



Regulations of Ratchaburi Electricity Generating Holding Public Company Limited  
Regarding Anti-Fraud and Corruption  
B.E. 2559

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To enhance the efficiency of the anti-fraud and corruption program, conduct business with honesty, integrity, transparency and fairness, in order to achieve the objectives as declared with Thailand's Private Sector Collective Action Coalition against Corruption (CAC), as well as to comply with the Anti-Fraud and Corruption policy, the Board of Directors, in the Board of Directors Meeting 2/2559 on February 18, 2016, has established the Company's Regulations on Anti-Fraud and Corruption as a framework for the anti-fraud and corruption program as follows:

**Section 1**

**General**

**1. Introduction**

1.1 Ratchaburi Electricity Generating Holding Public Company Limited ("the Company") has a policy to conduct its business with the highest standards for ethics and transparency, with a commitment to corporate social responsibilities and its stakeholders according to the Company's Corporate Governance policy and Code of Business Conduct.

1.2 The Company has a commitment to fight against all types of fraud and corruption. As such, the Company has made a declaration to join Thailand's Private Sector Collective Action Coalition against Corruption in 2014.

**2. Objectives**

The Company has established the Regulations of Ratchaburi Electricity Generating Holding Public Company Limited Regarding Anti-Fraud and Corruption ("Regulations") with the following objectives:

2.1 To declare the intent and commitment to work against fraud and corruption.

2.2 To establish a clear framework and protocols for business operations to prevent fraud and corruption risks.

2.3 To establish guidelines for review and oversight, to ensure that operations are conducted appropriately in accordance with these Regulations.

**3. Definitions**

3.1 “Fraud” is an intentional act committed to secure unfair or unlawful gains for one’s self or others. Fraud can be broken down into three types: corruption, asset misappropriation and fraudulent statements

3.2 “Corruption” is the misuse of position or power of influence for inappropriate gains for the organization, one’s self or others. Corruption includes bribery, conflicts of interest, economic extortion and illegal gratuities.

3.3 “Bribery” is the act of paying, offering, promising to pay, receiving, requesting or soliciting anything of value, such as assets, money, things, rights or other advantages that are against good ethics, conduct, rules, regulations or laws with government officials, government organization, private organizations or other individual(s) – directly or indirectly – in order for that person to wrongfully act or wrongly refrain from performing their duties to receive or retain benefits that are inappropriate for the business.

3.4 “Political Contribution” is monetary or non-monetary support provided to a political party, representative of a political party, politician or candidate for election. As such, non-monetary political contributions include lending or donating any equipment for free of charge.

#### **4. Scope**

4.1 These Regulations apply to the Board of Directors, Sub-Committees, Senior Management and employees of the Company as well as all existing or future subsidiaries under the Company’s control (together called “RATCH Personnel”).

4.2 These Regulations also apply to agents, intermediaries, contractors and consultants acting on behalf of the Company (together called “Related Business Partners”).

#### **5. Additional practices**

The Chief Executive Office shall have the right to announce or establish additional protocols in place in alignment with these Regulations.

## Section 2

### Roles and Responsibilities

1. **The Board of Directors** is responsible for overseeing the overall anti-fraud and corruption program as well as establishing the policies/procedures/measures relating to the anti-fraud and corruption program, including disclosing the roles and responsibilities of the Board of Directors relating to fraud risk management to the external auditors. Additionally, the Board of Directors shall commit to the anti-fraud and corruption program to demonstrate the Company's attitudes toward anti-fraud and corruption to all employees, related business partners and the public.
2. **The Corporate Governance and Social responsibility Committee** is responsible for overseeing the operations in compliance with the policies and regulations relating to anti-fraud and corruption as well as fraud risk management that includes the measures to prevent, detect and respond to fraud. The Corporate Governance and Social responsibility Committee is also responsible for reviewing the policies, regulations and the code of conduct to ensure their appropriateness.
3. **The Audit Committee** is responsible for overseeing the internal control processes, the accounting and financial reporting process and the internal auditing process to ensure the appropriateness, efficiency, effectiveness and completeness of the internal controls.
4. **The Chief Executive Officer and the Management** are responsible for establishing efficient guidelines to support the relevant policies and regulations, as well as for setting the communications and training program for all RATCH personnel to ensure that RATCH personnel have sufficient understanding and are able to efficiently and effectively apply related policies and procedures in their operations. They also are responsible for reviewing the appropriateness of related procedures to align with any changes in business operations, procedures, regulations and laws.
5. **All RATCH Personnel** are responsible for complying with these Regulations and all related announcements. RATCH Personnel must report to their supervisor or to a designated reporting channel, when they encounter any suspicions of fraud or breach of the Company's regulations.

