as the one that impact on the Bank's financial statement, reputation and image or conflicting with the Bank's policy or involving to the Top executives , the receiving of complaint person must report those matters to the Audit Committee or the Board of Directors.

2.9 Code of conduct Handbook is considered as part of the Bank's Operation Procedures and Regulations thereof.

### 3. Vision and Mission

#### 3.1 Vision

"Growing together" Enhancing capabilities of employees to support growth and prosperity for customers, enrich quality of society and environment, as well as provide sustainable return for our shareholders.

#### 3.1 Mission

Develop capabilities of personnel and work system, provide customers with differentiated and value added service and advice, fulfill our responsibility to society through supporting economic social and environmental development, provide shareholders with superior and sustainable return.

### 4. Corporate Governance

The Bank has encouraged, promoted and instilled the corporate governance principles as follows;

4.1 **Creation of Long Term Value Added:** create sustainable value added under the efficiency management framework

4.2 **Promotion of Best Practices:** perform business and provide services with strongly adhering to morality, ethics and Code of conduct

4.3 **Transparency:** express transparency in business operation, able to clarify and inspected as well as disclose to the public under the relevant rules, laws and regulations

4.4 **Equitable Treatment:** give equitable and fair treatment to all stakeholders

4.5 **Accountability:** show conscientiousness and responsible for own performance

4.6 **Responsibility:** understand and perform assigned duties with competence and responsibility

4.7 **Social and Environmental Awareness:** aware of social and environment

Besides, the Bank also persuaded for the participation of the staffs in distributing the Good Corporate Governance motto as "Honest, Transparent, Ethical".

## 5. KTB FIRST as Core Values of Krung Thai Bank

Beside the business vision and operation strategies, the KTB FIRST comprising 5 core values has been established to encourage all executives and staff members to adhere as organization belief, which considered as the virtues and accuracy practices, that will ensure to move forward the Bank together in the same direction as organization culture.

To achieve those vision and promise, Core Values as KTB FIRST adhered by the employees' across-the-board had been adjusted for further noticeable and recognizable and in consonant with the modern and distinctive image of the Bank. The Core Values comprises of Firm, Innovative, Responsible, Service and Teamwork with 3 behaviors contained in each value, adding up all together in total 15 behaviors. The KTB First Core Values and those behaviors are as follows:

**Firm:** Firm from Risk Management, Corporate Governance and Sustainable Growth.

**Innovative:** Innovative Thinking, Innovative Products and Innovative Process for boosting up the Bank's capability in competing with both domestic and international financial institutions.

**Responsible:** Responsible for own duty, customer and society.

**Service:** Service-minded, providing quick service and service excellence so as to satisfy the customer requirements.

**Teamwork:** working together as a team with positive attitude, teaming up to work for the benefits of customers and organization.

## Code of Best Practices in Business Conduct

The Code of Best Practices in Business Conducts has been established as part of work regulations and operation handbooks and in line with the guidelines of business operation in aforementioned.

### 1. Safeguarding and safekeeping assets and benefits of the Bank and customers

The Bank's asset include, but are not limited to money, financial instruments, facilities, equipments, documents, vehicles, material and supplies, information as well as technology, academic knowledge, intellectual properties, patents, copyrights and the Bank's confidential information.

Use the Bank's asset for the optimum benefits with regardless personal and outsider interest or astray using.

- 1.1 Prepare for situation that may face with any problems and obstacles including the damage of assets or the fail of the work system.
- 1.2 Disclose and distribute all innovations, developments and other inventions occurring as products from working for the Bank as the Bank's asset and advantages and shall be forbidden to copy, sell or publicize such software, data and intellectual property in any format.
- 1.3 Use electronics equipment, electronics information or information technology for the Bank's benefits only and avoid using those for personal and non-Bank business.
- 1.4 Do not install software without the Bank's permission; or download or store inappropriate software onto computer system. In case of necessary, installment of additional computer programs for business must be initially approved by the Bank authorities.
- 1.5 Shall not access the Bank's data without permission so as to copy, publicize, delete, eliminate or change any information or do any matter that may pose damage to the Bank.
- 1.6 Avoid going to illegal or immoral websites and not distribute any contents from such websites onto the intranet and internet system of the Bank.
- 1.7 Not perform any corruption or abuse on the Bank's information technology for any dishonest benefits.
- 1.8 Record and report all information completely and accurately as well as comply with the standard as stipulated by the Bank, such as within prescribed time; under the legal requirements; with honest, transparency; and able to scrutinize.
- 1.9 File the documents systematically or by specific method in order to facilitate retrieval of information. Maintain proper filing system according to confidential order and within the prescribed time by work regulations or legal requirements.
- 1.10 Ensure proper destruction of information or documents of their own responsibility when reached overdue date of use.

