



7. Securities and Shareholder Information

Common Shares

As of year-end 2013, the Company's registered capital amounted to Baht 1,531,643,461 of which Baht 1,376,923,157 was paid up. An equal number of common shares were issued at a par value of one Baht each.

Loans and Debenture

As of year-end 2013, the Company incurred Baht 15,834.54 million in domestic and foreign loans from banks, which was in the form of long-term loans and Baht 3,000 million in unsecured and subordinated domestic debenture entered in name without debenture representative. Details of loans and debenture have been disclosed in the notes to the financial statements for the year ended December 31, 2013.

Shareholders

Top 10 Major Shareholders (as of September 12, 2013)	Number of Shares	Shareholding (%)
1. PTT Plc	374,748,571	27.22
2. Ministry of Finance	137,442,767	9.98
3. Thai NVDR Co., Ltd.	80,443,164	5.84
4. AIA Company Limited-DI-LIFE	36,272,969	2.63
5. STATE STREET BANK EUROPE LIMITED	31,695,986	2.30
6. Krungsri Dividend Stock LTF	27,842,500	2.02
7. Somers (U.K.) Limited	27,267,300	1.98
8. Social Security Office (2 cases)	25,628,826	1.86
9. HSBC (SINGAPORE) NOMINEES PTE LTD	17,675,833	1.28
10. Bangkok Life Assurance PCL	17,171,200	1.25
Top 10 Total	776,189,116	56.37
Grand Total	1,376,923,157	100.00



• **Shareholders through Thai NVDR Co., Ltd.**

Major Shareholders (as of September 12, 2013)	Number of Shares	Shareholding (%)
1. CHASE NOMINEES LIMITED	20,580,000	25.58
2. SOMERS (U.K.) LIMITED	14,318,000	17.80
3. THE BANK OF NEW YORK MELLON	10,173,800	12.65
4. BNY MELLON NOMINEES LIMITED	9,829,300	12.22
5. RBC INVESTOR SERVICES BANK S.A.	7,632,900	9.49
Total	62,534,000	77.74
Grand Total	80,443,164	100.00

Note : The shareholders no. 1 and 4 who were nominee account. The company's investigation at Thailand Securities Depository Co., Ltd., found that the ultimate shareholders' name could not be disclosed.

Dividend policy

The Company has the policy to pay out dividend to the shareholders at the rate of not less than 30 percent of net profit of consolidated financial statements after deduction of allocation of legal reserve. However, this is subject to the economic situation, the Company's cash flow and investment plans of the Company and its subsidiaries according to the necessary, appropriation and other concerning as the Board of Directors' consideration.

Subsidiaries' dividend policies

• **Bangchak Green Net Co., Ltd.**

For a given fiscal year, the holders of preferred shares are entitled to annual dividends equivalent to the average daily interest rates for one-year fix deposits announced by Krungthai Bank Plc plus 3%. Dividends are paid in proportion to each paid-up share value when the dividends are paid out as stated in the resolution of the annual general meeting of shareholders (AGM). For a given year, if the company's profit is less than the dividends calculated for holders of preferred shares, all dividends are to be paid from such profit to holders of preferred shares only, and none is to be paid to holders of common shares. Any outstanding dividends for holders of preferred shares will be carried forward or accumulated to the following year along with those for the holders of common shares. For a given year, if the company's profit exceeds the dividends calculated for holders of preferred shares, the AGM will approve dividends for holders of common shares, case by case.

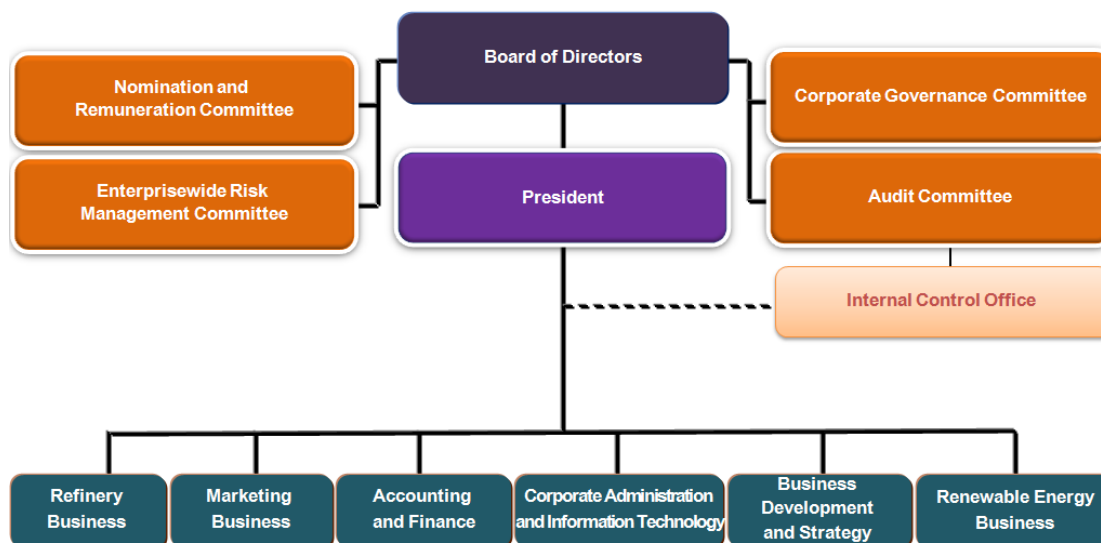


- **Bangchak Biofuel Co., Ltd.**

Dividend payment must have the approval of an AGM and will be made only when the company has allocated at least 5% of its net profit in a given year as provisional capital until the provisional capital reaches 10% of the registered capital. The Board may consider interim dividend payment to shareholders but not as long as it still has cumulative losses.



8. Management Structure



Note: The Audit Committee determines and evaluates the Internal Control Office's annual performance to ensure corporate governance and the independence of the Internal Control Office.

1. Board of Directors

According to the Company's regulations, the Board of Directors consists of at least five and no more than fifteen directors and at least half of the directors must reside in the Kingdom without sex discrimination. The directors must carry out their duties under the laws, objectives and regulations of the Company, as well as the resolutions of shareholders' meetings, safeguarding the Company's benefit and assign Company Executives to work on their behalf. For instance, the President has the authority to allocate the annual budget, pay for the Company's activities according to the contract or other commitments as approved by the authorized person, administration and procurement and sale of petroleum products etc.

At present, the Board of Directors consists of fourteen directors as follows:

Name	Position
1. Mr. Pichai Chunhavajira	Chairman
2. Prof. Dr. Chai-Anan Samudavanija	Vice Chairman (Independent Director)
3. Dr. Anusorn Tamajai	Independent Director
4. Mr. Surin Chiravisit	Independent Director
5. General Dapong Ratanasuwan	Independent Director



6. Mr. Suthep Wongvorazathe	Independent Director
7. Mrs. Arunporn Limskul	Independent Director
8. Mr. Krairit Nilkuha	Director
9. Mr. Prasong Poontaneat	Director
10. Mr. Sarakorn Kulatham	Director
11. Mr. Chaiwat Kovavisarach	Director
12. Mr. Vikrom Koompirochana	Director
13. Mr. Supattanapong Punmeechaow	Director
14. Mr. Vichien Usanachote	President and Secretary to the Board of Directors

Note: The names and number of the authorized directors who have authority to sign on behalf of the Company are: Mr. Pichai Chunhavajira jointly with Mr. Vichien Usanachote with affixation of the Company's seal or any one of these two directors signs jointly with Mr. Chai-Anan Samudavanija or Mr. Krairit Nilkuha or Mr. Sarakorn Kulatham or Mr. Surin Chiravisit or General Dapong Ratanasuwan or Mr. Chaiwat Kovavisarach or Mr. Suthep Wongvorazathe or Mr. Vikrom Koompirochana, being two persons, with affixation of the Company's seal.

Independent Directors

The present Board of Directors consists of six Independent Directors, which is more than one third of all Directors. According to the Company's policy, the Chairman of the Board must not be the same person as the President. Additionally, the Chairman must not hold any position in the appointed Sub-committee (sometimes called Committee) in view of clear-cut responsibilities and duties. The Board of Directors gives consent of the definition and qualifications of Independent Directors, the regulations of which are more stringent than those of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as committed to good governance as follows:

1. Hold no more than 0.5 % of the overall shares in the Company, subsidiaries, associated companies, or person(s) with potential conflicting interests.
2. Take no part in the administration, including not being an employee, personnel, permanent advisor, professional advisor to the Company such as an auditor, lawyer or authorized person of the Company or subsidiaries, or Associated companies, or person(S) with potential conflicting interests and with no invested interest for no less than two years and can attend the Directors' meetings with independent opinions.
3. Have no business connection, no vested interest, whether directly or indirectly, financially or administratively, including not being a



client, partner, supplier, trade or creditor/debtor of the Company, subsidiaries, associated companies, or person(s) with potential conflicts of interest and thus lacking independence.

4. Are not close relatives of the Executives or major shareholders of the Company, subsidiaries, or associated companies, or person(s) with potential conflicting interests and not appointed as a representative to protect the interest of Directors and/or major shareholders.

Directors from major shareholders

1. Mr. Krairit Nilkuha Representative from Ministry of Finance
2. Mr. Prasong Poontaneat Representative from Ministry of Finance
3. Mr. Sarakorn Kulatham Representative from PTT Public Company Limited
4. Mr. Supattanapong Punmeechaow Representative from PTT Public Company Limited
5. Mr. Chaiwat Kovavisarach Representative from PTT Public Company Limited
6. Mr. Vikrom Koompirochana Representative from PTT Public Company Limited

Appointment and dismissal of Directors

1. Shareholder's meetings elect Directors through majority voting with one shareholder holding one vote per share held and can elect Directors individually. The candidates with the most votes are to be appointed Directors up to the number open at the meeting. If more candidates receive equal votes than the number of Directors required, the Chairman of the meeting must cast a deciding vote.
2. In every Annual General Meeting (AGM), one-third of the Directors must retire. If this number is not a multiple of three, then the number nearest to one-third. The names of the Directors to retire during the first and second year after the Company was registered are to be drawn by lots if not agreed otherwise. For subsequent years, those with the longest terms must retire. The retired Directors can be re-elected.
3. Other than the completion of term, a Director may retire for to the following reasons:
 - death
 - resignation (effective from the date the Company receives the letter of resignation)
 - lack of qualifications according to Article 68 of the Public Company Limited Act 1992
 - decision of the shareholders' meeting to resign according to Article 76 of the Public Company Limited Act 1992
 - court order
4. In case a Director's position is vacant due to other reason than the completion of term, the Board of Directors is to elect a candidate



with qualifications according to the Company's regulations in the next meeting except when the Director's term is to be completed in less than two months. At least, a three-quarter vote of the Directors present at the meeting is required. The elected Director holds the position until the completion of term of the Director they have replaced.

Terms of Directorship

The company decided that directors can serve for maximum consecutive terms as follows:

"The appropriate term for directorship is no more than three consecutive terms (from 2008 onward) except for when a director is deemed suitable to hold the position for a longer period. The Board will consider the independence and effectiveness of the director who is under consideration and defend their decision to the shareholders."

Directors do not hold more than three consecutive terms, meaning that they cannot serve for more than nine years (three years in each term) to allow the Company to find other qualified Directors for the maximum benefit of the Company.

Roles, duties and responsibilities of the Board of Directors

1. Each newly elected Director must attend an orientation course on the Company's business.
2. Carry out duties under laws, objectives and regulations of the Company as well as resolutions of shareholders' meetings with honesty, protect the Company's benefit and have accountability to the shareholders.
3. Define the Company's policy and direction and monitor and supervise management so that they may work efficiently and effectively according to the Company's policy and regulations under corporate governance practices so as to maximize economic value and shareholders' wealth.
4. Follow-up on the Company's activities at all times and act according to the laws and regulations pertaining to the Company's contracts by assigning management to report the Company's performance and important matters to the Board of Directors at its monthly meeting so that the Company's business may run effectively.
5. Regularly and truthfully report to the shareholders on the Company's situations, including the Company's future trends, whether positively or negative, with sufficient rationale.



6. Ensure that the Company possesses an effective and reliable accounting system, financial report, internal controls and internal audit.
7. Regularly review the corporate governance policy.
8. Play an important role in risk management through appropriate and sufficient risk management guidelines and measures, with regular monitoring.
9. Ensure that management treats all stakeholders ethically and equally.
10. Independent and external Directors are prepared to express their opinions freely formulating strategies, management, use of resources, appointment of Directors and business standard as well as to disagree with other Directors or the administration in conflicts that affect the equality of all shareholders.
11. If necessary, the Board of Directors may seek professional opinions from external advisers on Company performance at the expense of the Company.
12. Appoint a Company Secretary according to the Securities and Exchange Act to prepare and maintain documents and other matters as determined by the Capital Market Supervisory Board as well as to facilitate the Board's and the Company's business, such as meetings of the Board and shareholders, regularly provide the Directors and the Company with legal advice and remind them of the various regulations that they need to know and comply with, as well as ensuring that Directors and the Company disclose correct, complete and transparent information.
13. Provide a code of conduct, code of ethics as working guidelines in the Company.
14. Undertake no securities transactions at least one month before budget announcement and at least three days after budget announcement.
15. Report on one's own portfolio of securities, as well as those of their spouses and children not yet of legal age in the Company and subsidiaries to the monthly Board of Directors meeting and must report to the Company without delay in the following cases:
 - Have vested interests, whether direct or indirect, in any of the Company's contracts within the accounting year.
 - Hold shares or debentures in the Company or the Subsidiaries companies.
16. Attend at least one training course organized by Thai Institute of Directors Association (IOD), such as Director Accreditation Program (DAP) or Director Certification Program (DCP) or equivalent, to increase expertise at work.



17. The Directors who are not executives must annually evaluate the President.
18. The Directors who are not executives and Independent Directors may convene among themselves as necessary at least twice a year to discuss relevant management problems without the management's attendance, and report the findings of the meeting to the President.
19. Each Director cannot hold a Director position in a listed company in SET more than five companies.

According to laws, the Company's article of association and regulations, the Key matters reserved for the Board's approval include the annual business plan and budget, dividend policy, management restructuring.

Meetings of the Board of Directors

The Board of Directors set the 2013 timetable for its official meetings in advance. The Chairman and the President jointly consider the items to be included in the agenda. The meeting is set once every month on the last Tuesday of the month, with additional extraordinary meetings as appropriate. The Secretary to the Board of Directors Office ("SBO") will send out invitation letters with the agenda attached and complete meeting documents to each Director at least seven days in advance so that the Directors may have sufficient time to study and review the documents before the meeting and ask additional questions to the vice president of SBO. Each Director can submit items to the agenda by informing SBO.