### **Section 3**

#### **Principles**

##### **1. Fighting against Fraud & Corruption**

(1) The Company shall not engage in, conduct or accept bribery or any form of fraud or corruption, whether with government officials or the private sector.

(2) RATCH Personnel, or persons acting on behalf of RATCH, shall not request, provide, persuade or promise to provide or accept bribery or any forms of inappropriate payments including facilitation payments.

(3) RATCH Personnel shall comply with all laws and regulations relating to anti-fraud and corruption and any policies and regulations for anti- fraud and corruption. The regulations shall also apply to the Company's vendors, contractors, temporary employee and business partners. Any violators will be subject to disciplinary action or legal action.

(4) Business partners or persons acting on behalf of the Company must strictly comply with the laws and regulations of the country of operation and the Company's regulations. They shall not offer or accept any bribe or engage in any form of fraud or corruption. They also must have measures to prevent bribery as well as fraud and corruption in place.

(5) The Company prohibits the provision of facilitation payments to government officials in order to "speed" the work process.

(6) The Company prohibits the offering and acceptance of bribes or any form of fraud and corruption with private entities.

(7) The Company prohibits inappropriate payments through third parties.

(8) Due diligence shall be performed for the selection of vendors, consultants, contractors, partners, trading partners, business partners, or others service persons. Appropriate terms and conditions to prevent bribery from occurring shall also be established.

(9) RATCH Personnel shall foster value and awareness by working honestly, ethically and transparently without engaging in fraud and corruption as part of the organizational culture.

(10) RATCH Personnel shall operate with transparency, accuracy and fairness under all of the applicable policies, regulations and announcements of the Company.

(11) The Company prohibits RATCH Personnel from ignoring or neglecting to raise concerns or any suspicion of fraud or corruption in relation to the Company. In addition, RATCH Personnel shall report the suspected instance of fraud and corruption through their line of command or to the designated person, as well as provide cooperation in the investigation process.

(12) The Company shall provide fair treatment and protection to RATCH Personnel. As such, RATCH Personnel will not suffer demotion, penalty for refusing involvement in any acts of fraud or corruption, even if such refusal may result in the loss of the Company's business opportunities.

## **2. Political Contributions**

(1) The Company adopts a political neutrality policy and will not participate in any activities of political parties, political groups, or politicians, whether directly or indirectly. The Company shall not allow political supporters to use the Company's resources or premises for political activities.

(2) The Company shall not make contributions to any political parties, either in money or other form.

(3) The Company respects the rights of RATCH Personnel to participate in political activities under the terms of the Constitution, related laws and regulations, such as political elections or taking part in political parties and participating in political activities. However, those rights must be exercised on the personnel's behalf, outside of working hours, using their own resources. In addition, RATCH Personnel must not participate in any political activities on behalf of the Company.

(4) RATCH Personnel must not provide support for political contributions using the Company's money, whether directly or indirectly.

(5) RATCH Personnel shall avoid criticizing political issues in working areas or during working hours that may lead to a conflict of opinions.

## **3. Charitable Contributions and Sponsorships**

(1) Charitable contributions and sponsorships to individuals or organizations, whether government or private sector, must be transparent with objectives for charity, and not be made with the expectation of favorable treatment in return that may give the appearance of being for fraud or corruption.

(2) The request and approval processes must be performed in accordance with the Company's Announcement on charitable contributions and sponsorships.

## **4. Gift giving and acceptance**

(1) The provision and acceptance of gifts are permitted according to local tradition. However, the Company does not encourage its employees to accept gifts from business partners beyond reasonable amounts.

(2) The provision and acceptance of gifts must be made for legitimate business reasons and must not significantly impact business decisions of the Board of Directors, Management, Employee or external parties.

(3) The Company prohibits the provision or acceptance of gifts that include advantages in exchange for the expectation of favorable treatment in return.

(4) RATCH Personnel shall avoid providing or accepting gifts or other advantages that may constitute bribery or raise suspicions about integrity issues or conflicts of interest which may impact the Company's reputation.

(5) The Company prohibits the acceptance of gifts from vendors, customers or competitors that exceed the amount allowed by the Company.

(6) The Company prohibits providing personnel discounts or others benefits to suppliers or clients.

(7) The Company prohibits providing or accepting money, services, gifts, or anything of values to/from government officials or the private sector in exchange for business advantages.

(8) The request and approval process for gifts must be performed in accordance with the Company's Announcement on gifts.

## **5. Hospitality**

(1) Hospitality or other advantages to both government sectors and private sectors must be transparent and not with the expectation of favorable treatment or any advantages in return which may constitute fraud or corruption

(2) Hospitality shall only be provided for legitimate business reasons and must not significantly impact business decisions of the Board of Directors, Management, employees or external parties.

(3) The Company prohibits providing hospitality in exchange for expectations of favorable treatment in return.

