

(Translation)

### **Governing and Managing Subsidiaries and Associate Companies Policy**

In order to comply with the laws and regulations regarding the securities and exchange and notifications, regulations, order or rules of the Office of Securities and Exchange Commission (the “Office of SEC”), the Capital Market Supervisory Board and the Stock Exchange of Thailand (the “SET”), the management has proposed to the board of Director of Banpu Power Public Company Limited (the “Company”) to consider and approve the governing and managing subsidiaries and Associate Companies Policy (the “Policy”). The Company, the subsidiaries and associate companies of the Company shall comply with the notifications of the Capital Market Supervisory Board and the Office of SEC and the relevant regulations, notifications, orders or rules of the SET, including the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 regarding Rules of Connected Transactions and the Notification of the Board of Governors of the SET regarding the Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 and relevant notifications (as amended) (the “Notification regarding Connected Transaction”) and the Notification of Capital Market Supervisory Board No. TorChor. 20/2551 regarding Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notifications of the Board of Governors of the SET regarding the Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 and relevant notifications (as amended) (collectively the “Notification regarding Acquisition and Disposition of Assets”) to enable the Company to maintain mechanism to monitor both subsidiaries and associate companies, whether directly or indirectly, and to control the management and supervise operations of the subsidiaries and associated companies as if they were one of the departments of the Company in order to maintain the Company’s investment benefits and to provide efficient measures for monitoring the management of the subsidiaries and associate companies. In this regards, the Chief of Executive Officer who is authorized to announce an order or a notification relating to policy of the Company in accordance with the delegation of authority, will prepare and enforced the Policy as deemed appropriate. The Company will proceed to incorporate the relevant sections of the Policy into the articles of association of the Company and enforce the Policy to their subsidiaries which are engaging in the Company’s core business through an acknowledgement of such Policy by the directors of the subsidiaries appointed by the Company or through approval by the meeting of the board of directors of the subsidiaries (as the case may be).

This Policy is prepared to enable the Company to control the management and supervise the operations of the subsidiaries and associate companies as if they were one of the departments of the Company and to create mechanism monitoring both subsidiaries and associate companies, whether directly or indirectly, and use guidelines in managing subsidiaries and associate companies to maintain the Company’s investment benefits, in accordance with the regulations as specified in the Notification of Capital Market Supervisory Board No. TorChor. 28/2551 regarding Application for and Approval of Offer for Sale of Newly Issued Shares (as amended).

In this regard, “subsidiaries” and “associate companies” mean subsidiaries or associate companies engaging in core business as specified in Clause 18/1 with aggregate values as regulated in Clause 18(2) of the Notification of Capital Market Supervisory Board No. TorChor. 28/2551 regarding Application for and Approval of Offer for Sale of Newly Issued Shares (as amended) together with the Notification of the Securities and Exchange Commission (the “SEC”) No. KorJor. 17/2551 regarding Determination of Definitions under Notifications relating to Issuance and Offering of Securities (as amended).

In case where this Policy specifies that any transaction or action which is material or affects the Company’s financial conditions and performance of subsidiaries or associate companies must be approved by the board of directors of the Company or the meeting of shareholders of the Company (as the case may be), the board of directors of the Company shall hold the meeting of the board of directors and/or the meeting of the shareholders to consider and approve such matter prior to having resolution of the meeting of the board of directors and/or meeting of the shareholders of the subsidiaries or associate companies relating to an entry into such transaction or taking the action on such matter. In this connection, the Company shall disclose information on the transaction and comply with relevant regulations, conditions, procedures and methods in relation to the matter seeking such approval as specified in the public limited company laws, the Civil and Commercial Code, the securities laws and relevant laws together with the notification, regulations and rules of the Capital Market Supervisory Board, the Office of the SEC and the SET as applicable (enforceable to the extent not contrary to such laws) completely and precisely.

1. The following matters of the subsidiaries or associate companies (as the case may be) shall obtain prior approval from the board of directors of the Company:

1.1 Appointment and nomination of person(s) to be director(s) and executive(s) in the subsidiaries or associate companies in proportion to the shares held by it in each company.

Unless otherwise specified in this policy or the board of directors of the Company has stated otherwise, directors and executives appointed or nominated by the Company shall have discretion to consider and vote at the meeting of the board of directors of the subsidiaries and associate companies concerning general management and business operation of the subsidiaries and associate companies as they deem appropriate for the best interest of the Company and subsidiaries or associate companies (as the case may be).

Hence, such directors and executives of the subsidiaries must be the persons whose names listed on the SEC’s White List database, and possess qualifications, have duties, obligations and responsibilities as specified in the relevant laws and do not possess any untrustworthy characteristics in accordance with the notification of the SEC regarding Determination of Untrustworthy Characteristic of Directors and Executives of the Company.