1.11 Disclose information in Annual Report as prescribed in the legal requirements completely, for instance, auditor's report, financial statement's report, Audit Committee's report and the Board of Directors' Responsibility for Financial Reports.

## 2. Conflict of Interest

2.1 Do not involve in any benefits from conducting business transaction with the Bank, especially associated to the consideration and approval of such transaction. In case that there is related transaction, this matter must be reported to the supervisors according to the principles of good corporate governance.

2.2 In case the parties having direct interest involve with the credit approval or investment, these matter shall be approved by common consent from the Meeting of equal or higher level of Committee without attendance of such parties. Therefore, to prevent conflict of interest, price and terms and conditions shall be determined in accordance with the same treatment offers to general customers.

2.3 Information on transactions that may bear conflict of interest, related-party transactions or related transactions are required to be disclose in complying with requirements prescribed by the Bank or government authorities, for instance, the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

2.4 Must not use the inside information obtained from their work to buy, sell, transfer or persuade others to buy or sell, securities of the Bank or of the customers' companies for their own benefits or others'. Do not reveal the Bank's insider information and sensitive unpublished securities price information which has not been disclosed yet for their benefits or others'.

2.5 President; Executives at top-four down from position of President; the persons holding the position equivalent in Executive Vice President (comprising Managing Directors of all Group at present); Managers or higher in the Accounting or Finance Group are required to report their holdings of securities issued by the Bank including those of their spouse and children under 20 years of age to the Securities and Exchange Commission of Thailand within 30 days after the date of taking the position. In case of holding of securities changing, it must be informed to SEC within 3 working days after the date of securities holding change. The holding of securities and holding of securities changing's reports are required to report to the Bank's Board of Directors on monthly basis.

2.6 Responsible department shall stipulate the timeframe for trading securities issued by the Bank as well as inform the Bank's policy on insider information, regulations on employees' sale/purchase and investment in the Bank's securities and other relevant regulations to the committee, staff members and related parties via Bank's communicate channels regularly.



### **3. Confidentiality of the Bank**

3.1 Do not inform any business operation of the Bank and customers to the outsiders unless receiving permission from the Board of Directors or President or authorized person.

3.2 Keep confidentiality of the Bank's information and not use such information, or make copy or fax of it as well as properly categorize such information to ensure its safety and prevent the unrelated persons to access those confidential information.

3.3 Avoid referring to any of the Bank's confidential information in the public.

### **4. Accepting or Offering Gifts, Benefits and Inducements from Others**

As a general rule, employees must not accept or persuade/order others, or their spouses and children to accept anything from third parties that may influence the business decisions they make on behalf of the Bank or in targeting for career path benefits and annual rewarding consideration. Never solicit or accept from a third party any form of gifts, benefits and inducements include presents, souvenirs, money, and loan, kickback or favor (including heavily discounted, gave away or offered non-interest of loans and services at a rate not generally available to the public, or offered non-charged services) that could create even the appearance of impropriety. However, all these matters shall be in compliance with regulations prescribed by the Office of the National Anti-Corruption Commission (NACC).

### **5. Shareholders Rights and Equity and Shareholders Meeting**

5.1 The Bank holds the Ordinary General Meeting once a year within four months after to the Bank's fiscal-year end.

5.2 Sent out the meeting notices to shareholders at least 14 days before the meeting date and publicized the meeting notices in daily newspaper at least one issue for not less than 3 consecutive days and not less than 3 days in advance of the meeting date so that the shareholders have sufficient time and information for consideration and effective exercise of their rights on each agenda item in the meeting. Such announcement shall contain details of necessary required documents for the meeting date, proxy form for the shareholders wishing to assign individual, or the Chairman or one of the independent directors to attend the meeting as their proxies.

5.3 The notice for calling the meeting, containing details of each agenda item, factual backgrounds and rationales, and opinions or recommendations of the Board, as well as accompanying documents detailing meeting procedures and voting are provided to shareholders.

5.4 For shareholder and proxy holder equivalent convenience, the Bank provides meeting registration service at least 2 hours in advance. All shareholders are allowed to ask questions and make recommendations during the proper period, while the relevant directors and management people have a duty to clarify the issues and answer questions. The minutes of the meeting, with details of questions, clarification and detailed votes for each agenda item are recorded by the company secretary.

## **6. Disclosure of Information and Investor Relations**

6.1 Information to be disclosed, both financial and general related documents, must be accurate, complete and clear, while the disclosure must be made in a timely appropriate to the shareholders, investors and public. Thus, the compliance with all applicable rules in relation to disclosure of information must be rendered in an accurate and full manner.

6.2 Such disclosure and dissemination is executed by the Bank via several channels, for instance reports to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, Ministry of Commerce newspaper, television the Bank's corporate relation news, at investor conferences, and during road shows as well as via post.

