



7. Securities and Shareholder Information

Common Shares

As of year-end 2014, 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 December 31, 2014, Bangchak's domestic and offshore loans (in the form of long-term Bank loans) amounted to Baht 15,110.04 million, and domestic debentures (specifying holders, unsubordinated, unsecured, and no holders' representatives) amounted to Baht 13,000 million, the latter of which are due for redemption as follows: Baht 2,000 million in 2017, Baht 4,000 million in 2019, Baht 2,500 million in 2021, Baht 1,000 million in 2022, and Baht 3,500 million in 2024. These are rated at A- by Tris Ratings Co., Ltd., with a stable outlook. Details about these loans and debentures appear in the notes to the financial statements for the year ended on December 31, 2014.

Shareholders

Top 10 Major Shareholders (as of September 9, 2014)	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.	64,873,004	4.71
4. STATE STREET BANK EUROPE LIMITED	43,450,960	3.16
5. AIA Company Limited-DI-LIFE	36,272,969	2.63
6. Krungsri Dividend Stock LTF	35,917,300	2.61
7. Social Security Office (2 cases)	26,528,826	1.93
8. Deutsche Bank AG Singapore (DCS) a/c The Navis Asia Navigator Master Fund	25,052,900	1.82
9. HSBC (SINGAPORE) NOMINEES PTE LTD	20,590,909	1.50
10. Bangkok Life Assurance PCL	20,201,200	1.47
Top 10 Total	785,079,406	57.03
Grand Total	1,376,923,157	100.00



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

Major Shareholders (as of September 9, 2014)	Number of Shares	Shareholding (%)
1. CHASE NOMINEES LIMITED	12,640,100	19.48
2. BNY MELLON NOMINEES LIMITED	9,684,300	14.93
3. THE BANK OF NEW YORK MELLON	8,219,000	12.67
4. RBC INVESTOR SERVICES BANK S.A.	7,124,300	10.98
Total	37,667,700	58.06
Grand Total	64,873,004	100.00

Note: The shareholders no. 1 and 2 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 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.**

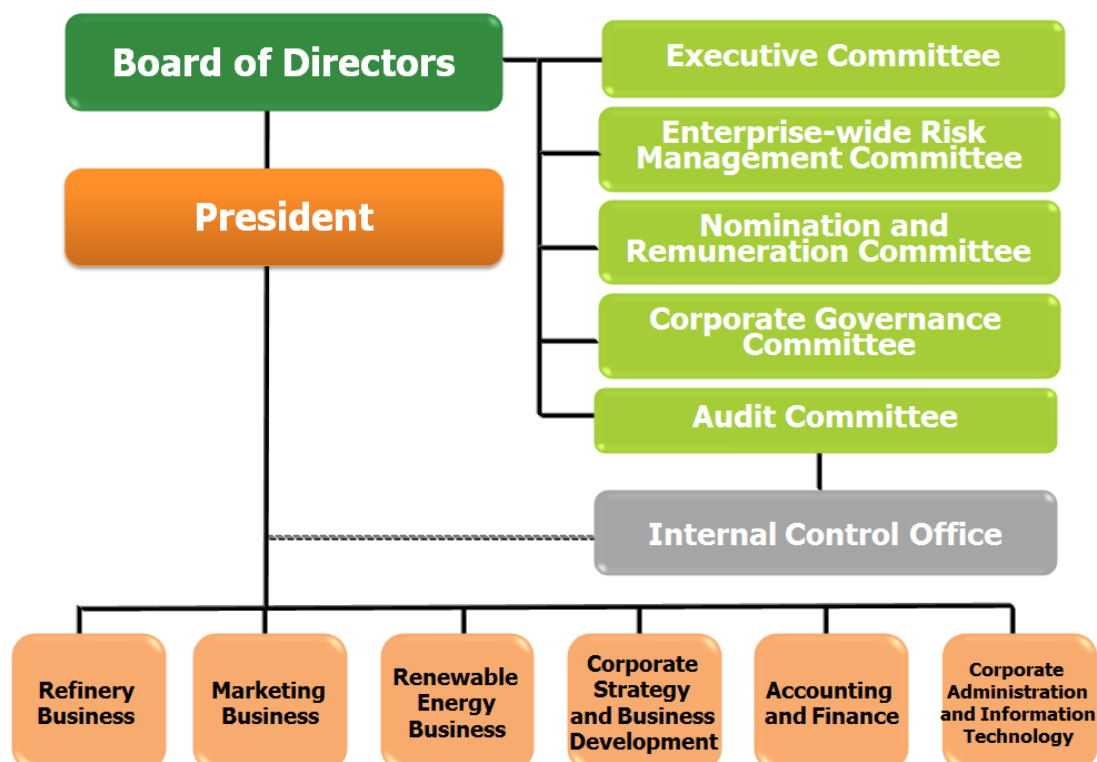
Dividend payment must have the approval of an AGM and will be made only when the company has allocated at least 5% of its net profit in a given year as provisional capital until the provisional capital reaches 10% of the registered capital. The Board may consider interim dividend payment to shareholders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

