

[Translation]

RATCH Group Public Company Limited
Regulations on Anti-Fraud and Corruption
(B.E.2562)

Pursuant to the shareholder resolution reached at Ratchaburi Electricity Generating Holding Public Company Limited's 2019 Annual General Meeting on 12 April 2019, the Company was renamed to RATCH Group Public Company Limited. Seeing the need to have the Regulations on Anti-Fraud and Corruption to ensure efficient anti-fraud and corruption acts, integrity, transparency and fairness in alignment with the Company's declaration with Thailand's Private Sector Collective Action Coalition against Corruption and the Company Group's Anti-Fraud and Corruption Policy, the Board of Directors at the 3/2019 meeting on 15 March 2019 approved the following regulations.

Section 1

General Information

1. Introduction

1.1 RATCH Group Public Company Limited (the "Company") sets forth a policy to operate business with fairness and transparency, by holding responsibility for society and all stakeholder groups in line with corporate governance practices and the Code of Conduct.

1.2 The Company is committed to fight against all forms of fraud and corruption and in 2014, the Company signed the "Thailand's Private Sector Collective Action Coalition against Corruption" declaration.

2. Objectives

The Company issued the "Regulations on Anti-Fraud and Corruption" ("Regulations") in writing with the following objectives:

2.1 To declare the commitment to fight against fraud and corruption.

2.2 To set the clear principles and guidelines for business operations, to prevent fraudulent and corruption risks.

2.3 To set inspection and supervision criteria, to ensure appropriate compliance with these regulations.

3. Definition

3.1 "Fraud" means an intentional act to seek wrongful benefits for oneself or others. Fraud is divided into 3 types - corruption, embezzlement and reporting misconduct.

3.2 “Corruption” means abuse of power to gain wrongful benefits for the organization, oneself or others. Corruption entails the giving and/or taking of corruption, conflicts of interest, extortion and/or demand for benefits, and bribery for service facilitation.

3.3 “Bribery” means the offering, promise, taking, asking or demanding for property, money, items, rights or other benefits that are against moral and ethical principles, regulations, policies or laws, involving government officials, government offices, private organizations or other individuals doing business with the Company, directly or indirectly, in exchange for official action or inaction, to gain or maintain business or wrongful benefits.

3.4 “Political support and assistance” means financial and non-financial supports to political parties, political parties’ representatives, politicians or election candidates. Non-financial supports entail loans or contributions of items free of charge.

4. Boundary

4.1 These regulations shall apply to the Board of Directors, sub-committees, executives and employees of RATCH Group Public Company Limited and subsidiaries, existing and to be established, which are under the Company’s control. (They are collectively called “the Company’s personnel”.)

4.2 These regulations cover agents, middlemen, freelancers and advisors acting on behalf of RATCH Group Public Company Limited. (They are collectively called “business partners”.)

5. Formulation of additional practices

Chief Executive Officer is authorized to issue an order or formulate additional practices to ensure compliance with these regulations.

Section 2

Duties and Responsibilities

1. **Board of Directors** shall supervise the enterprise’s overall anti-fraud and corruption environment; set efficient policies and regulations related to fight against fraud and corruption; and disclose the Board of Directors’ role in the management of fraud risks to the auditor. The Board of Directors shall take the lead in fighting against fraud and corruption, to show its determination and standpoint to the Company’s personnel, business partners and the general public.

2. **Corporate Governance and Social Responsibility Committee** shall oversee the compliance with the anti-fraud and corruption policies, regulations and the management of fraud risks which encompasses anti-fraud measures as well as fraud identification and response; and examine and review the Company’s policies, regulations, Business Ethics and Code of Conduct to ensure the policies and regulations will be completely and appropriately exercised across the enterprise.

3. **Audit Committee** shall oversee the internal control, accounting and finance and internal audit systems, to ensure appropriate internal control on work processes as well as complete and efficient implementation.

4. **Chief Executive Officer and executives** shall establish guidelines that efficiently support the anti-fraud and corruption regulations; establish communications and training on relevant policies and regulations for personnel at all levels to ensure they have sufficient knowledge and understanding and can implement the relevant policies and regulations efficiently and effectively; and review those guidelines in accordance with changes in business conditions, rules and regulations.

5. **The Company's personnel** shall comply with these regulations and follow relevant orders. In case of doubt or witnessing violations of these regulations, they must send reports to supervisors or through whistle-blowing channels as prescribed by the Company.