In the meetings, The Chairman of the Board provides leadership and control to ensure smooth meetings, while encouraging all directors to fully participate and display capability. The minutes of meetings are undertaken in written form with complete information. The certified minutes are maintained, so that Directors and relevant persons can check, with a good filing system. Amendments cannot be made without the consent of the Board. Each meeting lasts approximately three hours.

In 2013, the Board convened in twelve general meetings, and one additional meeting. Moreover, the Board organized a meeting/seminar on organizational strategies with the management to set up long term strategies and action plans for year 2014-2020 and a study tour in Biogas Production. The detail of each Director's meeting attendance is as follows:



Names		Meeting attendance/all meetings (Times)				Remark
		General meetings	Additional meetings	Seminar	Total	
1	Mr. Pichai Chunhavajira	12/12	1/1	3/3	16/16	
2	Prof. Dr. Chai-Anan Samudavanija	12/12	1/1	3/3	16/16	
3	Dr. Anusorn Tamajai	12/12	1/1	3/3	16/16	
4	Mr. Surin Chiravisit	12/12	1/1	3/3	16/16	
5	General Dapong Ratanasuwan	9/12	1/1	3/3	13/16	
6	Mr. Suthep Wongvorazathe	12/12	1/1	3/3	16/16	
7	Mrs. Arunporn Limskul	9/9	1/1	3/3	13/13	Started on April 10, 2013
8	Mr. Krairit Nilkuha	12/12	1/1	3/3	16/16	
9	Mr. Prasong Poontaneat	12/12	1/1	2/3	15/16	
10	Mr. Sarakorn Kulatham	11/12	1/1	3/3	15/16	
11	Mr. Chaiwat Kovavisarach	11/12	1/1	3/3	15/16	
12	Mr. Vikrom Koompirochana	9/9	1/1	3/3	13/13	Started on April 10, 2013
13	Mr. Supattanapong Punmeechaow	2/2	-	-	2/2	Started on October 30, 2013
14	Mr. Vichien Usanachote	12/12	1/1	3/3	16/16	
15	Mr. Issra Shoatburakarn	3/3	-	-	3/3	Completed his term on April 10, 2013
16	Mr. Suphon Tubtimcharoon	3/3	-	-	3/3	Completed his term on April 10, 2013
17	Mr. Nuttachat Charuchinda	9/10	0/1	3/3	12/14	Resigned on October 30, 2013



According to corporate governance practices, in 2013, the Board of Directors agreed on joint meetings for non-executive Directors. during the Board of Directors meetings No. 4/2013 on April 30,2013 and 9/2013 on August 27, 2013, and Independent Directors. during the Board of Directors meetings No. 5/2013 on May 28,2013 and 10/2013 on September 24,2013, before the Board of Directors meeting, non-executive Directors and Independent Directors convened without the management's attendance to discuss general problems of the Company's management and corporate governance, then inform the President so that the management may take due action.

Moreover, the Board of Directors also evaluated the supporting performance of the Secretariat to improve and determine a direction to efficiently develop and maximize Board of Directors' meetings.

Evaluation of the Board of Directors

In view of corporate governance practices, the Board of Directors set up an evaluation form for the Board's performance at least once a year. In 2013, the Board conducted the evaluation in three forms, namely individual evaluation (self-evaluation), individual evaluation (cross-evaluation by group) by group of 3-4 directors (3-4:1) (The name of the evaluating Directors would not be revealed to the director being evaluated.) and group evaluation with reference to the evaluation form of the Thai Institute of Directors Association (IOD).

Additionally, the Board of Directors set an evaluation process for the Committees Members, such as the Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee and Enterprise-wide Risk Management Committee, as in the previous year, so that the Board of Directors and the Committees may use it as a framework to review duties, problems and obstacles and leverage the findings to analyze the work of Directors and improve and develop the work.

The evaluation results of the Board of Directors and the Sub-committees are as follows:

- Individual self-assessment relies on three topics, namely responsibility for their roles, training and self-development, and conformance to the corporate governance policy. The overall summary of assessment findings showed an average score of 96.90%, regarded as excellent.
- Individual cross-assessment relies on two topics, namely responsibility for their roles and directors' independence. A group



of 3-4 directors, whose names are withheld, are asked to assess one director. The overall summary of assessment findings showed an average of 96.65%, regarded as excellent.

Assessment findings were sent to individual directors for their acknowledgment and reference for efficiency improvement efforts.

- Board assessment as a whole relies on five topics, namely Board policy, structure and qualifications, performance, meetings, and self-development. The overall summary of assessment findings showed largely excellent conduct, with an average score of 97.33%, regarded as excellent.
- The group evaluation of Sub-committees in 2013 was undertaken on the criteria of responsibilities and meetings; the evaluations of all Committees were as follows:
 - Audit Committee, the group evaluation had the average score of 99.67%, rated excellent.
 - Nomination and Remuneration Committee, the group evaluation had the average score of 94.17%, rated excellent.
 - Corporate Governance Committee, the group evaluation had the average score of 97.92%, rated excellent.
 - Enterprise-wide Risk Management Committee, the group evaluation had the average score of 91.0%, rated excellent.

Orientation for New Directors

The Company organized an orientation course for new Directors by presenting an overview of the Company's business, as follows:

- Operational framework (laws, cabinet decisions, regulations, rules)
- Information on the Company's business profile and activities
- The Company's important projects
- Organizational and business development
- Corporate governance policy
- Corporate social responsibility

Additionally, the Company organized Company visits for new Directors, including the refinery, terminal and service stations and provided the information files of the Board of Directors and the Executives in pdf file as a handbook/introduction of the Company to the new Directors as a guideline to oversee the Company's activities in the following topics:

- The Company's vision, mission, value statement and objectives
- Organizational and business development
- Profiles summaries of Directors and the Executives
- Qualifications and remuneration of Directors
- Roles, duties and responsibilities of Directors
- Management structure



- Information on the Company's establishment
- Corporate governance policy and risk management handbook
- The Company's memorandum of association, company affidavit, regulations and rules

Training of the Board of Directors

The Company promotes opportunities for the Board of Directors to pursue further study and training so as to increase knowledge and understanding of corporate governance principle, rules and regulations, as well as roles and duties of the Board of Directors so that they may work efficiently and ethically. In 2013, the Directors who attended the training courses / seminars organized by the IOD and other organizations are as follows:

1. Director Certification Program (DCP): Mr. Chaiwat Kovavisarach
2. Role of the Nomination and Governance Committee (RNG) : Mr. Surin Chiravisit and Mr. Chaiwat Kovavisarach
3. Anti-Corruption for Executive Program (ACEP): Dr. Anusorn Tamajai and Mr. Vikrom Koompirochana
4. Business Concepts: Introduction to Petroleum and Petrochemical Businesses, Petroleum Institute of Thailand (PTIT): General Dapong Ratanasuwan, Mr. Suthep Wongvorazathe, Mr. Vikrom Koompirochana, and Mrs. Arunporn Limskul

At present, there are 6 and 11 out of 14 Directors had attended the Directors' courses (DAP and DCP respectively). The Company also applied all Directors for IOD membership to receive news and information, and when the Company received documents announcing news on training courses and documents attached to the training courses concerning the Board of Directors, such information would be forwarded to the Directors for further study.

Summary of the Board of Directors' attendance in major training course as follows:

Names		Director Accreditation Program	Director Certification Program	Remark
1	Mr. Pichai Chunhavajira	2006	2011	
2	Prof. Dr. Chai-Anan Samudavanija	2010	-	
3	Dr. Anusorn Tamajai	2004	2003	
4	Mr. Surin Chiravisit	-	2010	
5	General Dapong Ratanasuwan	2011	-	



Names		Director Accreditation Program	Director Certification Program	Remark
6	Mr. Suthep Wongvorazathe	2005	-	
7	Mrs. Arunporn Limskul	-	2012	Started on April 10, 2013
8	Mr. Krairit Nilkuha	-	-	
9	Mr. Prasong Poontaneat	-	2006	
10	Mr. Sarakorn Kulatham	-	-	
11	Mr. Chaiwat Kovavisarach	-	2013	
12	Mr. Vikrom Koompirochana	2007	-	Started on April 10, 2013
13	Mr. Supattanapong Punmeechaow	-	2010	Started on October 30, 2013
14	Mr. Vichien Usanachote	-	2006	
15	Mr. Issra Shoatburakarn	-	2010	Completed his term on April 10, 2013
16	Mr. Suphon Tubtimcharoon	-	2005	Completed his term on April 10, 2013
17	Mr. Nuttachat Charuchinda	-	2010	Resigned on October 30, 2013

2. Committees

The Board of Directors elected Sub-committees (or Committees) to facilitate the Company's business, undertaking with four sub-committees as follows:

1. Audit Committee (AUDIT)

The present Audit Committee consists of three Directors, all of whom are Independent Directors and one of whom is specialist in accounting and finance or audit. Their responsibilities are assigned by the Board of Directors in written form in the Audit Commission charter. Their meetings are to be convened at least once per quarter. The names of the Audit Committee are:

Name	Position
1. Dr. Anusorn Tamajai	Chairman and Independent Director with expertise in accounting and finance
2. Mr. Suthep Wongvorazathe	Member and Independent Director



3. Mrs. Arunporn Limskul Member and Independent Director with expertise in accounting and finance

**If necessary, the Audit Committee may seek advice from outside independent advisers, the expense paid by the Company.*

Scopes, Duties and responsibilities of the Audit Committee

- 1) To ensure accuracy and adequacy of the Company's financial reporting according to the Accounting Principles governed by laws.
- 2) To ensure that the Company has suitable and efficient internal control system and internal audit and to assure the efficiency and adequacy of the risk management system.
- 3) To review the Company performance to ensure compliance with the securities and exchange law, regulations of the Exchange or laws relating to business of the Company.
- 4) To review a connected transaction or transaction that may lead to conflict of interest to ensure compliance with the laws and regulations of the Exchange.
- 5) To inspect and consider with the management on the defects that have been found out and on the responses from the management.
- 6) To empower the auditing and investigating all related party under the authorization of the Audit Committee and also to authorize in hiring an expert so as to audit and investigate in compliance with the Company's regulations.
- 7) To prepare a report on monitoring activities of the Audit Committee and disclose it in an annual report of the Company, and have such report signed by Chairman of the Audit Committee.
- 8) To consider, select, nominate the person who is independent to be the Company's auditor, recommend remuneration of the Company's auditor and, at least once a year, attend the private meeting with an auditor without management.
- 9) To consider auditing scopes and plans of the external auditor and the internal control office so that they are contributory to each other and to reduce double operations as concerns financial auditing.
- 10) To approve Charter, audit work plans, budget, training plans and manpower of the Internal Control Office
- 11) To appoint, transfer, and undertake annual evaluation of the Vice President of Internal Control Office and review the independence of Internal Control Office.
- 12) To review the efficiency and effectiveness of internal control and risk management focusing on the issue of information technology.
- 13) In performing the duty of the Audit Committee, if there is transaction or act which could extremely affect the Company's financial status and the Company's performance, namely



- (1) transaction which lead to conflict of interest
- (2) dishonest, extremely unusual or remiss Internal Control system
- (3) breaking the securities and exchange law, regulations of the exchange or laws relating to business of the Company,

The Audit Committee has to report the Company's Board of Directors so as to modify and revise within prescribed time. If the Audit Committee or executives does not modify and revise within prescribed time, the Audit Committee is able to report this transaction or act to the Securities and Exchange Commission or the Stock Exchange of Thailand.

- 14) To perform any other act assigned by the Board of Directors with approval of the Audit Committee.

Remuneration

Monthly remuneration was set at 10,000 Baht per person and a meeting allowance 15,000 Baht per meeting (only the Directors who attended the meeting) and the Chairman would get an additional 25 percent.

2. Nomination and Remuneration Committee (NRC)

In compliance with the corporate governance principle of directors in a listed company on SET, the Board of Directors appoints the Nomination and Remuneration Committee to nominate and define criteria for transparent and fair remuneration to Directors and the senior executives in compliance with the charter of the Nomination and Remuneration Committee as follows:

Nomination policy for Directors

"To nominate Directors, the Company focuses on people with knowledge, capability, experience, sound career profile, leadership, vision, morality, ethics and good attitude toward the organization, who can dedicate adequate time for the Company's benefit. Moreover, consideration was also given for the appropriate qualifications in compliance with the structure of Directors and in line with the Company's business strategies through transparent procedures to bolster the confidence of shareholders".

Remuneration policy for Directors

"To provide remuneration for Directors, the Company will take into consideration the appropriateness of duties and responsibilities as assigned and compared with listed companies on SET with a similar industry and business size. The remuneration for the Directors is sufficient to induce the Directors to work with quality and meet the



objectives and business direction as determined by the Company through transparent procedures, giving confidence to the shareholders". Moreover, the Board of Directors sets the following procedures for the official and transparent nomination of Directors:

1. The Company gives minor shareholders opportunities to submit names of candidates as potential Directors to the Company.
2. The Nomination and Remuneration Committee reviews the structure of Directors in line with the Company's strategies.
3. Define new Directors' qualifications in terms of knowledge, competing and experience in compliance with the Company's objectives and strategies by using the Director Qualifications and Skill Matrix tool.
4. The Committee defines the qualifications needed for the replacement or additional appointment and submits the names of the qualified candidates to the Secretary of the Committee.
5. The Committee selects qualified candidates and submits their name to the Board of Directors for approval.
6. The Board agrees on the list of qualified candidates and submits their names to the AGM for approval.

The Nomination and Remuneration Committee hold at least three meetings a year. At present, there are four members with at least one member with expertise in personnel management as follows:

Name	Position
1. Prof. Dr. Chai-anan Samudavanija	Chairman and Independent Director
2. Mr. Surin Chiravisit	Member and Independent Director
3. Mr. Suthep Wongvorazathe	Member and Independent Director
4. Mr. Chaiwat Kovavisarach	Member and Non-executive Director
4. Mr. Supattanapong Punmeechaow	Member and Secretary, Non-executive Director

Scopes, duties and responsibilities of the Nomination and Remuneration Committee

1. Define required qualifications for potential Directors and President.
2. Recommend qualified candidates for the positions of Directors and President to the Board of Directors.
3. Define criteria of remuneration for Directors and the President.
4. Submit the remuneration for Directors to the Board of Directors and then for the shareholders for approval.