6.3 In this regards, the Investor Relations Division is responsible for preparing and disseminating information to the Thais' and Foreigners' relevant authorities, shareholders, investors, securities analysts, and other interested persons among the general public. However, in order to disseminate information directly to customers and the general public, the Bank also routinely holds press conferences through public channels to update any information on the Bank and its activities.

## **7. Anti-Money Laundering**

The Bank stipulates policy and guideline practices for the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) in accordance with the international guidelines including official regulations and policies.

7.1 Staff members in all levels, at local branches and department, executing all transactions with customers in all levels are strictly required to follow the policies and guideline practices of the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT).

7.2 Assess and evaluate the risk attempts to launder money of customers in the system carefully by means of procedures specified by the Bank. Review on the risk level when reaching the due date after receiving the approval from the Department Manager.

## 8. Treatment of Stakeholders

8.1 Shareholders: The Bank is determined to conduct business with prudence and transparency, making profits grow continuously and steadily, boosting its competitiveness and enhance value to the shareholders in the long run.

8.2 Customers: It is the Bank's determination to serve all customers willingly and eagerly and with equality and fairness. All staffs are ready to assist customers with their problems, finding them appropriate solutions and keeping the confidentiality of their information except when it is stipulated by law or with customer's written consent.

8.3 Creditors: The Bank treats creditors of all groups including depositors, debenture holders and other creditors in comply with the agreements of covenants agreed upon strictly in order to maintain the Bank's standing and credit.

8.4 Trading Partners: The Bank has stipulated that employees must adhere to the Bank's optimum interest regardless of self-interest or interest of related kin. Employees must provide accurate, complete and true information. Importantly, employees should avoid accepting gifts or rewards from buyers or sellers as well as attending parties privately hosted so as to keep away from any accusations that may arise and prevent tendency in giving special assistance in return on later occasion.

8.5 Business Alliances: The Bank is firmly determined to comply with the agreements made with its business partners and to provide assistance for mutual business benefits.

8.6 Competitors: The Bank has no policy to falsify or distort competitors' facts. At the same time, the Bank avoids making deals or discussion with employees of other agencies or financial institutions on the issues concerning geographical locations, marketing, customer segmentation, interest rates, fees and commissions including products, services or business plans that may have negative impact on the Bank's business competition.

8.7 Society and Environment: The Bank focus on creating intellectual capital as followed facets – arts, religions, sport and environmental protection by holding CSR's projects and activities.

8.8 Employees: The Bank strongly realizes the significant of the staff members as the worthy resource and the core driving force for the organization. Therefore, the Bank had paid highly efforts to enhance their utmost competence by offering all levels of staffs the opportunities to advance in their career under fair merit system coupled with oversight their salary, remuneration, welfare and other benefits to be comparable to general leading companies. The Bank always develops learning methods, training courses and human resource development process so as to increase employees' competence to be ready for business competition. Moreover, the Bank gives an important to employees' safety by providing an environment favorable to job performance with occupational safety complying with legal standards and those prescribed by the Bank. Each business unit is required to prepare a business continuity plan both for normal

and critical situations. Additionally, the Bank urged employees to respect and honor one another along the guidelines stipulated in the personnel code of conduct.

The Bank also aims to boost up the better quality of living for all employees, therefore; the Bank has provided diverse categories of welfare resources, for example, the medical center of the Bank providing the medical treatments for the staff members, their family and the retired staffs, the financial supports granted for the educational purposes of employee' children, financial compensation for medical treatment charge, employee loan as well as the project for mediation training course.

8.9 Government Sector: The Bank supports government's operations and complied with the regulator's requirements and policies in conjunction with promotion of collaboration in respective activities of governmental agencies so as to build national stability and growth.

## **9. Social Responsibility and Environmental Conservation**

9.1 The Bank joint together with its alliances support the activities and participate in public service activities as deemed appropriate for example, projects related to education, art, religious, sport as well as the public projects broadening from the business operations in concerning with social and environmental responsibility under the international guidelines and Thailand Environment Institute.

9.2 Participate in CSR activities that are capable to exhibit the power of goodness, conscious for social and community returns as well as escorting for the enhancement of all stakeholders' quality of life.

9.3 Support voluntary activities and participate in public service activities at both local and national levels as deemed appropriate.

9.4 Support and give opportunity to society, communities and the Bank's stakeholders to participate in the Bank's activities useful for society and environment.

## **Implementation and Enforcement**

Supervisors at all level are responsible to oversee the implementation and enforcement of Business Code of Conduct of the employees as part of their discipline guidelines while the Corporate Governance and Social Responsibility Committee shall oversee the same matter for the Board of Directors level.