- **Bangchak Solar Energy Co., Ltd., and its subsidiaries**

This company's dividend payment is no lower than 80% of the net profit appearing in its particular financial statements after deducting all provisions under the company's regulations and under the law. However, it is subject to the cash flow remaining after deducting the company's annual obligations and annual investment plan requirements, together with other considerations considered suitable and essential by its board of directors.



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, and so forth.

The Board of Directors consists of 15 directors as follows:

Name	Position
1. Mr. Pichai Chunhavajira	Chairman
2. Prof. Dr. Chai-Anan Samudavanija	Vice Chairman (Independent Director)



3. Asst.Prof.Dr. Anusorn Tamajai	Independent Director
4. Mr. Surin Chiravisit	Independent Director
5. Mr. Suthep Wongvorazathe	Independent Director
6. Mrs. Arunporn Limskul	Independent Director
7. Pol.Lt.Gen. Chaiwat Chotima	Independent Director
8. Maj.Gen.Apirat Kongsompong	Independent Director
9. Mr. Krairit Nilkuha	Director
10. Mr. Prasong Poontaneat	Director
11. Mr. Sarakorn Kulatham	Director
12. Mr. Chaiwat Kovavisarach	Director
13. Mr. Vikrom Koompirochana	Director
14. Mr. Wirat Uanarumit	Director
15. 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 Mr. Chaiwat Kovavisarach or Mr. Suthep Wongvorazathe or Mr. Vikrom Koompirochana or Pol.Lt.Gen. Chaiwat Chotima or Maj.Gen.Apirat Kongsompong or Mr. Wirat Uanarumit, being two persons, with affixation of the company's seal.

Independent Directors

The present Board of Directors consists of 7 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 invested 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 Plc |
| 4. Mr. Chaiwat Kovavisarach | Representative from PTT Plc |
| 5. Mr. Vikrom Koompirochana | Representative from PTT Plc |
| 6. Mr. Wirat Uanarumit | Representative from PTT Plc |

Note: Board Meeting No. 12/2014 of December 19th, 2014, appointed Mr. Chaiwat Kovavisarach, as President, effective from January 1st, 2015, which in effect removed him from PTT Plc's representation.

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 would run effectively.

5. Regularly and truthfully report to the shareholders on the company's situations, including the company's future trends, either positive or negative angle, 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 about 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 in order 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. The secretary also regularly provides the Directors and the company with legal advice and reminds 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 and subsidiary company more than four companies.

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

Meetings of the Board of Directors

The Board of Directors set the 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 may add other significant businesses as matters for deliberation at the meetings by informing SBO.

According to corporate governance policy, **Each Board meeting should be attended by at least three-quarters of all directors, and voting is to be decided by a majority of at least three-quarters of all attending directors. Each year, directors should attend no less than 75% of all Board meetings.** (Directors should attend the meeting at least 9 of 12 times a year)

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 2014, the Board convened in twelve general meetings. Moreover, the company held an annual seminar between the Board and the management on organizational strategies to review its vision and set organizational goals for 2015-2020 in line with its vision, mission, and values together with assessment of business settings and situations. The seminar included a study tour in Thermal Waste Treatment Plant at Vienna, Austria. The detail of each Director's meeting attendance is as follows:

Names	Meeting attendance/all meetings (Times)			Remark
	General meetings	Seminar	Total	
1 Mr. Pichai Chunhavajira	12/12	1/1	13/13	
2 Prof. Dr. Chai-Anan Samudavanija	11/12	1/1	12/13	
3 Asst.Prof.Dr. Anusorn Tamajai	12/12	1/1	13/13	
4 Mr. Surin Chiravisit	12/12	1/1	13/13	
5 Mr. Suthep Wongvorazathe	11/12	1/1	12/13	
6 Mrs. Arunporn Limskul	12/12	1/1	13/13	
7 Pol.Lt.Gen. Chaiwat Chotima	9/9	1/1	10/10	Started on Apr. 9 th , 2014
8 Maj.Gen.Apirat Kongsompong	2/3	1/1	3/4	Started on Sep. 26 th , 2014
9 Mr. Krairit Nilkuha	12/12	1/1	13/13	
10 Mr. Prasong Poontaneat	11/12	1/1	12/13	
11 Mr. Sarakorn Kulatham	12/12	1/1	13/13	
12 Mr. Chaiwat Kovavisarach	12/12	1/1	13/13	
13 Mr. Vikrom Koompirochana	12/12	1/1	13/13	
14 Mr. Wirat Uanarumit	2/2	1/1	3/3	Started on Oct. 27 th , 2014
15 Mr. Vichien Usanachote	12/12	1/1	13/13	Retired on Dec. 31 st , 2014 by the Contract
16 Gen. Dapong Ratanasuwan	8/8	0/0	8/8	Resigned on Aug. 29 th , 2014
17 Mr. Supattanapong Punmeechaow	7/9	0/0	7/9	Resigned on Sep. 25 th , 2014



According to corporate governance policy, the Board of Directors agreed on joint meetings for independent Directors in June and October, and for non-executive Directors in July and November, before the Board of Directors meeting. The 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.

Assessment of directors' performances

In line with the corporate governance policy and to let the directors jointly review their performances and shortcomings for further improvement, the Board developed a performance assessment form for directors to be filled at least annually. With a scoring system of 100%; >85%=excellent, >75%=very good, >65%=good, >50%=fair, ≤50%=improvement needed, the summary of this assessment was presented to the Board:

1) Individual directors

- 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 95.5%, regarded as excellent.
- Cross-assessment by group (3-4 unnamed directors assessing another director) relies on two topics, namely responsibility for their roles and directors' independence. The overall summary of assessment findings showed an average of 96.2%, regarded as excellent.

2) Entire Board* relies on eight topics, namely Structure and Skills, Strategic Direction and Planning, Policy, Monitoring and Supervision, Accountability, CEO and Succession, Leadership and Teamwork, and Agendas, Papers, Meetings and Minutes. The overall summary of assessment findings showed an average score of 85.0%, regarded as excellent.

3) Sub-committees relies on responsibilities and meetings; the evaluations of all Committees were as follows:

- Audit Committee, the group evaluation had the average score of 97.3%, rated excellent.
- Nomination and Remuneration Committee, the group evaluation had the average score of 90.8%, rated excellent.
- Corporate Governance Committee, the group evaluation had the average score of 95.0%, rated excellent.
- Enterprise-wide Risk Management Committee, the group evaluation had the average score of 96.3%, rated excellent.



- * For continuously improving the assessment of directors' performances, in 2014 Bangchak commissioned Governance Matters, a seasoned consultant on corporate governance from Australia for public and private governance with over 20 years' experience, to assess performance of the entire board.**

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

In addition, 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 2014, the Directors who attended the training courses / seminars organized by the IOD and other organizations are as follows:

- Advanced Audit Committee Program (AACP15/2014): Asst.Prof.Dr. Anusorn Tamajai
- Director Certification Program (DCP194/2014): Pol.Lt.Gen. Chaiwat Chotima



- Financial Statements for Directors (FSD25/2014): Pol.Lt.Gen. Chaiwat Chotima
- Successful Formulation and Execution of Strategy (SFE20/2014) : Mr. Vikrom Koompirochana

At present, there are 6 and 10 out of 15 Directors had attended the Director Accreditation Program (DAP) and Director Certification Program (DCP), respectively. The company also applied all Directors for IOD membership to receive news and information. 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	DAP	DCP	Remark
1	Mr. Pichai Chunhavajira	2006	2011	
2	Prof. Dr. Chai-Anan Samudavanija	2010	-	
3	Asst.Prof.Dr. Anusorn Tamajai	2004	2003	
4	Mr. Surin Chiravisit	-	2010	
5	Mr. Suthep Wongvorazathe	2005	-	
6	Mrs. Arunporn Limskul	-	2012	
7	Pol.Lt.Gen. Chaiwat Chotima	-	2014	Started on April 9, 2014
8	Maj.Gen.Apirat Kongsompong	-	-	Started on September 26, 2014
9	Mr. Krairit Nilkuha	-	-	
10	Mr. Prasong Poontaneat	-	2006	
11	Mr. Sarakorn Kulatham	-	-	
12	Mr. Chaiwat Kovavisarach	-	2013	
13	Mr. Vikrom Koompirochana	2007	-	
14	Mr. Wirat Uanarumit	-	2001	Started on October 27, 2014
15	Mr. Vichien Usanachote	-	2006	Retired on December 31, 2014 by the Contract
16	Gen. Dapong Ratanasuwan	2011	-	Resigned on August 29, 2014
17	Mr. Supattanapong Punmeechaow	-	2010	Resigned on September 25, 2014



2. Committees

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

1. Audit Committee (Audit Committee-AC)

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. Asst.Prof.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

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

Scopes, duties and responsibilities

- 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 support 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 information technology which involving internal control and risk management.
- 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.