5. Submit the remuneration for the President to the Board of Directors for approval.
6. Review and summarize the President's succession plan every year and report it to the Board of Directors.
7. Perform duties assigned by the Board of Directors.

Remuneration

The remuneration is set as a meeting allowance of 15,000 Baht per meeting (only the Directors who attended the meeting) and the Chairman would receive an additional 25 percent.

3. Enterprise-wide Risk Management Committee (ERMC)

The Enterprise-wide Risk Management Committee is responsible for the appropriate management of the Company as assigned by the Board of Directors in written form. The Committee has five members, at least one of whom must be an independent director and knowledgeable in risk management as follows:

Name	Position
1. Mr. Krairit Nilkuha Director	Chairman and Non-executive
2. Mr. Surin Chiravisit	Member and Independent Director
3. Mr. Prasong Poontaneat	Member and Non-executive Director
4. Mr. Chaiwat Kovavisarach	Member and Non-executive Director
5. Mr. Vichien Usanachote	Member and Secretary, Executive Director

Scopes, duties and responsibilities of the Enterprise-wide Risk Management Committee

1. Set policy, strategies and objectives of the enterprise-wide risk management.
2. Develop enterprise-wide risk management system in view of continuous efficiency.
3. Promote enterprise-wide risk management at all levels of the organization.
4. Ensure that the Company has appropriate and efficient risk management.
5. The Chairman of the Enterprise-wide Risk Management Committee reports the findings to the Board of Directors' next meeting.
6. Perform duties assigned by the Board.

**Remuneration**

The remuneration is set as a meeting allowance of 15,000 Baht per meeting (only the Directors who attended the meeting) and the Chairman would receive an additional 25 percent.

4. Corporate Governance Committee (CGC)

The Corporate Governance Committee is responsible for ensuring that the whole organization has corporate governance in compliance with the guidelines and policy of corporate governance as set by the Board of Directors in written form, as well as continuously improving the principles of corporate governance in line with international standards. The present Committee consists of four members with at least one expert in corporate governance principles in line with international standards as follows:

Name	Position
1. General Dapong Ratanasuwan	Chairman and Independent Director
2. Mr. Sarakorn Kulatham	Member and Non-executive Director
3. Mr. Vikrom Koompirochana	Member and Non-executive Director
4. Mr. Vichien Usanachote	Member and Secretary, executive Director

Scopes, duties and responsibilities of Corporate Governance Committee

1. Recommend the implementation of corporate governance to the Board of Directors
2. Monitor the work of the Committee and the management in compliance with the principles of corporate governance.
3. Review the implementation of corporate governance by comparing it with international standards and recommend it to the Board of Directors for continual follow-ups.
4. Provide the corporate governance policy to the Company's corporate governance working team.
5. Perform duties assigned by the Board.

Remuneration

The remuneration is set as a meeting allowance of 15,000 Baht per meeting (only the Directors who attended the meeting) and the Chairman would receive an additional 25 percent.



The meetings of the Sub-committees

2013		Committees				Remark
		AUDIT	NRC	ERMC	CGC	
1	Mr. Pichai Chunhavajira ^{1/}	-	-	-	-	
2	Prof. Dr. Chai-Anan Samudavanija	-	4/4	-	-	
3	Dr. Anusorn Tamajai	12/12	-	-	-	
4	Mr. Surin Chiravisit	-	4/4	9/9	-	
5	General Dapong Ratanasuwan	-	-	-	5/5	
6	Mr. Suthep Wongvorazathe ^{2/}	11/12	3/3	-	-	
7	Mrs. Arunporn Limskul ^{3/}	8/8	-	-	-	Started on April 10, 2013
8	Mr. Krairit Nilkuha	-	-	9/9	-	
9	Mr. Prasong Poontaneat	-	-	8/9	-	
10	Mr. Sarakorn Kulatham	-	-	-	5/5	
11	Mr. Chaiwat Kovavisarach	-	4/4	9/9	-	
12	Mr. Vikrom Koompirochana ^{4/}	-	-	-	4/4	Started on April 10, 2013
13	Mr. Supattanapong Punmeechaow ^{5/}	-	1/1	-	-	Started on October 30, 2013
14	Mr. Vichien Usanachote ^{6/}	-	-	9/9	5/5	
15	Mr. Issra Shoatburakarn	3/3	-	-	-	Completed his term on April 10, 2013
16	Mr. Suphon Tubtimcharoon	-	-	-	1/1	Completed his term on April 10, 2013
17	Mr. Nuttachat Charuchinda	-	3/3	4/6	-	Resigned on October 30, 2013

- Note
- 1/ Chairman did not join any Committee as member.
 - 2/ Appointed as Member of NRC on July 30, 2013
 - 3/ Appointed as Member of AUDIT on April 30, 2013
 - 4/ Appointed as Member of CGC on April 30, 2013
 - 5/ Appointed as Member of NRC on November 26, 2013
 - 6/ Appointed as Member of CGC and ERMC on January 29, 2013



3. Company Secretary

The Board of Directors appoints Ms. Pakawadee Junrayapes, vice president of the secretary to the Board of Directors office, as the Company Secretary responsible for providing legal and regulatory advice to the Board of Directors and the Executives and oversee the Board of Directors' activities, as well as coordinate to ensure that the resolutions of the Board of Directors and the shareholders are in compliance with the Company's corporate governance. Ms. Pakawadee Junrayapes has the profile summary as follows:

Ms. Pakawadee Junrayapes

Vice President, The Secretary to The Board of the Directors Office And Company Secretary, Corporate Administration and Information Technology

- Age 52
- Education / Training
 - Master of Law, Ramkhamhaeng University
 - Bachelor of Law, Thammasat University
 - Thai Barrister at law, The Institute of Legal Education Thai Bar Association Under The Royal Patronage
 - Certificate in Business Law, Thammasat University
 - Certificate in English for Specific Careers (Law), Sukhothai Thammathirat Open University
 - Executive Development Program (EDP 2012), Ministry of Finance
 - Company Secretary Program (CSP), Thai Institute of Directors (IOD)
 - Director Certification Program (DCP), Thai Institute of Directors (IOD)
 - Successful Formulation and Execution of Strategy (SFE), Thai Institute of Directors (IOD)
- Experience
 - The Bangchak Petroleum Public Company Limited-
 - 2011-present : Vice President, The Secretary to The Board of the Directors Office, and Company Secretary
 - 2009-2011 : Senior Manager, The Secretary to The Board of the Directors Office, and Company Secretary
 - 2007-2009 : Senior Manager, Legal Office
 - 2004-2007 : Manager, Legal Office
 - 2002-2004 : Manager, Litigation Division
 - 2002-2002 : Manager, Legal Office
 - Others
 - 2006-2008 : Personal Specialist of National Legislative Assembly Member and Sub-Committee on Energy



The Company Secretary main duties and responsibilities are as follows:

- Give preliminary advice to Directors concerning to laws, company rules and regulations and ensure correct and continuous compliance, as well as reporting on important changes to the Directors.
- Organize shareholders and the Board of Directors meetings to be in compliance with the Company's laws and regulations.
- Prepare minutes of the shareholders and the Board of Directors meetings, as well as monitor the implementation of the shareholders and the Board of Directors resolutions.
- Ensure the disclosure of information and information technology report under responsibilities to the Company's monitoring office in compliance with the Company's rules and regulations.
- Communicate with general shareholders on their rights and the Company's news.
- Oversee the activities of the Board of Directors.

4. Executive Management

The Company's Executive Management (or Management) consists of nine persons, namely:

Name	Position
1. Mr. Vichien Usanachote	President
2. Mr. Wattana Opanon-amata	First Senior Executive Vice President, Refinery Business
3. Mr. Yodphot Wongrukmit	Senior Executive Vice President, Corporate Administration and Information and Technology
4. Mr. Bundit Sapianchai	Senior Executive Vice President, Renewable Energy Business
5. Mr. Surachai Kositsareewong	Senior Executive Vice President, Accounting and Finance
6. Mr. Pongchai Chaichirawiwat	Acting Senior Executive Vice President, Marketing Business
7. Mr. Kiatchai Maitriwong	Executive Vice President, Corporate Administration and Information Technology
8. Mr. Somchai Tejavanija	Executive Vice President, Business Development and Strategy
9. Mr. Chalermchai Udomranu	Executive Vice President, Refinery Business



The Board of Directors' regulations on scopes, duties and responsibilities of the Executive Management

The Board of Directors defines the roles, duties and responsibilities of the Executive Management as follows:

1. Manage the Company's daily operations in compliance with the Company's policy, action plans, objectives, regulations and rules as set by the Board of Directors.
2. Manage operations according to the resolutions of the meetings of the Board of Directors with the allocated budget with sternness, honesty, protecting the best interest of the Company and the shareholders.
3. Regularly report performance and update on the work according to the resolutions and the Company's important performance to the meeting of the Board of Directors at least once a month.
4. Manage the Company' activities in compliance with corporate governance practices as set by the Board of Directors.
5. Refrain from running the business or participate in similar businesses in competition with the Company's business, whether for one's own interest for interest of others, with the exception that one's respective superior and the Internal Control Office have been informed and approves such activity.
6. If the President takes the position of Director in another company, the Board of Directors must approve it first. In case of senior executive, the President must approve it first.
7. All senior executives including the first four senior executives after the President, and all those who hold the equivalent position to the fourth senior-most executive, as well as the executive in accounting and finance at the same level as the vice president, must refrain from securities trading at least one month before the announcement of the Company's financial statements and at least three days after such announcement. They have to report the ownership of securities of their own, their spouse and their children not yet of legal age, held in the Company and subsidiaries to the Board of Directors every month and must promptly report to the Company in the following cases:
 - Direct and indirect vested interests with any contract concluded by the Company during the accounting year.
 - Possess shares or debentures of the Company and its Subsidiaries companies.
8. Must participate in courses related to the Company's business and daily operation at the Company's expense, to enhance knowledge and skills to perform duties. As for the Senior Executive Vice Presidents, the Board of Directors encourage them to participate in the Director Certification Program (DCP) organized by the Thai



Institute of Directors Association (IOD) or equivalent to enhance understanding of the Director's roles and responsibilities that would lead to effective management of the Company.

Stipulations of the Board of Directors concerning the succession plan and improvement of Executives

The Board of Directors sets a policy to nominate the President and Vice Presidents with appropriate qualifications which any person whether external or internal the Company can apply. The rationale is to suit the Company's situations at that particular time and to prepare Company personnel to work in case the President or Senior Executives could not perform their duties or complete their term. It is also designed to reduce the risk or impact of the non-continuity in the Company's management. The succession plan is thus set. The qualified person is selected by the Nomination and Remuneration Committee, which sets a succession plan for the President and the Senior Executive Vice Presidents under the following procedures:

1. Determine an executive position that needs a succession plan, consisting of the President and Senior Executive Vice Presidents of all business departments.
2. The Nomination and Remuneration Committee determines the competency, experiences and the required level of each position.
3. The Nomination and Remuneration Committee selects qualified executives for the succession in each business department.
4. Assign the President to evaluate the performance and competency of the qualified executives against the required competency to set a plan to develop each person to reduce the competency gap.
5. Assign the Personnel and Management Committee to take charge of training and the development of the competency of qualified executives.
6. The President stipulates the rotation of duties of qualified executives and instructs the Senior Executive Vice Presidents and Executive Vice Presidents to attend the meetings of the Board of Directors to acquire better understanding, experience and readiness in general organizational management.
7. The President regularly reports the performance and the improvement, according to the individual development plan, of the qualified executive to the Nomination and Remuneration Committee.
8. The Nomination and Remuneration Committee annually reviews and summarizes the succession plans for the President and Senior Executive Vice Presidents and reports them to the Board of Directors.

**Appointment of Executives**

According to the Company's rules, the Board of Directors promotes executives at the level of department. The Board of Directors assigns the Nomination and Remuneration Committee to select executives at the level of Senior Executive Vice President before submitting their names to the Board of Directors.

According to the Company's rules and the Board of Director resolution No.6/2013 on June 25, 2013, assign the President to select qualified candidates, appoint as a Director in the Associated companies, and submits their names to the Board of Directors for approval. In cases of any changes, The President has to report it to the Board of Directors.

Executives who served positions in the Subsidiaries and Associated companies

NO	Name	Position in Subsidiaries companies								Position in Associated companies					
		BGN	BBF	BSE	BSE (PRI)	BSE (CPM1)	BSE (BRM)	BSE (BRM1)	BSE (NMA)	UBE	UBG	UAE	NPE	FPT	APMC
1.	Mr. Vichien Usanachote		X							/					
2.	Mr. Wattana Opanon-amata		/												
3.	Mr. Yodphot Wongrukmit	/													
4.	Mr. Bundit Sapianchai		//	X	X	X	X	X	X	/	/	/	/		
5.	Mr. Surachai Kositsareewong	/	/	/											
6.	Mr. Pongchai Chaichirawiwat	/													
7.	Mr. Kiatchai Maitriwong			/											
8.	Mr. Somchai Tejavanija			/											/
9.	Mr. Chokchai Atsawarangsali				/	/	/	/	/						
10	Ms. Revadee Pornpatkul			//	//	//	//	//	//						
11	Ms. Naree Jiamwattanasuk	//													

Note:

X = Chairman / = Director // = Managing Director

Subsidiaries mean companies in which Bangchak directly or indirectly holds more than 50% of total voting stocks, or can influence in the company's financial and management policies

Associated companies mean companies in which Bangchak or its subsidiaries altogether hold from 20% to 50% of total voting stocks, or take part in decision-making on financial and management policies.



