


# Code of Conduct

Effective on November 29, 2005

BLCP Power Limited

	<b>Name</b>	<b>Signature</b>
<b>Endorsed by:</b>	<b>Khun Nitikorn Tantitham</b> Managing Director	
<b>Approved by:</b>	<b>BLCP Board of Directors (29 November 2005)</b>	

## Code of Conduct

### **Background**

BLCP has established a schedule for the production of various policies and procedures in order to administratively strengthen our operations. The Code of Conduct is a critical policy which sets out the standards based on which employees carry out their daily responsibilities. It also establishes the conceptual framework necessary to conduct BLCP's operations in a professional and responsible manner.

### **Policy**

Following is the Code of Conduct policy:

#### **1. Message from Managing Director**

The primary objective of BLCP Power Limited ("BLCP") is to ensure that our shareholders' interests are best served and the investments they make are realized. Our shareholders place great importance on BLCP establishing our businesses as good corporate citizens within the communities in which we do business. Accordingly, BLCP is establishing the Code of Conduct to construct the framework according to which we conduct our business.

In order to obtain the local communities and business partners' respect and trust, BLCP must continuously adhere to the Code of Conduct. BLCP's success depends upon establishing a long-term partnership with these groups. The Code of Conduct is a key instrument to be used in establishing the proper relationship and provides the appropriate basis for our conduct with our stakeholders. Only by consistently following the Code of Conduct's principles can BLCP establish a long term relationship which can withstand the test of time and changes to be expected over the lifetime of BLCP's contractual commitments.

Please join me in embracing the standards in this Code of Conduct so that BLCP can successfully realize our business objectives.

#### **2. Respect for the Individual**

Employees are BLCP's most valuable assets. Accordingly, BLCP's policy is to:

- provide an open, challenging, safe and healthy environment for all employees. BLCP is committed to encouraging a learning culture and providing opportunities for our employees to develop their potential to the fullest extent possible. Our aim is to reward our employees based on individual contributions and performance.
- provide a fair and equitable workplace where all employees are treated equal. BLCP will not practice or tolerate any discriminatory act or harassment on the ground of gender, physical/mental state, race, nationality, religion, age, or family status, etc. in the workplace. BLCP's employees are expected to practice the same standards in their interactions with contractors, suppliers, customers, and others.
- foster harmonious employee relations under an atmosphere of mutual understanding, trust and respect. Employees will be kept informed of BLCP matters affecting them including corporate goals, direction and performance. BLCP will ensure that channels for open communication are in place. Employees are encouraged to participate in discussions and raise any concerns/issues with their supervisor or any higher level of management.
- respect and protect the privacy and confidentiality of employee records. BLCP is committed to take all reasonable and practicable steps to safeguard all personal data collected, retained and used for employment. Likewise, our employees should respect the

personal data collected out of business operations and protect them from unauthorized access, usage or erasure.

### **3. Ethics**

The long-standing policy of BLCP's shareholders is one of strict observance of all laws applicable to our business.

Our policy does not stop there. Even where the law is permissive, BLCP chooses the course of the highest integrity. Local customs, traditions, and mores can differ from place to place, and this must be recognized. But honesty is not subject to criticism in any culture. Even an appearance of dishonesty simply invites demoralizing and reprehensible judgements. A well-founded reputation for scrupulous dealing is itself a priceless company asset.

Employees must understand that BLCP does care how results are obtained, not just that they are obtained. Employees are encouraged to be open and candid in discussions with higher management, to record all transactions accurately in their books and records, and to be honest and forthcoming with BLCP's internal and external auditors. BLCP expects our employees to report suspected violation of laws or company policy to management.

BLCP also expects compliance with our standard of integrity throughout the organization. BLCP will not tolerate employees who achieve results at the cost of violation of laws or who deal unscrupulously. BLCP will continue to support, and expects the employees to support, those who pass up an opportunity or advantage, the acceptance of which would sacrifice ethical standards.

Equally important, BLCP expects candour from employees at all levels, and compliance with BLCP policies, accounting rules and controls. Our system of management requires honesty, including honest book-keeping, honest budget proposals, and honest economic evaluation of projects. To do otherwise, apart from being wrong in itself, sets a bad example for subordinates and undermines the integrity of BLCP.