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:

Policy on Director Nomination

"In its nomination of directors, the company values those that are knowledgeable, competent, and experienced, and command a sound career background, leadership, great vision, morality, ethics, and attitudes beneficial to the company. They must be able to devote adequate time to their duties to benefit the company's business. In addition, the company takes into account Board diversity and develops a



board skill matrix to identify the qualifications of those needed, especially the missing skills and qualifications for the prevailing Board's components and structure under its business strategies. It also relies on IOD's Director Pool as a nomination tool. To bolster shareholders' confidence, the process must be transparent."

Policy on Director Remuneration

"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, as follows:

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 five 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. Pol.Lt.Gen. Chaiwat Chotima	Member and Independent Director
5. Mr. Wirat Uanarumit	Member and Secretary, Non-executive Director



Scopes, duties and responsibilities

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.

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 four members, at least one of whom must be an independent director and knowledgeable in risk management as follows:

Name	Position
1. Mr. Krairit Nilkuha	Chairman and Non-executive Director
2. Maj.Gen.Apirat Kongsompong	Member and Independent Director
3. Mr. Prasong Poontaneat	Member and Non-executive Director
4. Mr. Vichien Usanachote	Member and Secretary, Executive Director

Scopes, duties and responsibilities

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.

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. Mr. Vikrom Koompirochana	Chairman and Non-executive Director
2. Mr. Sarakorn Kulatham	Member and Non-executive Director
3. Mr. Krairit Nilkuha	Member and Non-executive Director
4. Mr. Vichien Usanachote	Member and Secretary, Executive Director

Scopes, duties and responsibilities

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.

5. Executive Committee (EXC)*

** The Board meeting of August 25th, 2014, replaced Strategic Business Investment Committee (SBIC) with an appointed EXC.*

The Executive Committee consists of no less than three persons, up to two of whom can be from the management ranks. It can appoint up to two advisers.

Name	Position
1. Mr. Chaiwat Kovavisarach	Chairman and Non-executive Director



Name	Position
2. Mr. Surin Chiravisit	Member and Independent Director
3. Mr. Vikrom Koompirochana	Member and Non-executive Director
4. Mr. Vichien Usanachote	Member and Secretary, Executive Director
5. Dr. Anusorn Sangnimnuan	Advisor
6. Senior Executive Vice President, Corporate Strategy and Business Development	Secretary

Scopes, duties and responsibilities

1. Monitor and assess performance outcomes against corporate strategies addressing such conditions and develop the organization in a sustainable way with due regard for current businesses, limitations, diversity, and ability to grow businesses in and outside Thailand in line with the Board's directions, goals, and policies.
2. Screen and monitor projects and investment opportunities in line with Bangchak's strategies before bringing their views up for the Board's approval.
3. Provide recommendations and monitor the organizational structure and financial structure that suit Bangchak and bring them up for the Board's approval.
4. Review and monitor HR development plans, IT systems, and business process re-design plans to accommodate the organizational structure and HR retention plans in line with emerging strategies with due regard for Bangchak's sustainability.
5. Perform Board-assigned duties.

And have the authority to:

1. Endorse the transfer of senior vice presidents and executive vice presidents
2. Endorse the hiring of project advisers/consultants worth up to US\$1.5 million
3. Appoint and set compensation for advisers to the Executive Committee
4. Issue directives and summon data from the management as seen fit.