Section 3

Principles

1. Anti-fraud and corruption

(1) The Company will not involve with any forms of bribe giving or taking, fraud or corruption, in its interaction with government or private entities.

(2) The Company's personnel or individuals acting on behalf of the Company must not demand, propose, influence, promise, give or take bribes, or pay other wrongful expenses including facilitation payments.

(3) Each of the Company's personnel must honor the laws relating to fraud and corruption and the regulations on bribe giving and taking and corruption; and apply the laws and regulations with the Company's suppliers, contractual parties, contractors and joint venture partners. In case of violations, they are subjected to disciplinary actions or liable to legal actions.

(4) Business partners or individuals acting on behalf of the Company shall strictly comply with applicable laws in respective countries where the Company operates and the Company's regulations. They must not offer, give or take bribes and must have in place appropriate measures against the giving and taking of bribes as well as corruption.

(5) The Company will not endorse any facilitation payments, to speed up or shorten government officials' work procedures.

(6) The Company will not endorse the giving and taking of bribes or all forms of corruption in business interaction with private entities.

(7) The Company will not allow inappropriate payments through a third party.

(8) The Company requires thorough background checks on the selection of agents, advisors, contractors, suppliers, joint venture partners, business partners and other service providers. Appropriate conditions are included in contracts, to prevent the taking and giving of bribes.

(9) The Company's personnel shall engage in building values and awareness in honest, transparent and corruption-free work process, to subsequently making it a corporate culture.

(10) The Company's personnel shall complete all work processes in a transparent, correct and fair manner as guided by the Company's regulations and orders.

(11) The Company's personnel must not ignore or neglect any suspicious acts that involve the Company and may breach the anti-fraud and corruption regulations. The suspicious acts must be reported to their supervisors or responsible persons and they must cooperate in related fact-finding process and investigation.

(12) The Company guarantees fairness and protection for the personnel: they will not be punished or demoted if refusing to commit corrupt acts, though such will cost the Company business opportunities.

2. Political support and assistance

(1) The Company shall maintain political neutrality, not favoring or supporting any political party or any political figure; not participating the activities of political parties, political groups or political figures, directly or indirectly; and not allowing political groups to use the Company's resources or premises for political activities.

(2) The Company shall not make cash or other donations to political parties.

(3) The Company respects personnel's freedom to political rights – rights to express opinions or rights to participate political activities – as stipulated in the Constitution and relevant laws and regulations. Personnel can, for instance, cast vote, be a political party's member, and participate a political activity after work as long as they do not represent or act in the name of the Company and use their own resources.

(4) The Company's personnel must not propose the Company to give a political support, directly or indirectly.

(5) The Company's personnel shall refrain from expressing political opinions at workplace or during working hours, to prevent possible conflicts.

3. Charitable donation and financial support

(1) Charitable donations and financial supports to government and private entities or their officials shall be transparently executed and for charitable causes, without expectation to win in return benefits or other things which may be deemed a fraudulent and corrupt act.

(2) Requests for charitable donations and financial supports shall follow the Company's regulations.

4. Giving/Taking of gifts and souvenirs

(1) The Company considers taking or giving valuable or other items as gifts/souvenirs as part of local traditions an acceptable practice. However, the Company's personnel are not expected to receive gifts/souvenirs with exceptional value from business partners.

(2) Giving and taking of gifts and souvenirs shall be appropriately in line with business purposes and shall not significantly influence the decision-making process of the Board of Directors, the Management, employees or outsiders.

(3) Do not give or take gifts and souvenirs, inclusive of other benefits, in exchange for a special business deal.

(4) Avoid giving or taking gifts and souvenirs or other benefits which are deemed bribes or cast doubt on integrity or conflict of interest involving the Company's personnel which may harm the Company's reputation.

(5) Do not receive gifts and souvenirs valued above the Company's limit from distributors, customers or competitors.

(6) Do not receive discounts or other benefits, offered on a personal basis, from distributors or customers

(7) Do not offer or take money or provide services or valuable items to government and private entities' officials for inappropriate business advantage.

(8) Requests for gift/souvenir giving and taking involving government officials and external parties shall follow the Company's regulations.

5. Receptions and other benefits

(1) Hosting receptions or offering other benefits to government and private entities and their officials must be done in a transparent manner, not for an exchange of benefits or other things that may be deemed corruption.

(2) Appropriate receptions for business purposes must not significantly influence the decision-making process of directors, executives, employees or outsiders.