### **4. Conflicts of Interest**

BLCP's policy requires that directors and employees avoid any conflict between their own private interests and the interests of BLCP in dealing with suppliers, customers and other third parties, and in the conduct of their personal affairs. It is not practicable to list all situations in which a conflict of interest may arise. The examples below indicate some of the situations which must be avoided.

There is a conflict of interest when employees take up concurrent employment, either regular or on a consulting basis, without prior approval. Employees provided on a seconded or nominated basis from BLCP's shareholders are noteworthy exceptions to concurrent employment restrictions. An employee may not serve as a member of the board of directors of any non-affiliated commercial, financial, or industrial organization except with prior approval.

It is also a conflict of interest for a director or an employee, during or subsequent to appointment/employment and without proper authority, to give or make available to anyone, or use for his or her own benefit, information of a confidential nature derived from his or her appointment/employment.

BLCP will not tolerate the use of insider information by directors or employees to secure personal advantage. The use of insider information, which has not been made public, for personal gain is illegal, unethical and is strictly prohibited.

A director or an employee or his/her immediate family should not grant or guarantee a loan to, or accept a loan from or through the assistance of, any individual or organization having business dealings with any company in the shareholder business groups. There is, however, no restriction on normal loans from banks or financial institutions made at the prevailing interest rates and terms.

In cases where a director or an employee or his/her immediate family might engage or consider engaging in business, investments or activities that might have existing or potential conflict with BLCP's interests, it is the responsibility of the person concerned to make full disclosure in writing. For example, this requirement would apply if a director, an employee, or their spouse or dependant were to directly or indirectly sell, lease, rent or trade any kind of property, facilities, equipment, or services to or from any company in the shareholders business groups.

Unauthorized appropriation of BLCP services or properties, including materials and stock items by directors or employees for personal use or for resale is a crime of theft and renders the culprit liable to dismissal and prosecution.

Where disclosure to/approval from BLCP is required under this policy, in the case where the total amount is lower than 100,000 Baht, the disclosure should be made to and approval obtained from the Managing Director. In the case where the total amount is more than 100,000 Baht, the disclosure should be made to and approval obtained from the Board of Directors. Furthermore, such cases should be reported in the Code of Conduct Statement of that year.

## **5. Bribery, Gifts and Entertainment**

Honesty, integrity and fairplay are important assets in our business. All directors and employees must ensure that BLCP's reputation is not tarnished by dishonesty, disloyalty or corruption.

Directors and employees are subject to various laws and regulations regarding the appropriate manner in which to conduct business. Generally these requirements provide for severe penalties to directors or employees who solicit or accept an advantage in connection with their duties. The term advantage is broadly defined, but includes gifts, loans, fees, rewards, employment, services or favours.

It is the policy of BLCP to prohibit directors or employees from soliciting or accepting any advantage from clients, suppliers or any person in connection with BLCP's business. Directors or employees should decline advantages offered in connection with their duties unless they are of nominal value and where refusal would be impolite. Examples of acceptable items would be promotional or advertising gifts. If any gift exceeds US\$125 or THB5,000, it must be reported to the Managing Director and Executive Committee for approval.

Although entertainment is an acceptable form of business and social behaviour, directors or employees should refuse invitations to meals or entertainment that are excessive in nature or frequency, so as to avoid embarrassment or loss of objectivity when conducting BLCP business.

There will be occasions when it is appropriate, out of courtesy and relationship building, to provide business associates with small gifts of nominal value or business entertainment. Given the potentially sensitive nature of these expenses, the following has been developed for the guidance of our employees.

- Under all circumstances, BLCP's Code of Conduct must be observed. This requires that we all maintain the highest ethical standards in our business dealings and compliance with relevant laws. If staff members have any queries on the applicable laws, they should consult the Legal Department. The company policies of our business associates regarding

the acceptance of gifts and entertainment (if any) by their employees, should also be respected.