The meetings of the Sub-committees

	Name	Committees						Remark
		AC	NRC	ERMC	CGC	EXC*	SBIC	
1	Mr. Pichai Chunhavajira ^{1/}	-	-	-	-	-	-	
2	Prof. Dr. Chai-Anan Samudavanija	-	10/10	-	-	-	-	
3	Asst.Prof.Dr. Anusorn Tamajai	12/12	-	-	-	-	-	
4	Mr. Surin Chiravisit ^{2/}	-	10/10	11/11	-	7/7	-	
5	Mr. Suthep Wongvorazathe	12/12	10/10	-	-	-	-	
6	Mrs. Arunporn Limskul	12/12	-	-	-	-	-	
7	Pol.Lt.Gen. Chaiwat Chotima ^{3/}	-	8/8	-	-	-	-	Started on April 9 th , 2014
8	Maj.Gen.Apirat Kongsompong ^{4/}	-	-	0/1	-	-	-	Started on September 26, 2014
9	Mr. Krairit Nilkuha ^{5/}	-	-	12/12	1/1	-	-	
10	Mr. Prasong Poontaneat	-	-	10/12	-	-	-	
11	Mr. Sarakorn Kulatham	-	-	-	3/3	-	-	
12	Mr. Chaiwat Kovavisarach ^{6/}	-	2/2	2/2	-	7/7	8/8	
13	Mr. Vikrom Koompirochana ^{7/}	-	-	-	3/3	7/7	-	
14	Mr. Wirat Uanarumit ^{8/}	-	2/2	-	-	-	-	Started on October 27 th , 2014
15	Mr. Vichien Usanachote ^{9/}	-	-	11/12	3/3	6/7	8/8	Expiry of his contract on December 31 st , 2014
16	Gen. Dapong Ratanasuwan	-	-	-	2/2	-	-	Resigned on August 29 th , 2014
17	Mr. Supattanapong Punmeechaow	-	6/6	-	-	-	-	Resigned on September 25 th , 2014

* The Board meeting of August 25th, 2014 replaced SBIC with an appointed EXC.

Note ^{1/} Chairman did not join any Committee as member.

^{2/} Appointed as Member of EXC on August 25th, 2014 and dismissed from member of ERMC on October 27th, 2014

^{3/} Appointed as Member of NRC on April 29th, 2014

^{4/} Appointed as Member of ERMC on October 27th, 2014

^{5/} Appointed as Member of CGC on October 27th, 2014

^{6/} Appointed as Chairman of SBIC and EXC on January 28th, 2014 and August 25th, 2014, respectively. Dismissed from member of ERMC and NRC on January 28th, 2014 and April 29th, 2014, respectively.

^{7/} Appointed as member of EXC and CGC on August 25th, 2014 and October 27th, 2014, respectively.

^{8/} Appointed as Member of NRC on October 27th, 2014

^{9/} Appointed as member of SBIC and EXC on January 28th, 2014 and August 25th, 2014, respectively.

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 and Company Secretary

The Secretary to The Board of the Directors Office, Corporate Administration and Information Technology

- Age 53
- 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 (DCP142/2010), Thai Institute of Directors (IOD)
 - Successful Formulation and Execution of Strategy (SFE16/2012), Thai Institute of Directors (IOD)
 - Thailand and the ASEAN Economic Community class 4/2013, King Prajadhipok's Institute
- 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 ten 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 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	Senior Executive Vice President, Marketing Business
7. Mr. Somchai Tejavanija	Senior Executive Vice President, Corporate Strategy and Business Development
8. Mr. Kiatchai Maitriwong	Acting Senior Petroleum Refining Executive, Refinery Business
9. Mr. Chalermchai Udomranu	Executive Vice President, Refinery Business
10. Mr. Phichet Emwattana	Executive Vice President, Marketing 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 strictness, 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's 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 or interest of others, with the exception that one's respective superior and the Internal Control Office have been informed and approves such activity.
6. The President's service as director of other companies or any other position in a business organization must have a prior approval of the Board. Similarly, other executives from vice president upward must have a prior approval of the President. An exception to this is directorship in a joint-venture company, which must have a prior approval of the Board.
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 purpose 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 Board of Director resolution, 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.

Director and Executives who served positions in the Subsidiaries, associated and other companies

NO	Name	Subsidiaries								Associated companies and other companies							
		BGN	BBF	BSE	BSE-PRI	BSE-CPM1	BSE-BRM	BSE-BRM1	BSE-NMA	BCPE	NIDO	UBE	UBG	UAE	NPE	FPT	APMC
1.	Mr. Chaiwat Kovavisarach										/						
2.	Mr. Vichien Usanachote		●								/	●					
3.	Mr. Yodphot Wongrukmit	/															
4.	Mr. Bundit Sapianchai		/	●	●	●	●	●	●			/	●	●	●		
5.	Mr. Surachai Kositsareewong	/	/	/						/							
6.	Mr. Pongchai Chaichirawiwat	/															
7.	Mr. Somchai Tejavaniya			/						/							/
8.	Mr. Kiatchai Maitriwong			/													
9.	Mr. Phichet Emwattana															/	
10.	Mr. Dhanajit Makarananda		★														
11.	Mr. Chokchai Atsawarangsarit				/	/	/	/	/								
12.	Ms. Revadee Pornpatkul			★	★	★	★	★	★								
13.	Ms. Naree Jiamwattanasuk	★															

