

**THE NEXT
PHASE OF
GROWTH**



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Additional information is available in the Annual Registration Statement (Form 56-1) posted on www.set.or.th or www.banpupower.com.



Policy and Business Overview



Banpu Power Public Company Limited or Banpu Power (BPP) was established in 1996 as a subsidiary of Banpu Public Company Limited. Banpu Power converted its status to become a public company limited in September 2015 in order to develop, own and operate both conventional and renewable power businesses across Asia, including Thailand, Lao PDR, China and Japan.



Throughout nearly 20 years of consistent growth and development, Banpu Power has been striving to develop its operational capability in both investment and management in its power businesses. Its ability to build on operational performance is supported through Banpu Group's substantial strength and rich experience in management, and the management team who has extensive capability in the power business. To establish trustworthiness in sustainable power generation, the company has always focused on research and innovation to drive production efficiency, while utilizing advanced technologies that are safe and environmentally sound, to strive to become a power industry leader at the regional level.

At present, Banpu Power holds the total equity installed power and steam generation capacity of 1,934 MWe and 651 MWe under development and acquisition process. Banpu Power's goal is to increase its total equity-based power generation capacity to 4,300 MWe, by 2025.

Banpu Power is committed to conducting all business in an ethically, socially and environmentally responsible manner. Along with creating sustainable value for shareholders, customers, business partners, employees and communities, while being a good corporate citizen in all countries of operation.





Vision

To be recognized as a pioneer Asian power company with a strong reputation for sustainable development, friendly community relations, and respect for the natural environment.



Mission

To develop, own and operate both conventional and renewable power businesses using the most efficient technologies available for sustainable growth in pursuit of a position of leadership in Asia.

To conduct all business in an ethically, socially and environmentally responsible manner.

To create sustainable value for shareholders, customers, business partners, employees, and communities while being a good corporate citizen in all countries of operations

Financial Highlights

		For the year ending 31-Dec-16	For the year ending 31-Dec-15	For the year ending 31-Dec-14
Financial Position				
Total Assets	(million THB)	42,963	29,200	20,867
Total Liabilities	(million THB)	5,082	17,730	7,101
Total Shareholders' Equity	(million THB)	37,881	11,470	13,766
Issued and Paid-up share Capital	(million THB)	30,457	12,972	6,022
Operational Results				
Sale Revenues	(million THB)	5,542	5,630	5,200
Cost of Sales	(million THB)	(3,605)	(3,586)	(3,687)
Gross Profit	(million THB)	1,937	2,044	1,513
Administrative expenses	(million THB)	(1,101)	(824)	(856)
Dividend income from other company	(million THB)	16	4	2
Management fee and others	(million THB)	649	526	596
Interest income	(million THB)	94	56	28
Net gain (loss) on exchange rate	(million THB)	(21)	(1)	(8)
Interest Expenses	(million THB)	(420)	(221)	(26)
Share of profit from Joint Ventures	(million THB)	3,513	1,895	2,158
Profit before income taxes	(million THB)	4,667	3,478	3,408
Income taxes	(million THB)	(395)	(555)	(410)
Profit for the year	(million THB)	4,273	2,923	2,997
Profit attributable to non-controlling interests	(million THB)	(135)	(849)	(905)
Profit attributable to owners of the Parent	(million THB)	4,138	2,075	2,092
EBITDA	(million THB)	5,575	4,251	3,512
Financial Ratios				
Gross Profit Margin	(%)	35	36	29
Net Profits to total revenues	(%)	66	33	36
Returns on Assets	(%)	11	8	10

		For the year ending 31-Dec-16	For the year ending 31-Dec-15	For the year ending 31-Dec-14
Returns on Equity	(%)	17	16	16
Interest Coverage Ratio	(times)	4	18	49
Net Debt to Equity	(times)	0.03	1.15	(0.06)
Data per Share				
Earnings per Share	(THB)	1.74	2.46	3.47
Book Value per Share	(THB)	12.4	13.6	22.9
Dividend per Share	(THB)	0.67	4.00	4.00

* Board of Director's resolutions on 23rd February 2017, resolved to proposed to the Annual General Meeting of Shareholders of the Year 2017 (the "AGM") to consider and approve distribution of annual dividend for the Year 2016 performance for total of Baht 2,367,546,665 which was paid to shareholders holding 2,397,199,500 shares at a rate of Baht 0.67 per share, totaling Baht 1,606,123,665 as interim dividend. The remaining of dividend payment for the Year 2016 performance will be paid to the shareholders holding 3,045,692,000 shares at the rate of Baht 0.25 per share, totaling Baht 761,423,000. The payment will be made on 26th April 2017.

Remark:

Financial figures are based on the consolidated financial statement

Operational Results

	For the year ending		
	2016	2015	2014
Sales volume			
Power sold (GWh)			
Zhending power plant	424.12	411.80	327.17
Luannan power plant	503.55	512.99	521.21
Zouping power plant	567.85	531.16	522.55
Solar China	27.10	-	-
Total power sold (GWh)	1,522.62	1,455.95	1,370.93
Steam sold (Million Tonnes)			
Zhending power plant	1.28	0.81	0.71
Luannan power plant	1.21	0.97	0.86
Zouping power plant	3.02	2.76	2.54
Total steam sold (Million Tonnes)	5.51	4.54	4.11
Total revenue (M Baht)			
Revenue from power sold (Million THB)			
Zhending power plant	717.91	812.26	681.56
Luannan power plant	1,038.00	1,228.30	1,173.82
Zouping power plant	1,096.92	1,201.91	1,156.17
Solar China	102.75	-	-
Total revenue from power sold (Million THB)	2,955.58	3,242.47	3,011.55
Revenue from steam sold (Million THB)			
Zhending power plant	492.67	500.56	438.21
Luannan power plant	479.03	398.50	376.00
Zouping power plant	1,265.93	1,159.14	1,119.49
Total revenue from steam sold (Million THB)	2,237.63	2,058.20	1,933.70

	For the year ending		
	2016	2015	2014
Other income	348.44	329.23	254.42
Total Revenue	5,541.65	5,629.90	5,199.67
Equity income from JV			
BLCP power plant	2,064.15	2,094.61	2,273.93
Hongsa power plant and Phufai Mining	1,473.92	(177.93)	(114.60)
Solar Japan	(6.28)	(11.27)	(0.88)
Sanxi Lu Guang power plant	(18.61)	(10.22)	-
Total Equity income	3,513.18	1,895.19	2,158.45
Gross profit margin (%)			
Zhending power plant	38%	40%	17%
Luannan power plant	44%	39%	30%
Zouping power plant	27%	32%	27%
Solar China	41%	-	-
Total gross profit (%)	35%	36%	29%

Board of Directors' Review



In 2016, Banpu Power Public Company Limited was listed on the Stock Exchange of Thailand to pursue its core business in operating both conventional and renewable power businesses with utilizing advanced technologies that are safe and environmentally friendly in order to create sustainable value for shareholders and enhance future energy security for the Asia-Pacific region.

Banpu Power was established in 1996 as a subsidiary of a holding company running major business in power generation, operating both conventional and renewable energy, and other related businesses across Thailand, Lao PDR, China, and Japan.

Thanks to the Management's expertise and experience in investment and management of power business for over two decades, our robust financial outlook, and strong ties with our allies in power business to add more assets to the Company, we have great potential to continuously develop our projects and expand the power generation capacity to reach our predefined goal.

On this occasion, the Board of Directors would like to express our sincerest appreciation to our stakeholders and all parties involved, both in Thailand and overseas, for your kind support that enabled us to become a listed company in the Stock Exchange of Thailand. We pledge to operate our business with good governance, transparency and accountability, full potential and professionalism to accomplish our vision to embrace sustainable growth and become a pioneering Asian power company.



(Assoc. Prof. Dr. Naris Chaiyasoot)
Chairman of the Board of Directors

Chief Executive Officer Review



Banpu Power Public Company Limited being listed on the Stock Exchange of Thailand (SET) was such a great success that would not have been possible without support from all investors. I am really grateful for your kind support and confidence in our business operation. From now on, we are ready to pursue growth under the strategies for moving forward through the expansion of investments and development of power business both domestically and abroad. Our aims are to increase generating capacity of our own projects or to seek a joint venture investment with strong leaders in the power industry on the development of conventional and renewable power generation. We focus our investments on high quality power generation assets located in the fast-growing areas of energy sector, such as People's Republic of China, Japan and the CLMV countries. The investment and business expansion strategies reflect our strength as a company that has business bases all over the Asia-Pacific region where demands for electricity are peak, and therefore our risks are diversified.

In my new role as a CEO, I will continue upholding the philosophy of sustainability and strive to create value for the stakeholders of Banpu, our parent company. The corporate culture "Banpu Spirit" will also be adhered to as a framework for our operation in order to maintain the continued and balanced growth

in correspondence with the global trends in energy consumption. We have aligned our operation on power generation with the agreements from the 22nd Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 22). To achieve this, we incorporated advanced technology of High Efficiency Low Emissions (HELE) at our conventional power plants, and we also plan to enhance investment potential and development in renewable energy. We expect to increase the power generating capacity to 2,580 MWe by 2020 and further increase up to 4,300 MWe by 2025. We aim to increase our power generation from renewable energy to the minimum of 20 percent of our total capacity.

Summary of our financial performance in 2016

The operating results in 2016 reflect the continued stronger growth of Banpu Power. Our net profit this year amounted to THB 4,138 million, a significant increase over the past year due to the increased profit sharing from the commencement of commercial operations of all three units of the Hongsa Power Plant in Lao PDR since the end of the first quarter. Our solar power plants in China and Japan also commenced their operations as scheduled. By the third quarter, projects in China had commenced their operations. More importantly, we successfully listed Banpu Power on the Stock Exchange of Thailand. The IPOs were

warmly welcomed by all groups of investors, and we achieved our predefined goal in the Company's strategic plan to raise capital for business expansion.

In 2016, we realized the share of profit from joint ventures of THB 3,513 million compared to THB 1,895 million in the previous year. The profit consists of the profit sharing from the Hongsa Power Plant amounting to THB 1,474 million, a big recovery from the loss of THB 178 million in 2015. The BLCP Power Plant reported steady and stable profits totaling THB 2,064 million closed to THB 2,095 million in the previous year. Additionally, the total sales revenue slightly dropped from THB 5,630 million in 2015 to THB 5,542 million in 2016 due to the adjustments of power and steam purchase prices in 2015 for decreasing coal prices in China during the first half of 2016. Of this was the sales revenue increase from the solar power plants in China totaling THB 103 million. The rise of net profits in the fourth quarter was driven by the rising demand for electricity and steam in the winter, resulting in increased sales volume of electricity and steam of the combined heat and power plants in China. In 2016, Banpu Power's EBITDA, or earnings before interest, tax, depreciation, and amortization amounted to THB 5,575 million, soaring by 31% from THB 4,251 million over the previous year.

Currently, Banpu Power generated its equity-based power capacity at a total of 1,934 MWe, an increase by 323 MWe over the previous year. The increase was from the Hongsa Power Plant and solar power plants in China and Japan. Moreover, the total capacity of the signed projects under development is 651 MW including the Shanxi Lu Guang Power Plant in China. The construction of the power plant is now 35% complete and it is expected to commence the commercial operation by 2018. Unit 2 of the Luannan combined heat and power plant and Unit 4 of the Zouping combined heat and power plant are expected to commence the commercial operations in 2019 and 2020, respectively. In addition, the solar power plants in Japan are scheduled to commence the commercial operation between 2017 and 2018.

Strategies and Future Leadership

As a leading company in both conventional power generation and renewable power generation in the Asia-Pacific region, we firmly believe that our Management's experience of more than two decades in all aspects of energy business, together with our robust financial status, strong tie with Banpu and partnership with leaders in the power industry and local governments, will lead us to become a regional leader in power business and add value to our shareholders and stakeholders in the long run.

We gained a competitive edge from having Banpu as our major shareholder, holding 78.71% of our shares, so we can compete in various projects which require knowledge of coal industry. In addition, our continuous cooperation with business partners in many countries to grow our business has expanded our access to new projects, new customers and advantaged capital resources. This has also increased our strength on technology, especially Engineering, Procurement & Construction (EPC), though our operations of power generation projects in the target markets.

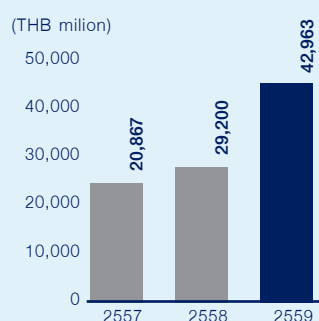
Regarding our strategy, we still adhere to ethical business operation and social and environmental responsibility in tandem with business development to create sustainable value to shareholders, customers, business partners, employees and communities and with a commitment to being a good corporate citizen in every country we operate. We also strive to continuously improve our operation to maintain quality and stability of power generation by incorporating advanced technology that are safe and environmentally sound in order to enhance energy security for the future, which will lead us a step forward to become a sustainable regional leader in power industry.



(Mr. Voravudhi Linananda)
Chief Executive Officer

Key Financial Results

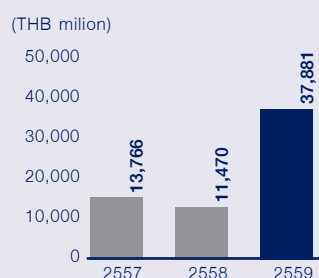
Total Assets



Total assets as of 31 December 2016 was at THB 42,963 million, an increase of THB 13,763 million or 47% compared to 31 December 2015.

The increase was mainly due to an additional investment in Hongsa, SLG and Solar business in Japan for total of THB 9,301 million, an increase in loan for Solar business in China of THB 1,494 million, an increase of non-current assets mainly for advanced project development of solar business in Japan by THB 923 million, dividend receivables from JV increased by THB 558 million, and increased in net property, plant and equipment by THB 2,530 million.

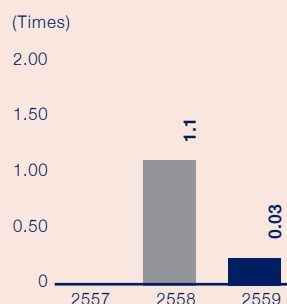
Total shareholder's equity



Shareholder's equity as of 31 December 2016 was at THB 37,881 million, an increase of THB 26,411 million or 230% compared to 31 December 2015.

The increase was mainly due to an increase of THB 24,334 million from the issued of new shares for initial public offering (IPO) during the year, an increase of net profit THB 4,126 million, including a decrease of THB 1,606 million from dividend payment and a decrease of THB 835 million from conversion loss of foreign subsidiaries.

Net Debt to Equity ratio

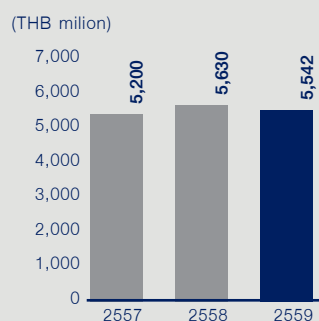


Total liabilities in 2016 was THB 5,082 million, a decrease of THB 12,648 million compared to total liabilities in 2015.

The decrease was mainly due to the decrease of THB 14,883 million represent the loan from parent company which was fully repaid during the year, the net increase of THB 1,934 million of loan from financial institutions, and an increase of THB 269 million from other current liabilities from a payable for purchase of investment of solar power plant in China.

The Net Debt to Equity ratio for the year 2016 was 0.03 times compare to 1.1 times in 2015.

Total revenues

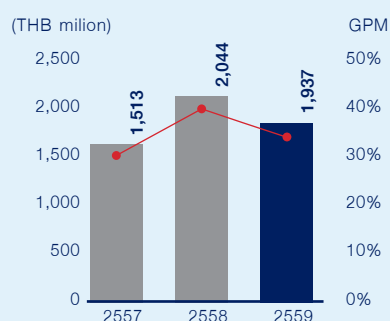


Sales revenue reported at THB 5,542 million (included first revenue from Solar business in China of THB 102.75 million), a decreased of THB 88 million or 2% compared to last year was a net decrease between an increase of sale volume and a decrease of power tariff and steam price compared to 2015.

Average power tariff was CNY 0.36 per KWh (2015: 0.39 per KWh) Average steam tariff was CNY 89 per ton (2015: 92 per ton)

The decreased of power tariff and steam prices adjusted down according to a decrease of coal cost during the first half of the year.

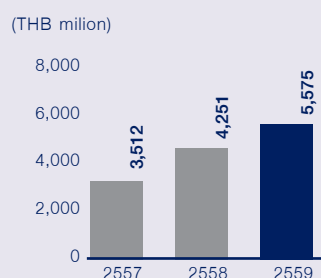
Gross profit and Gross profit margin



Gross profit as of 31 December 2016 reported at THB 1,937 million reduced by THB 107 million or 5% from 2015.

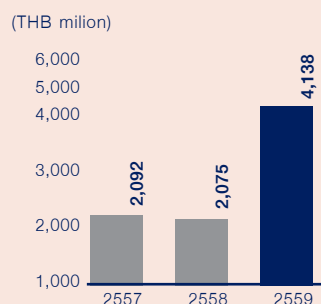
The gross profit margin ("GPM") was 35% (2015:36%) 1% decreased from last year due to the lower sales revenue from the net decrease between an increase of sale volume and a decrease of power tariff and steam price compared to 2015, also the increase of coal cost during the second half of 2016 while the power tariff and steam price remain unchanged during 2016.

EBITDA



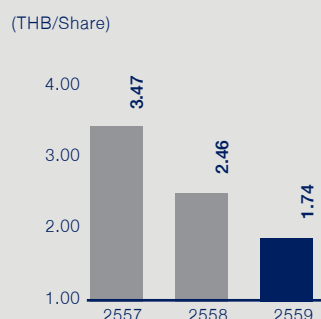
Earning before interest, tax, depreciation and amortization (EBITDA) was THB 5,575 million, an increase of THB 1,324 million or 31% increase compare to 2015 was mainly due to the significant increase of equity income from Hongsa after the full commercial operations of all 3 units.

Net profit (Loss)



Net profit for the year ended 31 December 2016 reported at THB 4,138 million an increased of THB 2,063 million was mainly due to the increase of equity income from Hongsa after the full commercial operations of all 3 units, while China CHP and BLCP continue to report strong and consistent contribution to the company. The reported net profit already included the net loss on foreign exchange rate of THB 21.25 million

Basic Earning per share



Basic earning per share for the year ended 31 December 2016 was THB 1.74 per share reduced by THB 0.72 per share compared to last year, because during the year 2016, there was an increase in registered capital from the IPO which resulted in number of fully-paid shares as at 31 December 2016 was 3,045,692,000 shares

*Remark:

2015: Number of fully-paid shares was 1,297,199,500 shares

2014: Number of of fully-paid shares was 602,199,500 shares



Summary of Major Changes and Developments in the Past Year and Major Current Events