BGN	Bangchak Green Net Co., Ltd.
BBF	Bangchak Biofuel Co., Ltd.
BSE	Bangchak Solar Energy Co., Ltd.
BSE-PRI	Bangchak Solar Energy (Prachinburi) Co., Ltd. (BSE Subsidiaries)
BSE-CPM1	Bangchak Solar Energy (Chaiyaphum1) Co., Ltd. (BSE Subsidiaries)
BSE-BRM	Bangchak Solar Energy (Buriram) Co., Ltd. (BSE Subsidiaries)
BSE-BRM1	Bangchak Solar Energy (Buriram 1) Co., Ltd. (BSE Subsidiaries)
BSE-NMA	Bangchak Solar Energy (Nakhonratchasima) Co., Ltd. (BSE Subsidiaries)
UBE	Ubon Bio Ethanol Co., Ltd.
UBG	Ubon Bio Gas Co., Ltd. (UBE's Subsidiaries)
UAE	Ubon Agricultural Energy Co., Ltd. (UBE's Subsidiaries)
NPE	NP Bio Energy Co., Ltd. (UBE's Subsidiaries)
FPT	Fuel Pipeline Transportation Co., Ltd.
APMC	ASEAN Potash Mining Plc

Evaluation of the President and Executives

Non-executive Directors are to evaluate the performance of the President every year. Each year, the Board of Directors evaluates the performance of the President in the form of KPIs against the KPIs stated in the objectives in the hiring contract and action plan that were submitted to the Board of Directors. The President must present his performance in various fields, such as management of the refinery business, marketing business, new business and organizational development, as well as in terms of success, obstacles and social & environment policy and capability to expand opportunities and business competition while responding to the government's assorted policies.

Moreover, senior executive vice president must report their annual performance in the form of KPIs to the Nomination and Remuneration Committee.

5. Remuneration of Directors

The Nomination and Remuneration Committee fairly and sensibly sets the remuneration for Directors in line with the responsibilities of Directors, the financial status, and against other companies listed on SET in a similar industry or business size, as well as comparing the average of listed companies from a survey of remuneration rates of registered Directors of IOD by setting the remuneration in the forms of meeting allowances and bonus. The Directors assigned as Members in various Committees receive additional compensation to reflect additional responsibilities. The Company has sought permission to pay Directors from the meeting of the shareholders as follows:

1. Monthly remuneration and meeting allowance

The 2013 AGM on April 10, 2013 resolved to approve the 2013 Directors' remuneration as follows:



The Board of Directors

- Monthly remuneration of 30,000 Baht/person
- Meeting allowances of 30,000 Baht/person per meeting (only Directors who attended the meeting)

Committee Members

1. Audit Committee

- Monthly remuneration of 10,000 Baht/person
- Meeting allowances of 15,000 Baht/person per meeting (only Members who attended the meeting)

2. Nomination and Remuneration Committee

- Monthly allowance –none-
- Meeting allowance of 15,000 Baht/person (only Members who attended the Meeting)

3. The remuneration of other Committees appointed by the Board of Directors is under the consideration of the Board of Directors on the basis of appropriateness and in line with the Members' duties and responsibilities.

The Chairman of the Board of Directors and the Committees receive monthly remuneration and meeting allowances amounting to 25 percent higher than other Directors, and the Vice Chairmen receive monthly remuneration and meeting allowances amounting to 12.5 percent higher than other Directors do.

2. Bonuses for Directors

The bonus for each Director is set at 1 percent of net profit but altogether no more than 25,000,000 Baht/year for all Directors. However, the President and Vice Presidents receive 25 percent and 12.5 percent higher bonuses.

In 2013, the individual remuneration of Directors was as follows:

2013		Remuneration in Baht						
		BOARD	AUDIT	NRC	ERMC	CGC	BONUS	Net total
1	Mr. Pichai Chunhavajira	1,050,000	-	-	-	-	1,475,904	2,525,904
2	Prof. Dr. Chai-Anan Samudavanija	978,750	-	75,000	-	-	1,984,338	3,038,088
3	Dr. Anusorn Tamajai	870,000	375,000	-	-	-	1,763,855	3,008,855
4	Mr. Surin Chiravisit	870,000	-	60,000	120,000	-	1,763,855	2,813,855
5	General Dapong Ratanasuwan	780,000	-	-	-	93,750	1,763,855	2,637,605
6	Mr. Suthep Wongvorazathe	870,000	285,000	45,000	-	-	303,615	1,503,615
7	Mrs. Arunporn Limskul ^{1/}	660,000	200,000	-	-	-	-	860,000



THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED

2013		Remuneration in Baht						
		BOARD	AUDIT	NRC	ERMC	CGC	BONUS	Net total
8	Mr. Krairit Nilkuha	870,000	-	-	150,000	-	1,944,578	2,964,578
9	Mr. Prasong Poontaneat	840,000	-	-	105,000	-	1,214,458	2,159,458
10	Mr. Sarakorn Kulatham	810,000	-	-	-	75,000	1,763,855	2,648,855
11	Mr. Chaiwat Kovavisarach	840,000	-	60,000	120,000	-	303,615	1,323,615
12	Mr. Vikrom Koornpirochana ^{1/}	690,000	-	-	-	60,000	-	750,000
13	Mr. Supattanapong Punmeechaow ^{2/}	120,000	-	15,000	-	-	-	135,000
14	Mr. Vichien Usanachote ^{3/}	870,000	-	-	120,000	75,000	-	1,065,000
TOTAL		11,118,750	860,000	255,000	615,000	303,750	14,281,928	27,434,428

Since the Independent Directors (No. 2-7) did not hold the positions of Directors in subsidiaries or equivalent, there was no remuneration for holding the position.

Note ^{1/} Appointed as Member on April 10, 2013

^{2/} Appointed as Member on October 30, 2013

^{3/} Appointed as Member and President on January 1, 2013

Directors who completed their terms and resigned during 2013

Name		Remuneration in Baht						
		BOARD	AUDIT	NRC	ERMC	CGC	BONUS	Net total
1	Mr. Issra Shoatburakarn ^{1/}	210,000	85,000	-	-	-	1,763,855	2,058,855
2	Mr. Suphon Tubtimcharoon ^{1/}	210,000	-	-	-	15,000	1,214,458	1,439,458
3	Mr. Nuttachat Charuchinda ^{2/}	660,000	-	45,000	60,000	-	1,763,855	2,528,855
TOTAL		1,080,000	85,000	45,000	60,000	15,000	4,742,168	6,027,168

Note ^{1/} Completed their term on April 10, 2013

^{2/} Resigned on October 30, 2013

Directors who completed their terms and resigned during 2012 (and received bonuses for 2012 performance, payable in 2013)

Name		Remuneration in Baht						
		BOARD	AUDIT	NRC	ERMC	CGC	BONUS	Net total
1	Ms. Supa Piyajitti ^{1/}	-	-	-	-	-	453,012	453,012
2	Mr. Pitipan Tepartimargorn ^{1/}	-	-	-	-	-	453,012	453,012
3	Mr. Thana Putarungsi ^{2/}	-	-	-	-	-	544,578	544,578
4	Mr. Chumphon Thitayaruks ^{3/}	-	-	-	-	-	1,354,217	1,354,217
5	Mr. Wirat Lam-Ua-Yut ^{4/}	-	-	-	-	-	1,407,229	1,407,229
6	Dr. Anusorn Sangnimnuan ^{5/}	-	-	-	-	-	1,763,856	1,763,856
TOTAL		-	-	-	-	-	5,975,904	5,975,904

Note ^{1/} Resigned on April 4, 2012

^{2/} Resigned on April 23, 2012

^{3/} Resigned on October 8, 2012

^{4/} Resigned on October 19, 2012

^{5/} Retired on December 31, 2012 by the President's Employment Contract



Comparison of Remuneration of Directors in 2012 and 2013

Remuneration	2012		2013	
	Directors	Baht	Directors	Baht
Meeting allowance	14	12,698,750	14	14,437,500
Bonus	14	20,000,000	14	25,000,000
TOTAL		32,698,750		39,437,500

Note: Bonuses for 2012 performance under the resolution of the 2012 AGM, held on April 3, 2012, and payable in 2013

6. Remuneration of Executives

The Company evaluates the performance of executives every year in the form of KPIs by comparing them with the objectives in the hiring contract and/or action plan presented to the President and/or the Board of Directors, which will be connected to the rate received according to the Board of Directors' regulations. As for the President, the evaluation will be undertaken every year as well by the non-executive Directors as detailed above.

The Nomination and Remuneration Committee sets remuneration which reflects the performance and remuneration according to the standard of various companies in the same industry and submit appropriate remuneration to the Board of Directors for further consideration and approval.

The President and the Senior Executives of the Company, totaling nine persons, received a total of Baht 87,975,550 in remuneration in 2013, detailed as follows:

Remuneration and Provident Fund of Senior Executives

Remuneration	2012		2013	
	Persons	Baht	Persons	Baht
Salary	10	54,789,579	9	54,789,579
Bonus & Retirement pay	10	28,516,255	9	28,516,255
Provident fund	10	4,669,716	9	4,669,716

7. Personnel

On December 31, 2013, the Company had a total headcount of 1,029:

- The President and Internal Control Office Employee: 30 persons
- Supporting Employee (Accounting and Finance, Corporate Administration and Information Technology): 176 persons



- Refinery Business Employee: 492 persons
- Marketing Business: 288 persons
- Corporate Business Development & Strategy Employee: 28 persons
- Renewable Energy Business Employee: 15 persons

Remuneration of employee

Employee receive remuneration in the form of salary; shift, night shift, overtime, and upcountry pay; operation at the refinery; and discipline remuneration. Employees have the right to apply for membership of “Bangchak Public Company Limited Provident Fund” by choosing the accumulated at a rate of five percent or ten percent of the salary and the Company will pay the same rate to the Fund. In 2012, the Company paid remuneration to the personnel in the form of salary, shift, night shift, overtime, upcountry, refinery stand-by pay, discipline pay, special bonus and other welfare, with a total of 1,292 million Baht.

Significant changes in number employee for the past three years

- None (Total employee in year 2011 were 1,031 persons, which declined slightly to 1,029 persons in year 2013)

Human Resource Development

Continuously, the Company has focused on personnel development to strengthen their capability and enable their work to correspond to its goals, policies, and directions and enable the Company to remain internationally competitive so as to accommodate the growth of the ASEAN Community (Further details are included in the Sustainability Report).



9. Corporate Governance

The Board of Directors is fully committed to conducting its business under the principles of good corporate governance to ensure that the Company performs its operations with efficiency, transparency and accountability toward all stakeholders. In 2013, the Company conformed to corporate governance principles in the following aspects:

1. Compliance with the Principles of Good Corporate Governance for Listed Companies 2012

The Stock Exchange of Thailand (SET) has instituted “The Principles of Good Corporate Governance for Listed Companies 2012 “ which consist of principles and best practices related to corporate governance for use by listed companies. The Company, throughout 2013, has continuously adopted such principles in executing its business, which can be divided into five areas as follows:

1.1 Rights of Shareholders

The Board has defined a policy on the rights of shareholders in the Corporate Governance Policy, section 7, with the practices as follows:

- The 2013 Annual General Meeting of Shareholders (AGM) was held on Wednesday, April 10, 2013 at Energy Complex, located near BTS Mo-Chit Station and MRT Chatuchak station, which is conveniently accessible.
- The Company applied the record date for the 2013 AGM to give shareholders more time to examine meeting notices and related information ahead of the meeting.
- Shareholders were informed of the meeting two months ahead of the meeting date, which is or and above the standard required by law, to allow shareholders time to plan his or her schedule.
- Meeting documents were disseminated 42 days before the meeting date via website and 21 days via mail.
- Opinions of the Board were included for every agenda item and an annual report was attached as well as a proxy form, with details of documents and supporting evidence needed, together with meeting documents.
- Contact numbers were provided for additional inquiries by shareholders.
- Allowed shareholders to post questions in advance, to be addressed at the 2013 AGM.
- Facilities were provided to shareholders on the date of the meeting as follows:



- Ample parking spaces were reserved and free transport provided from BTS Mo-Chit Station and MRT Chatuchak station to the meeting venue.
- Registration points were increased and the barcode system used in registration and ballot counting for efficiency and speed.
- The Thailand Securities Depository Company Limited's (TSD's) AGM system was used in the registration and ballot counting for efficiency and transparency.
- Stamp duties to affix to the proxy form were provided to proxies free of charge.
- Stickers were provided to registered shareholders to ease their access to the meeting without re-verifying the document.
- The President, before the meeting, informed shareholders of the voting and counting procedures for the resolution of each agenda.
- During the meeting, the shareholders were given equal opportunities to express their views and raising queries. Significant views and queries were recorded in the minutes of the meeting.
- Afterward, the minutes of the meeting were disseminated to the shareholders via the Company's website and SET's channel.

For the 2013 AGM, the Company invited Mr. Visith Uevirojnangkoon, independent legal consultant, and two representatives from shareholders to serve as the referees to ensure that the meeting was conducted in a transparent ways and in compliance with the laws and the Company's Regulations for the following matters:

1. Verification process for documents and evidence of shareholders or proxy holders
2. Quorum of the meeting
3. Abstention of stakeholders
4. Vote casting and vote counting procedures in compliance with the Company's regulations / as informed by Chairman.
5. Monitoring of ballot collecting and verification of voting results and resolutions.

Because of its continual improvement, the Company has received a perfect score of 100 for its quality under the 2013 AGM project, given by the Thai Investors Association.

1.2 Equitable Treatment of Shareholders

The Board has defined its policy on equitable treatment of shareholders in its corporate governance, section 7, in addition to those defined by the law, with practices as follows:



- Allowed the shareholders to propose AGM agenda items and nominate directors between September 1 and December 31 of the previous year, with related rules and procedures disclosed on the Company's website, and posted a notice of the meeting via SET's media channels. The Company makes it a policy not to add any agenda items without prior notification, especially essential agenda items which need time for investigation before making decisions.
- Encouraged shareholders to use Proxy Form B with stipulated direction for voting and a list of five independent directors (inclusive directors whom completed terms), any of whom they can appoint as their proxy in the meeting.
- Used ballot papers on every agenda, especially the agenda on election of directors, in which shareholders can vote for each individual nominee. The vote is in proportion to the number of shares held.
- Defined guidelines for employees in the corporate governance policy, section 9, on safeguarding the Company's confidential information and restraining from using the Company's confidential information for their own gains.
- Stipulated the duties of directors and the management in the good corporate governance statement, section 3 and 5, in refraining from trading of Company shares at least a month before the disclosure of financial statements and three days after the disclosure, as well as in reporting to the Board on their shares held every month.
- Provided various communication channels in order that shareholders can have equal access to the information.

1.3 Role of Stakeholders

The Board has defined its policy on the roles of the Company towards stakeholders in its corporate governance policy, section 7, as follows:

- “1)The Board recognize and value the rights of stakeholders as defined by laws, human rights and fair labor treatment, locally and internationally, and promotes cooperation between the Company and its stakeholders in forging prosperity, creating jobs and creating a sustained, stable financial status for the business. The Board ensures that the stakeholders' rights are protected and well-treated.
- 2)The Board takes into consideration the benefits derived and the stakeholders' assistance in forging its competitiveness and profitability.