● = Chairman ★ = Managing Director / = Director

Note:

Subsidiaries 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	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's Subsidiary)
BSE-CPM1	Bangchak Solar Energy (Chaiyaphum1) Co., Ltd. (BSE's Subsidiary)
BSE-BRM	Bangchak Solar Energy (Buriram) Co., Ltd. (BSE's Subsidiary)
BSE-BRM1	Bangchak Solar Energy (Buriram 1) Co., Ltd. (BSE's Subsidiary)
BSE-NMA	Bangchak Solar Energy (Nakhonratchasima) Co., Ltd. (BSE's Subsidiary)
BCPE	BCP Energy International Pte. Ltd.
NIDO	Nido Petroleum Limited (BCPE's Subsidiary)
UBE	Ubon Bio Ethanol Co., Ltd.
UBG	Ubon Bio Gas Co., Ltd. (UBE's Subsidiary)
UAE	Ubon Agricultural Energy Co., Ltd. (UBE's Subsidiary)
NPE	NP Bio Energy Co., Ltd. (UBE's Subsidiary)
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

	Monthly remuneration (Baht per person)	Meeting allowance (Baht per meeting) (only the Directors who attended the meeting)	Remark
The Board of Directors	30,000	30,000	The resolutions of the 2014 Annual General Meeting of Shareholders on April 9 th , 2014
Audit Committee	10,000	15,000	
Nomination and Remuneration Committee	-	15,000	
Enterprise-wide Risk Management Committee	-	15,000	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.
Corporate Governance Committee	-	15,000	
Strategic Business Investment Committee (Aborted on August 25, 2014)	-	15,000	
Executive Committee* (Appointed on August 25, 2014)	10,000	15,000	

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 0.75 percent of net profit but altogether no more than 30,000,000 Baht/year for all Directors. However, the President and Vice Presidents receive 25 percent and 12.5 percent higher bonuses respectively.

3) Other Essential Business Expenses

- Position car for the Chairman's business convenience
- Credit card for the Chairman's business use (up to Baht 500,000/month)
- Fleet card for each director's business use (up to 400 liters/month/director)



4) Others

- Annual physical check-ups
- Directors' & officers' liability insurance (limit of liability: Baht 250 million)

In 2014, the individual remuneration of Directors was as follows:

Name		Remuneration in Baht								Net total
		BOARD	AC	NRC	ERMC	CGC	EXC	SBIC	BONUS	
1	Mr. Pichai Chunhavajira	937,500	-	-	-	-	-	-	2,173,916	3,111,416
2	Prof. Dr. Chai-Anan Samudavanija	843,750	-	168,750	-	-	-	-	1,956,524	2,969,024
3	Asst.Prof.Dr. Anusorn Tamajai	780,000	375,000	-	-	-	-	-	1,739,130	2,894,130
4	Mr. Surin Chiravisit	780,000	-	135,000	180,000	-	145,000	-	1,739,130	2,979,130
5	Mr. Suthep Wongvorazathe	750,000	300,000	135,000	-	-	-	-	1,739,130	2,924,130
6	Mrs. Arunporn Limskul	750,000	300,000	-	-	-	-	-	1,262,656	2,312,656
7	Pol.Lt.Gen. Chaiwat Chotima ^{1/}	570,000	-	105,000	-	-	-	-	-	675,000
8	Maj.Gen.Apirat Kongsompong ^{2/}	180,000	-	-	-	-	-	-	-	180,000
9	Mr. Krairit Nilkuha	780,000	-	-	243,750	15,000	-	-	1,739,130	2,777,880
10	Mr. Prasong Poontaneat	720,000	-	-	165,000	-	-	-	1,739,130	2,624,130
11	Mr. Sarakorn Kulatham	780,000	-	-	-	45,000	-	-	1,739,130	2,564,130
12	Mr. Chaiwat Kovavisarach	750,000	-	30,000	30,000	-	3,331,250	150,000	1,739,130	6,030,380
13	Mr. Vikrom Koompirochana	780,000	-	-	-	48,750	145,000	-	1,262,656	2,236,406
14	Mr. Wirat Uanarumit ^{3/}	150,000	-	15,000	-	-	-	-	-	165,000
15	Mr. Vichien Usanachote	780,000	-	-	180,000	45,000	-	120,000	1,739,130	2,864,130
TOTAL		10,331,250	975,000	588,750	798,750	153,750	3,621,250	270,000	20,568,792	37,307,542