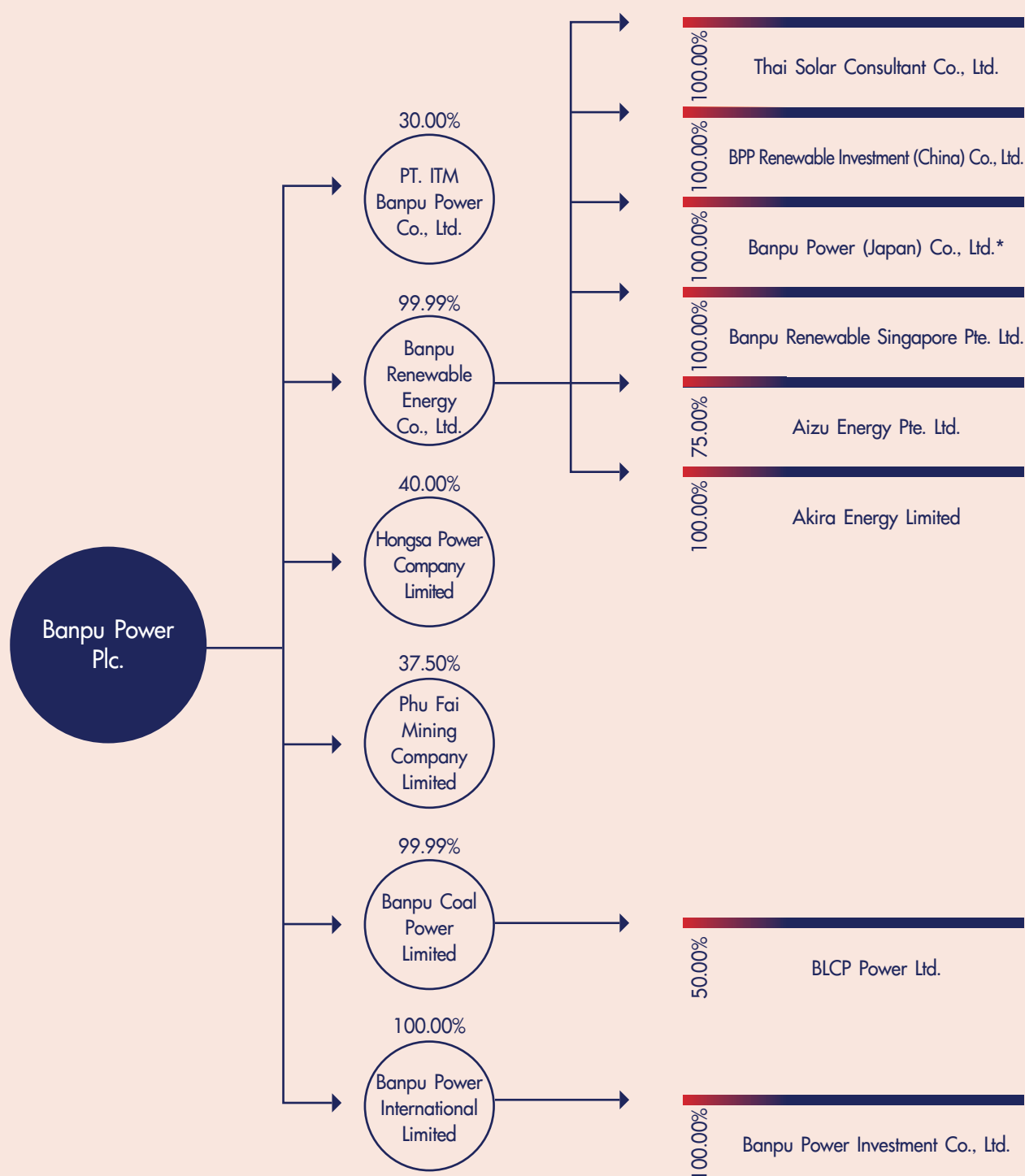
- The extraordinary general meeting of shareholders no. 1/2016 dated 15 February 2016 approved of the capital restructuring of the Company by means of reducing the registered capital of THB 6,484,925,000 from THB 19,956,920,000 to THB 13,471,995,000, and increasing the registered capital of THB 17,484,925,000 from THB 13,471,995,000 to THB 30,956,920,000 by issuing and offering 1,748,492,500 new ordinary shares in accordance with the following details:
 - Offering not exceeding 1,100,000,000 newly issued ordinary shares with a par value of THB 10 per share to our existing shareholders in proportion to their shareholding. The offering has completed, and the Company subsequently registered the change of its paid-up capital with the Ministry of Commerce to reflect the increase of such capital on 18 February 2016. The Company will use the proceeds from the offering for repayment of loans from Banpu.
 - Offering not exceeding 210,000,000 newly issued ordinary shares to the existing shareholders of Banpu according to their shareholding in Banpu
 - Offering not exceeding 438,492,500 newly issued ordinary shares as well as the remaining shares from the Entitlement Shares Offering to the public. In addition to the aforementioned offerings, the Company has reserved not exceeding 50,000,000 shares for the exercise of rights of warrants to be issued and offered to directors and staff of Banpu and its subsidiaries and affiliates (excluding directors, executives and staff of Banpu Power and its subsidiaries), which has been approved by the extraordinary general meeting of shareholders no.4/2015 dated 7 September 2015. With respect to this, 28,800,000 shares were completely offered.
- On 2 March 2016, Unit 3 of the Hongsa Power Plant commenced its commercial operations.
- On 4 March 2016, the Company established BPP Renewable Investment (China) Co., Ltd. as an intermediate holding company of its renewable power projects in China.
- Between March and May 2016, the Company entered into share purchase agreements for the acquisition of 100.00% equity stakes in four solar power projects in China, namely the Jinshan Project, the Huineng Project, the Haoyuan Project and the Huien Project.
- On 28 March 2016, the Company entered into an investment agreement for the investment in a 100.00% interest in Yamagata Project in Yamagata Prefecture, Japan.
- On 13 May 2016, Hino Project, a solar power plant in Japan, commenced its commercial operations with power generation capacity of 4.59 MWAC.
- In September 2016, the Company entered into a share purchase agreement for the acquisition of 100.00% equity stakes in the Deyuan Project, a solar power generation project in China.
- On 29 September 2016, the Company entered into an investment agreement for the investment in a 100.00% interest in Kurokawa Project in Miyagi Prefecture, Japan.
- On 28 October 2016, the Company was listed on the Stock Exchange of Thailand.
- On 25 November 2016, the Company entered into an investment agreement for the investment in a 100.00% interest in Shirakawa Project in Fukushima Prefecture, Japan.



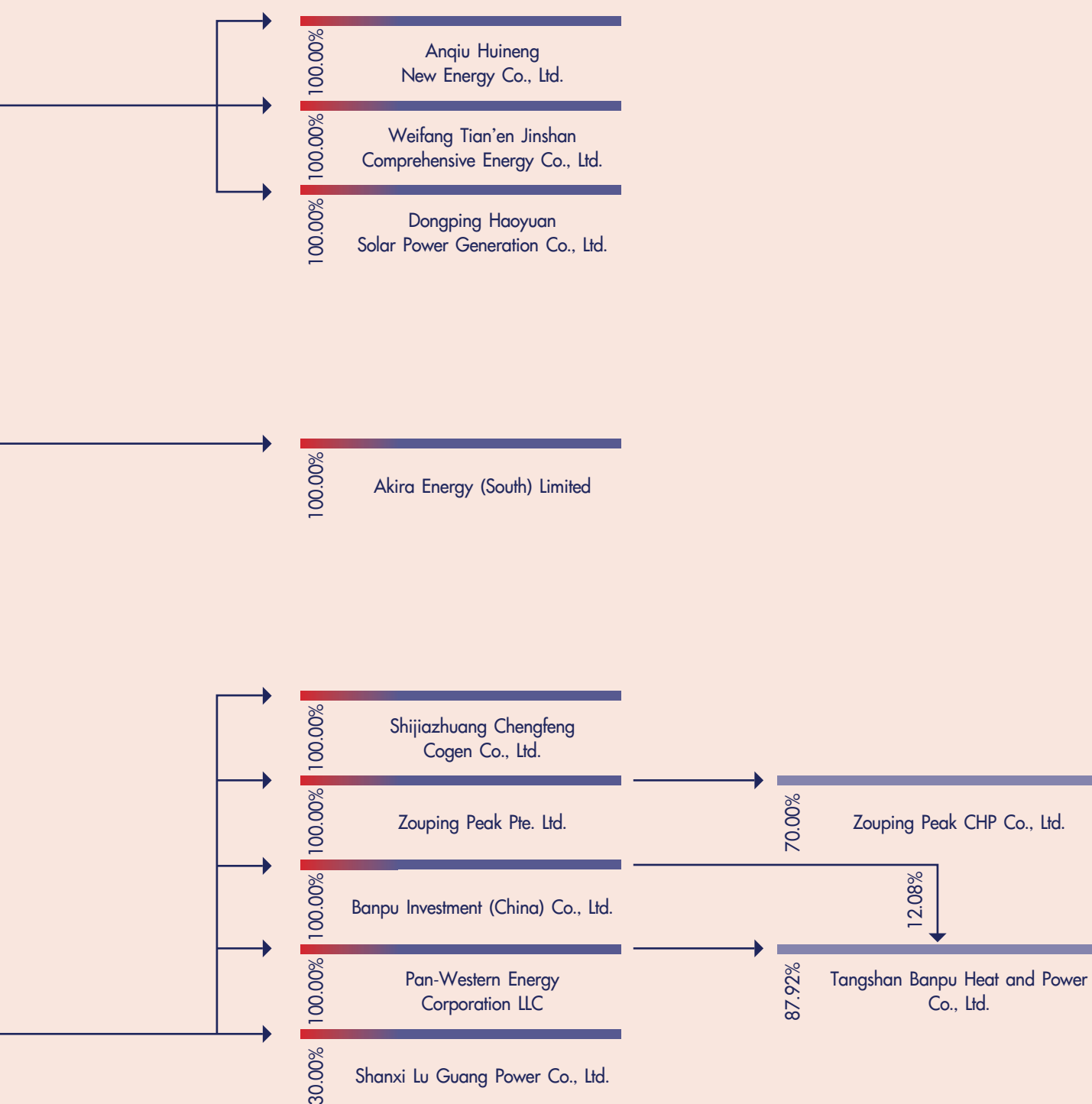
Banpu Power Group Structure

As of 31 December 2016

(Entities with 10 percent or more shares held by BANPU POWER)

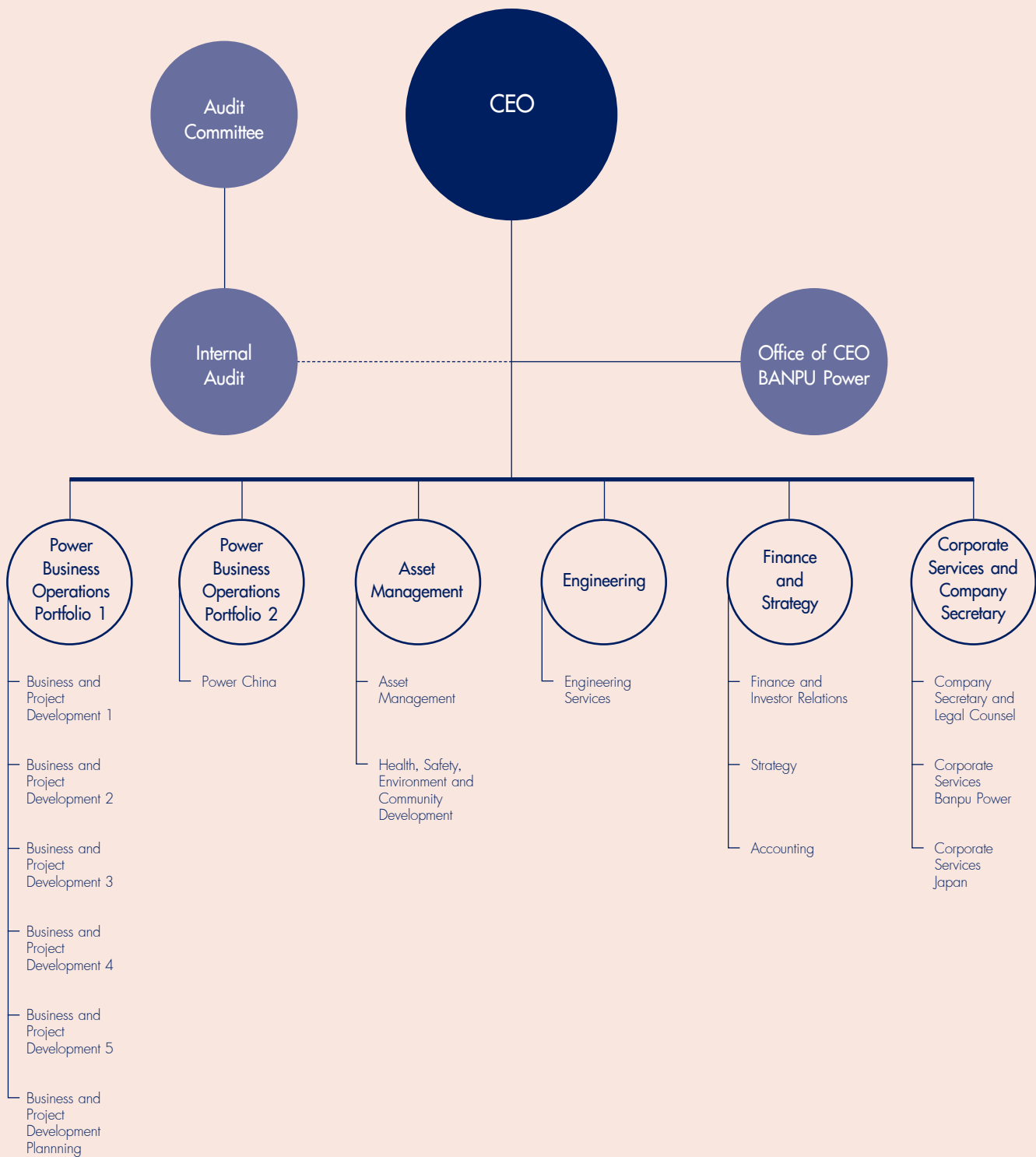


Remark: *Name changed from BPP Renewable to Banpu Power (Japan) Co., Ltd. on 23 December 2016



Organizational Structure

As of 1 January 2017





Management Structure

The management structure of the company as of 1 January 2016 consisted of the Board of Directors and the executive officers. The Board of Directors consists of independent directors, non-executive directors, and executive directors. The independent directors account for 33% of total number of board members.

The Board set up three sub-committees, namely, the Audit Committee, the Corporate Governance and Nomination Committee and the Compensation Committee.

The Board also requires that Chairman of the Board, Chairman of the Audit Committee, Chairman of the Corporate Governance and Nomination Committee, Chairman of the Compensation Committee and all directors in the Audit Committee be independent directors.

1. The Board of Directors consists of:

- | | |
|--------------------------------------|--|
| 1) Assoc. Prof. Dr. Naris Chaiyasoot | Chairman of the Board of Directors/ Independent Director |
| 2) Mr. Yokporn Tantisawetrat | Independent Director |
| 3) Prof. Dr. Bundhit Eua-aporn | Independent Director |
| 4) Mr. Chanin Vongkusolkrit | Director |
| 5) Mr. Metee Auapinyakul | Director |
| 6) Ms. Somruedee Chaimongkol | Director |
| 7) Mr. Rawi Corsiri | Director |
| 8) Mr. Voravudhi Linananda | Director |
| 9) Mr. Akaraphong Dayananda | Director |

Authorized Signatory Directors on Behalf of the Company

Any two of the following six board members, namely Mr. Chanin Vongkusolkrit, Ms. Somruedee Chaimongkol, Mr. Akaraphong Dayananda, Mr. Voravudhi Linananda, Mr. Metee Auapinyakul, or Mr. Rawi Corsiri, are authorized to jointly sign on a document affixed with the Company's seal.

Duties and Responsibilities of the Board of Director

The Board of Directors is accountable to shareholders with respect to managing the Company and supervising its management so that the Company achieves its goals and the shareholders' value this maximized while ensuring that the Company's business operations are in compliance with the Code of Conduct and taking benefits of all stakeholders into account.

The Board of Directors has a duty to comply with the laws, objectives and regulations of the Company and with resolutions of the shareholders' meeting. It must perform duties with integrity and must safeguard short and long-term benefits of shareholders. The Board also complies with rules and regulations of the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and the Capital Market Supervisory Board established according to the Securities and Exchange Act, B.E 2535 as amended by the SEC Act (No.4), B.E 2551.

In 2015, the Board formulated the "Banpu Power Public Company Limited's Board of Directors' Practice" to be used as guidelines for the Board of Directors. The handbook consists of definitions, composition and criteria of the Board, directors' qualifications, terms of office and retirement of directors, duties and responsibilities of the Board as well as Board meeting and voting procedure.

The Board entrusts the CEO to run the Company's business and to supervise the Company's operations in compliance with the practice. The Board has also formulated the Charter of the Audit Committee, the Charter of the Corporate Governance and Nomination Committee and Charter of the Compensation Committee as guidelines for these sub-committees. The Board is also responsible for organizing an orientation session for new directors so that they are aware of the Company's expectations on their roles and responsibilities. During the orientation, the new directors learn about the Company's corporate governance policy and practices, its business and operations, and risk management. In addition, they are provided with the opportunity to visit different operational units. After attending the orientation, the new directors will be equipped for their new roles.

The Board of Directors has a policy to broaden all directors' horizons on corporate governance, industrial outlook, businesses, new technology and innovations. Directors are encouraged to attend seminars or training held by the Thai Institute of Directors (IOD) and other reputable institutions to maximize their effectiveness and performance.

In addition, the Board also provides a platform for the executives to exchange ideas and knowledge on new energy technology and innovation they gained from attending seminars among directors.

The Board also holds a joint meeting between independent directors and non-executive directors at least twice a year to allow directors to freely express and discuss opinions relating to management. The Company Secretary is required to submit a summary report of these meetings to all directors.

In addition to the Board of Directors' meeting, the Board also requires a "Board Retreat" to be held annually to provide directors an opportunity to raise issues of interest, express opinions or provide recommendations with the aim of improving teamwork and planning administrative direction and succession of the executive officers.

The Board of Directors requires that the Board itself be subject to a performance evaluation once a year. The performance of each director and the independence of directors will be assessed on an annual basis starting from the year 2017. This duty is entrusted to the Corporate Governance and Nomination Committee.

The Board requires the three sub-committees to conduct their self-assessment. The forms of the same standard are provided by the Corporate Governance and Nomination Committee. The assessment forms focus on the specific roles and responsibilities of each committee outlined in its charter. Starting from the year 2017, each committee will submit the self-assessment forms as part of their performance report to the Board on an annual basis.

2. The Audit Committee consists of:

1) Mr. Yokporn Santisawetrat	Chairman of the Audit Committee
2) Assoc. Prof. Dr. Naris Chaiyasoot	Member
3) Prof. Dr. Bundhit Eua-aporn	Member

The Audit Committee's term of office is three years from September 2015 to the date of the Annual General Meeting of Shareholders in 2018. The Audit Committee has expertise and experience in accounting and finance, and Mr. Yokporn Santisawetrat, a member of the Audit Committee, who has sufficient expertise and experience, has a duty to review the accuracy and credibility of the Company's financial statements.

In the 5/2016 Audit Committee meeting, held on 10 May 2016, Mr. Prapat Manorat, who has good understanding of the Company's business and management, was appointed as Secretary of the Audit Committee.

Duties and Responsibilities of the Audit Committee

The Audit Committee has a duty to review the Company's financial statements, the adequacy of the Company's internal control and risk management systems, and compliance with applicable laws and regulations. The Audit Committee is also responsible

for preparing a report or providing opinions to the Board of Directors for approval or for submission to the shareholders' meeting as appropriate.

3. The Corporate Governance and Nomination Committee consists of:

1) Assoc. Prof. Dr. Naris Chaiyasoot	Chairman of the Corporate Governance and Nomination Committee
2) Mr. Chanin Vongkusolkrit	Member
3) Mr. Rawi Corsiri	Member

The Corporate Governance and Nomination Committee's term of office is three years from September 2015 to the date of the Annual General Meeting of Shareholders in 2018.

Duties and Responsibilities of the Corporate Governance and Nomination Committee

According to its charter, the Corporate Governance and Nomination Committee has two major duties. Firstly, the Committee has a duty to review the Corporate Governance Policy and the Code of Conduct and monitor compliance of the policy and practices within Banpu Power's Code of Conduct. Secondly, to nominate directors and the Chief Executive Officer, review a succession plan in order to fill suitable persons in the management positions (Vice President and higher), and submit recommendations to the Board of Directors for approval or for submission to the shareholders' meeting as appropriate.

Nomination of Directors and Executives

The Corporate Governance and Nomination Committee will nominate new directors to fill vacancies caused by the expiration of the term of office or other reasons

Nominations are conducted according to the following procedures:

1. The Committee will review the appropriate structure and composition of the Board of Directors to strengthen its status.
2. The Committee will review general and specific qualifications of independent directors, add new nomination criteria and qualifications to suit the Company's requirements and circumstances, and ensure compliance with SET's requirements. The Corporate Governance and Nomination Committee will subsequently submit the nominations to the Board of Directors for approval before seeking a resolution at the Annual General Meeting of Shareholders and making an official appointment.

For the nomination of executives, the Corporate Governance and Nomination Committee monitors a succession plan covering CEO, COO and senior executives to ensure that the Company will have competent executives with appropriate expertise and experience to fill important positions in the future.

4. The Compensation Committee consists of:

1) Prof. Dr. Bundhit Eua-aporn	Chairman of the Compensation Committee
2) Ms. Somruedee Chaimongkol	Member
3) Mr. Metee Auapinyakul	Member

The Compensation Committee's term of office is three years from September 2015 to the date of the Annual General Meeting of Shareholders in 2018.

Duties and Responsibilities of the Compensation Committee

The Compensation Committee has a duty to provide advice related to compensation management to the Board of Directors for approval or for submission to the shareholders' meeting as appropriate.

5. The Management consists of:

1) Mr. Voravudhi Linananda	Chief Executive Officer
2) Mr. Somsak Sithinamsuwan	Senior Vice President Office of Chief Executive Officer
3) Ms. Jareeya Chirdkiatisak	Senior Vice President, Power Business Operations Portfolio1
4) Mr. Vanchai Lertsaroj	Senior Vice President, Power Business Operations Portfolio2
5) Ms. Bubpachart Meecharoen	Senior Vice President Corporate Services, and Company Secretary
6) Mr. Banchob Kitchpanich	Chief Financial Officer

Duties and Authority of Chief Executive Officer

The Board of Directors sets operational goals for the CEO and evaluates his performance annually for the consideration of the CEO's compensation. The CEO then evaluates the performance of executive officers and senior executive officers in light of the goals and evaluation criteria linked closely with the Company's strategic plan and annual operating plan and the CEO's operational goals. This information is used to set appropriate and attractive compensation packages and incentives. (For more information, please see 56-1 Form: CEO's duties and responsibilities).

6. The Independent Directors, who account for 33% of the Board, are as follows:

1) Mr. Yokporn Tantisawetrat	Independent Director
2) Assoc. Prof. Dr. Naris Chaigasoot	Independent Director
3) Prof. Dr. Bundhit Eua-aporn	Independent Director

Banpu Power defined the qualifications of "Independent Directors" according to the Notification of the Capital Market Supervisory Board No. TorJor.4/2552 dated 20 February, B.E. 2552. (For more information, please see 56-1 Form and the Notification of Capital Market Supervisory Board No. TorJor.4/2552 dated 20 February, B.E. 2552).

7. Company Secretary

The Board of Directors has appointed Ms. Bubpachart Meecharoen* as the Company Secretary, whose duties and responsibilities are as stipulated in the Securities and Exchange Act (No. 4), B.E. 2551, an amendment of the Securities and Exchange Act, B.E. 2535. The Company Secretary is responsible for organizing meetings for the Board of Directors and shareholders, ensuring compliance with the meetings' resolutions, and advising the Board on rules and regulations to which it must comply. Additionally, the Company Secretary is responsible for preparing and

keeping the register of directors, Board meeting invitation letters, Board meeting minutes, the Banpu Annual Report, invitation letters to attend the shareholders' meeting and records of its minutes, the report on conflict of interests of directors or executive officers and other duties required by the Securities and Exchange Commission, Thailand, the Capital Market Supervisory Board and the Stock Exchange of Thailand.