- Gifts must not be in the form of cash, cash equivalents, loans, commissions, etc.
- Whenever possible gifts should be targeted at the recipient company, rather than specific individuals. In the latter case, gifts of lower value will be more appropriate.
- Gifts and entertainment should not be excessive in nature or frequency or otherwise such as may create the appearance of impropriety or could be perceived as an improper attempt to influence the decisions of our business associates. Good judgement is essential at all times.
- Gifts and entertainment may only be provided in support of legitimate business interests or purposes.
- All relevant expenses should be properly budgeted for, approved, recorded and documented in financial records.
- Agents, contractors, partners or others who make gifts or arrange entertainment on our behalf should obtain our prior approval and follow this policy and guidelines.

Detailed guidelines regarding the administration of our gifts and entertainment giving practices are contained in the policy on the Provision of Gifts and Entertainment. In case of doubt, the matter should be referred to the BLCP Managing Director or the Executive Committee member(s) for advice.

## **6. Safety**

It is BLCP's policy to conduct our business in a manner that protects the safety of employees, others involved in our operations, and the public. BLCP will strive to prevent all accidents, injuries and occupational illnesses through the active participation of every employee. BLCP is committed to continuous efforts to identify and eliminate or manage safety risks associated with our activities.

Accordingly, BLCP's policy is to:

- design facilities, establish practices, provide training and conduct operations in a manner that safeguards workers, property and the communities in which it operates;
- respond quickly, effectively and with care to emergencies or accidents resulting from our operations, cooperating with industry organizations and authorized government agencies;
- comply with all applicable laws and regulations, and apply responsible standards of our own where laws and regulations do not exist;
- work with government agencies and others, as appropriate, to develop responsible laws, regulations and standards;
- stress to all employees their responsibility and accountability for safety performance; and
- undertake appropriate reviews and evaluations of our operations to measure progress and to ensure compliance with this safety policy.

## **7. Occupational Health**

BLCP is committed to a safe, healthy and productive workplace for all employees and for all contractors working on our premises.

It is the responsibility of all BLCP staff, at whatever level and whatever their functions, to support this essential objective. This responsibility applies both in the performance of their own duties and in observing the performance of colleagues, contractors and third parties engaged in BLCP activities or who may be affected by our activities. If an unsafe or potentially unsafe situation has been noticed, it must be reported to the relevant BLCP personnel immediately and remedied without delay.

It is BLCP's policy to:

- identify and evaluate health hazards related to our activities;
- plan, implement and evaluate programmes to eliminate or control any such hazards;
- disseminate to the employees current information on protection against occupational diseases;
- communicate, in a timely and effective fashion, knowledge about health hazards which is gained from the occupational health programme, and which could be important to other individuals or groups that are potentially affected;
- determine, at the time of employment and thereafter, as appropriate, the medical fitness of employees to do their work without undue hazard to themselves or others; and,
- provide or arrange for medical services necessary for the treatment of occupational illnesses or injuries, and for the handling of medical emergencies.

In furtherance of this policy, BLCP believes it is good practice to provide positive preventive health services, such as education in matters of health and hygiene, to help employees preserve and even improve their health.

BLCP recognizes that alcohol, drug or other substance abuse by employees will impair their ability to perform properly and will have serious adverse effects on the safety, efficiency and productivity of other employees and BLCP. The misuse of legitimate drugs, or the use, possession, distribution or sale of illegal drugs whilst on company business or premises and/or during working hours, is strictly prohibited and is grounds for dismissal. Possession, use, distribution or sale of alcoholic beverages on company premises is not allowed without prior approval of the appropriate senior management (Managing Director level and above). Being unfit for work because of use of drugs, alcohol or other substance is grounds for dismissal unless undergoing treatment with BLCP's authorization.

BLCP recognizes alcohol or drug dependency as a treatable condition. Employees who have an alcohol or drug dependency should seek appropriate treatment promptly.

## **8. Relations with Suppliers and Contractors**

BLCP requires that all aspects of procurement of goods, works and services be conducted to the highest ethical standards and consistent with the following principles:

- competitive tendering wherever possible and the impartial selection of appropriately qualified tenderers;
- objective evaluation of tenders and selection of contractors and suppliers;
- adoption of appropriate forms of contract according to needs; and
- adoption of effective monitoring systems and management controls to ensure the proper fulfilment of contractual obligation, and to detect and prevent bribery, fraud or other malpractices throughout all stages of the procurement process.

BLCP also aims at developing and securing long term relationships with suppliers and contractors that are objectively established on the bases of value for money, technical qualification, financial capability and mutual trust.