- 3) The Board has instituted measures for whistle-blowing and complaint-filing against violations of the law and the code of conduct, or behavior potentially classified as frauds or malfeasance of those inside the Company or of stakeholders, including inaccurate financial reports or deficient internal controls. The Board has also instituted protective measures for whistle-blowers for stakeholders' greater stewardship of Company benefits

Methods of filing a complaint or inquiry

E-Mail ico@bangchak.co.th

Mail The Internal Control Office

The Bangchak Petroleum Plc

210 Sukhumvit 64, Bangchak, Phra Khanong,
Bangkok 10260

Tel : 0-2335-4566 Fax : 0-2331-6530"

The Company monitored reports concerning whistle-blowing and complaints filed to the Internal Control Office. A total of 18 such reports were filed this year. However, fact-finding investigation has shown all 18 cases to contain no wrongdoing.

In corporate governance, there are various groups of stakeholder which the Company takes into consideration their rights over and above those stated by the law, as well as not taking actions which might violate the rights of stakeholders and intellectual properties. This can be summarized below. (Further details are included in the Sustainability Report)

Employees

The Company recognizes that employees are the driving force, and encourages the training of employees to increase their competency. Moreover, the Company has arranged for the equal treatment of employees, and fair remuneration and benefits including medical care, the Company's shuttle service, provident fund, and activities including the Employee Club House which has various activity clubs for the employee's relaxation after their work.

Customers and Society

The Company is dedicated to improving the quality of products and services for maximum customers' satisfaction. The policy aims to deliver quality goods which meets or exceeds the customer's demands under fair conditions, and aims to give adequate, accurate and timely information about the products and services. The Company does not exaggerate or mislead the customer about the quality, quantity or other terms and conditions of the products or services. Company employees protect the customer's secrets and do not use them for personal gains.



Suppliers / Contractors

The Company has a policy which limits the practices in contract and procurement as well as the provision and sales of petroleum and petroleum-related products to ensure that business conduct with its suppliers/contractors is carried out in an appropriate and fair manner, and complies with corporate governance. Moreover, the Company has a “Manual for Appropriate Business Conduct” and “Guidelines for Bangchak Petroleum Station Representatives” to ensure that the Entrepreneur/Representative of the Company conducts business with efficiency, corporate governance, and good business ethics. The policy treats suppliers/contractors fairly, and is based on the principle of fair compensation for both parties, honors contractual obligations and agreements, and seeks to notify suppliers/contractors as soon as possible in the case that one or more of the agreements cannot be fulfilled, in order to find a timely resolution.

Lenders

Bangchak treats lenders fairly, responsibly, and transparently and seeks to fulfill all its contractual and financial obligations especially guarantee condition, capital management and payment . It does not engage in dishonest practices and does not conceal information which may cause losses for the lender. If the Company cannot fulfill one or more of its obligations, it seeks to notify the lender so that a resolution can be agreed upon together.

Competitors

The Company conducts business with ethics, transparency, and engages in fair competition with its competitors under the guidance of fair competition. It does not seek to find information about Competitors through dishonest or inappropriate means, for example, bribing a competitor’s employees. The Company does not engage in slander or discrediting its competitors.

Shareholders

The Company is determined to follow the principles of corporate governance and is focused on creating a business which has financial stability and sustainability to maximize the value of shares for the benefit of the shareholders.

The Community around the Refinery, Society, and the Environment

The Company considers health and safety and the environment an integral part of the business, and has a written guideline on health, safety and the environment for the Directors, Executives, and employees to uphold. Under the mission to “Develop sustainable business, while safeguarding environment and Society”.



The Company produces “Krob Krua Bai Mai” (Leaf Family) newsletter and “Rob Rua Bangchak” (Bangchak Neighbors) magazine for distribution every other month to allow the community to know the goings-on of the Company as well as receiving interesting information, such as how to save energy, how to ensure safety in daily life, and health tips and how to protect the environment. This is another way for the Company to communicate with and take care of communities around its refinery.

1.4 Disclosure and Transparency

The Board has defined its policy on Disclosure and Transparency in its corporate governance policy, section 8, with practices as follows:

- Posted on Bangchak’s website its memorandum of association, company affidavit, regulations, and the corporate governance policy
- Organized shareholders’ visits to the Sunny Bangchak Project at Amphoe Bang Pa-in, Ayutthaya province
- The Company has an investor relations section to communicate with analysts, investors and other persons who might seek information on financial statements, corporate performance and status as well as any transactions which might affect the Company.
- Regularly disseminate the Company’s important news via SET’s media channel, information disclosure forms, annual report and the Company’s website, in both Thai and English.

1.5 Responsibilities of the Board

The Board has defined its policy on the roles, duties and responsibilities of the Board in its corporate governance statement, section 3, with practices as follows:

- Staged meetings among independent directors in May and September, and ones among non-executive directors in April and August.
- Organized a study tour on biogas production in compliance with the Company’s growth and development clean-energy business and other energy businesses.
- Set up an evaluation form for the Board’s performance in three forms, namely individual evaluation (self-evaluation), individual evaluation and sub-committees evaluation.
- Took part in defining a vision, mission, strategy, business targets, and budget each year to maximize economic value to the Company business and shareholders’ security. The Board also approves essential strategies and policies, in particular, key performance indicators (KPIs) relating to financial and planning matters which the



Board had earlier approved (indicators and targets) and monitor them from time to time.

- Ensured that the Company had efficient internal controls, internal audit, and risk management measures in place and regularly reported to the Board on its performance.
- Followed up on the management's execution by assigning the management to report the Company's performance and operations to the Board every month.

2. Corporate Governance Policy

The Board has had a written corporate governance policy since 2003 for its executives and employees to adhere to:

- **Accountability** for all decisions made and actions taken
- **Responsibility**, or being responsible for one's duties
- **Transparency** in regard to information disclosure and being open to scrutiny
- **Equitable Treatment** to all concerned parties
- **Vision to Create Long-Term Value**
- **Ethics** and virtue.

The corporate governance policy, section 3, stipulates the roles, duties and responsibilities of the Board in reviewing the policy regularly. In 2013, the Board developed and provided support to the execution of good corporate governance as follows:

- Revised the corporate governance policy (tenth revision) by including principles and guidelines in each section and adding under Section 2 three anti-corruption principles: political neutrality and assistance; charitable donation and sponsorship; and entertainment, gifts, and other expenses
- Ensured all employees' responses in acknowledging and completing the annual questionnaire on the CG policy through the e-HR and knowledge management systems to assess their understanding
- Organized training on "Corporate Governance" for subsidiaries' staff at Bangchak Green Net Co., Ltd., Bangchak Biofuel Co., Ltd., and Bangchak Solar Energy Co., Ltd.

The Company also launched public relations activities to promote the good corporate governance culture as follows:

- Provided corporate governance training as part of the orientation curriculum for new directors and staff



- Organized CG Day 2013 activities under the “Bangchak ACT NOW: Joining Forces against Corruption” theme at Bangchak Refinery. Activities included an exhibition; sharing of anti-corruption experience with General Dapong Ratanasuwan, Chairman of the Corporate Governance Committee; and staff performing role plays for better understanding of Corporate Governance Policy, Section Two.

Playing a role in disseminating good corporate governance principles to the public, directors and executives were invited to share their knowledge and experience on the Company’s good corporate governance on various occasions (Further details are included in the Sustainability Report).

3. Anti-corruption

Valuing corporate governance, which includes anti-corruption, Bangchak joined the associates of a nationwide anti-corruption network on two occasions.

- On November 9, 2010, it declared an intention to join a private-sector alliance in opposing fraud at the “National Meeting on Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC)”, hosted by the Thai Institute of Directors (IOD), Thai Chamber of Commerce, Thai Bankers’ Association, International Chamber of Commerce Thailand, and Thai Listed Companies Association.
- On September 1, 2011, it won acceptance to join the associates of the UN Global Compact, which consisted of 10 principles encompassing human rights, labor, the environment, and anti-corruption. The compact serves as an approach for voluntary business conduct.

The points below illustrated Bangchak’s commitment to anti-corruption.

- On August 27, 2013, Board meeting No. 9/2556 approved Bangchak’s Anti-corruption Policy, endorsed by the Corporate Governance Committee at its 3/2556 meeting on August 20, 2013. This policy is part of the Corporate Governance Policy, Section 2 (Anti-corruption). It reiterated Bangchak’s intention to conduct business in full compliance with applicable laws and regulations under corporate governance. All forms of fraud are not to be tolerated, and anti-corruption measures are defined.
- On October 8, 2013, of all 249 CAC member companies, Bangchak was among the first 22 companies certified as allies of the Thai private sector opposing fraud. The company received a certificate from Mr. Panthep Klanarongran, Chairman



of the National Anti-Corruption Commission, at the fourth edition of the “National Meeting on Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC)” at the Dusit Thani Hotel.

- On November 3, 2013, the Company organized CG Day 2013 activities under the “Bangchak ACT NOW: Joining Forces against Corruption” theme at Bangchak Refinery. Activities included an exhibition; sharing of anti-corruption experience with General Dapong Ratanasuwan, Chairman of the Corporate Governance Committee; and staff performing role plays for better understanding of Corporate Governance Policy, Section Two.

4. Conflicts of Interest

Under the corporate governance policy, section 9, the guidelines for directors, management and employees stipulated that they must refrain from any act posing potential conflicts of interest with the Company, i.e. any act potentially depriving the Company of its interests or its fair share of interests, including competing with the Company, incurring personal gains from private business dealing with the Company, abuse of Company information for personal gain and holding shares in the Company’s business competitors.

The Company, in order to prevent potential conflicts of interest, has set the following forms:

- **CG Commitment and Conflict of Interests Disclosure Form**

To comply with the policy on corporate governance, which forbids directors, management and employees to commit any act which might deprive the Company of its interests, the Company has prepared the above-mentioned form to ensure that all employee acknowledge the CG policy and fill any acts or activities that might be in conflict with the Company’s business interests and deliver it to Internal Audit through their supervisors through the e-HR.

- **Report of Directors and Management’s Stake Form**

The Securities and Exchange Act (No. 4) B.E. 2551 (2008) stipulates that directors and the management are to report to the Company his/her or connected persons’ stakes connected with the business operations of the Company or its subsidiaries. The Company has therefore prepared the above-mentioned form for its directors and management to fill out and report any change to the Company. The Corporate Secretary will forward a copy of the form to the Chairman of the Audit Committee to ensure that the directors and management perform their duties with integrity.



- **Report on connected transactions form**

To ensure that transactions between the Company and any related parties or businesses are transparent and comply with SET's rules and regulations, the Company has defined a policy and guidelines on connected transactions and prepared the above-mentioned form for responsible employees to fill out and forward it to the Secretary to the Board with a copy to Internal Audit for acknowledgment.

5. Monitoring the Use of Inside Information

The Company has a policy detailing the accepted practices of director, executive and employees and forbidding the disclosure of important secret information to the public for personal or other gains, as well as policies on the buying and selling of Company shares as follows:

1. Directors and executives, as well as spouses and offspring, including connected persons, according to Article 258 of the Securities and Exchange Act of 1992 must notify and distribute information about shares held, as well as reporting any changes to SEC every time they buy, sell, transfer, or receive shares within three days of the change to comply with Article 59 or face punishment according to Clause 275 of the Securities and Exchange Act of 1992.
2. Notify the Directors and executives of the financial information which affects the price of shares. Avoid buying or selling Company shares one month prior to the disclosure of information and three days after disclosure, as well as not disclosing information to others before it is made available to the public.

Furthermore, in the Board Meeting, Directors and executives must report changes in shares held every month, and must notify the Company without delay if:

- They are stakeholders directly or indirectly from the contracts that the Company makes during the fiscal year.
- They hold shares or bonds in the Company and its subsidiaries.

The Company also has penalties against employees who use the Company's inside information for personal gains, ranging from a warning to termination of employment.

6. Remuneration for the External Auditor

6.1 Audit Fee

The Company and its subsidiaries have paid audit fees as follows:



- The Company's External Auditor (Mr. Winid Silamongkol or Mr. Vairoj Jindamaneepitak or Mr. Charoen Phosamritlert) in the last year totaled 0 Baht
- The Audit Company (KPMG Phoomchai Audit Ltd.), persons and businesses related to the external auditor and the Audit Company in the last year totaled 3,422,856 Baht (Bangchak Petroleum Plc: 1,858,946 Baht, Bangchak Green Net Ltd.: 696,730 Baht, Bangchak Biofuel Ltd.: 240,300 Baht and Bangchak Solar Energy Ltd.: 626,880 Baht)

6.2 Other fees

- none -

7. Investor Relations

The Company realizes that its information, both financial and non-financial, affect the decision-making process for investors and stakeholders. Therefore the management values accurate and full disclosure in a regular and timely manner, in accordance with SEC and SET regulations. The Investor Relations department acts as a center for giving out important information to investors and ensuring that financial reports as well as important information which affects the value of the Company's shares, such as the financial statements, the business performance report, MD&A report and analysis for each quarter and year, are distributed in a timely and regular manner, and that complying with SEC regulations. This is for the benefit of investors both in Thailand and abroad. The Company produces a performance report and provides information to investors, shareholders and stakeholders directly and indirectly as follows:

- Directly: The Company keeps analysts, investors and employees updated regularly through analyst meetings, company road shows, E-newsletters, conference calls and attending conferences organized by various institutions, meeting with minor investors on SET's Opportunity Day, or company visits to other listed companies through the Federation of Thai Industries to allow potential investors, shareholders in listed companies, analysts and Federation of Thai Industries members to have access to the Company's management information and activities. Related parties can also make appointments to ask for information about business updates and can attend the company visit programs as well. Moreover, those who cannot attend analyst meetings can access the information through videotaped sessions, which are put on the website in Thai and English.



A Summary of Investor Relations Activities in 2013

Activity	Number (times)
Foreign Roadshow	5
Local Roadshow	4
Analyst Meetings	4
Opportunity Day (organized by the SET)	4
Company Visit	24
Conference Call	1
Answering Inquiries by E-mail/telephone	3-4/day
E-newsletter	4
Site Visit	3
Shareholder and Minor Investors Get-together	3

- Indirectly: The Company gives out both current and past information about the Company, financial statements, performance reports, as well as other reports submitted to SET on the Company's website www.bangchak.co.th, where interested parties can read and download this information. The Investor's Relations page contains information in Thai and English which is updated frequently.