Note: *In the 12th Board of Directors' meeting, held on 22 December 2016, Ms. Bubpachart Meecharoen was appointed to replace Mr. Voravudhi Linananda as the Company Secretary. The appointment has been effective since 1 January 2017.



Marketing and Competition

Marketing Policy

1. Coal-fired Power Plants in Thailand

Competitive Strategies

In recent years, Thailand has seen higher environmental concerns and stricter environmental laws and standards. There have been resistance movements against coal-fired power plant projects all over the country. Accordingly, Banpu Power has always placed importance on environmental preservation and community acceptance in full compliance with laws and regulations. The Company have continuously invested in improvement of power plant efficiency and equipment maintenance, to reduce pollution. The Company also supports social activities and reaches out to maintain good relationship with the community.

Major Competitors

- Major domestic power producers include Electricity Generating Plc., Ratchaburi Electricity Generating Holding Plc., Global Power Synergy Plc., Glow Energy Plc., and Gulf Power Generation Co., Ltd.
- International power producers and investors

2. Power Business in the People's Republic of China

In 2016, the Company capitalized on market opportunities by producing and selling steam and high heat steam at full capacity in winter when there is a higher demand for steam and high heat steam. The Company also emphasizes enhancing production efficiency to lower production costs. However, the global coal market incurred a negative impact on coal price in China resulting in the gradual decline of coal price since mid-2012. This caused the continued decrease of electricity price in 2016, and China's economic slowdown also affected the sales of electricity. However, this did not have a significant impact on the Company's business performance as the decline ratio of coal price is higher than that of electricity price. The Company was able to make profit thanks to the

its effective cost-control planning, and it started expanding its power generation capacity in response to the growing steam demand driven by the growth of local economy.

Despite the fact that the Chinese government's environmental policy and pollution control measures became stricter in 2016, the Company's operations were not affected since the Company has already met the existing environmental standard. The Company also has a plan for process improvement and more installations of environmental control equipment to comply with the new environmental standard that will be effective in 2017.

Solar power tariff structure consists of two components: on-grid tariff and on-grid subsidy. In addition, in some areas the power plants receive additional subsidies from the local governments. The on-grid tariff, which complies with the standard electricity price of combined heat and power (CHP) plants determined by the National Development and Reform Commission of the



People's Republic of China, shall be adjusted according to coal price changes. Under a feed-in tariff scheme, on-grid subsidy will be adjusted according to changes in on-grid tariff to guarantee stable price for the electricity generation enterprise.

Marketing Strategies

In China, combined heat and power plants and solar power plants receive support from the government because they are more efficient and better at pollution control than other power plants. The government also provides such incentives as guaranteed sales to local electricity authorities, exclusive rights to sell steam and heat in permitted zones, and local government subsidies. These factors are considered indetermining the Company's competitive strategies as follows:

- **Service Quality and Customer Relationship Management**

The Company places top priority on quality and service. It emphasizes production and generation stability and readiness to supply electricity and steam to customers, especially distribution of steam supply in winter. The Company maintains good relationship with its customers on a basis of integrity and mutual benefits so it earns customers' trust and respect. In the meantime, the Company entered into contracts with steam industry customers to allow the adjustment of steam price when fuel prices exceed the price specified in the contract. In doing so, the Company can avoid the impact of increasing fuel costs.

- **Cost Management**

To achieve effective cost management, especially the cost of coal or other fuels, strategies are put in place, for instance, buying coal when the prices are low and reserving the extra coal for future usage when the prices get higher, and enhancing production efficiency to reduce production cost.

- **Adaptability to Change**

The Company has closely monitored the market trends in China in order to adapt itself to changes in the market or current situations for expansion of business opportunities or reduction of negative impacts. For instance, the completion of cooling

towers at Zhengding Combined Heat and Power Plant in 2015 allowed the plant to sell more steam and cool water in summer. The Company is subsequently able to adapt its distribution of electricity, steam and hot water according to different factors such as higher production of steam or higher demand for power of power network.

- **Management of Relationships with Local Governments and Communities**

The Company maintains good relationship with local government offices on the basis of mutual benefits in providing basic utility service (electricity and steam) to local communities, building trust and equity as well as lending continued support to community activities. The Company has been well-accepted by both the state and community as exemplary enterprise in the locality. Even when the Company had been affected by external factors, it was still fully supported by local government through subsidies or permission to increase steam price when coal prices soared.

- **Clear National Energy Policy**

Thanks to China's clear energy policy framework and management system, the investment risk is low. The Chinese government has set standard pricing for renewable energy and feed-in tariff (FIT) scheme that offers guaranteed purchase at a fixed rate during the full lifetime of renewable energy power plants and has provided subsidies for solar power generation since 2013. Apart from that, the government has a plan to set up a carbon trading experiment to support the carbon reduction policy and encourage investments in renewable energy.

Major Competitors

- Other international power producers and investors

3. Power Business in Lao PDR (Hongsa Power Plant Project)

The Company holds 40% and 37.5% of shareholding in Hongsa Power Company Limited (HPC) and Phu Fai Mining Company Limited (PFMC), respectively. The proportion of investment in generating capacity equals to 751 MW, the majority of which will be supplied to the Electricity Generating Authority of Thailand

according to long-term Independent Power Producer (IPP) agreement, and some will be supplied Lao PDR. In 2016, the Hongsa Power Plant has fully commenced its commercial operations of 3 production units. Unit 1 started its commercial operation on 2 June 2015; Unit 2 on 2 November 2015, and Unit 3 on 2 March 2016.

Competitive Strategies

- The Company is well-aware of potential impacts on communities from the development and construction of Hongsa Power Plant. The Company thus embraces commitment to promoting community's participation as well as improving the quality of life in those communities. Such commitment has resulted in a variety of initiatives, namely development of public utilities, water and electricity supply, road construction, relocation of some parts of the community and construction of new accommodations for those relocated, and occupational development program.

Major Competitors

- Other international power producers and investors



4. Power Business in Japan

The Company has invested in solar power plants in the northern and central regions of Japan, with total commercial generating capacity of 6.6 MW and over 100 MW capacity under construction.

Competitive Strategies

The Company has begun investment in solar power business in Japan and prepared to evaluate potential investment opportunities and development regarding potential partners, teams and workforce. Supports from the government and financial institutions are important factors that accelerate the Company's business growth.

- **Short Project Development Period**

The Company's solar power plants were able to start power generation and distribution, and yield profit and investment return in a shorter period than coal-fired power plants.

- **Clear National Energy Policy**

The risk in investments in Japan is low owing to the country's clear energy policy and energy management system, namely a Feed-in Tariff (FIT) scheme that offers guaranteed purchase at a fixed rate during the full lifetime of renewable energy power plants

Major Competitors

- Japanese and other international power producers

Marketing and Competition in Power Business

1. Competition in Power Business Sector in Thailand

The National Economic and Social Development Board (NESDB) forecast that the country's economic growth in 2016 at 3.2% due to slowdown in consumption and state investment, including slow growth in the private sector because of decreasing economic incentives. However, there were positive factors from recovery in private consumption and exports in the first half of 2016. The total power generating capacity in 2016 increased by 7% from 2015, at [41,556] MW. Peak demand of power reached 29,619 MW in May, higher than the peak demand in 2015, which reached 27,346 MW, by 2,273 MW or 8%. The Electricity Generation Authority of Thailand (EGAT)'s gross energy generation and purchase in 2016 was [199,567] GWh, rising from the previous year by [3.8%] due to incentives to encourage business activities in public and private sectors. Proportion of electricity generated from different sources are as follows: natural gas [63.2%], coal [18.6%], hydro power [1.8%], import

[9.9%], and renewable energy resources [6.2%] and oil [0.3%]. (Source: The Energy Policy and Planning Office, Ministry of Energy - EPPO)

2. Competition in Power Business Sector in Lao PRD

Unlike other Southeast Asian countries, Lao PDR's electricity generating capacity is solely from hydro-power since the country has no oil and natural gas reserve, and coal is scarce. The situation started to change in 2016 after the full operation of all units at the Hongsa Power Plant, which is the first coal-fired power plant in Lao PDR. Due to lack of coal, there is no further plan for new construction of coal-fired power plant during 2016-2020.

Lao PDR has a total installed power generation capacity of total [5,809] MW, categorized according to different sources as [624] MW by companies affiliated with Électricité du Laos (EDL), [755] MW by private sector investment for consumption in the country, and [4,410] MW by private sector investment for export. The power demand in Lao PDR is rising steadily due to increasing urbanization. Lao PDR emphasizes development of basic infrastructure, including extensive and stable power distribution service. Consequently, power consumption in 2016 reached [5,943] GWh, compared to [4,404] GWh in the previous year. However, Lao PDR continues to be the leader in power exporter in the region. Until 2020, Lao PDR has entered into international agreements with Thailand and Vietnam for export of electricity for about 7,000 MW and 5,000 MW respectively. (Source: Ministry of Energy and Mines, Électricité du Laos - EDL, *February 2016)

3. Competition in Power Business Sector in the People's Republic of China

In 2016, the energy industry in China has shown growth in the increase of power consumption as follows:

	Units	2016	2015	2014
Growth rate in power consumption in all sectors	Percent	5	0.5	4.1
Growth rate in power consumption in industrial sector	Percent	2.6	-1.4	4.2
Growth rate in generating capacity	Percent	8.2	10.4	8.9
Total generating capacity	Megawatts	1,645,750	1,506,730	1,360,190

(Source: National Energy Administration - NEA)

4. Competition in the Power Business Sector in Japan

In 2016, the energy industry in Japan has shown growth in the increase of power consumption as follows:

	Units	2016	2015	2014
Growth rate in power consumption in all sectors	Percent	-0.1*	-1.2	-1.4
Growth rate in power consumption in industrial sector	Percent	-0.2 *	-1.9	0.2
Growth rate in generating capacity	Percent	4.8 **	5.4	5.0
Total generating capacity	Megawatts	301,242 **	287,477	272,841

(Source: Ministry of Economy, Trade and Industry - METI)

Notes:

* Growth in power consumption of the year 2016 from January to September.

** Expected total generating capacity of the year 2016 (excluding the generating capacity of the nuclear power plant which was temporarily shut down)



Revenue Structure

For the previous 3 years ended 31 December
Banpu Power Public Company Limited and its Subsidiaries

			2016		2015		2014	
Products/Services	Conduct by	% of share-holding	Revenue (THB Million)	%	Revenue (THB Million)	%	Revenue (THB Million)	%
Sales Revenue:								
1. Power	BIC	100.00	2,955.58	53.33%	3,242.47	57.59%	3,011.55	57.92%
2. Steam	BIC	100.00	2,237.63	40.38%	2,058.20	36.56%	1,933.70	37.19%
3. Other revenue ¹	BIC	100.00	348.44	6.29%	329.23	5.85%	254.42	4.89%
Total Sales Revenue			5,541.65	100.00%	5,629.90	100.00%	5,199.67	100.00%
Participating Profit (Loss) from Investment in joint ventures (Equity Method) ²			3,513.18		1,895.19		2,158.45	
Total Revenues and Share of profit from joint ventures			9,054.83		7,525.09		7,358.12	

Notes:

- Other revenue primarily comprise subsidies from the PRC government for compliance with environmental standards. In addition, to the extent that power and steam tariffs do not sufficiently reflect an increase in coal prices, we may receive subsidies from the PRC government on a case by case basis.
- The company did not realize sales revenue from its Joint Ventures of Power Business as its shareholding is not more than 50%, i.e., BLCP power plant and Hongsa Power plant



Risk Management

To achieve business goals and objectives, Banpu Power and its subsidiaries emphasize the importance of risk management to reduce the likelihood of risks or mitigate their associated consequences, and/or to gain business opportunities that add value to the Company. Business risk management is under the supervision of all levels of management, and the review of risk management is reported to the Audit Committee and the Board of Directors on a quarterly basis.

Risk Factors

The principal risk factors that might hinder the Company from the achievement of goals and sustainable growth, or cause negative impacts on stakeholders in 2016 are as follows:

1. Strategic Risks

1.1 Risk in Strategic Planning and Implementation

In response to the fast-changing global economy, energy situation, and technologies as well as the higher expectations of investors and stakeholders, the Company has created systems and processes to manage the risk in strategic planning. It periodically reviews the Company's strategy to revise its vision, direction and business strategy to appropriately respond to change and launch a counteractive plan in preparation for future uncertainties. The meeting is held on a monthly basis to assess the situation, trends and scenarios based on the comparison of information from credible institutions and sources, and to develop tools to help systematically forecast economic trends for accurate business decision making and future planning.

1.2 Risk in Human Resource Management and Development to Facilitate Future Growth

To facilitate future growth, the Company not only improved the recruiting and HR development processes, but also reviewed the organizational structure and analyzed the workforce and HR development plans to align with its long-term strategies of business expansion. Additionally, the Company implemented a succession plan by developing knowledge and expertise of its

personnel to prepare them for their future senior management positions. This was carried out through individual development plan, job rotation, and in-house knowledge sharing activities in order to ensure that its personnel have relevant knowledge and abilities to the Company's business and can lead the Company to achieve sustainable growth.

1.3 Corporate Reputation Risk

The Company places great importance on the management of corporate reputation and image risk since bad reputation could have immediate and tremendous effects on the Company, in both the short and long-term. The Company accordingly focuses on its sustainable development by carrying out every production process with the utmost care and responsibility to all stakeholders and in compliance with laws and regulations, international standards, the code of conduct and corporate good governance. It is also a good corporate citizen in every country where it has operations and it has engaged in CSR activities focusing on educational development for children and youth, which is considered a foundation to sustainable development of the society and country. In addition to this, the Company has developed effective communication strategies to provide quick and accurate information and create better understanding with stakeholders through such projects as the promotion of organic agriculture project at Ban Khot Hin/Khao Phai (BLCP), the promotion of aquaculture project (BLCP), and the promotion of occupations project in the communities surrounding the Hongsa power plant.

1.4 Risk from Investing in New Business

In managing this risk, Banpu Power strives to ensure that its new investments create value to the Company no less than what was estimated prior to the acquisition. In doing so, the Company set the investment decision-making process, and the Investment Committee, comprising executive officers and experts, carefully considers and provides opinions on new investments with respect to alignment with the Company's growth strategies, return on investment according to the Company's criteria, and investment risk assessment, for example. Banpu Power also focuses on the management to achieve the synergy between the Company and the new entities via resource planning, staff capacity development, and appropriate restructuring to facilitate change management, which will ensure smooth investment and sustainable growth and secure investment return according to the strategic plan. In 2016, the Company adjusted its strategic plan in response to changes in global energy and technology trends. The Company's combined investments in conventional power and renewable power generation are effectively managed and balanced using advanced technologies that are safe and eco-friendly. The Company places great emphasis on high quality investment assets in power industry in countries with fast-growing energy business. Apart from its current investments in Thailand, People's Democratic Republic of Laos, People's Republic of China and Japan, the Company is considering and developing its plan to expand investments into other Asian countries, such as Indonesia, the Philippines, Myanmar and Vietnam.

2. Financial Risk

2.1 Risk from Failure to Secure Financial Resources as Planned

Banpu Power manages this risk to ensure that the Company has sufficient funds at a cost that is appropriate to its financial structure. Strategic financial plan has been formulated in accordance with the Company's strategic plan. Various scenarios relating to both internal and external sources of funds are carefully analyzed. The Company places great emphasis on maintaining good relationships with financial institutions

in order to ensure access to funding, which allows the Company to efficiently and constantly manage cash flow. The Company also strictly observes its agreement with the financial institutions.

2.2 Exchange Rate Risk

The Company follows risk mitigation plans to reduce impacts associated with fluctuating exchange rates at both corporate and group levels in Thailand, Lao PDR, China, and Japan. The Company strives to create a balance between its foreign-currency assets and liabilities and has adjusted its foreign currency forward contracts based on its estimated revenues, expenses, and loan payments. Other financial instruments are chosen as appropriate to ensure that the Company can mitigate negative impacts of volatile exchange rates to an acceptable level.

As of 31 December 2016, short-term loans from financial institutions represent CNY 76.76 million or equivalent to THB 395.30million and Baht loans of THB 2,040.00 million. These loans will be repaid within one year. In addition, long-term loans from financial institutions of subsidiaries in People's Republic of China are unsecured liabilities, which represent US Dollar loans of USD 4.5 million.

2.3 Interest Rate Risk

The Company manages interest risk by closely monitoring the trend of interest rates in the world's markets as well as in Thailand. The Company allocates its debt portfolio, both short and long term contracts, for loans with fixed and floating interest rates corresponding to their types of investments. The Company has chosen financial instruments to create alternative sources of funding to appropriately manage its financial structure in each country of investment. For example, interest rate swaps are being used to reduce the interest rate risk from fluctuations in consistence with the trend.

As of 31 December 2016, the Company's total long-term loans is based on floating rate. The effective rate of long-terms loans from financial institutions of the group is at 3.85%

3. Operational Risks

3.1 Risks in Coal-Fired Power Business in Thailand

3.1.1 Risk in Power Purchase

The Company's risk associated with the power business in Thailand is quite low thanks to the Independent Power Producer (IPP) scheme, under which electricity is solely supplied to the Electricity Generating Authority of Thailand (EGAT) according to a long-term Power Purchase Agreement (PPA) with EGAT. Hence, the risk in power purchase is low, and there is no risk in price fluctuations since it was specified in the agreement that the electricity price is adjustable to changes in fuel price, Thai baht exchange rates, and inflation rate.

3.1.2 Risk in Coal Supply

Coal is the main fuel source for electricity generation of the BLCP Power Plant. The Power Plant entered into a long-term contract to purchase coal from major and reliable suppliers, with clearly specified amount and quality of coal, to ensure sufficient supply for electricity generation in accordance with the PPA signed with EGAT. Accordingly, the risk associated with the failure to access good-quality coal is low. However, under certain circumstances, it may be necessary for BLCP to procure coal outside of the said contract. For example, the supplier may be unable to deliver coal as planned due to an event of force majeure such as flooding in Queensland, Australia. In such cases, BLCP may purchase coal from other suppliers in the coal market. To date, the amount of coal purchased outside of the long-term contract has yet exceeded 5% of the amount of coal needed each year, which is relatively low and has no significant impact on the performance of the Power Plant. In addition, the BLCP Power Plant has closely and regularly monitors coal production and coal prices.

3.2 Risks in Coal-Fired Power Business in Lao PDR

3.2.1 Risk in Power Purchase

The Company's investment in Hongsa Power Co., Ltd. (HPC) is under the Independent Power Producer (IPP) scheme with international contracts to both EGAT and Electricite du Laos (EDL); therefore, risk in selling electricity is low. Moreover, electricity price is stable because it was specified in the agreement that price may be adjusted to correspond with changes in fuel prices, Thai baht exchange rates, and inflation rate.

3.2.2 Risk from Commercial Operations During the Construction of Power Plants

The major risk of Banpu Power's business in Lao PDR is that its power plants may fail to commence its operations as planned. The causes may come from machinery, equipment, or people as the plants are still in the initial phase of commercial operations. To manage the risk, the Company closely and carefully monitors the operations, improves system stability, prepares adequate critical spare parts for the power plants, and organizes staff's capacity development training and knowledge sharing among the companies in its group.

3.2.3 Risk in Coal Supply

In sourcing its fuel supply, the Hongsa Power Plant has leased a lignite mine concession from the license holder awarded by the Laos government. Before the project started, a study was conducted to assess quantity, quality, production, and transportation plan of coal from the mine serving the project. The risk in accessing quality coal is low and the cost can be controlled in corresponding to the generation plan of the plant. However, the Company has prepared a coal reserve plan to cope with operational disruptions due to uncontrollable factors, including poor climate

conditions, natural disasters, transport delays, accidents, and others.

3.3 Risks in Power Business in China

3.3.1 Risk in Power and Steam Purchase

The risks in power business in China are higher than those in Thailand since there is no long-term power purchase agreement in China. However, as the Company's Combined Heat and Power (CHP) Plants are more efficient than other power plants, the government has grants them sole distributor rights to supply steam and heat in designated areas. The plants have also been accorded privileges to supply electricity to local electricity authorities and have received support from local governments, which is a beneficial factor for managing risks. According to the Chinese government's energy efficiency and environmental conservation policies, relevant rules and regulations have been amended in such a way that may affect the power business in China. In response to the policy change, the Company has implemented various risk management measures such as increasing the efficiency of energy usage within the plants and controlling environmental impacts. In 2016, the Company's power business in China yielded higher revenue from selling of electricity and steam than expected in its plan.

3.3.2 Risk from Volatility in Coal Price

Uncertainty of policy on coal business in China, the world largest coal consumer, resulted in coal price fluctuations in 2016, with a gradual increase since August. China's policy to reduce 500 million tonnes of coal production in five years caused coal prices to soar. The Company has managed this risk by closely monitoring the coal prices and ensuring its purchasing management is in accordance with its operating cost and production plan. The Company also entered into an agreement to sell electricity to some clients by defining the price structure of electricity and steam, which can be adjusted according to the actual fuel costs at that time.

3.3.3 Risk in Construction and Management of Solar Power Plant Projects

The major risk of the solar power plant project in China was construction delay. However, in 2016, the Company successfully managed this risk and could commence commercial operations in Shandong province with a total power generating capacity of 90 MW. The Company closely monitors the project's progress, and fully coordinates with the contractors to ensure that the construction quality is met.