It is our policy to prohibit bribery and corrupt practices. Those involved in the selection of and purchase from suppliers and contractors should avoid misuse of authority or engagement in situations which could interfere, or appear to interfere, with their ability to make free and independent decisions regarding purchase and procurement.

BLCP undertakes to pay suppliers and contractors on time and according to agreed terms of trade.

## **9. Environment**

It is BLCP's policy to conduct our business in a manner that is compatible with the balanced environmental and economic needs of the communities in which it operates. Further, it is our policy to comply with all applicable environmental laws and regulations and apply responsible standards where laws or regulations do not exist. BLCP is committed to continuous efforts to improve environmental performance throughout our activities. It will encourage concern and respect for the environment, emphasize every employee's responsibility in environmental performance, and ensure appropriate operating practices and training. BLCP will communicate with the public on environmental matters and share our experience, as practical and appropriate, with others to facilitate improvements in industry performance.

Accordingly, BLCP's policy is to:

- work with government and industry groups to foster timely development of appropriate environmental laws and regulations, providing advice on the impact of such laws and regulations on the environment, costs, and supply;
- manage our business with the goal to comply with the applicable standards and reduce environmental damage to a practicable minimum within these standards, and to design, operate and maintain our facilities to this end;
- respond quickly and effectively to environmentally damaging incidents resulting from our operations, cooperating with industry organizations and authorized government agencies;
- keep abreast of research to improve understanding of the impact of our business on the environment, to improve methods of environmental protection, and to enhance our capability to make our operations and services compatible with the environment; and,
- undertake appropriate reviews and evaluations of our operations to measure progress and to ensure compliance with this environmental policy.

## **10. Responsibilities to Shareholders and the Financial Community**

BLCP endeavours to achieve growth in earnings for shareholders over the long term. Shareholders and the financial community will benefit from the productive, efficient and competitive operation of BLCP.

BLCP respects our shareholders' right to know all information that is necessary to evaluate how their investments are being managed. True and accurate information regarding the management of BLCP, our financial position and our results of operations is published regularly in accordance with shareholder requirements and as directed by BLCP's Board of Directors.

It is BLCP's policy to maintain complete and accurate records and accounts. All accounting records, and the reports produced from them will be kept and presented in accordance with all applicable laws and professional accounting standards. BLCP's accounts will, in reasonable and accurate detail, reflect the transactions in and disposition of each company's assets.

It is the unequivocal position of BLCP that no false, artificial or misleading statements or entries should be made in the books, accounts, records, documents or financial statements of BLCP. This, of course, means that falsification of books and records or the creation or maintenance of any off-the-record bank accounts is strictly prohibited. Any director or employee having information of any hidden fund or false entry in the records of BLCP must promptly report the matter to the BLCP Executive Committee.

## **11. Monitoring of Compliance and the Means of Enforcement**

It is the personal responsibility of every director and employee to understand and comply with the Code of Conduct. Functional managers should also in their day to day supervision ensure that their subordinates understand well and comply with the standards and requirements stipulated in the Code of Conduct. Problems encountered in enforcement as well as comments or suggestions for improvement of the Code of Conduct should be channelled to the BLCP Executive Committee for consideration and action.

BLCP is committed to maintaining compliance with this Code. Violations should be reported promptly, whether or not it is known who may be responsible for the violation or how it may have occurred. They should be reported to one's direct supervisor, team leader or unit manager or directly to the BLCP Executive Committee. As BLCP takes this reporting seriously and wants to fully investigate both potential and actual violations, it is preferred that these reports not be made anonymously. All reports and inquiries will be handled confidentially to the extent possible under the circumstances. However, it is recognised that for any number of reasons an employee may not feel comfortable reporting potential violations directly. In these cases, anonymous reports should be submitted to the Executive Committee. Everyone in senior management will fully support those who in good faith report potential or actual breaches of the Code. BLCP's Executive Committee will consider all complaints impartially and efficiently. Alleged unlawful or unethical conduct will be investigated promptly.

BLCP will not tolerate illegal or unethical acts. Anyone violating the Code of Conduct will be disciplined, and may be dismissed. In cases of suspected corruption or other forms of criminality, once prima facie evidence has been established, reports will be made to the appropriate authorities.