Investors and related parties can make queries or ask for the Company's information at Ms. Supamol Eamaon, tel. 0-2140-8952, at the Website: www.bangchak.co.th, or e-mail address: ir@bangchak.co.th

Furthermore, the Company distributes information about public relations, business updates, business progress, and ongoing projects, as well as answering questions and allowing ready access for the media and the public, through e-mails, press releases, photo captions, press conferences, as well as Opportunity Day. Activities in 2013 can be summarized as follows:

Activity	Number (times)
Press Conference / other ceremonies involving the media	13
SMS news alert	54
Press Release	30
Photo Caption	56



10. Social Responsibility

Bangchak values the stewardship of safety, occupational health, the environment, and energy conservation (SHEE). This year it won certification from the Ministry of Industry as a socially responsible industrial plant that engages in network building for social and community activities for sustainable development (CSR-DIW Level 5), poised to step up to Green Industry Level 5 (Green Network) after achieving the Green Industry Level 4 (Green culture) award. In addition, Bangchak has applied ISO 50001 to its overall energy administration.

In social development, Bangchak promotes earnest participation by employees through assorted activities with communities around the refinery and depots to forge trust and friendship expected of neighbors that have continually cared for one another. This year Bangchak maintained its employee participation and initiated new projects with communities concerning public problems, necessity, and development of community capability. A case in point is the promotion of healthy communities to stay vigilant of health risks and hygienic procedures. Another is a pilot project to resolve risky behavior of youths in the long term, in the hope of restoring proper ways to youths. Bangchak also initiated conservation efforts for biodiversity with a public ally to conserve firefly habitats in six tambon of a very fertile area of Phra Pradaeng, Samut Prakan. Bangchak also continued to provide emergency plan training and chemical training for communities, schools, and condominiums around the refinery to bolster their confidence in safety. Emergency communication formats have been modified from the refinery to the communities for greater clarity and compatibility with each community. Such clarity and determination in social and environmental responsibility have strengthened Bangchak's concepts and approaches in leading and driving allies and stakeholders toward a Green Society by upgrading its role into a developer of partners with business capability for environmental responsibility and participation in social development. As evidence, Bangchak has won CSR-DIW Advanced Level 5 and a CSR-DIW Supply Chain Award this year from the Department of Industrial Works, Ministry of Industry, under the CSR Industry Project toward a green culture and green network in a continual, sustainable way. This would evolve them into good business partners.

For 16 years in a row, Bangchak has maintained its ISO 14001 environmental management system in controlling petroleum refining processes as well as the Bangchak and Bang Pa-in Oil Distribution Centers. Out of the top management's commitment to continuous development, this year Bangchak modified and announced its policy on



safety, security, environment, and energy to frame its implementation under ISO 14001, OHSAS/TIS 18001, and ISO 50001, of which it filed for certification in late 2013. This policy announcement has incorporated security matters, saying that all employees and contractors must comply with security laws on top of those concerning safety, occupational health, environment, and energy. This includes job performance for the security of oneself, related parties, communities, and the surroundings.

Top management also supplied resources for environmental quality improvement through new investment in a project to improve effluents for reuse and environmental preservation—an extension of the effluent reduction and water reduction project. Both projects are due for completion and start-up dates in late 2014, after which Bangchak is expected to reuse effluents in processes to start reducing effluents to public water bodies.

Valuing human resources, Bangchak allocated a budget to continual personnel capability development for environmental knowhow through a variety of courses, namely internal assessor, online document and ISO management system implementation, water pollutant treatment system operators, air pollutant treatment system operators, inspection and control of VOC leaks, reverse osmosis system principles, and a filter press dry-sludge preparation system.

This year Bangchak invited experts to educate its employees on preparing application for Green Industry Award, Level 5, Green Network, from the Ministry of Industry after winning a Level 4 Award in 2012.

As for environmental monitoring, the Company regularly measures stack-air quality to ensure that the total suspended particulate masses (TSPs), nitrogen oxides (NO_x) and sulfur dioxide (SO₂) are superior to those announced by the Ministry of Industry and as required in environment impact assessment (EIA) reporting.

Because of its close proximity to communities and recognizing the importance of environmental quality, the Company uses clean fuels in its refining process and closely monitor emissions. Continuous Emission Monitoring (CEM) equipment was installed at the refinery's emission stacks to monitor environment quality and pollutants in the exhausts at all times. Furthermore, the Company has set up two air quality monitoring stations near its neighborhood. The first checkpoint was at Somthawil School, the second checkpoint was set up at the Secretariat Department military housing units. All readings go to the monitors in the Process Control Room and air-quality analytical results are displayed together with those from the CEMs on automatic environment quality signboards installed at the entrance to the refinery and communities in its vicinity as



well as in public areas for the public to monitor them at all times as well as for the comfort of the surrounding communities. This year Bangchak installed additional VOC (volatile organic compound) measurement tools for at the Secretariat Department military housing units and linked all online environmental parameters, including effluent quality, stack air quality, ambience air quality, wind directions, and wind speed to the emergency command and the office building where its environmental personnel are stationed. That way, all environmental parameters can be constantly tracked under normal circumstances and emergencies.

In addition, by developing an inventory of VOC (volatile organic compound) emissions and monitoring them continuously since 2010, Bangchak takes VOCs very seriously. This year it completed the inspection of VOC leaks from all its equipment and has begun inventory accounting of individual VOCs.

The Company houses high-efficiency wastewater treatment systems using closely-monitored online measurement devices. Effluent is tested daily by its Environmental Quality Analysis Laboratory, certified by the Department of Industrial Works, Ministry of Industry, and is ISO/IEC 17025-certified. Process water is treated physically, chemically and biologically until the quality exceeds the required standards before discharge through the Bang Aor Canal to the Chao Phraya River.

For occupational health and safety, Bangchak still maintained its management system under BS OHSAS/TIF 18001 (2007 edition) for the refinery, Bangchak Oil Distribution Center, and Bang Pa-in Oil Distribution Center to ensure that operation of all activities under the international-standard management system is safe and proper under the occupational health and safety principles; produces no impacts on the environment, society, and communities; and promotes conscientious energy consumption. Bangchak also promoted safety awareness and behavior into a corporate culture, with proper behavior established for relevant parties under BB-SHEE (Behavior-Based Safety, Health, Environment, and Energy) to foster a sustainable SHEE (Safety, Health, Environment, and Energy) culture. The following improvements were made to the systems.

1. Engineering and Maintenance

- 1.1 Increase Plant instrument reliability by using Safety Integrity Level (SIL), Enhance inspection efficiency through Risk-Based Inspection (RBI) and Implement Reliability-Centered Maintenance (RCM).
- 1.2 Enhance security system by using access control and CCTV.



- 1.3 Installed additional flammable gas detectors on the refinery compound beyond the required standards to enhance preventive maintenance capability.
- 1.4 Develop capability and reliability of the refinery firefighting system and upgraded the capacity of spot firefighting systems by adding the flow rate per point for greater extinguishing capability.
- 1.5 Provide software, Pre-Incident simulation programs, in order to support incident prevention.
- 1.6 Hired a preventive maintenance (PM) contractor for online environmental quality detectors and ensured proper, ongoing application
- 1.7 Improved the powerstation's air-conditioners and the LED lighting system to improve energy-saving further.

2. Working System Improvement

- 2.1 Adopted a management system under the criterion of the Thailand Quality Awards (TQA)
- 2.2 Prepared and filed for certification of the ISO 50001 energy management system
- 2.3 Improved the energy efficiency of processes and promoted clean energy, meaning natural gas application for powering and promotion of energy consumption of office buildings through the likes of energy-saving light bulb replacement and design of green buildings
- 2.4 Reported on the conformance to energy consumption goals under the shift performance monitoring report
- 2.5 Raised greenhouse gas emission goals
- 2.6 Developed DMS (Document Management System) and e-ISO (online standard management system) to encompass a document filing system and requirements for safety, health and environmental management standards so as to raise work efficiency and reduce consumption of resources (for instance, paper)
- 2.7 Check up on employees based on an analysis of risk factors from inside and outside their workplaces and inspect the conditions of work areas to define appropriate preventive and remedial measures.
- 2.8 Commissioned experts from DuPont, a leading safety company, to recommend upgrading of safety standards beyond those of typical refineries. Improved process safety management and Asset Integrity Management.
- 2.9 Made safety systems, particularly process safety management, more stringent
- 2.10 Reviewed the HAZOP analytical techniques for the refinery area.



3. Raising of awareness of society, safety, occupational health, environment and energy

- 3.1 Appointed energy-related taskforces, including REET (Refinery Efficiency Enhancement Taskforce), energy management, and task forces for energy monitoring and management assessment, and for ISO 50001 energy management development to internationalize Bangchak's systems
- 3.2 Communicated the outcomes of conformance to energy conservation measures through e-mail to all employees
- 3.3 Organized training on basic firefighting for employees at large and advanced firefighting for those serving in distillation units, oil depots, and oil distribution centers
- 3.4 Organized training on safety, including work safety for employees at large, supervisors, and executives; working in closed space; first aid; and process safety management
- 3.5 Organized training on safety for contractors working in the refinery and promoted their proper awareness and work behavior
- 3.6 Organized training on ISO 50001 : 2001 international energy management, specifically the mastery of ISO 50001 requirements in driving toward ISO 50001 preparation
- 3.7 Organized training on energy-related procedures under ISO 50001, namely SHEE Manual (energy supplementary section), RPD 02, RPD 03, and TSD 14
- 3.8 Visited PTT Phenol Company to observe its ISO 50001 practices
- 3.9 Organized employee training to develop them into specialists
- 3.10 Continually staged tool box meetings (TBMs) and the shift hand-over system
- 3.11 Managed learning through knowledge management under Bangchak's intranet system
- 3.12 Earned certification of the ISPS Code for application at Bangchak Terminal.

4. Activities to promote Safety, Health, Environment, and Energy

- 4.1 Activities to promote Safety, Health, Environment, and Energy (SHEE), namely BB-SHEE (Behavior-Based SHEE) to campaign for employees' and contractors' adoption of proper, continual SHEE behavior:
 - 4.1.1 SHEE Excellence Day: Bangchak campaigned for a proper SHEE culture and behavior to promote a happy workplace for all



- 4.1.2 Safety 24 Hours Project: Bangchak sought to foster a safety culture and proper safety behavior around the clock
- 4.1.3 Bangchak Weight Loss and Waistline Reduction Project: Bangchak promoted health-conscious knowledge and behavior among employees
- 4.1.4 Environmental campaign entitled “Cut Waste, Cut Global Warming” to lessen resource consumption and establish proper, optimal waste management
- 4.1.5 3 Musts, 2 Nos Project : This energy-saving activity includes modification of light bulbs and air-conditioning equipment together with sensor installation to automatically switch off lights when they are not needed.
- 4.1.6 Communicated SHEE knowledge through the SHEE Channel and smart PR boards
- 4.1.7 Education to promote energy conservation through En Minus, Green Office Communication
- 4.1.8 QCC Energy Day activities for awareness building and promotion of energy-saving and a related contest
- 4.1.9 5S Activity
- 4.1.10 We Care We Share activities
 - Publicity of SHEE information and knowledge for all through e-mail and company bulletin boards
 - A SHEE talk is conducted before daily operation meetings.
 - Lesson & Learnt activity as a means of sharing one’s own lessons with colleagues from different sections to establish awareness and prevent similar incidents
- 4.2 Training on basic firefighting and fire evacuation for communities and government agencies
- 4.3 Knowledge dissemination and experience sharing at the 26th National Safety Week exhibition
- 4.4 Add green areas by putting up a hedge around the refinery.

Thanks to the Business Culture, Bangchak constantly participated in community and social development, with a dedicated unit in charge of such activities. This year, Bangchak amended the responsibility of the Community Relations Committee to include relevant issues for organizational sustainability. It broke down the management structure into two tiers: a policy level (Organizational Sustainability Steering Committee) and an administrative level (Organizational Sustainability Management Committee). To elaborate, suppliers and vendors are chosen for the first step in the supply chain for analysis and ranking. A plan is then formulated to promote,



establish, and maintain relations with two business partners. Evidently, supply chain management calls for cooperation from all parties so as to form good business partners.

As for its participation in community and social development, Bangchak promotes earnest participation by employees through assorted activities with communities around the refinery and depots to forge trust and friendship expected of neighbors that have continually cared for one another. This year Bangchak maintained its employee participation and initiated new projects with communities concerning public problems, necessity, and development of community capability. A case in point is the promotion of healthy communities to stay vigilant of health risks and hygienic procedures. Another is a pilot project to resolve risky behavior of youths in the long term, in the hope of restoring proper ways to youths. Bangchak also initiated conservation efforts for biodiversity with a public ally to conserve firefly habitats in six tambon of a very fertile area of Phra Pradaeng, Samut Prakan. Bangchak also continued to provide emergency plan training and chemical training for communities, schools, and condominiums around the refinery to bolster their confidence in safety. Emergency communication formats have been modified from the refinery to the communities for greater clarity and compatibility with each community. Such clarity and determination in social and environmental responsibility have strengthened Bangchak's concepts and approaches. Bangchak's strong employee culture has resulted in all its employees playing a part in all its CSR activities (at no less than six times a year). Projects fall into two levels: "Vicinity" level means communities around the refinery, and "national" level means all aspects of a healthy life and a good quality of life.