3.4 Risk in Power Business in Japan

3.4.1 Risk Relating to the Solar Power Plant in Japan

The major factors that affect solar power generation are the intensity of the sun's radiation and leakage quantity from the power plant system. The Company manages these risks by using statistics of intensity of the sun's radiation to estimate the minimum amount of electricity the plant can generate and compare with the actual amount of electricity output. The Company also uses advanced technology, including continuous maintenance, in controlling leakage levels within acceptable limits.

3.5 Occupational Health, Safety and Environment Risks

Banpu Power recognizes the importance of occupational health, environment and safety as fundamental to the long-term sustainability of the Company. Therefore, it has defined the "Sustainable Development Policy" as a framework for its safety and environmental practices. The Sustainable Development Committee, chaired by the Chief Executive Officer, was appointed to supervise and monitor the environmental and safety performance within the Company and assigned the Health, Safety, Environment and Community Development (HSEC) Department to manage, coordinate and assist other units to ensure that the firm's safety and environmental practices are successful and in compliance with the set policies. The Company is committed to continual improvement of its practices to meet international standards, including the ISO 9001 Quality Management System, the

OHSAS 18001 Occupational Health & Safety Management System, and the ISO 14001 Environmental Management System.

3.5.1 Occupational Health and Safety Risk

Due to the nature of coal-fired and solar power plant activities, which involve the use of heavy machinery, construction, and contractor's works, the risk of accidents in the workplace is relatively high. In 2016, the Company has promoted and campaigned for a safety culture among its staff at all levels and all contractors by conducting safety staff training workshops at supervisor and management levels, including new recruits. Quality Assurance Review (QAR) is employed in the audit procedure at Zouping and Luannan power plants in China to ensure that the Company is able to reduce and control occupational and safety risks. Additionally, the Company has applied a Business Continuity Management System to prepare itself for effective management of potential emergencies while being able to execute continuous operations and alleviate the impact of emergencies or crises that may occur, including accidents, natural disasters, or man-made crises, such as fires, chemical spills, floods, earthquakes, epidemics, protests or riots. The Company has implemented the Business Continuity Plan (BCP), prepared necessary resources, and held annual exercise drills at operational and management levels to ensure the ability to handle emergencies and crises.

3.5.2 Environmental Risk

The Company complies with environmental laws and regulations and strives to maximize effectiveness of resource utilization so as to preserve natural resources and to control direct and indirect environmental impacts, such as climate change and water resources utilization.

Identifying Corporate Strategy that are in Line with Environmental Changes

The Company has monitored environmental change involving its operations and value chain in order to be ready to adjust its corporate policy and

investment strategy to accommodate the change. Over the past few years, climate change has become a significant challenge in both physical and economic aspects. The number and severity of natural disasters caused by climate change has been escalating. Society expects to see the reduction in greenhouse gas emissions from the use of natural sources so as to ease the impact of climate change.

All of the Company's production activities, which include electricity and heat generation, rely on energy as a major resource of production; the release of greenhouse gas into the atmosphere is thus inevitable. Realizing its responsibility in reducing the greenhouse gas emissions, the Company identified corporate policies and goals in greenhouse gas management in 2010 to enhance energy efficiency and promote the use of clean technology. The Company is now in the process of setting new goals in accordance with international agreements, such as the Conference of the Parties (COP). Furthermore, the Company has closely monitored the laws and regulations related to greenhouse gas emissions to accommodate for climate change impacts on the environment and the economy, and to align its climate strategies with the Paris Agreement, which is the outcome of the 21st Conference of Parties (COP 21), other agreements resulting from the COP 22, and the Company's policy on energy and reduction of greenhouse gas emissions in the countries it operates.

In 2016, Banpu, the parent company of Banpu Power, revised its carbon-reduction policy, which prescribes greenhouse gas emissions in three areas: lower greenhouse gas emissions, adaptation, and research and development of products to serve low-carbon societies of the future. The Company set a five-year goal 2016 to 2020 to reduce greenhouse gas emissions from electricity generation 15% from a 2012 baseline.

In terms of its investment strategy, the Company seeks investment opportunities in renewable and alternative energy in response to the forthcoming low-carbon society, particularly in China where there is a clear policy to reduce greenhouse gas

emissions and to increase the proportion of renewable energy consumption by 15% within the next five years.

Environmental Compliance

The Company takes compliance issues seriously. It strictly complies with applicable environmental laws and regulations, for instance, Environmental Quality Standards Regulations and environmental impact reduction measures, both of which are addressed in the environmental impact report. Last year the Company's environmental compliance performance remained high and continued to improve. Banpu Power focuses on managing major risks as follows:

- **Water Quality Management:** The cooling water used in the Company's power plants is designed to be a semi-closed cooling system to reduce water discharge to the external environment. Outgoing waterways are designed for water to flow and be exposed to the air for as long as possible in order to lower the temperature to the level required by law.
- **Air Quality Management:** The quality of air exiting to the atmosphere is determined by the quantities of sulfur dioxide, nitrogen oxides and particulate matter. At its power plants in Thailand, Lao PDR, and China, the Company has installed various treatment and disposal technologies to reduce sulfur dioxide and nitrogen oxides, including the Low NOx Burners, the Circulating Fluidized Bed (CFB), the Electrostatic Precipitators (ESP) used for trapping fly ash, and the Flue Gas Desulphurization (FGD) system, both semi-dry and wet, the Selective Non-Catalytic Reduction (SNCR), and Selective Catalytic Reduction (SCR). A continuous emission monitoring system (CEMS) was installed in chimneys and in the communities surrounding the plants to ensure that ambient air quality meets the standards required by law. In particular, the Company has improved its air treatment system at the power plants in China to meet the stricter air quality standards and to reduce urban air pollution. The Company has set its five-year

plan 2013-2018 with a budget of approximately USD 43 million, which could reduce air pollution levels to meet air quality standards set by the Chinese government.

- **Hazardous Waste Management:** All business sections of Banpu Power take appropriate measures to ensure the proper management of waste, especially the hazardous waste, in compliance with the local laws so that the waste will not pose a threat to the environment. In some cases, the Company may sell the waste, such as used lubricants, automobile batteries, and fly ash, to government-authorized buyers for recycling. As for fly ash from power generation, the Company sold it to buyers who recycle it as building material. The Company also separated fly ash according to size in order to meet the market needs and to increase the sales price.

Effective Resource Utilization

Effective resource utilization plays an important role in environmental conservation and cost reduction. Banpu Power focuses on the following areas of resource management:

- **Climate Change:** The Company is committed to taking part in reducing greenhouse gas emissions. Thus, it has implemented an energy conservation project, and conducted a feasibility study to examine the use of other alternative fuels to replace diesel. In addition, the Company also looks for investment opportunities in alternative energy to reduce the fuel used in power and steam production by using High Efficiency Low Emissions(HELE) technology in the Shanxi Lu Guang Power Plant, which is scheduled to start operations in 2018. In addition, there were some improvements on machinery in other power plants, and recycling of toxic gas from steel production process in customer's factories as an alternative fuel, which helps reduce greenhouse gas emissions.
- **Water Resource Utilization:** The Company places a high priority on preservation of water resources, which can be seen from the Company's projects to reduce water use in production processes,

recycle water, and prevent surface waters from being contaminated by waste water. Apart from this, waste water from underground mines is treated and distributed to supplement community use.

4. Risks in Compliance with Applicable Laws and Regulations

Recognizing the adversary consequence of compliance risk to the Company's operation and reputation, Banpu Power is committed to compliance with laws and regulations relevant to its operations both in Thailand and abroad. Moreover, the Company has developed processes and tools to manage the risks arising from the changes in regulations and policies in every country it has invested. The executives in each country are responsible for monitoring changes in both local and national regulations and policies, and communicating with governmental and private organizations, communities, and other stakeholders about the changes. The Company also hires local consulting firms to help interpret local laws and provide suggestions on legal compliance. A compliance unit regularly monitors the Company's operations to ensure that they fully comply with relevant laws and regulations.

4.1 Risks from Regulatory and Policy Change in the Countries Where the Company Has Invested

Overseas investment brings with it the possibility of risk associated with any regulatory change in the country of investment. In 2016, the countries where regulations, rules, and policies were substantially changed include China and Japan. The Company managed these risks as follows:

People's Republic of China

- Due to air pollution in China, the Chinese government launched policies on air pollution control for coal-fired power plants, which will become effective from 2021 onward, as follows:
 - 1) Dust emission must not exceed 10 milligrams per cubic meter.
 - 2) Sulfur dioxide (SO₂) must not exceed 35 milligrams per cubic meter.
 - 3) Nitrogen (NO_x) must not exceed 50 milligrams per cubic meter.

The local governments were allowed to employ the new measure when they are ready before 2021. Furthermore, the Chinese government also requires that the average net coal consumption of coal-fired plants be lowered to 310 grams per kWh by 2021. The Company has spent more on investment in order to control air pollution to align with the new standards. It has planned to use ultra-supercritical technology at the Shanxi Luguang (SLG) Power Plant and designed a controlling system to lower the coal consumption to 310 grams per kWh.

- The Chinese government issued policies on the management method on combined heat and power generation (CHP) to promote reduction of air pollution, and improvement on CHP generation in the industrial sector. The policy promotes the use of pressure from CHP technology, which is highly effective and emits low pollution. This policy specifically offers benefits for the plants that use pressure to generate power during the winter. Using the CHP technology, the Company's power plants are eligible to benefit from such policy, namely they received approval to expand the use of CHP technology and exclusive support on sales price and quantity from the government.
- The Chinese government restricted the size of coal-fired power plant projects. The size has to correlate with power demand, and water resource and environmental conditions must be taken into consideration. This policy commanded closure of old coal power plants that were below standards on efficiency, safety and quality. It also denied or delayed permission for construction, of which follows a strict procedure, of new coal power plants that did not align with power demand. The Chinese government's restricted policy did not have a substantial impact on the Company's operations because its current power plants completely meet all the standards prescribed by the laws and regulations. In addition, the Company's new power plant, Shanxi Lu Guang, uses the advanced technology "ultra-supercritical" to meet the emission standards.
- In 2015, the Chinese government launched the

electricity system reform that commands electricity grid owners to charge electricity users according to state-determined price, and prohibits them from gaining profit from the difference between the buy and sell prices. This policy limits monopolies and increases competition by cutting cost and enhancing quality, which results in lower electricity price that is fair to both business and individual customers. The Power Transmission and Distribution Pricing Reforms were initially enforced in 12 provinces, and are expected to be forced in the whole country by 2018. This policy did not have a negative impact on the Company's power plants in 2016 because the Company had entered into the power purchase agreement. However, after the opening to free market in 2018, the Company will be able to secure wholesales contract for the majority of its power capacities and the surplus capacity will be sold to the competitive markets in the form of power tariff and dispatch.

- The Chinese government announced an Instruction on Setting Up Renewable Energy Exploration and Utilization Target Oriented Guidance System in order to promote survey and use of renewable energy in accordance with energy development strategy. The strategy prescribes the proportions of renewable energy consumption at 15% and 20% of total energy consumption in 2020 and 2030, respectively. The policy may impact the working hours of the Company's coal-fired power plants in the future but will benefit its solar power projects in China.
- The Chinese government issued a draft document soliciting opinions on reduction of Feed-In-Tariffs (FiT) and subsidies for solar power generation from 2017 onward. According to the new scheme, there may be volatility of future income in solar power business. To cope with this risk, the Company has prepared to reduce costs for project development.

Japan

- The Japanese government issued a policy to reduce the charging price of electricity from JPY 27 per kW-h in 2015 to JPY 24 per kW-h in 2016.

However, the Company's under construction projects are not affected by the policy change because the price is fixed as signed in the contract regardless of the duration of the project.

4.2 Risk from the Hongsa Power Project Court Case

The Company places a high priority on managing the risk from the Hongsa Power Project court case by setting up a special working team, comprising the representatives from the Board of Directors and the executives in order to track progress of the legal department and team of lawyers and has closely analyzed the pending situation. Current situations and related progress are reported to the Board and the executives. The priority is put on promoting understanding and confidence among stakeholders. On 9 September 2014, the Appeals Court dismissed the case for the reason that the Defendants (Banpu Power, Banpu International Ltd., Banpu and executives) had acted in good faith before and after the joint development agreement was entered into, and that the Defendants did not commit any wrongful acts against the Plaintiffs. The Appeals Court also found that it was the Plaintiffs that breached the joint development agreement, and that the Defendants had no obligation to return to the Plaintiffs the 13 documents containing the information relating to the Hongsa Power Plant and the Hongsa Lignite Mine. The Plaintiffs have now filed a petition to the Supreme Court of Thailand against the judgment of the Appeals Court. The case entered into the Supreme Court's trial process in 2015 and it is expected that the appeal process will take approximately two to four years. Banpu Power's executives firmly believe in the Company's good faith in the development of the Hongsa Power Project.



Internal Control

Banpu Power places importance on continuous monitoring of internal control and risk management. It has designed the internal control system that covers all major business activities, in which all executives and employees are responsible, for development and improvement of internal control efficiency while taking into consideration all incurring costs and anticipated benefits. The Audit Committee is responsible for reviewing and assessing the adequacy of the internal control and risk management systems to ensure their efficiency and effectiveness and compliance with applicable laws and regulations. The Committee is also required to confirm the accuracy and reliability of financial reports, accounting reports, and other reports as well as transaction records with connected persons. The Internal Control Department takes responsibility of reviewing the operations of Banpu Power subsidiaries and provides consultancy and advice to improve effectiveness and efficiency of the internal control system to reasonably ensure that the Company will be able to achieve its goals as set in its mission and strategies.

The Board of Directors' Meeting held on 26 January 2017 assessed the internal control system based on the internal control adequacy assessment report previously endorsed by the Audit Committee, which follows the Securities and Exchange Commission's (SEC) framework. The SEC's internal control framework, which is based on that established by the Committee for Sponsoring Organizations of the Treadway Commission (COSO), consists of Company's internal control, risk assessment, control activities, information and communication, and monitoring activities. The overall assessment demonstrated that the Company has an adequate, appropriate, and effective internal control system.

The Board of Directors' views regarding the Company's internal control system can be summarized as follows:

1. Control Environment

Banpu Power is committed to promotion of sound, effective and efficient internal control environment to achieve its business goals. The Company has an appropriate management structure, with a clear chain of command and authorization levels in accordance with executive ranks to ensure that management and operations are effectively executed. Well-defined responsibilities in major operating units have been installed to enable checks and balances. Major policies and regulations are regularly updated in response to changes in the internal and external environment. The Company aims at achieving standards on recruitment and management of human resources while maintaining the corporate culture and providing reasonable and appropriate compensation based on performance. Human resource development is carried out through individual development plans, succession plans and staff rotations. The Company also focuses on corporate good governance and the Code of Conduct to ensure that performances of its executives and employees are transparent and governed by integrity and ethics while being accountable to stakeholders. A whistleblowing channel is established to receive complaints and grievances regarding corporate governance and business ethics.

2. Risk Assessment

The Company places a high priority on the management of risks from changes caused by both internal and external factors that have an impact on its business activities at various levels ranging from department, business units, to corporate ones. The management and staff of the Company all take part in assessing and monitoring risk factors, risk likelihood and risk of

fraud and wrong doing to find appropriate measures and a recovery plan to promptly respond to the scenarios. A risk management unit has been set up to regularly monitor progress of risk management measures and plans, and to submit a risk management report to the management and the Audit Committee on a quarterly basis.

3. Control Activities

The Company has made explicit all its policies and regulations in writing. It strives to ensure that all units have an adequate internal control system and regular reviews of the operations according to action plans, rules, regulations, and practices. There is a clear and appropriate division of labor, with an effective system of checks and balances, precise delegation of management and decision-making authority, and Key Performance Indicators (KPI) linking to the Company's goals. The Company's assets are safeguarded to prevent them from personal abuse and monitored with appropriate and effective IT control system. Moreover, there are auditing measures to ensure transparency of connected transactions while maximizing the Company's and all stakeholders' interests.

4. Information Technology and Communication

The Company has developed an effective and secure IT system and data compilation and an Enterprise Reporting System as an information clearing house to provide accurate, complete and reliable information for timely decision-making of the executives and the related staff members. Rights to information access is clearly defined with safety measures and legal compliance. There are a variety of communication channels, including website, intranet, and Google mail, to facilitate effective information exchange within and outside of the Company. Banpu Power has also put its IT Master Plan into action by setting up the Enterprise Architecture unit and committee to supervise its action plans and make sure that they are operated with highest efficiency. Apart from that, the

Company has an information gathering and collection system in support to the Board of Directors in deliberation process to provide accurate, complete, effective and timely information. For intra-corporate communication, there are various effective communication channels, such as emails, PR activities and meetings, to enhance collaboration and concerted efforts to achieve the Company's goals. For inter-corporate communication, the Company has Investors Relations and Corporate Communications departments responsible for information disclosure and communicating with all stakeholders via provided channels.

5. Monitoring System

The Company has established a monitoring system both at the management and operation levels. There are regular reviews and monitoring of operation results, measured against the predefined objectives, in executive meetings. In case of significant issues with potential impacts to the Company, the CEO and the management will closely monitor operation results and solutions from related departments. The Internal Audit Department is responsible for reviewing and assessing the adequacy and efficiency of the Company's internal audit system. The Internal Audit Department's duties and responsibilities also include monitoring of the Company's risk management in the area of legal and regulatory compliance, recommending process improvement, and verifying if existing problems have been solved in a timely and appropriate manner. The Department is required to regularly submit internal control reports to the Board of Directors, the Audit Committee, the Chief Executive Officer, and the management.



Sustainable Development



Banpu Power Public Co., Ltd. has always adhered to sustainable business practices in tandem with maximizing the benefit of all stakeholders, including shareholders, customers, business competitors, and the society. The Company has strived to balance the three dimensions of sustainable development, namely business growth, social development and economic development while underlining its responsibility to community and the environmental balance through its Corporate Social Responsibility (CSR) in - and - after process activities. In addition, Banpu Power places great importance on Corporate Governance to achieve stable growth by upholding the principles of integrity, transparency and being a good corporate citizen in all countries where it operates.

As a subsidiary of Banpu Public Co., Ltd., Banpu Power has applied its parent company's sustainable development policy on Corporate Governance and the international standards to its management in order to strike a sustainable balance between economy, society and the environment. The Company has

determined its clear strategies and indicators for sustainable development based on the policy and standards. It has also set a monitoring and evaluation system to ensure that the policy has been actually implemented so as to enhance business competitive capacity and create value to all stakeholders. The policy has been put into practice through the following activities.

1. Enhancement of Competitive Capacity

- **Human Resources Management:** Banpu Power is determined to continuously optimize its operational performance, and thus considers its staff as the greatest asset in leading the Company toward stability and sustainability. The Company respects for human rights and treats its staff without discrimination. It strengthens the corporate culture through "Banpu Spirit", which consists of Innovation, Integrity, Care and Synergy along with "Banpu DNA", the traits inherent in every staff, including Professionalism, Adaptability, Positive Creativity, Flexibility and Mobility. The Company also provides its staff with opportunities to learn and fully develop

themselves, and promotes leadership and functional competencies in preparation for power generation business.

- **Developing Operational Excellence**

The Company emphasizes flexibility and efficiency in business processes throughout the supply chain with innovations to ensure steadily continuous power generation. At its power plants, High Efficiency Low Emissions (HELE) technologies have been used and periodically improved. In addition, the Company takes great care toward its customers by delivering products that meet their needs and reinforcing customer relationship management while seeking new investment opportunities in the major products from combined heat and power plants, namely electricity, heat and cool water. The electricity is to be sold to the public sector through government owned pipes, which are not under the Company's operation. The heat will be sold in the form of steam and hot water to customers in the industrial sector and to individual households through underground and above ground pipes while the cool water will be sold to those customers who are hotels, supermarkets, hospitals, and individual households through the same heat pipes during winter.

2. Creating Value for Stakeholders

- **Compliance with laws and regulations**

The Company is committed to conforming the Principles of Corporate Governance and all applicable laws and regulations including international standards of practice.

- **Occupational health and safety**

The Company places great on health and safety of its staff and business partners. It has set three goals to ensure a safe and healthy workplace namely zero incidents, zero repeat, and zero compromise toward safety by failing to observe safety laws, regulations and standards. These goals are strictly adhered to prevent loss from occupational accidents and injuries.



- **Environment**

The Company aims at creating a balance between business development and environmental preservation. It has set clear practices, which comply with the international standards for an environmental management system, for every production unit. Prior to launching any projects, an environmental impact assessment will be conducted to set appropriate measures to prevent and reduce impacts on the environment according to the laws and regulations. The Company emphasizes the use of an integrated approach of waste minimization or resource maximization, prevention of impacts on the site, and appropriate environmental management throughout the supply chain. With regard to its production, the Company has implemented practices to reduce the environment impact that may arise according to the environmental impact assessment and its operating results are periodically reviewed by nongovernmental organizations to assure project compliance with laws, regulations and standards throughout the project period. Additionally, the Company has set a mechanism for risk review to prevent reoccurrence and enable continuous improvement.

- **Community**

The Company strives to create sustainable value for the communities and society where it operates through its engagement with the communities, paying taxes, creating employment opportunities and organizing other activities to gain acceptance from all sectors concerned.