1.2 An increase or reduction of capital of a subsidiary which is not in proportion to the shareholding by the Company or any other actions which results in a decrease of more than 10 percent of voting right of the Company, whether directly or indirectly, in the meeting of shareholders of such subsidiary.

- 1.3 An approval of payments of annual or interim dividend of the subsidiaries (if any).
- 1.4 An amendment to the articles of association of the subsidiaries except the amendment to material matters as specified in Clause 2.5.
- 1.5 An approval of consolidated annual budget of the Company and subsidiaries of the Company unless otherwise specified in the Delegation of Authority.
- 1.6 An appointment of auditor of the subsidiaries, particularly in case where such auditor is not under an audit firm with the same full membership as the Company's auditor, which does not comply with a policy concerning an appointment of auditor of the Company requiring the subsidiaries' auditor to be a member of an audit firm with the same membership as the Company's auditor.

The following matters in Clause 1.7 to 1.10 are deemed material and any entry into such transaction shall materially impact financial conditions and performance of the subsidiaries. Therefore, a subsidiary's director appointed by the Company shall exercise their votes on the following transactions as approved by the Company's board of directors prior to meeting of the board of directors of the subsidiaries, provided that such transaction, when comparing its size with a type and/or size of the Company (pursuant to the rules concerning a calculation of size of transaction as specified in the Notification regarding Connected Transactions or the Notification regarding Acquisition and Disposition of Assets (as the case may be)), shall require a prior approval from the board of directors of the Company. The transactions shall be as follows:

- 1.7 When the subsidiaries enter into transaction with related person of the Company or subsidiaries or when the transaction is related to an acquisition or a disposition of assets of the subsidiaries which includes, but not limited to, the followings:
  - 1.7.1 A transfer or waiver of any right or benefit including a waiver of right of claim against person causing damages to the subsidiaries.
  - 1.7.2 A sale or transfer of an entire or a material part of business of the subsidiaries to other persons.
  - 1.7.3 A purchase or an acquisition of other company's business.
  - 1.7.4 An entry into, amendment, or termination of agreement involving in lease of entire or material part of business of the subsidiaries, an assignment of person to manage the subsidiaries' business or a merger of the subsidiaries' business with others' for the purpose of sharing profit and loss.
  - 1.7.5 A lease or hire-purchase of entire or material part of business or asset of the subsidiaries.
- 1.8 Borrowing, lending, granting credit, security, entering into any transaction to abide the subsidiaries to increase financial burden or providing other means of financial support to other persons in material amount and not in ordinary cause of business of the subsidiaries.
- 1.9 A winding up of the subsidiaries.

- 1.10 Any other transactions which are not within an ordinary cause of business of the subsidiaries and have material effect to the subsidiaries.
2. The following matters of the subsidiaries shall obtain prior approval from the meeting of shareholders of the Company with the votes of not less than three-fourths (3/4) of the total number of voting of shareholders attending the meeting and eligible to vote:
- 2.1 In case where the subsidiaries enter into a transaction with a related person of the Company or subsidiaries or a transaction is related to an acquisition or a disposition of assets of the subsidiaries, provided that such transaction, when comparing its size with a type and/or size of the Company (pursuant to the rules concerning a calculation of size of transaction as specified in the Notification regarding Connected Transactions or the Notification regarding Acquisition and Disposition of Assets (as the case may be) as applicable), shall require a prior approval from the meeting of shareholders of the Company.
- 2.2 An increase or reduction of capital of a subsidiary which is not in proportion to the shareholding by the Company or any other action which reduces voting right of the Company, whether directly or indirectly, in the meeting of shareholders of such subsidiary to the extent as resulting in such subsidiary, under the relevant laws, ceasing to be subsidiary of the Company, provided that such transaction, when comparing its size with a type and/or size of the Company (pursuant to the rules concerning a calculation of size of transaction as specified in the Notification regarding Connected Transactions or the Notification regarding Acquisition and Disposition of Assets as applicable), shall require a prior approval from the meeting of shareholders of the Company.
- 2.3 A winding up of the subsidiaries, provided that when comparing the size of the winding up subsidiary to the size of the Company (pursuant to the rules concerning a calculation of size of transaction as specified in the Notification regarding Acquisition and Disposition of Assets) it shall be required a prior approval from the meeting of shareholders of the Company.
- 2.4 Any other transaction which is not common business of the subsidiaries and has material effect to the subsidiaries, only to the extent that when comparing the size of the transaction to the size of the Company (pursuant to the rules concerning a calculation of size of transaction as specified in the Notification regarding Acquisition and Disposition of Assets) it shall be required a prior approval from the meeting of shareholders of the Company.
- 2.5 An amendment to the articles of association of the subsidiaries in relation to matters which may materially impact financial conditions and performance of the subsidiaries, including but not limited to the amendment to the articles of association of the subsidiaries which affects the voting rights of the Company at the meetings of board of directors and/or shareholders of the subsidiaries or the dividend payment of the subsidiaries.