Since the Independent Directors (No. 2-8) 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 9th, 2014
^{2/} Appointed as Member on September 26th, 2014
^{3/} Appointed as Member on October 27th, 2014

Directors who completed their terms and resigned during 2014

Name		Remuneration in Baht								Net total
		BOARD	AC	NRC	ERMC	CGC	EXC	SBIC	BONUS	
1.	Gen. Dapong Ratanasuwan ^{1/}	480,000	-	-	-	37,500	-	-	1,739,130	2,256,630
2.	Mr. Supattanapong Punmeechaow ^{2/}	480,000	-	90,000	-	-	-	-	300,178	870,178
TOTAL		960,000	-	90,000	-	37,500	-	-	2,039,308	3,126,808



Note 1/ Resigned on August 29th, 2014
2/ Resigned on September 25th, 2014

Directors who completed their terms and resigned during 2013 (and received bonuses for 2013 performance, payable in 2014)

Name	Remuneration in Baht						Net total
	BOARD	AC	NRC	ERMC	CGC	BONUS	
1. Mr. Issra Shoatburakarn ^{1/}	-	-	-	-	-	476,474	476,474
2. Mr. Suphon Tubtimcharoon ^{1/}	-	-	-	-	-	476,474	476,474
3. Mr. Nuttachat Charuchinda ^{2/}	-	-	-	-	-	1,438,952	1,438,952
TOTAL	-	-	-	-	-	2,391,900	2,391,900

Note 1/ Completed their term on April 10th, 2013
2/ Resigned on October 30th, 2013

Comparison of Remuneration of Directors in 2013 and 2014

Remuneration	2013		2014	
	Directors	Baht	Directors	Baht
Meeting allowance	14	14,437,500	15	17,826,250
Bonus	14	25,000,000	15	25,000,000
TOTAL		39,437,500		42,826,250

Note: Bonuses for 2013 performance under the resolution of the 2013 AGM, held on April 10th, 2013, and payable in 2014

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 executives from Executive Vice President upward of the company, totaling ten persons, received a total of Baht 85,038,866 in remuneration in 2014, detailed as follows:



Remuneration and Provident Fund of Senior Executives

Remuneration	2013		2014	
	Persons	Baht	Persons	Baht
Salary	9	51,041,079	10	55,703,816
Bonus & Retirement pay	9	25,332,389	10	24,807,602
Provident fund	9	4,353,318	10	4,527,448

7. Personnel

On December 31st, 2014, the Company had a total headcount of **1,052**:

Employee	Persons
The President and Internal Control Office	30
Refinery Business	505
Marketing Business	294
Renewable Energy Business	15
Corporate Strategy and Business Development	29
Accounting and Finance	76
Corporate Administration and Information Technology	103

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 2014, 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 1,295 million Baht.

Significant changes in number employee for the past three years

- None (Total employee in year 2012 were 1,027 persons, which increased slightly to 1,052 persons in year 2014)

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 2014, 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 2014 Annual General Meeting of Shareholders (AGM) was held on Wednesday, April 9th, 2014 at Bangkok International Trade & Exhibition Centre (BITEC), located near BTS Bangna station, which is conveniently accessible.
- The company applied the record date for the 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 40 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 since August 30th, 2013, to be addressed at the 2014 AGM.
- Facilitated and promoted institutional investors' attendance at the shareholders' meeting. Bangchak's investor relations officers made inquiries about agenda issues and collected proxy forms in advance.
- Facilities were provided to shareholders on the date of the meeting as follows:
 - Ample parking spaces were reserved and free transport provided from BTS Bangna 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 2014 AGM, the company invited Mr. Visith Uevirojnangkoorn, independent legal consultant, and Mr. Wutipong Vechayanon, the company's legal consultant 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 2014 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 August 30 and December 31, 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 six independent directors, 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 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 so 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 recognizes and values 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. This year, 26 complaints were filed. After fact-finding by responsible units, only one involved potential corrupt practices, another was under investigation, and in another case the company could not establish contact with the complainant.

In corporate governance, there are various groups of stakeholders 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 ensured that employees were fairly treated and received suitable, fair compensation and welfare compatible with their performance assessment levels and the company’s own performance outcomes in comparison with market and industry peers. This included a provident fund, medical welfare, commuter buses, labor relations activities, and an employee’s association consisting of assorted clubs for their recreation after a day’s work.