Operating results in 2016 are as follows:

Human Resources Management

- Banpu Power restructured its organization to have fewer hierarchies in supervision so that its staff can fully exercise their potential as well as to enable faster and more efficient coordination and decision making. This resulted in the increased ratio of supervisees to supervisor (Head of Department) from 4 : 1 to 6 : 1.
- The Company promotes staff development at all levels to enhance their expertise as well as experience and assure that they are aligned with the Company's strategic plan. It has arranged many leadership development programs such as Banpu Global Leadership for Strategic Leaders, Banpu Global Leadership for First Line Leaders and Engaging Leader.
- Strengthening the corporate culture "Banpu Spirit" through various activities as follows.
 - o "Banpu Moving Forward Together" was an activity aiming to create inspiration and synergy for moving forward together in a sustainable manner and to fortify the corporate culture "Banpu Spirit" as well as to communicate the Company's business direction to staff.
 - o "Banpu DNA & Inspiration Talk" was arranged to foster inspiration and encourage staff to convert creativity into new innovations in the workplace.
 - o "More Power Get Better" was an activity aiming at providing the staff opportunities to spend time and do activities together in order to foster synergy.
 - o "Banpu Spirit for New Employees" was a workshop aiming at creating understanding of the rationale behind the corporate culture "Banpu Spirit" among its new staff so that they can apply the corporate culture to work and daily life.
 - o "Banpu Innovation Convention" is an annual event held at the Company's headquarters in Thailand to showcase the best innovation

projects from each country. In this event, the outstanding innovation projects will present their innovations and share knowledge, creativity, and new innovations, which adds value and effectiveness to the Company's operation. This is also an opportunity to show recognition of the staff's great work.

Occupational Health and Safety

Banpu Power emphasizes the compliance with relevant laws on occupational health and safety as a basis for operation. Strictly following the laws, the Company has carried out the following actions.

- The Company has set fire drill as an annual event to ensure a safe and timely evacuation in the event of emergencies.
- Occupational health and safety trainings are provided for staff at all levels from the operational level to the management one. A survey on staff's opinions on occupational health and safety is regularly conducted. Additionally, inspection and evaluation of working environment has been arranged to measure the quality of air, temperature, noise, lighting in the workplace to ensure a safe and appropriate environment for its staff.
- Banpu Power in collaboration with its parent company, Banpu Plc. has run business continuity management drills in all business units, both in Thailand and overseas, to ensure the continued smooth operation and service that meets stakeholders' expectations.
- The Company has developed an incident reporting system to monitor operating results of each business unit in occupational health and safety. The system, which supports reporting from operational level to the headquarters, covers all occurrence information ranging from near miss to fatal incidents. Moreover, the system includes investigation of root causes of the adverse incidents in order to prevent reoccurrence and avoid losses and injuries.

Environment

Climate Change

Banpu Plc. officially announced its Carbon Policy, which has been effective across the organization as well as Banpu Power since 2010. In 2016, Banpu reviewed and officially announced its Carbon Policy aiming at lowering greenhouse gas emissions in its power business. The Company has set a goal to reduce greenhouse gas emissions from electricity generation 15% from a 2012 baseline by 2020.

By adopting the operational control approach to report the greenhouse gas emissions, only three combined heat and power plants in China are included in the report, namely the Zouping Power Plant, the Zhengding Power Plant and the Luannan Power Plant. All these plants use coal as fuel source for their power and heat production. The Company thus places great importance on the control of greenhouse gas emissions per production unit of power and steam to a minimum level. It has been improving the efficiency of production process while optimizing power to heat ratio to suit the market situation. The Company has achieved its goal to reduce greenhouse gas emissions from its power production and the greenhouse gas emissions intensity has been gradually decreasing. In 2016, the emission intensity dropped to 0.31 kg CO₂ /KWh.

In addition to improvement of production efficiency, Banpu Power is determined to reduce the greenhouse gas emissions intensity from its power production via its investment in renewable energies. In 2016, the Company has solar power plants in Japan and China which are in operation and other solar power plant projects under construction.

Air quality

At its combined heat and power plants in China, the Company focuses on the elimination of pollution at the source through the improvement of power plant efficiency and careful selection of coal. By far, the pollutants emitted by the plants, including particulate matter, sulfur dioxide, nitrogen oxides, have yet exceeded the legal limit.

Water Use

Despite the fact that the Company's operations in China and Japan are not located in water-stressed areas as identified in UN World Water Development Report, water is essential to its production process. The Company thus places great importance on water management both in terms of reduction of water consumption and water quality control.

The amount of water the Company uses in its power business in China is approximately 9 million cubic meters per year. In the previous year, the Company could reduce the amount of water used in its combined heat and power plants by improving the production process as follows.

- Improving water treatment system for the entire production process
- Improving operational methods
- Identifying and repairing potential leaks in the production process
- Reusing water from various sources, for example, Reclaimed Water System, Ultra-filtration System, Reverse Osmosis System, and Ion Exchange System. The water from these sources may be reused in the production process and for other purposes such as stockyard washing, truck washing, plant watering, and for air treatment.





Human Resources Management

Human Resources Management in Response to Business Objectives

Banpu Public Company Limited is the major shareholder of Banpu Power Public Company Limited. Banpu Power thus adopted human resources management policy and corporate culture from Banpu, a company internationally renowned for its professionalism.

Banpu Power is committed to continuous business potential development and investment in both conventional and renewable power generation in Thailand, Lao PDR, China and Japan. The Company also has a plan to increase its generating capacity of power and steam; its people are hence a major force who will navigate the Company toward stability and sustainability. To attain its goal, in 2016 Banpu Power delivered human resources management in the following areas.

1. Organizational restructuring

According to its business strategy to increase power and steam generating capacity in the Asian region, Banpu Power has expanded its power business in various countries and collaborated with many business partners. To align with this strategy, the Company has set a policy to restructure the organization and put it into practice in order to achieve the Company's business goals.

The objectives of the organizational restructuring policy are as follows:

1. To improve organizational communication

The approach employed in improving organizational communication focuses on fewer hierarchies in supervision in order to shorten the communication distance, which will result in accurate and precise information transmission, and enable effective and timely decisions.

2. To promote staff development

After the restructuring of the supervision hierarchy, duties will be redesigned to enable the staff to expand their capacity and decision making authority, which motivates them to do their jobs at full potential.

3. To align human resources management with business directions

Organizational restructuring and job redesign enable the Human Resources Department to manage workforce and locate personnel more appropriately and efficiently.

In 2016, the Company's organizational restructuring resulted in the increased proportion of supervisees to supervisors from 4 : 1 to 6 : 1. Moreover, the Company also has a plan to complete the restructuring in every unit within the first half of 2017.

2. Leadership Development Program

Banpu Power leveraged the strong leadership development policy of Banpu. In 2016, the Company had its Line Managers participated in "Leadership Development Program" arranged by Banpu Plc. The program focused on developing its management at various levels across countries to have strong leadership in order to cope with business direction. The program was designed and developed to strengthen mainly "people mindset", "people management skills on how to be good at managing and leading people" and "Banpu Spirit, its corporate culture". Senior management involvement with the program design and implementation was the key success factor of the program.



3. Strengthening the Corporate Culture: “Banpu Spirit” and “Banpu DNA”

Similar to Banpu, Banpu Power believes in “Banpu Spirit” and “Banpu DNA”, the shared values its management and employees have always adhered to as operating principles. “Banpu Spirit” consists of:



(Innovation)



(Integrity)



(Care)



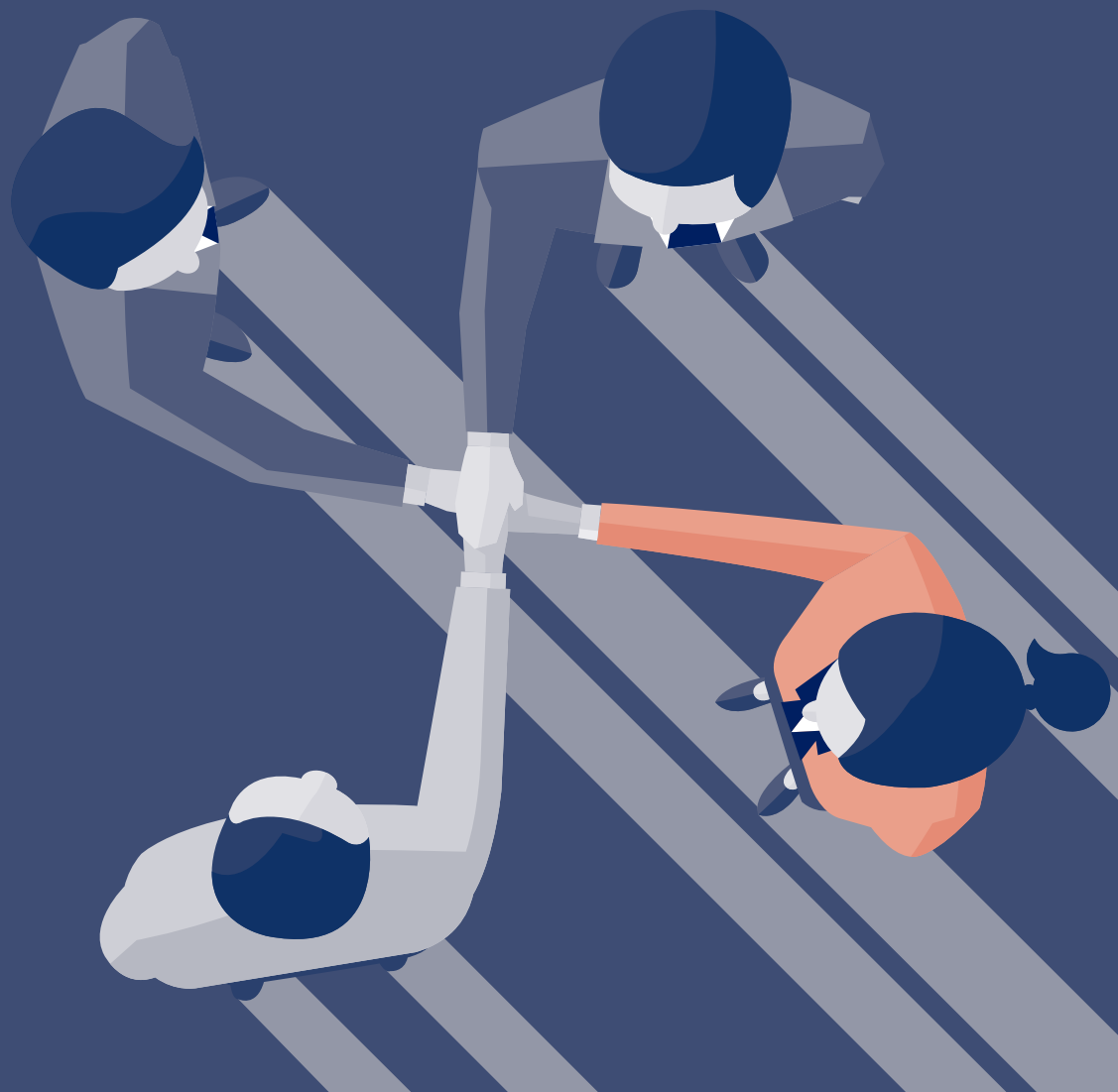
(Synergy)

Banpu DNA, the attributes which inhere in every single employee of the Company, are as follows:

- **Professionalism:** Employees have expertise, skills, and abilities to deliver service to all stakeholders as well as reliability and determination to keep the promise they have with stakeholders.
- **Adaptability:** Employees are ready to adapt themselves to changes and changing competitive conditions. They are able to analyze and predict future scenarios to prepare themselves to such changes.
- **Positive Creativity:** Employees have a creative process of thinking, analysis and decision making, which contributes positively to their performance and problem-solving and the attainment of goals.
- **Flexibility:** Employees are able to understand the underlying reasons for change and development. They are also ready and agree to embrace such change and development.
- **Mobility:** Employees are primed to adjust their working conditions regarding organizational structure, chain of command and appointment to work overseas, etc.

These core values enable the staff to work together harmoniously, regardless of gender, nationality, religion, language, age, or operating unit, to achieve the organizational goals.

In good spirit, we seek
‘synergy’
in all that we do.





Corporate Governance and Supervision on the Use of Internal Information

1. Corporate Governance Policy

The Board of Directors is committed to the principles of systematic management and good corporate governance. Accordingly, the Corporate Governance Policy and the Code of Conduct were made in writing to comply with all of the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) and to align with international best practices as a reference and guideline for directors, executives and staff.

The Board of Directors has formulated the Corporate Governance Policy in writing as a guideline for the directors, executives and staff to comply with the Corporate Governance Policy, which upholds good corporate governance principles of the SET's best practices on corporate governance, covering five principles as follows:

1.1 Section 1 Shareholder's Rights

The Board of Directors underlines the importance of shareholders' rights and their equality. This has been clearly specified in the Corporate Governance Policy that shareholders are entitled to receive share certificates, transfer shares and acquire adequate information in a timely fashion in a format conducive for decision-making. Shareholders are also entitled to attend a meeting, cast their votes at shareholders meetings to change Banpu Power's important policies, elect and remove directors, approve an appointment of auditor and receive their shares of profit.

At a shareholders' meeting, the Board of Directors facilitates shareholders by providing adequate, clear and comprehensive information in a timely fashion.

The Board encourages shareholders to attend the meeting and cast their votes or to appoint an individual or an independent director as their proxy to cast votes on their behalf in case they could not attend. In addition, shareholders are allowed to equally express opinions, seek explanations or pose questions.

The Company shall include the Board of Directors' opinions in the shareholders' meeting invitation, which will be sent to shareholders within the timeframe prescribed by the SEC's office or the Stock Exchange

of Thailand (SET), to allow enough time for shareholders to study the information prior the meeting. Apart from that, shareholders shall receive information via SET's electronic media, the Company's website and newspaper announcements as prescribed by the law. The Company has a policy requiring Directors to attend shareholder meetings to address their questions or concerns.

1.2 Section 2 Equitable Treatment of Shareholders

The Board of Directors has a policy to engage shareholders in a decision-making process and to ensure that shareholders receive comprehensive and adequate information in a timely fashion for such process. As such, Banpu Power sent out an invitation letter for the meeting together with supporting documents for each agenda to shareholders prior to the meeting.

Apart from that, the Company commits to equitable and fair policies and practices towards all shareholders, no matter whether they are executive or non-executive shareholders, Thai or foreign shareholders, major or minor shareholders.

Chairman of the Meeting allows all shareholders to equally examine Banpu Power's operations. He also answers queries in each meeting agenda. Chairman of the Meeting encourages shareholders to express opinions and seek explanations with regard to the operation. The Board also has the minutes of the meeting completed and posted at the company's website within 14 days from the meeting date for shareholders to verify and amend within 30 days.

1.3 Section 3 Roles of Stakeholders

Committed to maintaining fairness to all stakeholders, Banpu Power has issued a policy on stakeholders in its Corporate Governance Policy and also promoted its collaboration with stakeholders; namely, employees, customers, trading partners, creditors, government agencies, and the communities where Banpu Power's business is located, and the society at large. The Code of Conduct provides guidelines for directors, executives and staff to follow on the basis of fairness and balanced

interest. Important practices include a conflict of interest, responsibilities to shareholders, policies and practices towards employees, customers, trading partners, creditors, competitors and the society. It is the duty and responsibility of directors, executives and staff to recognize, understand and strictly comply with the guidelines in order to protect the rights and provide best treatment to all stakeholders.

Banpu Power started implementing the Whistleblower Policy to receive complaints and reports of wrongdoing and protect those filing such complaints, and to reveal the Company's management of wrongdoing reports.

Apart from that, the Company has set an Anti-corruption Policy and practices. The Company has stated in its Code of Conduct regarding giving and receiving bribery, gifts and business entertainment, the details of which are as follows.

(1) Giving and Receiving Bribery

- Executives and staff are prohibited from demanding or receiving any benefit from trading parties, contractors, suppliers, advisors and those with whom the Company is doing business.
- Executives and staff are strictly prohibited from offering any benefit to government officers, customers, labor unions or any other external parties in any attempt to persuade them to commit a fraudulent action.

(2) Gifts, Gratuities and Business Entertainment

- Executives and staff should refrain from giving gifts or gratuities to, or receiving them from any trading partner or others with whom the Company is doing business. Gifts given or received during festive occasions are excluded from this requirement provided that they have an appropriate value and are not related to any business commitment.
- Executives and staff should refrain from giving or receiving unusually lavish entertainment to or from those with whom the Company is doing business.

Employees

Recognizing that workforce is a pivotal factor for success, Banpu Power has put in its Code of Conduct a policy and practices towards employees to ensure

fair and equal treatment of all employees regardless of their nationality and language. The employees shall be fairly treated in terms of opportunity, remuneration, appointment, job transfer or capacity-building and safe workplace environment for their lives and properties. Banpu Power has conducted adequate and appropriate Health, Safety and Environmental measures to avoid fatalities from accidents and prevent work-related illnesses and injuries.

Banpu Power has a clear remuneration policy that is consistent with its short and long-term performances as well as is committed to a fair compensation in the form of salary, welfare and other fringe benefits linked to the creation of the long-term value to its shareholders. The Company also manages human resources with fairness while offering an equal opportunity to employees to learn and develop their capacity to their full potential on a regular basis.

Customers

Banpu Power strives to find ways to effectively and efficiently respond to its customers' needs. This has been stipulated as a policy and practices towards customers in our Code of Conduct that it will strictly adhere to promises made with customers. This can be done through delivering quality goods and services that match or higher than the customer's expectations in a fair price, providing accurate and enough information in a timely fashion, strictly observing the terms conditions agreed with the customers, establishing a grievance process to allow customers to file complaints regarding quality, volume, safety of goods and services and, finally, providing advice on how to effectively use its goods and services for its customer's best interest. Besides, the Company underlines its duty of confidentiality to the customers. All customer's information is kept confidential and will never be exploited.

Trading Partners/Creditors

Banpu Power has a policy to equitably and fairly treat our trading partners and/or creditors by taking into consideration the Company's best interest. This meanwhile will be pursued on the basis of mutual benefit of both parties where conflict of interest shall be avoided and contractual obligations be complied. The Company is required to provide accurate

information and report. In addition, the resolution to any problem must be considered based on mutual business relation. The following practices shall be observed:

- (1) The Company shall not demand, receive or pay any improper benefits to its trading partners and/or creditors.
- (2) Should it become known that bribes have been demanded, or payment of any improper benefit has occurred, then full information will be disclosed to the trading partners and/or creditors involved and the Company shall collaborate with the parties concerned to resolve the problem on a fair and timely basis.
- (3) The Company shall strictly comply with all the terms and conditions agreed upon in a transaction. In the event that any particular condition cannot be met, the Company will inform any creditor(s) concerned beforehand and seek a mutually acceptable solution.

Competitors

The Code of Conduct contains a policy and practices to treat competitors in a way that is consistent with international practices and within a legal framework for business competition. Banpu will not fraudulently infringe upon or seek to obtain trade secrets of any competitors. The Company is also committed to fair business conduct by complying with the guidelines indicated in its Code of Conduct. In the past year, Banpu had no disputes with competitors

Communities and Society

Banpu Power adheres to its policy is to conduct “business that benefits the economy and the society while maintaining a right balance between our growth and the development of communities, the society and the environment. It is the Company’s policy to be a good corporate citizen and to fully comply with all relevant laws and regulations. The Company is dedicated to improving the quality of society through its own activities or through collaboration with the communities, the government, or non-governmental organizations.

Communication Channels with Banpu Power

All stakeholders shall submit their opinions through the following channels:

CG Receiving Complaint

Headquarters	: 26 th Floor, Thanapoom Building 1550 New Petchburi Road Ratchathewi, Bangkok 10400
Telephone	: +66 2007 6000
Fax	: +66 2007 6060
Website	: www.banpupower.com
E-mail	: complaint@banpupower.co.th

1.4 Section 4 Disclosure of Information and Transparency

(1) Conflict of Interest

Banpu Power underlines the importance of its policy to prohibit directors, executives and staff from misuse of position for personal benefit. As indicated in the Code of Conduct, directors, executives and staff are to avoid connected transactions that could lead to a conflict of interest with the Company. If necessary, the transactions are to be carried out at arm’s length, and directors or employees having an interest in the transactions must not be involved in the approval process. If any transaction is considered connected under the SET’s notification, all rules, procedures and the disclosure of connected information of listed companies must be strictly complied.

The Code of Conduct also states directors, executives or employees are prohibited from using any opportunity or information acquired from their position for personal benefit or to compete with the Company or related businesses. Neither are executives or employees allowed to use insider information to sell or buy shares nor disclose the Company’s internal information to others to gain benefit from selling or buying the Company’s shares if they are involved in a special project of which the information has not yet been disclosed to the public; or that it is under negotiation where the project’s information has to be kept confidential as it could affect the share price.

(2) Disclosure of Information and Transparency

The Board of Directors oversees disclosure of information and its transparency to ensure that

both financial and non-financial information relating to the Company's business and performance is revealed in a complete, accurate, adequate, regular and timely manner. In addition, the information must reflect the Company's actual performance and its true financial status, as well as its business future while strictly complying with the laws, rules and regulations relating to information disclosure of both the SEC and the SET. Aside from disclosing information as required by the SET and the SEC, Banpu Power also communicates with shareholders and investors through other channels. The Investor Relations Division directly communicates with shareholders, investors and securities analysts both domestically and abroad, while the Corporate Communications Department disseminates corporate information to shareholders, investors and the public through local and international press.

1.5 Section 5 Responsibilities of the Board of Directors

(1) Leadership and Vision

The Board of Directors oversees formulation of the Company's vision, mission, goals, policies, management directions, long-term strategic plan, action plan and annual budget. The management is entrusted to propose these to the Board. The Board will then fully express its opinion and discuss issues with the management to seek general agreement before giving approval. The Board of Directors delegates to the Chief Executive Officer (CEO) the authority and responsibility for developing and implementing the Company's strategies. It also defines roles, duties and responsibilities of the Board, the sub-committees and executives.