Table 1 : Vicinity Community projects in 2013

Aspect	Refinery Communities	
	Expectation	Continuing Project
Education	Youths learn and develop appropriately with their age groups, with their awareness cultivated to become smart and conscientious	<ul style="list-style-type: none">• My School (Pee Bangchak Son Nong), Year 11• Open up the World of Knowledge with Bangchak, year 10• Project Citizen, Year 4• Bangchak Youth Scholarship Project, year 9• Bangchak GIFTED, Year 3• Teacher Upgrading, Year 4



Aspect	Refinery Communities	
	Expectation	Continuing Project
Safety	<ul style="list-style-type: none"> Confidence in refinery's safety Safety immunity for handling emergencies or catastrophes 	<ul style="list-style-type: none"> Trained schools / communities / nearby condominiums on emergency drills and firefighting Donated firefighting apparatus Training on chemical safety and procedures under catastrophes
Sports	<ul style="list-style-type: none"> Strong and healthy youths who stay away from drugs Ability to generate income and good educational opportunities through sports 	<ul style="list-style-type: none"> Bangchak Youth Futsal Tournament, Year 10 Bangchak Youth Football Club, year 7
Quality of Life	Promotion of quality of life	<ul style="list-style-type: none"> Waen Kaeo project, Year 9 One Family, Year 20 Healthy Community Project
Environment	Awareness of environmental woes and cost-effective application of resources	<ul style="list-style-type: none"> Sapling Planting, Phu Long Reforestation, Year 9, and Thot Pha Pa, Raksa Ton Nam by employees and participating schools around the refinery and those in Chaiyaphum Mobile Communities, Sapling Planting, Phu Long Reforestation Year 4, by Bangchak's neighbors from One Family group Public (health) park in the compound of the housing area of the Secretariat Department, Office of the Permanent Secretary of Defense, in Bangchak A project to buy used vegetable oil from communities around the refinery, Year 2
Relations and Cultural Preservation	Promotion of cordial relations between refinery and its neighbors	<ul style="list-style-type: none"> Mobile Communities, Year 5 Filling up with Knowledge with Bangchak Refinery Khrop Khrua Bai Mai Bulletin, year 9 and Rop Rua Bangchak Newsletter Taking Kids to Movies, year 6 Sanook kids, Waan pid term, year 4 National Children's Day
Economic	Generation of income and opportunities for community residents to leverage their competencies to benefit themselves and their families	<ul style="list-style-type: none"> Use of communities' cooking and sweets Hiring of locals with adequate competencies Community occupational promotion and development project



Table 2 : Remote Community Projects in 2013

Aspect	Remote Communities	
	Target	Continuing Project
Education and Environment	Restoration of well-behaved youths to society; awareness of environmental stewardship; knowledge of alternative energy and catastrophes; promotion of sufficiency, integrity, and volunteering for public services	<ul style="list-style-type: none"> • The Thailand Go Green 2013 contest project under the “Smart Dining, Living, and Consumption of Alternative Energy: Thai Ways toward Green Society” theme. • BCP Talent Internship Program • BCP Open House: Sunny Bangchak
Social-Economic	Mutually beneficial businesses to form networks linking community organizations as business networks, thus strengthening communities and developing human potential for self-reliance under Economic Sufficiency philosophy	<ul style="list-style-type: none"> • Increased 39 cooperative service stations nationwide • Promotion of local community products
Environment and Society	Thais’ recognition of environmental stewardship and knowledge as a form of immunity in times of catastrophes, particularly floods, which have ravaged Thailand most often	<ul style="list-style-type: none"> • A project to buy used vegetable oil for biodiesel production • Staged a seminar and presented awards to business partners under the “Joining Forces with Bangchak’s Business Network toward Green Society” theme • Staged an educational seminar for business partners under the “Sustainable Development of BCP’s Business Partners” theme • Promotion of business partners as green industries.

For additional information, please log on to Bangchak’s Sustainability Report at www.bangchak.co.th.



11. Internal Control and Risk Management

Internal Control

Below is a summary of opinions of the Board of Directors (“Board”) of Bangchak Petroleum Plc on the adequacy and suitability of the Company’s internal control system.

1. Control Environment

The Company’s organizational environment and structure favor implementation of the internal control system. Its business goals are deliberated by the Board in a clear and measurable way for use as concrete guidelines for employees. Employee incentives or compensation has undergone a critical analysis for sensibility. A proper organizational structure favors efficient business execution by the management. Supporting assorted projects on alternative-energy promotion and CSR alike, which illustrate systematic social and environmental responsibility, the management also consistently values business integrity and ethics. Bangchak has stressed to employees the issues of fraud risk and conflicts of interest by improving how information on employees’ conflicts of interest is given through the e-HR system for greater convenience and information timeliness.

Bangchak staged its 2013 CG Day under the theme of “Bangchak ACT NOW: Joining Forces against Corruption” to stimulate and turn this awareness into a sustained CG culture. The practical guidelines help refine Bangchak’s CG principles under Section 2 (Anti-corruption). To promote the strength of CG, Bangchak also successfully passed the review of the Private Sector Collective Action Coalition against Corruption for commanding a policy and procedures on anti-corruption as required. In fact, it was among the first 22 companies out of a total membership of 249 to enjoy this certification.

The company also puts in place whistle-blowing and complaint-filing measures for wrongdoing under laws, code of practice or behavior implying corrupt actions or malfeasance by its members and stakeholders, as well as for inaccurate financial reports or defective internal control system so that stakeholders may provide oversight.

2. Risk Assessment

The Company has appointed the Enterprisewide Risk Management Committee (ERMC) to define policies, strategies and enterprisewide risk management goals; evolve such a management system for continual efficiency; support and actively encourage cooperation in risk



management at all levels; and ensure suitable and efficient risk management. The company took into consideration risks associated with new ventures (like the second biodiesel plant project, the solar power plant project, the joint-venture project in ethanol companies and the alternative energy projects etc) to bolster confidence that such businesses are viable and achieve goals. It also evolved a risk management process by integrating the approaches under ISO 31000 (which accounts for company-wide risk management) to achieve operating objectives and align with international standards.

Stringent and consistent is the Company's valuing of a sound environmental and safety management system to its neighboring communities. It appointed an Organizational Development Committee, charged with system preparation to handle risks and potential crises; defined strategies to keep the company running even during emergencies; appointed a task force to draft business continuity management procedures to make plans comprehensive, ring-fence crises and situations, and enable Bangchak's business to proceed uninterrupted in emergencies and mitigate potential, under the ISO 22301 business continuity management standard.

3. Control Activities

The Company's control activities rely on key performance indicators (KPIs) as a planning and control tool, with segregation of responsibilities for checks and balances. Authority, responsibility and approval of expenditure are defined in writing, along with preparation of documents that favor segmentation and identification of responsible parties should things go wrong. Custodianship and stewardship of Company properties to prevent losses or abuses have been instituted. the Company transactions with long-term obligations are properly monitored for contractual compliance. Measures are in place to prevent self-gains of Company opportunities or benefits. Subsidiaries are properly monitored. Procedures are in place to ensure that the Company observes the law and relevant regulations. Now in place is control self-assessment (CSA) at business levels, section levels, and work process levels throughout the company, as is an annual assessment of performance. This year Bangchak added Lean Process knowledge to promote work efficiency, lower losses, and establish a strict standard for engagement in transactions with the major shareholder, directors, among others, to prevent siphoning of interests, including a requirement for approval by those without vested interests in such transactions, disclosure of transaction information under SEC's rules, and disclosure of information



about connected parties or businesses under applicable accounting standards.

In addition, the business processes of Bangchak Biofuels Co., Ltd., and Bangchak Green Net Co., Ltd. (the Company's subsidiaries) were reviewed. The company's duly stringent measures are applied to work when it is engaged in transactions with the majority shareholder, directors and so on to prevent siphoning of benefits. These include approval procedures by parties with no vested interests, the need to disclose information about such transactions under the rule of the Securities and Exchange Commission and the disclosure of information about related parties or businesses required by accounting standards.

4. Information and Communication

Bangchak has developed information and data systems that are both ready for use and secure under its policy on information technology (IT) security and standard on the use of information systems and networks. This year it also won additional certification of its ISO 27001 standard for IT security for the digital control system (DCS). In addition, Bangchak has modernized its IT system for international acceptance by updating the SAP accounting system into SAP Enterprise Resource Planning (ERP) SAP ECC 6.0 to enable it to exploit various company data (both analytical and operational) more efficiently.

5. Monitoring and Assessment

The Company commands a performance tracking system by having a committee regularly compare performance results against goals, so that factors potentially impacting performance can lead to strategic plan adjustment and goal achievement. An internal audit unit, reporting to the Audit Committee, reviews compliance with the company's formulated internal control system.

Risk Management

The Board of Directors of Bangchak Petroleum Plc assigned the Enterprise-wide Risk Management Committee (ERMC) to ensure adequate risk management practices in place together with the most effective business execution. This year, ERMC held nine meetings to monitor performance and consult the management and its internal auditor team, and one meeting with the Audit Committee. Below are the essences of its own performance.



- **Oversight of key corporate risk management :** As a rule, risks encompass strategic, operation, financial, and compliance risks. On the whole, Bangchak successfully achieved its goals, with a focus on safety risk management, including risks of oil spills during marine and train transport of oil. Bangchak has required transport vessels to be double-hulled. All modifications are due for completion in 2014. The work included addition of oil slick prevention and elimination; drills for managing oil spills along with the Oil Industry Environmental Safety Group Association (IESG); and participation in drills under disaster prevention and mitigation plans during transport accidents of crude-oil cargo trains, organized by the public and private sectors; and participation with the State Railway of Thailand in improving railway tracks leading to the refinery. Bangchak also commissioned international experts to amend, revise procedures, improve, and elevate the inspection of safety standards to boost operating confidence. Finally, Bangchak encouraged its affiliates to enforce companywide risk management to ensure efficient, successful achievement of goals.
- **Provided oversight on new-business investment,** including its solar-cell power generation project, joint-venture investment in an ethanol producer, and the investment project in ASEAN Potash Plc, to bolster investment confidence that the Company can operate these new businesses and have risk management practices in place to enable these projects to achieve their goals.
- **Giving recommendations and systematic support for Business Continuity Management (BCM) under ISO 22301 standards -** Bangchak has been prepared in all aspects--process, personnel, and other resources--to ensure that its overall business will continue uninterrupted during crises and cause no harm to stakeholders. The committee monitored and instituted regular execution of business continuity management actions under ISO 22301:2012. Bangchak reviewed altogether nine crisis management plans and staged a crisis drill under the scenario of employee absences due to a major epidemic. Since 2013 saw political protests which affected both the operation and major transport routes, Bangchak activated its crisis management plans particularly drawn up to cope with absences of employees, roadblocks, and truck fleet grounding. Business continuity and product deliveries could thus be assured.



- **Continuously monitored the progress of social and environmental activities** - ERM focuses on fostering confidence among, due care for, and healthy family-like relations with those living around the refinery, oil depots, and its project areas. The Company also staged development activities and cultivation of environmental care and alternative-energy awareness among youths. These instances illustrate the Company's commitment spelled out in its vision: Creating an energy business that is environmentally friendly for sustainable development (Greenenergy Excellence).
- **Development of internal control system** - An IT system was developed for reporting conflicts of interest to alert employees to prevent fraud risk in the organization.

In short, the ERM constantly valued risk management, business continuity management, and internal control to ensure that Bangchak's operation is supported by an effective risk management system, management excellence, and adequate internal controls that fit the business. Thanks to these management approaches, Bangchak is confident that its goals will be successfully achieved

Head of Internal Control Office

At the Audit Committee's meeting No. 6/2005 on July 11, 2005, the meeting selected Mr. Pichit Wongrujiravanich as the head of Internal Control Office, citing some 22 years of internal audit experience with S.G.V.-Na Thalang Co., Ltd., and Yontrakit Group Co., Ltd. The committee considered him suitable and adequate for the position.

The approval, appointment, removal, or transfer of Bangchak's head of Internal Control Office must secure endorsement of the Audit Committee. Below are the qualifications of the head of Internal Control.

Mr. Pichit Wongrujiravanich

Senior Vice President, Internal Control Office

- Age 53
- Education / Training
 - MS (Accounting), Thammasat University
 - BA (Accounting), Thammasat University
 - Higher Certificate in Auditing, Thammasat University
 - Certified Public Accountant, license no. 3766



- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)
- Audit Committee Program (ACP), Thai Institute of Directors (IOD)
- Anti-Corruption for Executive Program (ACEP5/2013), Thai Institute of Directors (IOD)
- Executive Development Program (EDP12), Thai Listed Companies Association.
- Experience
 - 2011-present : Senior Vice President, Internal Control Office
 - 2005 : Vice President, Internal Control Office
 - 1992 : Assistant to Executive Director, Yontrakit Group



12. Connected Transactions

1.1 Connected transactions between shareholders

For the years ended 31 December 2012 and 2013, connected transactions with the shareholders were as follows:

Company	Relationship	Connected transaction	2012 Baht (million)	2013 Baht (million)
PTT Plc	Major shareholder	<ul style="list-style-type: none"> Value of sale of refined products to PTT Other revenues Trade debtors as of the end of the period Value of purchase of refined products from PTT Trade creditors as of the end of the period Creditor to others Service fee for the use of PTT's Si Racha Terminal Expenses on natural gas, steam and electricity Other expenses Advance payments for utilities 	15,147.86 128.10 1,433.00 103,238.01 12,034.19 707.13 291.64 2,581.68 29.24 314.62	17,584.34 134.33 1,595.40 123,813.37 9,770.27 763.59 294.34 3,236.40 4.68 403.19

1.2 Connected transactions with subsidiaries, jointly-controlled businesses, associated companies and related companies during 2012 and 2013 consisted of the following:

1.2.1 Sale of Product and Services: These items are sold and services performed by the Company to subsidiaries, jointly-controlled businesses, associated companies and related companies.

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Green Net Co., Ltd.	24,817.32	29,171.63	- BCP holds 49% shares	- BCP delegates its representatives as directors



Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
Bangchak Biofuel Co., Ltd.	83.56	65.25	- BCP holds 70% shares	- BCP delegates its representatives as directors
<u>Associated companies</u> Ubon Agricultural Energy Co., Ltd.	8.87	1.25	- Ubon Bio-Ethanol Co., Ltd. (associated company) holds 100% shares	- BCP delegates its representatives as directors
<u>Other related businesses</u> PTT International Trading Co., Ltd.	1.40	108.86	- PTT Plc holds shares in this company	-
Thai Oil Plc	2.09	493.48	- PTT Plc holds shares in this company	-
PTT International Trading DMCC	120.71	-	- PTT Plc holds shares in this company	-
IRPC Plc	499.94	965.30	- PTT Plc holds shares in this company	-
Star Petroleum Refining Co., Ltd	-	227.08	- PTT Plc holds shares in this company	-

1.2.2 Purchase of product and services: These items have to do with the Company's purchase of products and/or services from subsidiaries, jointly-controlled businesses, associated companies and related companies.