3. The board of directors of the Company shall monitor the board of directors and executives of the subsidiaries and associate companies (as applicable) to perform their duties and responsibilities in compliance with the laws and policies of the Company.
4. The board of directors of the Company shall procure that its subsidiaries have internal control system, risk management system, and anti-corruption protection system and shall have adequate, efficient and appropriate measures to monitor the performance of the subsidiaries and associate companies to make sure that their operations are in line with work plans, budgets, policies of the Company as well as the laws and notifications regarding Good Corporate Governance of Listed Company including the notifications, regulations and relevant rules of the Capital Market Supervisory Board, the Office of the SEC and the SET in effective and consistent manners. The Company shall also monitor that the subsidiaries and associate companies disclose complete and accurate information relating to financial conditions and performance, connected transactions and any transactions which may involve conflicts of interest, acquisition and disposition of material assets, and any other material transactions of the Company as well as any other actions so as to fully comply with the regulations of governing and managing subsidiaries and associate companies as specified in the relevant notifications of the Capital Market Supervisory Board and the notifications of the Board of Governors of the SET (as amended) (as the case may be).
5. Directors and executives of Company or subsidiaries shall have the following duties:
  - 5.1 Directors and executives of the Company or subsidiaries shall disclose complete and accurate information relating to financial conditions and performance, intercompany transactions of the Company or the subsidiaries including and acquisition and a disposition of material assets within an appropriate time as prescribed by the Company. The board of directors of the Company or subsidiaries shall consider the entering into an intercompany transaction, acquisition and disposition of material assets of the Company or subsidiaries in accordance with the Notification regarding Connected Transaction or the Notification regarding Acquisition and Disposition of Assets (as applicable).
  - 5.2 Directors and executives of the Company or subsidiaries shall disclose and submit a report on conflict of interest of themselves and their related persons to the board of directors of the Company or subsidiaries disclosing their relationship and details of transactions with the Company which may cause conflict of interest, and avoid to enter into a transaction which may cause conflict of interest. The Company through its board of directors of the Company or subsidiaries shall notify such matter to the board of directors of the Company or subsidiaries for consideration and approval within appropriate time as prescribed by the Company, provided that such consideration shall take into account benefits of the Company and subsidiaries.

However, the directors and executives of the Company or subsidiaries shall not participate in the approval of any matter in which he/she directly or indirectly has conflict of interest.

The following actions resulting in financial benefits of directors, executives or the related person of the Company or subsidiaries other than those normally obtained, or causing damages to the Company or subsidiaries, shall be presumed as significant conflict of interest with the Company:

- (a) entering into a transaction between the Company or subsidiaries and a director, an executive, or a related person, which does not comply with the connected transaction rules;
- (b) using of information of the Company or subsidiaries or information known to the Company or subsidiaries except for that which has already been disclosed to public; or
- (c) using of assets or business opportunity of the Company or subsidiaries in the same manner as the Company or subsidiaries (as the case may be) which is in violation of the rules or general practice as specified in the notification of the Capital Market Supervisory Board.

- 5.3 Directors and executives of the Company or subsidiaries shall report to the Company on the business operation plans, business expansion, substantial investment projects, as well as joint investment with other operators through monthly performance report and present or submit supporting documents for consideration upon the Company's request.
- 5.4 Directors and executives of the Company or subsidiaries shall submit a report or documents in relation to the business operations to the Company upon an appropriate request.
- 5.5 Directors and executives of the Company or subsidiaries shall clarify or submit supporting documents to the Company when the Company found any significant issue.
- 5.6 Directors and executives of the Company or subsidiaries shall manage to have an adequate internal control system to prevent any potential corruption on the Company as well as distinctive system to demonstrate that the Company has an adequate system for continuous and reliable disclosure of material transactions as specified in the rules and has channel for the directors and executives of the Company or subsidiaries to receive information of the Company for efficiently monitoring the performance and financial conditions, transactions between the Company and its directors and executives, transactions between subsidiaries and their directors and executives, and any material transaction of the Company. Moreover, the Company shall make available mechanism to audit such system in the Company by a team of internal control unit and independent directors of the Company accessible to information directly and reporting the audit result of the system to directors and executives of the Company and subsidiaries so as to ensure that the Company and subsidiaries comply with the available system at all times.

6. Directors, executives, employees, staffs or designated persons of the Company or subsidiaries including their spouses and minor children shall not use inside information of the Company or subsidiaries, whether received in their own capacity or otherwise, which cause or may cause a material effect to the Company or subsidiaries for benefit of their own or others, directly, and with or without consideration.
7. The Company shall procure that the directors of the subsidiaries appointed by it attend and vote at every meeting of the board of directors of subsidiaries in the manner as directed by the Company with respect to the agendas significant to business operations of the subsidiaries.