(2) Business Ethics

Aside from its commitment to good corporate governance principles, the Board of Directors has a policy to conduct business to maximize shareholders' wealth, focusing on goals and goal attainment. Banpu Power's Code of Conduct has established clear corporate goals, vision, mission statements, values, Corporate Governance principles and practice guidelines which allow directors, executives and staff to understand the Company's expectations as well as to provide a

basis for dealing with staff, shareholders, customers, traders, suppliers, creditors, business competitors and society in general.

Banpu Power requires directors, executives and staff to understand and strictly comply with policies and practices stated in the Code of Conduct. Meetings are periodically held and promotional materials are distributed to inform and remind staff in Thailand and abroad of the importance of the Code of Conduct. All department heads must assure that their staff know, understand and strictly comply with the Code of Conduct. Beyond the professional behavior standards stated in the Code of Conduct, staff at all levels must act appropriately and be good role models

(3) Balance of Power by Non-executive Directors

The Board of Directors regularly considers the appropriate size of the Board. At present, Banpu Power's Board of Directors consists of nine directors. Among these, one is an executive director, eight are non-executive directors and three are independent directors.

(4) Consolidation or Separation of Office

The Board of Directors requires that its Chairman and CEO be two different persons. Their roles, responsibilities, and authority are clearly separated to achieve a healthy balance between management and good corporate governance. The current Chairman of the Board is an independent director.

(5) Board of Directors' Meetings

The Board of Directors convenes on a monthly basis, and an additional meeting may be held if necessary. At the meeting, there are clear meeting agenda. A complete set of supporting documents is sent to the Board of Directors at least seven days in advance of the meeting to allow the Board an opportunity to properly review the agenda before the meeting. During the meeting, all directors may openly voice their opinions. The Chairman of the Board is responsible for summarizing decisions and agreed opinions at the end of each agenda. Directors who are considered stakeholders in any particular agenda are not permitted to vote on the motion.

Annual Report 2016

Banpu Power Public Company Limited

Board of Directors' Report

The Board of Directors is responsible for Banpu Power's consolidated financial statements and the financial information that appears in Banpu Power's Annual Report. The financial statements are prepared under the Generally Accepted Accounting Principles (GAAP) in Thailand where an appropriate accounting policy has been selected and implemented. The Audit Committee and auditors jointly review the accounting

policy to ensure that it remains practical. In preparing the financial statements, the Board of Directors insists that the working team carefully exercise its discretion and that important information is adequately disclosed in the notes to the financial statements.

In 2016, the Board of Directors convened 12 times. Each director attended the meetings, as follows:

Name	Title	Term of Office*	Meeting Attendance		
			Ordinary Meeting	Special Meeting	Total
1. Assoc. Prof. Dr. Naris Chaiyasutr	Chairman	See notes below**	12	-	12/12
2. Mr. Chanin Vongkusolkrit	Director	Apr 2016 - AGM 2019***	9	-	9/12
3. Mr. Metee Auapinyakul	Director	See notes below**	12	-	12/12
4. Mr. Rawi Corsiri	Director	Apr 2016 - AGM 2019***	12	-	12/12
5. Mr. Yokporn Tantisawetrat	Independent Director	See notes below**	11	-	11/12
6. Prof. Dr. Bundhit Eua-aporn	Independent Director	See notes below**	9	-	9/12
7. Ms. Somruedee Chaimongkol	Director	Apr. 2016 - AGM. 2019***	12	-	12/12
8. Mr. Voravudhi Linananda	Director	Apr. 2016 - AGM. 2019***	12	-	12/12
9. Mr. Akaraphong Dayananda	Director	See notes below**	11	-	11/12

Notes:

* The Company was converted into a public limited company on 10 September 2015. Clause 17 of the Company's Articles of Association states that one third of the total number of the board shall vacate their offices by rotation at every annual general meeting of shareholders, and Clause 17, line 2 states that the directors to vacate office in the first and second years after the registration of the Company shall be decided by drawing of names. For the successive years, directors with the longest term of service shall retire from their offices. A retiring director is eligible for reelection.

** The Company will submit the list of three directors who retired by rotation, approved in the meetings of the Corporate Governance and Nomination Committee and the Board of Directors, to the 2017 Annual General Meeting of Shareholders for consideration and approval of the reelection as directors.

***retired and reelected as directors by the 2016 Annual General Meeting of Shareholders on 21 April 2016

Internal Control and Auditing

The Board of Directors has set up an internal control system for all aspects of Banpu Power's business, ranging from finance, accounting, asset management and operations to legal compliance. The Board also monitors the sufficiency and effectiveness of check-and-balance mechanisms to ensure that stakeholders, shareholders' equities and Banpu Power's assets are protected.

2. Sub-committees Internal Control and Auditing

Banpu Power's management structure consists of the Board of Directors, the Audit Committee, the Corporate Governance and Nomination Committee and the Compensation Committee and executives. Their duties and responsibilities are defined in the following section.

3. Duties and Responsibilities

Duties and Responsibilities of the Board of Directors

The Board of Directors consists of nine directors: three independent directors, three executive directors, and three non-executive directors. The Chairman of the Board is an independent director.

To ensure the compliance of corporate governance of Banpu Power, its subsidiaries, and joint ventures with the laws, objectives, regulations and resolutions approved by the AGM, the Board of Directors set up the "Board of Directors' Code of Conduct B.E. 2558". The Code of Conduct covers the composition of and director criteria, qualifications of directors, terms of directorship and retirement, duties and responsibilities, and Board of Directors' meeting and voting procedures. The Board of Directors are responsible for the approval of the following affairs:

1. The company's policies, business strategies, business plans and annual budget.
2. Monthly and quarterly performance reports in comparison to the company's plan, budget and business outlook in the following period of the year.
3. Investment in a project worth more than THB 1,500 million.
4. Investment which exceeds the approved budget at 15% and more than THB 1,000 million.
5. Purchase and disposal of assets, acquisitions, and the participation in joint venture projects, which are not conflicting with the SEC's and SET's rules, for an amount that exceeds the CEO's authority.
6. Transactions which could materially affect the company's financial status, liabilities, business strategy and/or reputation.
7. Entering into a contract either unrelated to the normal course of business or related and materially significant.
8. Parts of a connected transaction between Banpu Power, its subsidiaries or affiliates and related individuals according to the Securities and Exchange Act.
9. Any transaction which may cause the Debt-to-Equity Ratio of the company's consolidated balance sheets to exceed 2 : 1.
10. Payment of Interim Dividend
11. Net borrowing that exceeds a maximum amount stated in a budget or that exceeds an annual estimate of more than THB 5 billion.
12. Changes in policy and practices with material implications to accounting, risk management and financial reserves.
13. Significant changes in financial and management control.
14. Determination and review of authorization granted to the CEO and Executive Officers (EO).
15. Recruitment and the appointment of a CEO, along with the approval to recruit and employ EOs, a COO and a CFO.
16. Approval of budget, salary, bonus or bonus formula, and formula to adjust annual remuneration packages of senior executives and employees.
17. Nomination, appointment and termination of directors and the Company Secretary or Secretary of the Board of Directors.
18. Authorization given to the Chairman of the Board of Directors, CEO or any director, and amendments to such authorization.
19. Appointment and determination of duties of sub-committees.
20. Establishing and supervising management on the basis of the Corporate Governance policy and practices.
21. Appointment of directors or executives as directors of subsidiary and affiliated companies.
22. Registration of a new company and dissolving the company
23. Review of the Company's vision and mission at a minimum period of once every 5 years.
24. Directors have a duty to keep corporate information strictly confidential especially internal information not to be disclosed to the public or information that may affect its business or share price. The following are practices in regard to the use of company information by performing the following:
 - In case the information is a report based on an accounting period such as an operating result, financial statement, and an annual report, directors must refrain from trading Banpu Power's shares no less than 30 days prior to the information disclosure to the public.
 - In case the information is a report of Banpu Power's action in a particular situation, such as acquisition/ disposal of assets, connected transactions, joint venture/ cancellation of joint

venture, capital increase/ capital reduction, issuance of new securities, repurchase of own shares, payment or non-payment of dividend or incidents that affect Banpu Power's share price, in such cases, directors shall refrain from trading the company's shares (or related entities that are listed) from the period he/ she learns of the information to the day Banpu Power discloses the information to the public.

25. Amendment of the Board of Directors' scope of approving power as described in Clause 1-24.

3.2 Duties and Responsibilities of the Audit Committee

The Audit Committee consists of Mr. Yokporn Santisawetrat, Chairman of the Committee, Assoc. Prof. Dr. Naris Chaayasoot, Independent Director, and Prof. Dr. Bundhit Eua-aporn, Independent Director, and Mr. Yokporn Tantisawetrat is considered a member of great expertise and experience in financial accounting and economics. The committee independently performs its duties according to the scope and responsibilities entrusted by the Board of Directors and in compliance with the good corporate governance principles set by the Stock Exchange of Thailand. In addition, the committee underlines good corporate governance practices and regularly reports its meeting results in the Board of Directors' meeting. Mr. Prapat Manorat, the Head of Internal Control Department, acts as the Company's Audit Committee Secretary.

In 2016, the Audit Committee convened 12 times, all of which achieved a quorum. The meetings were attended by the Management, the Internal Control Department, and the auditors on related agendas. Moreover, there were meetings with the auditors and without the Management's attendance.

The Audit Committee is responsible for reviewing the Company's financial statements, the adequacy of the Company's internal control and risk management systems, and compliance with applicable laws and regulations. It is also responsible for preparing a report or providing opinions to the Board of Directors for approval or for submission to the shareholders' meeting as appropriate.

3.3 Duties and Responsibilities of the Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee consists of three members, namely

Assoc. Prof. Dr. Naris Chaayasoot, Chairman of the Committee and independent director, Mr. Chanin Vongkusolkrit, Member and non-executive director, and Mr. Rawi Corsiri, Member and non-executive director. According to the Charter of the Corporate Governance and Nomination Committee, the Committee has two major duties. Firstly, it reviews the Corporate Governance Policy and the Code of Conduct and monitor compliance of the policy and practices within Banpu Power's Code of Conduct. Secondly, it nominates directors and the Chief Executive Officer, reviews a succession plan in order to nominate appropriate persons to fill the management positions (for department head level and higher), and submits recommendations to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be.

3.4 Duties and Responsibilities of the Compensation Committee

The Compensation Committee consists three members; namely Prof. Dr. Bundhit Eua-aporn, Chairman of the Compensation Committee and independent director, Mr. Metee Auapinyakul, Member and non-executive director and Ms. Somruedee Chaimongkol, Member and executive director. The Compensation Committee has a duty to provide advice regarding compensation management to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be. To ensure the effective performance of the Compensation Committee, its members shall be responsible for the following duties.

Within the scope of its authority, the Compensation Committee may request the management or heads of department to attend meetings or to submit relevant documents in order to provide further information it may need.

The Compensation Committee may hire consultants or incur other work-related expense as it sees fit, for which the Company is responsible.

In 2016, the Compensation Committee convened three times, and all three meetings were quorate. The Committee provided advice regarding compensation management to the Board of Directors for approval or for submission to the shareholders' meeting.

3.5 Duties and Responsibilities of Chief Executive Officer

Duties and Responsibilities of Chief Executive Officer include:

1. Approval of new investment off the budget with the maximum value not exceeding THB 20 million per an investment.
2. Approval of disbursement for investment projects according to the approved budget, with total value not exceeding THB 600 million.
3. Screening and submission of annual salary promotion, employee's bonus, and other welfare benefits for employees.
4. Consideration and approval of hiring and procurement contracts, rental contracts, or service contracts with contract periods of no longer than 5 years and total value not exceeding THB 800 million.
5. Determination and review of approval authorization granted to subordinate executive officers.

The performances of the Chief Executive Officer (CEO) and other senior executives are subject to a review on an annual basis. The criteria for the evaluation are linked closely to the strategic plan and annual operation plan and the results will be used in the determination of remuneration and incentives.

4. Nomination and Appointment of Directors and Sub-committee Members and the Chief Executive Officer

4.1 Nomination of the Company's Directors

The Corporate Governance and Nomination Committee shall recommend to the Board of Directors candidates to replace retiring directors or to fill any other vacancy. The nomination process is as follows:

1. A director who has completed his/ her term of office is eligible for another re-election by shareholders.
2. To fill any other vacancy, the Corporate Governance and Nomination Committee may ask the Board of Directors to recommend candidates to the Corporate Governance and Nomination Committee.
3. The candidates for directorship in both cases shall be considered according to the set criteria.
4. The candidates shall not possess any prohibited characteristics prescribed by the laws and regulations.
5. The qualified candidate shall be approached to ensure that he/ she is willing to be appointed as director if approved by the AGM.

6. Nomination of candidate to be approved by the Board of Directors and the AGM.

4.2 Nomination of Independent Directors

Banpu Power has defined the qualifications of "Independent Directors" according to the Notification of the Capital Market Supervisory Board No. TorJor. 28/2551 Application for and Approval of Offer for Sale of Newly Issued Shares (Codified), which determines the qualifications of Independent Directors as follows:

1. holding shares not exceeding one per cent of the total number of shares with voting rights of Banpu Power, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
2. neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of Banpu Power, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the SEC. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of Banpu Power;
3. not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of Banpu Power or its subsidiary company;
4. neither having nor used to have a business relationship with Banpu Power, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with Banpu Power, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in Banpu Power or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of Banpu Power or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. neither being nor used to be an auditor of Banpu Power, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of Banpu Power, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC;
6. neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from Banpu Power, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC;
7. not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
8. not undertaking any business in the same nature and in competition to the business of Banpu Power or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Banpu Power or its subsidiary company;
9. not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations. After being appointed as independent director with the qualifications under (1) to (9) of the first paragraph, the independent director may be assigned by the board of directors to take part in the business decision of Banpu Power, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

In the case where the person appointed by Banpu Power as independent director has or used to have a business relationship or provide professional services exceeding the value specified under (4) or (6) of the first paragraph, Banpu Power shall be granted an exemption from such prohibition only if it has provided the opinion of the company's board of directors indicating that, by taking into account the provision in Section 89/7, the appointment of such person does not affect performing of duty and expressing of independent opinions. The following information shall be disclosed in the notice calling the shareholders meeting under the agenda for the appointment of independent directors:

- 1) The business relationship or professional service which make such person's qualifications not in compliance with the prescribed rules;
- 2) The reason and necessity for maintaining or appointing such person as independent director;
- 3) The opinion of Banpu Power's board of directors for proposing the appointment of such person as independent director.

For the purpose of (5) and (6) of the first paragraph, the term “partner” shall mean a person assigned by an audit firm or a provider of professional service to sign on the audit report or the professional service report (as the case may be) on behalf of such juristic person.

4.3 General rules for appointing committee members of the Company’s subcommittee:

1. Composition and qualifications of members of the Audit Committee shall comply with laws and regulations issued by the Securities and Exchange Commission.
2. Chairman of every sub-committee and Chairman of the Board of Directors shall not be the same person.
3. Each director shall be a committee member in no more than two sub-committees.
4. Any committee members who belong to 2 committees shall be the chairman of only one committee.

4.4 General Rules for Nomination of Chief Executive Officer

The Board of Directors entrusts the Corporate Governance and Nomination Committee with the recruitment and nomination of qualified CEO candidate to be approved by the Board based on the following criteria:

1. Qualifications, business knowledge and expertise, and experience of the candidate shall meet the criteria set by the Corporate Governance and Nomination Committee.
2. The Chief Executive Officer and Chairman of the Board of Directors shall not be the same person.
3. There shall be clear separation of authority and duties between the Chief Executive Officer and Chairman of the Board of Directors in order to create a balance between corporate management and governance.
4. The Board of Directors determines the scope of authority and performance goals of the Chief Executive Officer, and assesses the CEO’s performance annually.
5. The Chief Executive Office assesses the performance of the lower-ranked executive officers based on goals and assessment criteria linked to the Company’s strategic and annual plans in order to determine appropriate remuneration and incentives.

5. Corporate Governance of Subsidiaries and Affiliates

The Company has a policy for governance and management of subsidiaries and affiliates entitled “Governance Policy for Subsidiaries” and Delegation of Authorities (DOA) to protect the Company’s investment and secure benefits.

In compliance with laws and regulations on securities and stock exchange, and notifications, rules, order and stipulations of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand, the Board of Directors of Banpu Power considered and approved the policies for governance and management of the Company’s subsidiaries and affiliates. The Company’s subsidiaries and affiliates must comply with rules stipulated by the Capital Market Supervisory Board, the office of SEC, and related rules, notifications, and regulations set by the Stock Exchange. These include the Capital Market Supervisory Board’s notification No. TorJor. 28/2551 entitled Application for and Approval of Offer for Sale of Newly Issued Shares (Codified), the Capital Market Supervisory Board’s notification No. TorJor. 21/2551 Re: Rules on Connected Transactions (Codified) and the Securities and Exchange Commission’s notification Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 and a related notification (codified) (“Rules on Connected Transactions”) and the Capital Market Supervisory Board’s notification No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and Securities and Exchange Commission’s notification Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 and the related notification (as amended) (Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets).

As defined, “subsidiary company” and “affiliate company” mean any subsidiary company or affiliate company that engage in business as stipulated in Clause 18/1, with the total value in compliance with Clause 18 (2) of the Capital Market Supervisory Board No. TorJor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares (Codified) and the SEC’s notification No. KoChor. 17/2551 Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (Codified)

6. Use of auditors unconnected with the Company's auditors

In accordance with Clause 18 (6)(b) of the Capital Market Supervisory Board's notification No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, the financial budget of subsidiary and affiliate companies must be audited and reviewed by (1) Banpu Power's auditors except that such auditors cannot perform auditing in accordance with the laws and regulations in the countries where such company is located, or (2) the local auditors from the audit office that belongs to the same network as the audit office of Banpu Power's auditors. Both audit offices must be full members of the particular network.

Nevertheless, most of the Company's core-business subsidiaries and affiliate companies have appointed auditors of the same network of PricewaterhouseCoopers to be the Company's auditors, except for Banpu Power International Co., Ltd., which was founded in Mauritius as a sub-holding company that runs combined heat and power plant business in China. The auditors there are the auditors of the KPMG network (KPMG) in Mauritius. The decision was made during the establishment of Banpu Power International Co., Ltd. based on the fact that KPMG's auditing expenses were more reasonable. In addition, the Company's financial budget would not be affected because the auditors appointed by other subsidiaries including as a sub-holding company and subsidiaries operating power plant business, were KPMG's. Moreover, KPMG's auditing professionalism and standard is as high as that of the auditing network used by the Company at that time.

7. Supervision on the Uses of Internal Information

The Company recognizes the importance of information disclosure and transparency, and thus set a policy on information disclosure and transparency of financial statements and operations in the Company's Corporate Governance Policy. This is to ensure that financial and non-financial information about the businesses and the performance of the Company is disclosed to shareholders, investors, securities analysts, and the general public in an accurate, complete, adequate, reliable and timely manner. The Board of Directors

strives to ensure that laws and regulations regarding information disclosure and transparency are strictly followed.

To monitor the use of the Company's internal information, the Company has put in place preventive measures against leakage of internal information. It is the responsibility of the Company's directors, executives and staff to keep corporate information strictly confidential, especially the internal information not yet disclosed to the public or any data or information that may affect the business of the Company or its share price. The Directors shall follow guidelines stated in Board of Directors' Practice B.E. 2558 and the Code of Conduct as follows.

7.1 Protection of Confidential Information

- (a) Directors, executives and staff shall not use the information obtained from their directorship or employment for personal benefit or for conducting business or other activities in competition with the Company.
- (b) Internal information shall neither be used to obtain benefit from selling and buying the shares of the Company, nor disclosed to any third party for such profit.
- (c) Classified business information shall never be disclosed to any third party especially to competitors even after a director, executive or staff member has left the Company.

7.2 Public Comments and Mass Media Interviews

- (a) The Company has designated the Chief Executive Officer to give media interviews and to answer questions posed by shareholders, the mass media and third parties. Other senior executives may, with the CEO's permission, also provide such information.
- (b) The Company has designated the Investor Relations Division as a point of contact for shareholders, fund managers, investors, and financial institutions, with the Corporate Communications Department as a point of contact for the mass media.
- (c) When an external party asks for information on the Company, such request should be directed to the Investor Relations Division should the query originate from shareholders or investors, and to the Corporate Communications Department for the mass media.

Apart from that, the Company stipulated in the Corporate Governance Policy that directors, executives and staff must not exploit their relationship with the Company for personal gain, and avoid any transaction related to oneself, which may lead to a conflict of interest with the Company. If necessary, the transaction must be carried out with transparency and fairness at arm's length. Furthermore, directors, executives or staff having an interest in a transaction must not be involved in its approval process. If the transaction is considered a connected transaction under the SET's notification, all rules, regulations and disclosure of connected transaction information applied to listed companies shall be strictly complied. Apart from that, the Board of Directors' Code of Conduct has a guideline of practice for directors in case they learn any information not yet disclosed to the public. Change in securities holding of directors or executives are subject to be reported to the Board of Directors' meeting on a monthly basis.

To develop the control system for the use of internal information, the Company hired Banpu Plc. to install the Information Technology (IT) system to supervise the use of Company information. For example, systems are in place to prevent access to information from the third party and to limit the staff's information access level according to their individual responsibility. The system also prevents unauthorized changes, duplication, or deletion of protected information. In the case where an executive or employee participates in a special task using information which has yet to be publicly disclosed, is still under negotiation, or may be subject to internal control given its possible impact on the Company's share price, such executive and employee must sign a Confidentiality Agreement with the Company. The Agreement shall remain in effect until the information is disclosed to the public or relevant regulatory authorities.