(3) Do not host or receive receptions and other benefits in exchange of special business deals.

(4) Avoid hosting or receiving receptions or other benefits possibly deemed bribes and causing doubt on integrity and conflict of interest involving the Company's personnel that may harm the Company's reputation.

(5) Do not offer or receive receptions and other benefits to government and private entities' officials for an inappropriate business advantage.

(6) Requests for giving or receiving receptions and other benefits shall follow the Company's regulations.

Any action that violates the Regulations on Anti-Fraud and Corruption is subjected to disciplinary actions as stated in the regulations or termination of employment contract if considered necessary. Violators may also face legal actions if proven guilty by law.

Section 4

Risk Management and Internal Control

The Company has issued the following risk management and internal control order:

1. Establish measures and guidelines on the management of corruption-related risks that encompasses preventive measures, identification of risks and risk responses.

2. Establish an internal control system that is appropriate and sufficient to prevent fraud and corruption and have internal work processes examined to ensure the internal control efficiency and effectiveness.

3. Assess enterprise risks relating to fraud and corruption to ensure the Company's internal control measures can appropriately cope with any forms of those risks.

4. Establish measures and guidelines concerning some kinds of expenses like political supports, charitable donations, sponsorships, gifts, souvenirs, facilitation payments, receptions, travel allowances, meal allowance or other expenses, as a concrete way to prevent fraud and corruption.

5. Put in place measures to prevent the giving or taking of gifts, property or other benefits, receptions or beyond-limit expenses that are against the Company's criteria or violate applicable laws in respective countries.

6. Establish a transparent and accurate system for financial reporting, in accordance with internationally-accepted accounting standards.

7. Establish a process to prepare and safekeep documents supporting financial data, to ensure financial data is accurately and completely booked in line with applicable laws and regulations. The process particularly concerns proof of expenses, whereby documents used to justify expenses incurred must be clear, transparent, accurate and appropriately approved by the authorized persons, to ensure that that expense is appropriate and does not constitute fraud and corruption.

8. Set up channels where whistleblowing reports, recommendations or complaints can be filed in the event of fraud or corruption; an investigation procedure; penalties; and the reporting to the Board of Directors and top executives in the event of fraud and/or corruption.

9. Organize communications and training on the anti-corruption regulations and orders for the Company's personnel at all levels as well as business agents and intermediaries acting on behalf of the Company.

Section 5

Reporting and Whistleblowing

1. Whistleblowing and complaint reporting

Any personnel witnessing misconduct or suspicious acts, directly or indirectly, must not ignore or neglect the acts and shall immediately report their supervisors or the Board of Directors or through the Company's prescribed reporting channels.

2. Protection to whistleblowers and informants

To protect whistleblowers and informants who act in good faith, the Company promises them fairness and protection. Their data is kept confidential and accessible only to persons responsible for the investigation. Responsible persons must keep the information, complaints and supporting evidence confidential and must not share the information with irrelevant

persons, except when requested by law. Aside, the Company will not take actions that will adversely affect employees who refuse corruption money, though the refusal will cost the Company business opportunities.

3. Cooperation in investigation

Executives and employees shall cooperate with investigating committees when asked.

Section 6

Communications and Training

1. Communications

To inform the Company's personnel of the anti-fraud and corruption policy, regulations and orders, the Company has arranged the following channels to communicate and distribute relevant document:

- (1) Corporate communications channels like E-mail and website
- (2) Annual Registration Statements (Form 56-1) and Annual Report (Form 56-2)

2. Training

The Company organizes training on fraud and corruption to personnel at all levels on a regular basis and an orientation for newly-recruited employees, to promote understanding in anti-corruption practices and raise awareness in the anti-corruption policy, regulations and relevant orders. Employees are educated about corruption patterns particularly bribery and risks from getting involved in misconduct; the reporting of misconduct or suspicious acts; the Company's expectation regarding fight against fraud and corruption; and penalties for those failing to comply with relevant policies and regulations.

Section 7

Policy Review and Improvement

The Regulations on Ant-Fraud and Corruption is under the supervision of the Corporate Governance and Social Responsibility Committee. These regulations shall be reviewed and amended in the event of significant changes, to ensure compliance with the Company's policy and relevant laws and regulations.

Announced on 17 April 2019

(Mr. Sutat Patmasiriwat)

Chairman of RATCH Group Public Company Limited