(4) RATCH Personnel shall avoid providing hospitality that may constitute bribery or raise suspicions of integrity issues or conflicts of interest which may impact the Company's reputation.

(5) The Company prohibits providing hospitality to government officials or the private sector in exchange for business advantages.

(6) The request and approval processes for gifts must be performed in accordance with the Company's Announcement on hospitality.

Any actions breaching the regulations in this document shall be considered for disciplinary action in accordance with the Company's rules which may include termination if deemed appropriate. Additionally, any RATCH Personnel found to be in violation of these Regulations may be subject to legal action if the act is proved to be a violation of law.

## **Section 4**

### **Fraud Risk Management and Internal Control Processes**

The Company establishes its regulations on fraud risk management and internal control processes as follows:

1. Establishes a program and procedures for fraud risk management covering fraud prevention, detection and response.
2. Establishes proper and sufficient internal controls for fraud and corruption prevention and the review of internal processes to ensure the efficiency and effectiveness of internal controls.
3. Establishes the assessment of fraud and corruption risk to ensure that the Company has appropriate internal control measures in place to mitigate all types of fraud and corruption risks.
4. Establishes measures and procedures for particular expenses such as political contributions, charitable contributions, sponsorships, provision of gifts, facilitation payments, entertainment, transportation, meals or other expenses to formally prevent fraud and corruption.
5. Establishes preventive measures to prevent the provision or acceptance of gifts, assets or other benefits, entertainment or any other expenses that are not aligned with the Company's policies or not in compliance with the applicable laws of the related countries.
6. Establishes a reporting mechanism to support the issuance of transparent and accurate financial reports, which comply with international accounting standards.
7. Establishes a process for maintaining and retaining accurate books and records that accurately, properly and fairly document all financial transactions in accordance with applicable laws and regulations. In particular, expenses need to have adequate supporting documentation which is clear, transparent, accurate and have the approval from the authorized person to ensure the appropriateness of the expenses and that they have not been made for the purpose of fraud or corruption.
8. Establishes the channels to report, or make complaints about fraud or corruption as well as establishes the processes to investigate, enforce and report cases of fraud or corruption to the Board of Directors and Senior Management.
9. Establishes communications and a training program to provide an understanding of the regulations and announcements regarding anti-fraud and corruption to all levels of RATCH Personnel including agents and intermediaries acting or working on behalf of the Company.

## **Section 5**

### **Whistleblowing**

#### **1. Hotline or Whistleblowing Mechanism**

RATCH Personnel who find any instances of wrongdoing or suspicions of fraud or corruption activities, either directly or indirectly, must not ignore or neglect to report these to the Company. As such, RATCH Personnel shall immediately inform their line of command or the Board of Directors or designated channels when encountering such activities.

#### **2. Whistleblower Protection**

To protect the rights of whistleblower and persons providing information in good faith, RATCH shall provide fairness and protection to whistleblower by treating all reports with the highest level of confidentiality and shall restrict access to incident reports to the authorized person responsible for the investigation only. As such, the designated person shall keep information related to the reporting of incidents and evidence of whistleblowers and reporters as confidential. The designated person must not disclose such information to unrelated parties unless required by law. Additionally, the Company shall not subject persons who refuse involvement in fraud and corruption to adverse consequences, even if such refusal may result in the Company's loss of business opportunities.

#### **3. Cooperation in investigation**

RATCH's management and RATCH Personnel shall cooperate with the investigation committee in the investigation process as requested.

## **Section 6**

### **Communication and Training**

#### **1. Communication**

To raise awareness among RATCH Personnel of the importance of policies, regulations and announcements regarding anti-fraud and corruption, the Company has established communication channels as follows:

(1) Company communication channels, such as e-mail and the company's website.

(2) The Securities and Exchange Commission 56-1 Report and Annual report (56-2).

#### **2. Training**

The Company shall regularly provide training on the anti-fraud and corruption program to RATCH Personnel at all levels and new staff as part of orientation induction to enhance their knowledge and understanding of anti-fraud and corruption as well as to raise awareness about the importance of policies, regulations and announcements in relation to anti-fraud and corruption. The training should include fraud types, with a focus on bribery and risk in involvement with corruption, the channels to report fraud or suspicious acts of fraud as well as the Company's expectations for the anti-fraud and corruption program and disciplinary actions for instances when a person violates the policies, regulation or announcements.

## **Section 7**

### **Review and Update**

The Regulations regarding Anti-fraud and corruption are under the supervision of the Corporate Governance and Social Responsible Committee. These regulations shall be reviewed and revised when there are significant changes to ensure that the Regulations are up-to-date with the Company's policies as well as related laws and regulations.

Announced on February 25, 2016

(Mr. Sutat Patmasiriwat)

Chairman of the Board of Directors