



ANTI-CORRUPTION POLICY

BANPU POWER PUBLIC COMPANY LIMITED

Content

	Page
1. Definition	3
2. Purpose of Anti-Corruption Policy.....	3
3. Policy Statement.....	4
4. Application of the Policy	
4.1. Persons involved in the Policy.....	4
4.2. Corruption.....	4
4.3. Gift, Hospitality, and Entertainment.....	4
4.4. Charitable Contributions.....	5
5. Responsibility.....	5
6. How to Raise Concern and Protection Measure (Whistle Blowing Policy).....	5
7. Communication.....	5
8. Effective System to Counter Corruption	
8.1. Preventive Measures.....	6
8.2. Corrective Measures.....	8
9. Enforcement and Punishment.....	8

1. Definition

"Banpu Power" means Banpu Power Public Company Limited.

"Directors" means any and all directors of Banpu Power.

"Audit Committee" means a group of independent Directors who are in charge of corporate oversight to financial reporting and disclosure, regulatory compliance, risk management, and other related corporate issues.

"Corruption" means providing, offering, promising, authorizing or paying, demanding, or receiving money, assets or other kinds of benefits that are intended to induce the Recipient to abuse his or her position in order to improperly enable Banpu Power to obtain preferential treatment or otherwise gain inappropriate advantages.

"Recipient" means government officer and representative, private officer, politician, trading party, customer, labor union, relevant stakeholder and any other individual, who directly or indirectly direct, support to direct or cause to be directed any advantages to Banpu Power.

"Employees" means the management at all levels, and officers of Banpu Power and its subsidiary companies whether on permanent, fixed term, or temporary employment basis in every business unit and operation site.

"Delegation of Authority" means the list of authority that CEO has subsequently deployed to the management for day-to-day operation in order to approve the requisition based on value of transaction and levels of the management.

2. Purpose of Anti-Corruption Policy

The Board of Directors, all of the management and officers of Banpu Power are committed to conducting operations in compliance with applicable laws, good governance and integrity practices stated in Banpu Power Missions, Corporate Governance Policy, Code of Conduct, Banpu Spirit (Integrity Value), and high ethical standards.

The purpose of the Anti-Corruption Policy is to establish controls and reiterate Banpu Power's commitment to the full compliance. This shall ensure that Banpu Power business shall be conducted in a good governance manner.

3. Policy Statement

Banpu Power has conducted and shall conduct businesses, both locally and internationally, in an honest and ethical manner and with commitment to acting professionally, fairly, and with integrity in all business deals and business relationships, of which the practices lead to a zero tolerance counter Corruption.

"Directors" and "Employees" are prohibited from carrying out or accepting any type of wrongful money, assets, compensation, and other benefits either directly or indirectly. However, to the extent as allowed by law, regulation, announcement, local culture, local norm or business practice, gifts of reasonable values are acceptable.

4. Application of the Policy

4.1. Persons involved in the Policy

The Policy applies to all Directors and Employees.

This policy has been initially considered by the Audit Committee, formally approved by the Board of Directors, and has been a part of Anti-Corruption Certification Process of the Private Sector Collective Action Coalition Against Corruption (CAC). This policy may be revised from time to time as appropriate.

As CAC has been involved in the policy, CAC is permitted to review the sufficiency of the implementation procedure of Banpu Power every three years.

4.2. Corruption

Directors and Employees must not engage either directly or indirectly in any form of Corruption or through a third party.

4.3. Gift, Hospitality, and Entertainment

Employees can offer or give any gift, hospitality, or entertainment to Recipient not exceeding the value indicated in the table of Delegation of Authority unless approved in writing by CEO.

Employees must not offer or give any gift, hospitality, or entertainment which could be regarded as illegal or improper to the Recipient.

Employee must not receive any gift, hospitality, or entertainment which could be regarded as illegal or improper from stakeholders.

4.4. Charitable Contributions

Employees can provide charitable contribution not exceeding the value indicated in the table of Delegation of Authority unless approved in writing by CEO. However, Political Contribution that is legal and ethical under laws, regulations, and practices shall be treated in the same manner as Charitable Contributions.

5. Responsibility

Directors and Employees must read, understand and comply with this policy. All are required to avoid any activity that might lead to a breach of this policy.

The prevention, detection, monitoring and reporting of any forms of Corruption are the responsibility of all Directors and Employees.

6. How to Raise Concern and Protection Measure (Whistle Blowing Policy)

Directors and Employees have been encouraged to raise concerns about any suspicion of CG malpractices including Corruption at the earliest possible stage through the "Complaints Channel"¹ and Internal Audit Department. The received issues shall be investigated by the Investigation Committee following the standard practice manual of Corporate Fraud Management.

Banpu Power has established "Whistle Blowing Policy"² in 2015 to protect Employees (Whistle Blowers) who report any wrongdoing against the laws, rules and Regulations, Anti-Corruption Policy, Corporate Governance, and Code of Conduct.