8. Appointment of Auditors and Audit Fee

8.1 Audit Fee

In 2016, Banpu Power paid the audit fee in the total amount of THB 1,500,000 to PricewaterhouseCoopers ABAS Limited (PwC) and THB 12,256,500 for auditing the Company and its subsidiaries' annual and quarterly accounts and consolidated financial statements.

In accordance with the standard of information disclosure about persons and enterprises connected

the auditors and the auditing office, it is clarified that those persons and enterprises has no connection with the Company and subsidiaries, in accordance with the Code of Ethics for Professional Accountants regarding consolidated and separated financial statements set by the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King.

8.2 Non-Audit Fee

The Company paid a total of THB 27,659,537 as remuneration to PwC for preparation of financial information and other documents related to this underwriting.

Communication of Corporate Governance Policy

To ensure that all employees are fully knowledgeable of Corporate Governance Policy, the Company regularly commissions the following activities:

- Training new recruits about the principles in the Code of Conduct.
- CG refreshment workshops to refresh the employees' understanding of the Code of Conduct.
- An annual CG Day activity to promote understanding of the Code of Conduct among employees.
- Communication of interesting issues and knowledge with all employees via e-mails.

The Board of Director's Self-assessment

The Board of Directors and the sub-committees should conduct a self-assessment at least once a year to allow its members to jointly review their performances and identify problems for further improvement. Criteria shall be set to assess the performances. Starting from 2017, the Company requires that all sub-committees and individual members conduct their self-assessment according to the standard of the Stock Exchange of Thailand.



Corporate Social Responsibility

The business credo to which Banpu Power and its subsidiaries have unfailingly adhered throughout the past decades is “an industry will be strong only when it is developed in tandem with social and environment responsibility.” With this firm belief, the Company has endeavored to strike a balance between business growth and community, social and environmental development through its Corporate Social Responsibility (CSR) in- and after-process activities. To achieve this goal, the Company has

- Ensured that its entire production process is operated with “care and responsibility” toward all its stakeholders and in compliance with all laws and regulations as well as international standards. The Company is committed to conducting business ethically and transparently, and being a good corporate citizen in all areas of its business operations.
- Developed surrounding communities and society, with an aim to respond to “actual needs of the communities” and to encourage the “participation” of community members in improving their quality of life in various areas, including infrastructure, public utilities, career, and education while preserving the local culture and traditions.
- Implemented CSR programs (at the corporate level) in addition to community development initiatives, with emphasis on the promotion of “education and learning” for children and youths in order to lay a solid foundation for sustainable development of the society and nation.

In 2016, Banpu Power expanded its solar power generation business in Japan and China in responding to renewable or cleaner energy policies. The Company’s solar power plants not only supply electricity to local industry and communities, but also help reduce air

pollution, resulting in cleaner environment in the surrounding communities.

Social and Environmental Responsibility Activities in the Past Year

Banpu Investment (China) Ltd. (BIC), a Chinese subsidiary of Banpu Plc., has been promoting and supporting various activities, including social and community development, environmental preservation and investment promotion in the provinces in which the Company operates so as to strengthen the relationship between Thailand and China and follow Banpu’s social responsibility policy. In the business of steam production and distribution, it is vital to keep the distribution of steam, which is one of the basic public utilities, at optimal performance, especially in such peak season as winter. BIC has demonstrated its commitment to social responsibility via its administration to ensure a stable supply of electricity generated by its three combined heat and power plants. The Company also provided continuous support to the communities close to where its power plants operate. Such activities include:

Educational Development

- Luannan Power Plant donated CNY 50,000 and student uniforms worth CNY 10,000 to Luannan Banpu Special Education School, which is a school for children with disabilities. The school serves more than 100 students with hearing and speech impairment and physical and intellectual disabilities. 2016 marks the ninth consecutive year of the Company’s continued support and donations totaling more than CYN 620,000 to the school.

Sports Development

- Zhengding Power Plant donated CNY 150,000 to the Zhengding National Table Tennis Training Center to sponsor training and competitions of the table tennis athletes.





Board of Directors and Management

Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
1. Assoc. Prof. Dr. Naris Chaayasoot <ul style="list-style-type: none"> Independent Director 4 August 2015 Chairman of the Board of Directors 4 August 2015 Chairman of Corporate Governance and Nomination Committee 21 August 2015 Member of the Audit Committee 21 August 2015 	62	<ul style="list-style-type: none"> Ph.D. in Economics, University of Hawaii M. Econ. (English Program) Thammasat University B.Econ. (Hons) Thammasat University Chartered Director Class (CDC) #3/2008 Director Certification Program (DCP) #82/2006 Director Accreditation Program (DAP) #32/2005 Finance for Non-Finance Directors (FND) #19/2005 	-	-	2015 - Present	Independent Director/ Chairman/ Chairman of the Corporate Governance and Nomination Committee/ Member of the Audit Committee	Banpu Power Public Company Limited
					2016 - Present	Chairman	AP (Thailand) Public Company Limited
						Chairman	Thai Credit Guarantee Corporation
					2013 - Present	Chairman of the Audit Committee/ Independent Director/ Nomination and Compensation	GMM Grammy Public Company Limited
					2012 - Present	Director/ Chairman of the Audit Committee	Fortune Part Industry Public Company Limited
					2014 - 2015	Director	Bangkok Commercial Asset Management Co., Ltd.
					2011 - 2015	Chairman	Dhanarak Asset Development Co., Ltd.
					2010 - 2015	Chairman of the Audit Committee/ Independent Director/ Nomination and Compensation	Deposit Protection Agency
					2014 - 2015	Director	Export-Import Bank of Thailand
					2009 - 2012	Chairman of the Audit Committee	Thai Oil Public Company Limited
					2008 - 2011	Director	PTT Public Company Limited
					2010 - 2011	Director	Capital Market Supervisory Board SEC

Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
2. Mr. Yokporn Tantisawetrat • Independent Director 4 August 2015 • Chairman of the Audit Committee 21 August 2015	62	• M.Econ., Thammasat University • B.Econ., Chulalongkorn University • Director Certification Program (DCP) #229 Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP) #66/2007 • Advanced Bank Management Program, Wharton University • Advanced Management Program (AMP) Harvard University, U.S.A. • National Defence Program, National Defence College (PorRorOr.) (2004)	-	-	2015 - Present	Independent Director/ Chairman of Audit Committee	Banpu Power Public Company Limited
					2016 - Present	Expert Member	Securities and Exchange Commission
					2016 - Present	Advisor to the Board of Directors	Corporate Governance and Risk Management Committee of AP (Thailand) Public Company Limited
					2015 - Present	Director	TMB Bank Public Company Limited
					2017 - Present	Director	Kirloskar Brothers (Thailand) Limited
					2006 - 2015	Vice President of Risk Management	Siam Commercial Bank Public Company Limited
					2008 - 2015	Director	SCB Securities Co., Ltd.
					2011 - 2015	Director	Vinasiam Bank
3. Prof. Dr. Bundhit Eua-aporn • Independent Director 4 August 2015 • Chairman of the Compensation Committee 21 August 2015 • Member of Audit Committee 21 August 2015	52	• Ph.D. in Engineering, Imperial College, U.K. • M.Eng., Chulalongkorn University • B.Eng., Chulalongkorn University • Director Certification Program (DCP) #110/2008 Thai Institute of Directors Association (IOD)		-	2015 - Present	Independent Director/ Chairman of Compensation Committee/ Member of Audit Committee	Banpu Power Public Company Limited
					2016 - Present	President	Chulalongkorn University
					2013 - 2016	Dean	Faculty of Engineering, Chulalongkorn University
					2007 - 2013	Director	Energy Research Institute, Chulalongkorn University

Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
4. Mr. Chanin Vongkusolkrit <ul style="list-style-type: none"> Director 12 December 1996 Member of Corporate Governance and Nomination Committee 21 August 2015 	64	<ul style="list-style-type: none"> M.B.A. (Finance), St. Louis University, Missouri, U.S.A. B.Econ., Thammasat University DCP Refresher Course #3/2006 Thai Institute of Directors Association (IOD) Director Certification Program (DCP) #20/2002 Thai Institute of Directors Association (IOD) 	Self : 0.05% Spouse: 0.01%	-	1996 ¹ - Present	Director	Banpu Power Public Company Limited
					2015 - Present	Member of Corporate Governance and Nomination Committee	
					1983 - Present	Director	Banpu Public Company Limited
					2015 - Present	Senior Executive Officer	
					1983 - April 2015	Chief Executive Officer	
					2016 - Present	Director	Securities and Exchange Commission
					2016 - Present	Director	Banpu Power (Japan) ² Co., Ltd.
						Director	Thai Solar Consultant Co., Ltd.
					2012 - Present	Director	Hongsa Power Company Limited
						Director	Pan Western Energy Corporation LLC
					2010 - Present	Director	Banpu Renewable Co., Ltd.
					2006 - Present	Director	Banpu Power Investment Co., Ltd.
						Director	Banpu Coal Power Co., Ltd.
					1997 - Present	Director	BLCP Power Ltd.
						Chief Advisor to the President	Thai Listed Companies Association
					1983 - Present	Director	Mitr Phol Sugar Corporation
					2004 - Present	Director	The Erawan Group Public Company Limited

¹The company was publicly listed on 10 September 2015.

²The former name was BPP Renewable Co., Ltd. Name change was registered on 23 December 2016.

5. Mr. Metee Auapinyakul <ul style="list-style-type: none"> Director 22 May 2015 Member of Compensation Committee 21 August 2015 	63	<ul style="list-style-type: none"> Doctor of Business, Engineering and Technology, St. Louis University, Missouri, U.S.A. Infrastructure for the Market Economy, Harvard University John F. Kennedy School of Government, Boston, U.S.A. B.S.C. (Management), St. Louis University, Missouri, U.S.A. National Defence College (Class 377) #7 National Defence College, College of Management Directors Certification Program (DCP) #61/2005 Thai Institute of Directors Association (IOD) 	Self: 0.01% Spouse: 0.00%	-	Chairman of Audit Committee	Banpu Power Public Company Limited	Banpu Power Public Company Limited
					2004 - Present	Director/ Advisor	Banpu Public Company Limited
					2004 - Present	Executive Officer	
					2004 - Present	Chief Advisor	GENCO Public Company Limited
					2008 - 2013	Honorary Advisor to the Energy Committee	House of Representatives
					2009 - 2013	Expert Member, National Standardization Council	Ministry of Industry

Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
6. Ms. Somruedee Chaimongkol • Director 30 July 2009 • Member of Compensation Committee 21 August 2015	55	• B.Acc., Bangkok University • Program for Global Leadership, Harvard University Graduate School of Business Administration, Boston, U.S.A. • Director Certification Program (DCP) #78/2006 Thai Institute of Directors Association (IOD) • Top Executive Program, Capital Market Academy (CMA) #18	Self: 0.01%	-	2009 ³ - Present	Director	Banpu Power Public Company Limited
					2015 - Present	Member of Compensation Committee	
					2015 - Present	Chief Executive Officer/ Director	Banpu Public Company Limited
					2006 - 2015	Deputy Chief Executive Officer - Finance	
					Present	Director	BLCP Power Ltd.
						Director	Banpu Coal Power Limited
						Director	Hunnu Investments Pte. Ltd.
						Director	AFE Investments Pty Ltd.
						Director	BMS Coal Sales Pte. Ltd.
						Director	Banpu Singapore Pte. Ltd.
						Director	Banpu Mineral Company Limited
						Director	Banpu International Limited
						Director	BP Overseas Development Company Limited
						Director	Centennial Coal Company Limited
						Director	Banpu Engineering Services Co., Ltd.
						Director	Banpu Energy Services (Thailand) Co., Ltd.
						Director	Biofuel Development Holdings Company Limited
						Director	Hunnu Coal Pty Ltd.
						Director	Banpu Minerals (Singapore) Pte. Ltd.
						Director	Chiang Muan Mining Company Limited
						Director	Banpu Coal Investment Co., Ltd.
						Director	Asian American Coal, Inc.
						Director	AACI SAADEC (BVI) Holdings Limited
						Director	PT. Indo Tambangraya Megah Tbk
						Director	Banpu Australia Resources Pty Ltd.
						Director	Banpu Australia Co., Pty Ltd.
						Director	Thai Solar Consultant Company Limited
						Director	Thai Solar Consultant Company Limited

³The company was publicly listed on 10 September 2015.

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Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
7. Mr. Rawi Corsiri <ul style="list-style-type: none"> Director 29 October 2001 Member of Corporate Governance and Nomination Committee 21 August 2015 	67	<ul style="list-style-type: none"> MBA., Sasin Graduate Institute of Business Administration of Chulalongkorn University B.Sc. (Geology), Chulalongkorn University Director Certification Program (DCP) #32/2003 Thai Institute of Directors Association (IOD) Capital Market Academy Leader Program (CMA.) #2/2006 Capital Market Academy Executive Leadership Program NIDA-Wharton Faculty of Business Administration, National Institute of Development Administration (NIDA) and The Wharton School, University of Pennsylvania, U.S.A. Top Executive Program (TEA#3), Thailand Energy Academy 	Self: None Spouse: 0.00%	-	2001 ⁴ - Present	Director	Banpu Power Public Company Limited
					2015 - Present	Member of Corporate Governance and Nomination Committee	
					2012 - Present	Director	Banpu Public Company Limited
					2016 - Present	Chairman of Corporate Governance and Nomination Committee	
					2010 - Present	Director	Centennial Coal Company Limited
					2009 - Present	Director	Hongsa Power Company Limited
						Director	Phu Fai Mining Company Limited
					2001 - Present	Director	BLCP Power Ltd.
					2012 - 2016	Member of Corporate Governance and Nomination Committee	Banpu Public Company Limited
					2011 - 2016	Advisor	Banpu Public Company Limited
					2010 - 2012	Director	Banpu New Energy Holdings Co., Ltd.
					1997 - 2012	Director	Banpu Coal Power Limited

⁴The company was publicly listed on 10 September 2015.

Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
8. Mr. Voravudhi Linananda • Chief Executive Officer 10 April 2015 • Director 30 July 2009	59	• M.B.A. Sasin Graduate Institute of Business Administration of Chulalongkorn University • B.Eng. Mechanical Engineering Faculty of Engineering, Kasetsart University • Advanced Management Program (AMP173) Harvard Business School, U.S.A. • Directors Certificate Program (DCP) #149/2011 Thai Institute of Directors Association (IOD) • Orchestrating Winning Performance Program #OWPIL/2013, International Institute of Management Development (IMD SE Asia)	Self: None Spouse: 0.00%	-	2015 - Present	Chief Executive Officer	Banpu Power Public Company Limited
					2015 - 2016	Company Secretary	
					2009 - Present	Director	Banpu Power Public Company Limited
						Director	BLCP Power Ltd.
						Director	Banpu Coal Power Limited
						Director	Hongsa Power Company Limited
						Director	Phu Fai Mining Company Limited
					2013 - Present	Chief Operation Officer	Banpu Public Company Limited
					2014 - Present	Director	Banpu Engineering Services Co., Ltd.
						Director	Banpu Energy Services (Thailand) Co., Ltd.
						Director	Banpu Energy Service (Japan) Co., Ltd.
						Director	Shanxi Lu Guang Power Co., Ltd.
					2015 - Present	Director	Zouping Peak Pte. Ltd.
						Director	Pan Western Energy Corporation LLC
						Director	Banpu Coal Investment Company Limited
						Director	Banpu Power International Limited
						Director	BP Overseas Development Company Limited
						Director	Hokkaido Solar Estate G.K.
						Director	BPPR Co., Ltd.
						Director	BPPR Japan Co., Ltd.
					2016 - Present	Director	Banpu Power (Japan) ⁵ Co., Ltd.
						Director	Thai Solar Consultant Company Limited
						President Commissioner	PT ITM Banpu Power

⁵The former name was BPP Renewable Co., Ltd. Name change was registered on 23 December 2016.

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Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
9. Mr. Akaraphong Dayananda <ul style="list-style-type: none"> Director 30 July 2009 	58	<ul style="list-style-type: none"> MBA, Bowling Green State University, Ohio, U.S.A. B.Eng., Chulalongkorn University Executive Program in Strategy and Organization, Stanford University, California, U.S.A. Director Certification Program (DCP) #91/2007 Thai Institute of Directors Association (IOD) Director Diploma Examination #22/2007 Thai Institute of Directors Association (IOD) 	Self: 0.00%	-	2009 ⁶ - Present	Director	Banpu Power Public Company Limited
					2011 - Present	Deputy Chief Executive Officer - Strategy and Business Development	Banpu Public Company Limited
					2015 - Present	Director	Banpu North America Corporation
					2009 - Present	Director	Banpu Mineral Company Limited
						Director	Banpu International Limited
					2010 - Present	Director	Banpu Australia Co. Pty, Ltd
						Director	Banpu Engineering Services Co., Ltd.
						Director	Biofuel Development Holdings Company Limited
						Director	Banpu Renewable Energy Co.Ltd.
						Director	Banpu Infinergy Co., Ltd. ⁷
						Director	Banpu Energy Services (Thailand) Co., Ltd.
					2011 - Present	Director	Ratchasima Green Energy Co., Ltd.
						Director	Chiang Muan Mining Company Limited
						Director	Banpu Coal Power Co., Ltd.
						Director	Banpu Australia Resources Pty Limited
						Director	Hunnu Coal Pty Limited
					2011 - Present	Director	Hunnu Investment Pte. Limited
					2013 - Present	Director	AFE Investments Pty Limited
						Director	BMS Coal Sales Pte. Ltd.
					2014 - Present	Director	Akira Energy Limited
						Director	BOG Co., Ltd.
						Director	Aizu Energy Pte. Ltd.
						Director	Akira Energy (South) Limited
					2016 - Present	Director	Banpu Power (Japan) ⁸ Co., Ltd.
						Director	Thai Solar Consultant Company Limited

⁶The company was publicly listed 10 September 2015.⁷The former name was Prachuab Wind Power Co., Ltd. Name change was registered on 1 November 2016.⁸The former name was BPP Renewable Co., Ltd. Name change was registered on 23 December 2016.

Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
10. Mr. Vanchai Lertsaroj • Senior Vice President, Power Business Operation - Portfolio 2 1 March 2006	58	• MBA., Thammasat University • B.Eng., Chulalongkorn University	-	-	2015 - Present	Senior Vice President, Power Business Operation - Portfolio 2	Banpu Power Public Company Limited
					2001 - 2015	Senior Vice President - Power Plants in China	Banpu Power Public Company Limited
					2004 - Present	Director	Banpu Power International Limited
					2006 - Present	Director	Banpu Power Investment Co., Ltd.
						Director	Banpu Investment (China) Limited
						Director	Pan-Western Energy Corporation LLC
						Director	Shijiazhuang Chengfeng Cogen Co., Ltd.
						Director	Tangshan Banpu Heat and Power Co., Ltd.
						Director	Zouping Peak CHP Co., Ltd.
						Director	Zouping Peak Pte. Ltd.
					2012 - Present	Director	Asian American Coal, Inc.
						Director	AACI SAADEC (BVI) Holdings Limited
						Director	Shanxi Gaohe Energy Co., Limited
					2014 - Present	Director	Shanxi Lu Guang Power Co., Ltd.
					2016 - Present	Director	BPP Renewable Investment (China) Co., Ltd.
						Director	Dongping Haoyuan Solar Power Generation Co., Ltd.
						Director	Weifang Tian'en Jinshan Comprehensive Energy Co., Ltd.
						Director	Anqiu Huineng Renewable Energy Co., Ltd.
11. Mr. Somsak Sithinamsuwan • Senior Vice President, Office of Chief Executive Officer 15 May 2015	56	• MPA. (Project Management and Policy), National Institute of Development Administration • B.Eng. (Mining and Metallurgical Engineering), Prince of Songkla University	Self: 0.00%	-	2015 - Present	Senior Vice President, Office of Chief Executive Officer	Banpu Power Public Company Limited
					2015 - Present	Managing Director	Hongsa Power Company Limited
					2011 - 2015	Managing Director	Phu Fai Mining Company Limited
						Vice President / Power Business	Banpu Public Company Limited

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Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
12. Ms. Bubpachart Meecharoen • Senior Vice President - Corporate Affairs & Company Secretary 1 January 2017	53	• Doctor of Philosophy (E-Learning Methodology), Assumption University • MBA., Thammasat University • B.Sc. (Materials Science), Chulalongkorn University	Self: 0.00%	-	2017 - Present	Senior Vice President - Corporate Services Company Secretary	Banpu Power Public Company Limited
					2015 - 2016	Senior Vice President - Finance and Administration	
					2016 - Present	Director	Banpu Power (Japan) ⁹ Co., Ltd.
						Director	Thai Solar Consultant Company Limited
					2012 - 2015	Vice President, Operations Management	Banpu Public Company Limited
					2008 - 2012	Vice President, Corporate Services	PT Indo Tumbanraya MeghaTbk, Indonesia

⁹The former name was BPP Renewable Co., Ltd. Name change was registered on 23 December 2016.

