

DETAILS OF IMPLEMENTATION ARRANGEMENTS

A. Regulatory Framework

1. B.Grimm Power Public Company Limited (B.Grimm) has traditionally been involved in the gas-fired electricity generation market but diversified its portfolio into renewable energy in 2015. Its existing gas-fired cogeneration plants were developed under Thailand's Small Power Producer (SPP) Program, which allows private developers to build, own, and operate energy projects in the 10–90 megawatt (MW) capacity range, and to enter into power purchase agreements with the Electricity Generating Authority of Thailand (EGAT). B.Grimm's existing solar power projects were developed under Thailand's Very Small Power Producer (VSPP) Program, which allows private developers to build, own, and operate energy projects with a capacity of up to 10 MW and enter into power purchase agreements with the Provincial Electricity Authority (PEA).

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B. Management

2. B.Grimm is a part of B.Grimm Group, Thailand's oldest technological and infrastructure group (founded in 1878). B.Grimm Group expanded into power generation through B.Grimm in the 1990s, after the government liberalized the industry and opened it to the private sector, becoming one of the first private participants in Thailand's power generation industry. B.Grimm Group has well-diversified business interests in energy, cooling, health care, transportation, fashion and lifestyle, and real estate.

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C. Operations Arrangements

3. **Revenue structure.** B.Grimm sells electricity to EGAT under the SPP Program and to PEA under the VSPP Program. It also sells electricity to industrial users at the industrial estates in which its plants are located.

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4. **Raw material.** The principal raw material for the company's gas-fired cogeneration plants is natural gas, which is used as fuel in the generation of electricity and steam.

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5. **Operation and maintenance.** B.Grimm has established an in-house maintenance team at each of its project companies to undertake routine maintenance of gas-fired cogeneration plants.

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D. Project Performance Monitoring, Reporting and Evaluation

6. B.Grimm will submit quarterly unaudited financial statements and annual audited financial statements to the Asian Development Bank on a consolidated basis. External auditors will review B.Grimm's interim financial statements and audit its annual financial statements in accordance with Thai Financial Reporting Standards, which are based on the International Financial Reporting Standards.

7. The Asian Development Bank will monitor the company using information from its own sources, the public domain, and B.Grimm's reports. The company will provide information to track development impact based on the performance indicators established in the design and monitoring framework. Requirements for reporting on development impact and safeguards will be included in investment documentation.