7. Communication

Banpu Power shall arrange internal communication through training and orientation to "Employees" that genuinely educate "Employees" on the Anti-Corruption Policy. Banpu Power shall publicly announce and disclose the policy in an Annual Report, 56-1 and Banpu Power website, and communicate with all stakeholders.

¹ "Complaints Channel" has been implemented since 2015 and available for all stakeholders on Banpu Power website

² "Whistle Blowing Policy" was approved by the Board of Directors of Banpu Power No.11/2015 held on 21st August 2015

8. Effective System to Counter Corruption

8.1. Preventive Measures

8.1.1. Procurement Policy and related Work Process

"Banpu Power" has issued and implemented Procurement Policy and other related work procedures since 2015³ to govern purchasing requisition and order placement, goods and services invoices and receipts, claim and reject goods and services, imported goods, bidding and tendering, logistic management and goods procurement. All of procurement execution are run on the portal work flow so called "iProcurement" and have the systematic information record for reference and the auditing purpose.

8.1.2. Accounting Record System

The consolidated and separate financial statements have been prepared in accordance with the Thai Financial Reporting Standards (TFRS) which has largely adopted the International Financial Reporting Standards (IFRS) The TFRS has been approved by the Federation of Accounting Professions. In addition, financial statement preparation shall follow the requirement of the Office of the Securities and Exchange Commission.

8.1.3. Corporate Compliance Policy

"Banpu Power" established Corporate Compliance Policy and Manual Procedures together with Regulatory Compliance Checklist (RCC) as a tool of self-assessment. This shall support all units of "Banpu Power" to comply with laws, regulations, internal and external standards and guidelines which have been occasionally amended by regulators.

8.1.4. Assessment and Mitigation of Corruption Risk in the business

"Banpu Power" has performed Risk Management covering Strategic Risk, Financial Risk, Risk in Power Business, Risk from Political and Regulatory Changes in the operation countries, Health, Safety, Environment and Community Risk. Currently, "Banpu Power" has executed Risk Assessment for Anti-Corruption in all operation and support functions. The process starts with a comprehensive identification of corruption risk factors following the activity-base of business units and their possible causes. Mitigation measures are provided and the assessment has been done at least once a year.

³ Banpu Power has entered into the Management Services Agreement with Banpu Public Company Limited since 2015.

8.1.5. Internal Control System

The Board of Directors of Banpu Power has designated the Audit Committee to regularly review the adequacy and appropriateness of "Banpu Power" internal control system for "Banpu Power" risks. This shall assure effective, efficient, and transparent operation. Since 2015 "Banpu Power" has revised Internal Control System to adopt the COSO (the Committee of Sponsoring Organizations of the Treadway Commission) which is international standard. COSO Internal Control shall focus on Commitment to Integrity and Ethical Value, the Board Responsibility, Organization Structure and Authority, Employees' Commitment to Competency and Accountability, Business and "Corruption Risk Assessment", Communication, and Control-Monitor- Report Procedures.

8.1.6. CG Policy and Code of Conduct

The Board of Directors of Banpu Power formulated the CG Policy and Code of Conduct in 2015. The documents are available in Thai and English which aim for the standard practice guideline for all operation sites. "Director" and "Employee" shall have commitment to read, understand, and perform as stated in the CG Policy and Code of Conduct accordingly.

The CG Policy gathers all significant corporate policies including:

- Policy and equitable treatment of shareholders.
- Policy on Conflict of Interest
- Policy on Stakeholders
- Policy on Information Disclosure, Transparency, Financial and Operation Reporting
- Policy on Risk Management
- Policy on Internal Control
- Policy on Monitoring and Evaluation Performance
- Policy on Succession Plan
- Sustainable Development Policy
- Whistle Blowing Policy

To enhance CG policy and Code of Conduct in practice, Banpu Power has raised and strengthened CG awareness through continuous CG activities and fully supported by corporate values "Banpu Spirit" in the same principal as Banpu Public Company Limited.

8.2. Corrective Measures

8.2.1. Corporate Fraud Management

Suspicious issues or circumstances received either through Complaint Channel or Internal Audit Report shall be processed through the Corporate Fraud Management Procedure. The Investigation Committee shall conduct fact findings and provide the result and recommendation to CEO for consideration and final execution.

8.2.2. Monitoring and Reporting

The complaints related to CG from both Complaint Channel and Corporate Fraud Management will be reported to the Governance and Nomination Committee on the quarterly basis and reported to the Board of Directors of Banpu Power accordingly. Moreover, the issues investigated by the Internal Audit Department will be monitored by Audit Committee on monthly basis and reported to the Board of Directors of Banpu Power on half year basis.

9. Enforcement and Punishment

It is clearly defined in the Company Regulations Clause 9 "Discipline and Punishment" that the corruption is considered as a "Serious Disciplinary Offense" which is subjected to the most severe punishment, i.e. dismissal or fire.

Notified on 21st August 2015



(Associate Prof. Dr. Naris Chaiyasoot)

The Chairman of the Board of Directors
Banpu Power Public Company Limited