13. Ms. Jareeya Chirdkiatsak • Senior Vice President, Power Business Operation - Portfolio 1 1 January 2015	53	• Executive Master of Business Administration (ExMBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University • B.Sc. (Materials Science), Chulalongkorn University • Director Certification Program (DCP) #145/2011 Thai Institute of Directors Association (IOD)	-	-	2015 - Present	Senior Vice President - Power Business Operation - Portfolio 1	Banpu Power Public Company Limited
					2002 - 2014	Vice President - Business Development	Banpu Public Company Limited
					2003 - Present	Director	BP Overseas Development Company Limited
					2014 - Present	Director	Banpu Energy Services (Thailand) Co., Ltd.
						Director	Banpu Engineering Services Co., Ltd.
						Director	Banpu Energy Services Japan Co., Ltd.
					2015 - Present	Director	BPPR Co., Ltd.
						Director	BPPR Japan Co., Ltd.
						Director	Hokkaido Solar Estate G.K.
					2016 - Present	Director	Banpu Power (Japan) ¹⁰ Co., Ltd.
						Director	Aizu Land Solar G.K.
						Director	BLCP Power Limited
						Director	Thai Solar Consultant Company Limited
						Director	PT ITM Banpu Power

¹⁰The former name was BPP Renewable Co., Ltd. Name change was registered on 23 December 2016.

Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
14. Mr. Banjob Kitchpanich • Deputy Chief Executive Officer - Finance 1 January 2017	50	• M.Sc. (Business Economics), Kasetsart University • B.Acc. Bangkok University	Self : 0.00%	-	2017 - Present	Deputy Chief Executive Officer - Finance	Banpu Power Public Company Limited
					2014 - 2016	Vice President - Finance and Administration	Banpu Public Company Limited
					2012 - 2014	Vice President - Finance (CFO)	Hongsa Power Company Limited
					2003 - 2012	Vice President - Finance and Administration	Banpu Public Company Limited
					2002 - 2003	Assistant Vice President	Freewill Solutions Co., Ltd.
					1987 - 2002	Manager	Banpu Public Company Limited

Company Secretary and Duties and Responsibilities of Company Secretary

Name/Position/ Date of Appointment	Age (Year)	Education/ Training	% Share held	Family Relationship between Director and Management	Work Experience in the Last Five Years		
					Period	Position	Organization
Ms. Bubpachart Meecharoen • Company Secretary					For further information on Ms. Bubpachart Meecharoen, see item #12.		

Duties and responsibilities of Company Secretary

The Board of Directors has appointed Ms. Bubpachart Meecharoen as the Company Secretary, whose duties and responsibilities are as stipulated in the Securities and Exchange Act. The Company Secretary is responsible for organizing meetings for the Board of Directors and shareholders, ensuring compliance with the meetings' resolutions, and advising the Board on rules and regulations to which it must comply. Additionally, the Company Secretary is responsible for preparing and keeping the register of directors, Board meeting invitation letters, Board meeting minutes, the Banpu Power Annual Report, invitation letters to attend the shareholders' meeting and records of its minutes, the report on conflict of interests of directors or executive officers and other duties as required by the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.



Shareholdings of the Board of Directors and Management

As of 31 December 2016

Name	Ordinary Share		
	28 Oct 2016	31 Dec 2016	+ / (-)
1. Asst. Prof. Naris Chaiyasoot	-	-	-
Spouse/ Minor child	-	-	-
2. Mr. Yokporn Tantisawetrat	-	-	-
Spouse/ Minor child	-	-	-
3. Prof. Bundhit Eua-arporn	-	-	-
Spouse/ Minor child	-	-	-
4. Mr. Chanin Vongkusolkiet	1,495,711	1,495,711	-
Spouse/ Minor child	330,000	330,000	-
5. Mr. Metee Auapinyakul	281,500	281,500	-
Spouse/ Minor child	33,400	33,400	-
6. Ms. Somruedee Chaimongkol	272,179	272,179	-
Spouse/ Minor child	-	-	-
7. Mr. Rawi Corsiri	-	-	-
Spouse/ Minor child	62,142	62,142	-
8. Mr. Voravudhi Linananda	-	-	-
Spouse/ Minor child	1,100	1,100	-
9. Mr. Akaraphong Dayananda	5,000	5,000	-
Spouse/ Minor child	-	-	-
10. Mr. Vanchai Lertsaroj	-	-	-
Spouse/ Minor child	-	-	-
11. Mr. Somsak Sithinamsuwan	2,880	2,880	-
Spouse/ Minor child	-	-	-
12. Mrs. Bulpachart Meecharoen	888	888	-
Spouse/ Minor child	-	-	-
13. Ms. Jareeya Chirdkiatisak	-	-	-
Spouse/ Minor child	-	-	-
14. Ms. Kanokwan Jitchobtham	-	-	-
Spouse/ Minor child	-	-	-



Remuneration

1. Remuneration in Cash for the Year Ended 31 December 2016

- 1.1 Total cash remuneration of the Board of Directors in the form of meeting allowance amounted to THB 2,257,520.00, the details of which are as follows.

Name/Position	Meeting Allowance (THB)			Total Remuneration (THB)
	Director	Audit Committee	Compensation Committee	
1. Mr. Naris Chaikasoot Chairman of the Board of Directors/ Chairman of the Corporate Governance and Nomination Committee/ Member of the Audit Committee/ Independent Director	288,600.00	266,400.00	-	555,000.00
2. Mr. Yokporn Tantisawetrat Chairman of the Audit Committee/ Independent Director	204,000.00	346,320.00	-	550,320.00
3. Mr. Bundhit Eua-aporn Chairman of the Compensation Committee/ Member of the Audit Committee/ Independent Director	166,000.00	244,800.00	75,400.00	486,200.00
4. Mr. Chanin Vongkusolkiet Member of the Corporate Governance and Nomination Committee/ Director	164,000.00	-	-	164,000.00
5. Mr. Metee Auapinyakul Member of the Compensation Committee/ Director	222,000.00	-	58,000.00	280,000.00
6. Ms. Somruedee Chaimongkol Member of the Compensation Committee/ Director	-	-	-	-
7. Mr. Rawi Corsiri Member of the Corporate Governance and Nomination Committee/ Director	222,000.00	-	-	222,000.00
8. Mr. Voravudhi Linananda Director/ Chief Executive Officer	-	-	-	-
9. Mr. Akaraphong Dayananda Director	-	-	-	-
Total				2,257,520.00

In 2016, the Board of Directors convened 12 times. Each director attended the meetings, as follows:

Name	Position	Term of Office*	Meeting Attendance		
			Regular Meeting	Special Meeting	Total
1. Assoc. Prof. Dr. Naris Chaiyasoot	Chairman	See notes below**	12	-	12/12
2. Mr. Chanin Vongkusolkrit	Director	Apr 2016 - AGM 2019***	9	-	9/12
3. Mr. Metee Auapinyakul	Director	See notes below**	12	-	12/12
4. Mr. Rawi Corsiri	Director	Apr 2016 - AGM 2019***	12	-	12/12
5. Mr. Yokporn Tantisawetrat	Independent Director	See notes below**	11	-	11/12
6. Prof. Dr. Bundhit Eua-aporn	Independent Director	See notes below**	9	-	9/12
7. Ms. Somruedee Chaimongkol	Director	Apr 2016 - AGM 2019***	12	-	12/12
8. Mr. Voravudhi Linananda	Director	Apr 2016 - AGM 2019***	12	-	12/12
9. Mr. Akaraphong Dayananda	Director	See notes below**	11	-	11/12

Notes:

* The Company was converted into a public limited company on 10 September 2015. Clause 17 of the Company's Articles of Association states that one third of the total number of the board shall vacate their offices by rotation at every annual general meeting of shareholders, and Clause 17, line 2 states that the directors to vacate office in the first and second years after the registration of the Company shall be decided by drawing of names. For the successive years, directors with the longest term of service shall retire from their offices. A retiring director is eligible for reelection.

** The Company will submit the list of three directors who retired by rotation, approved in the meetings of the Corporate Governance and Nomination Committee and the Board of Directors, to the 2017 Annual General Meeting of Shareholders for consideration and approval of the reelection as directors.

***retired and reelected as directors by the 2016 Annual General Meeting of Shareholders on 21 April 2016

1.2 Cash Remuneration of the Company's Executives in the Form of Salary and Bonus

Unit: THB	Number of Executives	2016	Number of Executives	2015
Total Salaries	5	31,337,400	3	7,534,800
Total Bonus	5	9,229,575	3	2,512,200
Total	5	40,566,975	3	10,047,000

Notes:

The year 2015 shows the information from September to December 2015. The three executives are 1. Mr. Voravudhi Linananda, 2. Ms. Jareeya Chirdkietisak, and 3. Ms. Bupachart Meecharoen.

The year 2016 shows the information from January to December 2016. The five executives are 1. Mr. Voravudhi Linananda, 2. Ms. Jareeya Chirdkiatisak, 3. Ms. Bulpachart Meecharoen, 4. Mr. Vanchai Lertsaroj, and 5. Mr. Somsak Sithinamsuwan.

2. Other Remunerations

2.1 Contribution to Provident Fund

Details of the Company's contribution to provident fund for the executives are as follows:

Unit: THB	Number of Executives	2016	Number of Executives	2015
Provident Fund	5	1,880,244	3	452,088



Major Shareholders

Ten Major Shareholders as of 31 December 2016

Major Shareholders	Amount of Shares Held	Percentage
1. Banpu Public Company Limited	2,397,199,497	78.71
2. State Street Bank Europe Limited	96,096,300	3.15
3. Bualuang Long-Term Equity Fund	12,732,600	0.42
4. Mitr Phol Sugar Corp., Ltd.	14,930,257	0.49
5. Mr. Theeraphol Wangmontri	11,400,000	0.37
6. Mr. Suvit Kitsammanangkul	7,660,000	0.25
7. Thai NVDR Co., Ltd.	7,188,759	0.24
8. TME Capital Co., Ltd.	6,550,000	0.22
9. Mr. Issara Vongkusolkrit	5,770,078	0.19
10. K Equity RMF: KEQRMF	5,309,305	0.17
Total	2,564,836,796	84.21

Dividend Policy

Banpu Power has a policy to pay approximately 50 percent of its net profits from the consolidated financial statements less all kinds of statutory and corporate reserves. However, this dividend payout rate will subject to cash flows, investment obligations of the Company and its affiliates as well as legal restrictions and other requirements.





Connected Persons and Transactions

Connected Persons

Connected Persons	Type of Business	Description of Relationship
1. Banpu Public Company Limited (Banpu Plc.)	Energy	1) One of the shareholders of Banpu Power Public Company Limited (the Company), holding 78.71% of its paid-up capital. 2) There are four joint directors as follows: 1. Mr. Chanin Vongkusolkrit 2. Mr. Metee Auapinyakul 3. Mr. Rawi Korsiri 4. Ms. Somruedee Chaimongkol 3) 3 managements of Banpu Plc. are the directors of the Company as follows: 1. Ms. Somruedee Chaimongkol 2. Mr. Voravudhi Linananda 3. Mr. Akaraphong Dayananda
2. Banpu Minerals Company Limited	Coal mining and trading	1) A 99.99%-subsidiary of Banpu Plc. 2) 2 managements of Banpu Plc. are the directors of the Company as follows: 1. Ms. Somruedee Chaimongkol 2. Mr. Akaraphong Dayananda
3. Banpu Minerals (Singapore) Pte. Ltd.	Investment in coal mining	1) A 100%-subsidiary of Banpu Plc., indirectly held by Banpu Minerals Company Limited and Banpu Coal Investment Company Limited. 2) 2 managements of Banpu Plc. are the directors of the Company as follows: 1. Ms. Somruedee Chaimongkol 2. Mr. Metee Auapinyakul
4. Asian American Coal, Inc	Investment in coal mining	1) A 100%-subsidiary of Banpu Plc., indirectly held by BP Overseas Development Company Limited. 2) There are two joint directors as follows: 1. Mr. Chanin Vongkusolkrit 2. Ms. Somruedee Chaimongkol
5. Banpu Australia Co. Pty Ltd.	Investment in coal mining in Australia	1) A 100%-subsidiary of Banpu Plc., indirectly held by Banpu Singapore Pte. Ltd. 2) There are three joint directors as follows: 1. Mr. Chanin Vongkusolkrit 2. Mrs. Somruedee Chaimongkol 3. Mr. Akaraphong Dayananda

Connected Persons	Type of Business	Description of Relationship
6. PT. Indo Tambangraya Megah Tbk	Construction, trading, transportation, industry, repair and services related to coal mining and power business in Indonesia	1) A 68.09%-subsidiary of Banpu Plc., indirectly held by Banpu Minerals (Singapore) Pte. Ltd. 2) A management of Banpu Plc. is the director of the Company which is Ms. Somruedee Chaimongkol.
7. PT. Indominco Mandiri	Coal Mining in Indonesia	1) A 99%-subsidiary of Banpu Plc., indirectly held by PT. Indo Tambangraya Megah Tbk 2) There is no joint director.



Other References

1) Ordinary Share Registrar	Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Din Daeng, Bangkok 10400 Tel. +66 (0) 2009 9000
2) Auditor	Ms. Amornrat Pearmpoonvatanasuk Authorized Auditor No. 4599 PricewaterhouseCoopers ABAS Ltd. 15 th Floor, Bangkok City Tower 179/74-80 South Sathorn Road, Bangkok 10120 Tel. +66 (0) 2344 1000, +66 (0) 2824 5000
3) Financial Advisor	--None--
4) Advisor or Manager under Management Agreement	The Company did not hire any advisors or managers under any permanent management agreement. Advisors, including financial advisors, were hired on a case-by-case basis as necessary to support its operations from time to time. The Company's management is mainly supervised by the Board of Directors.
5) Financial Institutions Regularly in Contact	The Company is regularly in contact with around 30 local and international commercial banks and financial institutions.



Details of the Company and Its Subsidiaries, Associated Companies and Joint Ventures

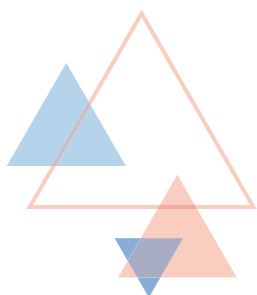
	Name	Type of business	Authorized capital	Paid up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
1	Banpu Power Public Company Limited	Investment in power business	30,956,920,000 THB	30,456,920,000 THB	3,045,692,000	10	-	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	0 2007 6000
Subsidiary companies									
Thailand									
2	Banpu Coal Power Limited	Investment in power business	5,921,587,160 THB	5,921,587,160 THB	592,158,716	10	99.99% (held by Banpu Power Public Company Limited)	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	0 2007 6000
3	Banpu Renewable Energy Co., Ltd.	Investment in renewable energy business	960,000,000 THB	960,000,000 THB	96,000,000	10	99.99% (held by Banpu Power Public Company Limited)	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	0 2007 6000
4	Banpu Power (JAPAN) Co., Ltd.	Investment in renewable energy business	5,000,000 THB	5,000,000 THB	500,000	10	100.00% (held by Banpu Renewable Energy Co., Ltd.)	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	0 2007 6000
5	Thai Solar Consultant Co., Ltd.	Solar rooftop power generation	1,000,000 THB	1,000,000 THB	100	10,000	99.99% (held by Banpu Renewable Energy Co., Ltd.)	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	0 2007 6000
China									
6	Shijiazhuang Chengfeng Cogen Co., Ltd.	Power and steam generation and sales	178,971,358 CNY	178,971,358 CNY	167,860,656	NA	100.00% (held by Banpu Power Investment Co., Ltd.)	North Beiguan, Zhengding County, Shijiazhuang City 050800, Hebei Province, PRC	(86311) 85176918
7	Tangshan Banpu Heat and Power Co., Ltd.	Power and steam generation and sales	393,425,339 CNY	393,425,339 CNY	NA	NA	87.92% (held by Pan-Western Energy Corporation LLC) 12.08% (held by Banpu Investment (China) Co., Ltd.)	West of Gujiaying Village, Benshi Road, Luannan County, Tangshan City 063500, Hebei Province, PRC	(86315) 4168274
8	Zouping Peak CHP Co., Ltd.	Power and steam generation and sales	261,800,000 CNY	261,800,000 CNY	NA	NA	70.00% (held by Zouping Peak Pte. Ltd.)	Xiwang Industrial Region, Handian Town, Zouping County, Binzhou City 256209, Shandong Province, PRC	(86543) 4615655

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Banpu Power Public Company Limited

	Name	Type of business	Authorized capital	Paid up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
9	Banpu Investment (China) Co., Ltd.	Investment in power business	248,400,000 CNY	248,400,000 CNY	NA	NA	100.00% (held by Banpu Power Investment Co., Ltd.)	9A, 9 th Floor, Tower B, Gateway Plaza, No. 18 Xia Guang Li, North Road of East Third Ring, Chaoyang District, Beijing, PRC 100027	(8610) 57580388
10	BPP Renewable Investment (China) Co., Ltd.	Investment in renewable energy business	200,379,537 CNY	200,379,537 CNY	NA	NA	100.00% (held by Banpu Renewable Energy Co., Ltd.)	Unit 108, No. 26 Jiafeng Road, Pilot Free Trade Zone, Shanghai, PRC	(86315) 4168274
11	Anqiu Huineng New Energy Co., Ltd.	Solar power generation	66,000,000 CNY	66,000,000 CNY	NA	NA	100.00% (held by BPP Renewable Investment (China) Co., Ltd.)	No.19 Dafugou, Wushan Town, Anqiu County, Weifang City, Shandong Province, PRC	(86315) 4168275
12	Weifang Tian'an Jinshan Comprehensive Energy Co., Ltd.	Solar power generation	83,000,000 CNY	83,000,000 CNY	NA	NA	100.00% (held by BPP Renewable Investment (China) Co., Ltd.)	Unit 205, No.16 Shengli Street, Wushan Town, Anqiu County, Weifang City, Shandong Province, PRC	(86315) 4168275
13	Dongping Haoyuan Solar Power Generation Co., Ltd.	Solar power generation	69,000,000 CNY	69,000,000 CNY	NA	NA	100.00% (held by BPP Renewable Investment (China) Co., Ltd.)	East side of Xishan road North, Dongping County, Taian City, Shandong Province, PRC	(86531)86025858
Hong Kong									
14	Akira Energy Limited	Investment in renewable energy business	62,017,100 HKD	62,017,100 HKD	62,017,100	1	100.00 (held by Banpu Renewable Energy Co., Ltd.)	9 th Floor, York House, The Landmark, 15 Queen's Road, Central, Hong Kong	852 2522 8101
15	Akira Energy (South) Limited	Investment in renewable energy business	19,120,063 HKD	19,120,063 HKD	19,120,063	1	100.00 (held by Akira Energy Limited)	9 th Floor, York House, The Landmark, 15 Queen's Road, Central, Hong Kong	852 2522 8101
Mauritius									
16.	Banpu Power International Limited	Investment in renewable energy business	63,050,000 USD	63,050,000 USD	63,050,000	1	100.00 (held by Banpu Power Public Company Limited)	4 th Floor, Ebene Skies, Rue de L' Institut, Ebene, Republic of Mauritius	230 404 8000
Singapore									
17	Zouping Peak Pte. Ltd.	Investment in power business	2 SGD	2 SGD	2	2	100.00 (held by Banpu Power Investment Co., Ltd.)	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	65 6338 1888
18	Banpu Power Investment Co., Ltd.	Investment in power business	84,177,391 USD	84,177,391 USD	77,132,663	No par value*	100.00 (held by Banpu Power International Limited)	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	65 6338 1888

Name	Type of business	Authorized capital	Paid up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
19 Banpu Renewable Singapore Pte.Ltd.	Investment in renewable energy business	55,987,677 USD	55,987,677 USD	55,987,675	No par value*	100.00 (held by Banpu Renewable Energy Co., Ltd.)	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	65 6338 1888
Cayman Islands								
20 Pan-Western Energy Corporation LLC	Investment in power business	100,000 USD	100,000 USD	100,000	0.01	100.00 (held by Banpu Power Investment Co., Ltd.)	PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands	1 345 949 8066
Associated company								
Indonesia								
21 PT. ITM Banpu Power	Investment in power business	1,200,000,000,000 IDR	300,000,000,000 IDR	300,000	1,000,000	30.00 (held by Banpu Power Public Company Limited)	Pondok Indah Office Tower III, 3rd Floor, Jalan Sultan Iskandar Muda Pondok Indah Kav V-TA, Jakarta Selatan, Indonesia	6221 29328100
Joint ventures								
Thailand								
22 BLCF Power Limited	Power generation and sales	12,010,000,000 THB	12,010,000,000 THB	120,100,000	100	50.00 (held by Banpu Coal Power Limited)	9 I-8 Road, Map Ta Phut Industrial Estate, Muang District, Rayong, Thailand	038 925 100
China								
23 Shanxi Lu Guang Power Co., Ltd.	Power generating and sales	1,500,000,000 CNY	567,745,250 CNY	NA	NA	30.00 (held by Banpu Power Investment Co., Ltd.)	Songcunxiang, Zhangzi County, Changzhi City, Shanxi Province, PRC	(86355) 8580511
Laos								
24 Hongsa Power Co., Ltd.	Power generating and sales	927,000,000 USD	927,000,000 USD	92,700,000	10	40.00 (held by Banpu Power Public Company Limited)	NNN Building 4 th Floor, Room No.D5 Bourichan Road, Phonsinouane Village, Sisattanak District, Vientiane Capital, Lao PDR	856 (0) 2122 483
25 Phu Fai Mining Co., Ltd.	Mining concession	50,000 USD	50,000 USD	5,000	10	37.50 (held by Banpu Power Public Company Limited)	Park View Executive Suite Building B Sikottabong District, Vientiane Lao PDR	857 (0) 2122 483
Singapore								
26 Aizu Energy Pte. Ltd.	Investment in renewable energy business	17,630,952.87 USD	17,630,952.87 USD	17,630,949	No par value*	75.00 (held by Banpu Renewable Energy Co., Ltd.)	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981	65 6338 1888



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