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Green Net Co., Ltd.	1.68	1.66	- BCP holds 49% shares	- BCP delegates its representatives as directors



THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
Bangchak Biofuel Co., Ltd.	3,067.17	2,982.26	- BCP holds 70% shares	- BCP delegates its representatives as directors
<u>Associated companies</u> Ubon Bio Ethanol Co., Ltd.	-	707.22	- BCP holds 21.28% shares	- BCP delegates its representatives as directors
<u>Other related businesses</u> IRPC Plc	4,036.54	1,846.02	- PTT Plc holds shares in this company	-
PTT Global Chemical Plc	40.70	1,379.42	- PTT Plc holds shares in this company	-
Thai Oil Plc	16,921.76	7,290.66	- PTT Plc holds shares in this company	-
Thai Lube Base Plc	121.10	867.87	- Connected through PTT Plc	-
IRPC Oil Co., Ltd.	9.00	12.52	- Connected through PTT Plc	-
Fuel Pipeline Transportation Co., Ltd.	182.99	216.01	- BCP holds 5.07% shares	-
Star Petroleum Refining Co., Ltd	3.15	-	- PTT Plc holds shares in this company	-
PTT International Trading Co., Ltd.	175.15	-	- PTT Plc holds shares in this company	-



1.2.3 Other revenue from subsidiaries, jointly-controlled businesses, associated companies and related companies.

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	14.22	42.63	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	7.30	28.78	- BCP holds 70% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy Co., Ltd.	1.95	12.77	- BCP holds 100% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Prachinburi) Co., Ltd.	-	0.57	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	-	0.57	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Buriram) Co., Ltd.	-	0.57	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Buriram 1) Co., Ltd.	-	0.57	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Nakhonratchasima) Co., Ltd.	-	0.57	- BCP holds 49% shares	- BCP delegates its representatives as directors
<u>Associated companies</u>				
Ubon Bio Ethanol Co., Ltd.	1.62	0.93	- BCP holds 21.28% shares	- BCP delegates its representatives as directors
<u>Other related businesses</u>				
PTTEP Siam Co., Ltd.	0.09	0.09	- Connected through PTT Plc	-
Fuel Pipeline Transportation Co., Ltd.	8.83	5.26	- BCP holds 5.07% shares	-
Star Petroleum Refining Co., Ltd	4.93	-	- PTT Plc holds shares in this company	-



Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
PTT Global Chemical Plc	6.61	22.50	- PTT Plc holds shares in this company	-
PTT International Trading DMCC	0.01	-	- PTT Plc holds shares in this company	-
Thai Oil Plc	-	29.28	- PTT Plc holds shares in this company	-

1.2.4 Other revenue from subsidiaries, jointly-controlled businesses, associated companies and related companies.

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Green Net Co., Ltd.	0.75	0.60	- BCP holds 49% shares	- BCP delegates its representatives as directors

1.2.5 Interest expenses paid by the Company to subsidiaries for loan guarantees under grant of operating rights.

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Green Net Co., Ltd.	17.09	12.96	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy Co., Ltd.	3.94	4.37	- BCP holds 100% shares	- BCP delegates its representatives as directors
<u>Other related businesses</u> NPC Safety and Environmental Services Co., Ltd.	1.16	1.80	- Connected through PTT Plc	-
Energy Complex Co., Ltd.	21.33	22.57	- PTT Plc holds shares in this company	-



Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
PTT ICT Solutions Co., Ltd.	16.75	17.05	- PTT Plc holds shares in this company	-
Thai Oil Plc	1.16	0.05	- PTT Plc holds shares in this company	-
Thai Oil Energy Services Co., Ltd.	0.38	-	- Connected through PTT Plc	-
PTT Exploration and Production Plc	0.06	0.01	- PTT Plc holds shares in this company	-
PTT Global Chemical Plc	0.03	-	- PTT Plc holds shares in this company	-
Star Petroleum Refining Co., Ltd	0.22	-	- PTT Plc holds shares in this company	-
PTT Energy Solutions Co., Ltd.	-	1.64	- PTT Plc holds shares in this company	-

1.2.6 Debtors, advance payments and short-term loans to related businesses

1.2.6.1 Trade debtors

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	907.75	1,044.93	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	8.01	7.63	- BCP holds 70% shares	- BCP delegates its representatives as directors
<u>Associated companies</u>				
Ubon Bio Ethanol Co., Ltd.	-	0.82	- Ubon Bio-Ethanol Co., Ltd. holds 21.28% shares	- BCP delegates its representatives as directors
Ubon Agricultural Energy Co., Ltd.	-	0.08	- Ubon Bio-Ethanol Co., Ltd. (associated company) holds 100% shares	- BCP delegates its representatives as directors



Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Other related businesses</u> Fuel Pipeline Transportation Co., Ltd.	2.03	0.33	- BCP holds 5.07% shares	-
IRPC Plc	-	53.54	- PTT Plc holds shares in this company	-
PTT Global Chemical Plc	-	8.73	- PTT Plc holds shares in this company	-

1.2.7 Debtors and loans to related businesses

1.2.7.1 Loans

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Other related businesses</u> Fuel Pipeline Transportation Co., Ltd.	3.41	29.82	- BCP holds 5.07% shares	-

1.2.7.2 Other debtors

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Solar Energy Co., Ltd.	1.25	0.59	- BCP holds 100% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Prachinburi) Co., Ltd.	-	0.20	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	-	0.20	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Buriram) Co., Ltd.	-	0.20	- BCP holds 49% shares	- BCP delegates its representatives as directors



Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
Bangchak Solar Energy (Buriram 1) Co., Ltd.	-	0.20	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Nakhonratchasima) Co., Ltd.	-	0.20	- BCP holds 49% shares	- BCP delegates its representatives as directors
<u>Associated companies</u> Ubong Bio-Ethanol Co., Ltd.	0.27	-	- BCP holds 21.28% shares	- BCP delegates its representatives as directors

1.2.8 Creditors of related businesses

1.2.8.1 Trader creditors

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Green Net Co., Ltd.	2.16	3.91	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	93.25	228.76	- BCP holds 70% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy Co., Ltd.	2.14	0.45	- BCP holds 100% shares	- BCP delegates its representatives as directors
<u>Other related businesses</u> Thai Oil Plc	491.61	310.34	- PTT Plc holds shares in this company	-
Thai Lube Base Plc	3.04	60.14	- Connected through PTT Plc	-
IRPC Plc	-	130.82	- PTT Plc holds shares in this company	-
PTT Global Chemical Plc	-	57.77	- PTT Plc holds shares in this company	-



1.2.8.2 Other creditors

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Other related businesses</u>				
Fuel Pipeline Transportation Co., Ltd.	21.02	21.44	- BCP holds 5.07% shares	-
Energy Complex Co., Ltd.	0.06	0.12	- PTT Plc holds shares in this company	-
PTT ICT Solutions Co., Ltd	0.01	-	- PTT Plc holds shares in this company	-

1.3 Other non- current assets. These items are the Company's guarantee payment for office use under lease contracts for office and related services.

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Other related businesses</u>				
Energy Complex Co., Ltd.	4.75	4.75	- PTT Plc holds shares in this company	-

1.4 Other current liabilities: These items are the Company's demanded guarantee payment for operating contracts with subsidiaries companies.

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	27.97	28.56	- BCP holds 49% shares	- BCP delegates its representatives as directors



1.5 Other non-current liabilities: These items are the Company's revenue received in advance for land lease from related companies.

Related company	2012 Baht (million)	2013 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Other related businesses</u> Fuel Pipeline Transportation Co., Ltd.	4.87	4.40	- BCP holds 5.07% shares	- BCP delegates its representatives as directors

1. Connected transactions with PTT Plc

Orders for crude oil supplies between BCP and PTT, which is BCP's crude oil supplier for sale to industrial operators under the terms of feedstock supply agreements, are designed to enhance BCP's capability for sourcing feedstock for its processes. As for the sale of refined products, PTT notifies BCP six months in advance of its orders. A meeting is held each month to confirm orders, for which pricing follows market prices.

BCP entered into a 10-year contract with PTT, starting on August 3, 2009, for natural gas purchase to feed BCP's processes. Pricing was agreed in the contract with the terms and conditions considered normal business practice.

BCP entered into a contract with PTT for the use of PTT's Si Racha petroleum and gas terminal service. The 15-year contract, which started on January 1, 2009, involves receipt, storage and distribution of oil products. The service charge was agreed in the contract with the terms and conditions considered normal business practice.

BCP entered into an agreement with PTT to operate NGV fueling stations. The Company earned income from land use and station operation at the rates agreed in the contract, with the terms and conditions considered normal business practice.

BCP entered into an agreement with PTT on February 25, 2008, for the sale/purchase of electricity and steam. Under the contract, PTT is the investor in the construction of a plant with a capacity to produce 90 tons per hour of steam and 19.7 megawatts of electricity, while BCP is the sole buyer of all products at the prices



agreed in the contract with the terms and conditions considered normal business practice. Commercial production started in June 2010.

2. Connected transactions with Bangchak Green Net Co., Ltd.

Bangchak Green Net managed Bangchak service stations and consumer product sales at Lemon Green and Bai Chak outlets. These connected transactions followed normal business practices, relied on market prices and followed the details stated in the operating right agreements.

3. Connected transactions with Bangchak Biofuel Co., Ltd.

A subsidiary company, Bangchak Biofuel was set up to produce and sell biodiesel. These connected transactions followed normal business practices, relied on market prices and followed details stated in the operation contracts.

4. Connected transactions with Bangchak Solar Energy Co., Ltd.

A subsidiary company, Bangchak Solar Energy Co., Ltd., operated a 38 MW PPA power plant to produce electricity from solar cell (Sunny Bangchak) phase 1, at Amphoe Bang Pa-in, Ayutthaya. These connected transactions followed normal business practices, relied on market prices and followed details stated in the operation contracts.

5. Connected transactions with Bangchak Solar Energy (Prachinburi) Co., Ltd.

A subsidiary company of Bangchak Solar Energy Co., Ltd., operated a power plant to produce electricity from solar cell, at Amphoe Kabin Buri, Prachin Buri. These connected transactions followed normal business practices, relied on market prices and followed details stated in the operation contracts.

6. Connected transactions with Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.

A subsidiary company of Bangchak Solar Energy Co., Ltd., operated a power plant to produce electricity from solar cell, at Amphoe Bamnet Narong, Chaiyaphum. These connected transactions followed normal business practices, relied on market prices and followed details stated in the operation contracts.

7. Connected transactions with Bangchak Solar Energy (Buriram) Co., Ltd.

A subsidiary company of Bangchak Solar Energy Co., Ltd., operated a power plant to produce electricity from solar cell, at Amphoe Prakhon Chai, Buri Ram. These connected transactions followed normal business practices, relied on market prices and followed details stated in the operation contracts.



8. Connected transactions with Bangchak Solar Energy (Buriram 1) Co., Ltd.

A subsidiary company of Bangchak Solar Energy Co., Ltd., operated a power plant to produce electricity from solar cell, at Amphoe Nong Ki, Buri Ram. These connected transactions followed normal business practices, relied on market prices and followed details stated in the operation contracts.

9. Connected transactions with Bangchak Solar Energy (Nakhonratchasima) Co., Ltd.

A subsidiary company of Bangchak Solar Energy Co., Ltd., operated a power plant to produce electricity from solar cell, at Amphoe Dan Khun Thot, Nakhon Ratchasima. These connected transactions followed normal business practices, relied on market prices and followed details stated in the operation contracts.

10. Connected transactions with Ubon Bio Ethanol Co., Ltd

The Company's associated company, is engaged in cassava-based ethanol production. The plant can run on fresh cassava and cassava chips. The ethanol was used in the production of BCP's gasohol and most was exported to China. The transaction with this company followed normal business practices, relied on market prices and followed details stated in the operation contracts.

11. Connected transactions with Ubon Agricultural Energy Co., Ltd

Transactions with Ubon Agricultural Energy Co., Ltd, a connected company as a result of Ubon Bio-Ethanol Co., Ltd. (BCP's associated company), holding shares in this company, followed normal business practices and market prices.

12. Connected transactions with Fuel Pipeline Transportation Co., Ltd

BCP entered into contracts with this company to take its oil products from Bangchak Depot to its Bang Pa-in Depot and sell them to its customers in the Central, North and Northeast under normal business conditions and market prices.

13. Connected transactions with Thai Oil Plc

Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices

14. Connected transactions with Thai Lube Base Plc

Transactions with this company, a connected company as a result of shared relationship through PTT, followed normal business practices and market prices.



- 15. Connected transactions with PTT Global Chemical Plc (a company founded through the amalgamation of PTT Aromatics and Refining Plc and PTT Chemical Plc)**
Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.
- 16. Connected transactions with IRPC Plc**
Transactions with this company, a connected company as a result of shared relationship through PTT, followed normal business practices and market prices.
- 17. Connected transactions with NPC Safety and Environmental Services Co., Ltd.**
Service fees with this company, a connected company as a result of shared relationship through PTT, followed normal business practices and market prices.
- 18. Connected transactions with PTT International Trading Co., Ltd.**
Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices
- 19. Connected transactions with PTT ICT Solutions Co., Ltd.**
Payment for the rights to use Microsoft software from this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.
- 20. Connected transactions with PTTEP Siam Co., Ltd.**
Other services fees with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.
- 21. Connected transactions with Energy Complex Co., Ltd.**
The deposit payments, office rents and office service fees with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.
- 22. Connected transactions with PTT International Trading DMCC**
Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.
- 23. Connected transactions with IRPC Oil Co., Ltd.**
Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.



- 24. Connected transactions with Star Petroleum Refining Co., Ltd**
Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.
- 25. Connected transactions with Thai Oil Energy Services Co., Ltd**
Other services fees with this company, a connected company as a result of shared relationship through PTT, followed normal business practices and market prices.
- 26. Connected transactions with Thai Oil Energy Solutions Co., Ltd**
Transactions with this company, a connected company as a result of shared relationship through PTT, followed normal business practices and market prices.
- 27. Connected transactions with PTT Exploration and Production Plc**
Other services fees with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

These transactions were undertaken in the normal course of business, with none taken as extraordinary transactions. No siphoning of interests occurred among BCP, subsidiary companies, connected companies and shareholders. Approvals were scrutinized by the President, who duly approved them as authorized by Company regulations.

Disclosure of connected transactions follow the rules of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as the accounting standards concerning the disclosure of information concerning connected parties and businesses, as defined by the Federation of Accounting Profession of Thailand.

Policy for future connected transactions

In undertaking future connected transactions, BCP will continue its product and oil pipeline transport service transactions with connected companies, since these represent normal business practices in the same industry. The pricing of products and services follow market practices and/or the details stipulated in commercial contracts. However, in such cooperation, BCP takes into consideration its best interests. The Audit Committee and the Internal Audit Office are to supervise and review BCP's business to ensure its conformance to securities and SET laws, as well as the requirements, announcements, or regulations of SET. In addition, for whichever transactions involving BCP executives, they are not allowed to cast their votes in meetings.