Customers and Society

The company is dedicated to improving the quality of products and services for maximum customers' satisfaction. Bangchak's policy is also to deliver products of desired quality or of quality beyond customers' expectations under fair, responsible treatment of customers, and aims to give adequate, accurate and timely information about the products and services. Company employees protect the customer's secrets and do not use them for personal gains.

Suppliers / Contractors

Bangchak's code of conduct governs hiring and purchasing, its policy governs fair selection and treatment of business partners, and its regulations deal with the procurement and sales of petroleum and refined products. The purpose is to ensure that its business with partners may proceed properly and responsibly, as well as judicious coordination in both sides' interests. In addition, Bangchak has issued a business contact manual and policy guidelines for its service station agents to ease business partners' contact with Bangchak and enable its operators/agents to conduct business under good governance and a proper code of conduct, while strictly honoring various agreements or conditions. If it is impossible to observe any of these, one must notify business partners in advance to jointly deliberate solutions.

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 as 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. This includes promotion of efficient resource consumption and employee training on occupational health, safety, environmental, and energy matters under the corporate culture "Develop sustainable business, while safeguarding the 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:

- Every quarter, performance outcomes, corporate information, and business outlooks were presented to analysts and investors, both domestic and abroad.
- 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, information disclosure forms, annual report and the company's website, in both Thai and English.
- In place are policies and measures for complaint-making (whistleblowing) by employees or other stakeholders about wrongdoings, violations of the code of conduct, or suspected malfeasance cases involving employees, including false financial reports or shortcomings in the internal control system. Also in place is a mechanism to protect whistleblowers, consisting by keeping their data confidential. This way, stakeholders may take part in guarding the company's interests more efficiently.

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 June and October, and ones among non-executive directors in July and November.
- Organized a study tour on Thermal Waste Treatment Plant in Vienna, Austria in compliance with the company's growth and development clean-energy business and other energy businesses.
- Developed the Board's performance assessment forms for the Board for individual self-assessment and cross-assessment as well as the entire Board, and for the subcommittees alike.
- 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.
- Followed up on the management's execution by assigning the management to report the company's performance and operations to the Board every month.
- 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.
- Appointed is a Law Office in charge of corporate legal matters, including compliance, to ensure that all units completely and accurately comply with laws.



This is achieved by developing legal control self-assessment for all corporate units; supervising license renewals through a reminder system for superiors and employees, and so on; and educating employees through assorted channels like Outlook, internal broadcast, and annual training in laws.

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 2014, the Board developed and provided support to the execution of good corporate governance as follows:

- Revised the Corporate Governance Policy (11th revision) by including a policy on director nomination, minimum meeting attendances by directors, and a Board quorum during voting in Section 3 (Board of Directors), executives' service as another entity's directors in Section 5 (the management), rights of shareholders in Section 7 (rights and equitability of shareholders and Bangchak's role toward stakeholders), and treatment of employees in Section 9 (guidelines for directors, executives, and employees).
- Amended the corporate governance policies of subsidiaries (Bangchak Green Net, Bangchak Biofuel, and Bangchak Solar Energy), first revision, by adding sections' principles and guidelines, including the addition of Section 2 (anti-corruption).
- 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.

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 2014 activities under the "Bangchak's 30-year Journey, Building on Virtue toward Sustainability" theme, featuring employee shows narrating Bangchak's background of the past 30 years and its readiness to build on virtue toward sustainability.

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.

3. Anti-corruption

Bangchak values good corporate governance and anti-corruption alike. The company has enlisted in the league of the UN Global Compact and become one of



the first 22 companies to gain membership certification for CAC (Thai Private Sector Collective Action Coalition against Corruption). In addition, the company has demonstrated its commitment to anti-corruption, as summarized below.

- Issued a policy on rejection of gifts and notifying others outside the company of this policy during festivals and any other period in a move to upgrade its corporate governance and set a good standard for engagement in fair businesses with all related parties.
- Organized a business partner seminar for the year, educating them and supporting their moves to join CAC.

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, for instance, 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 3,993,279 Baht (Bangchak Petroleum Plc: 1,945,973 Baht, Bangchak Green Net Ltd.: 706,372 Baht, Bangchak Biofuel Ltd.: 243,960 Baht and Bangchak Solar Energy Ltd. and its subsidiaries: 1,096,974 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 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. These activities would 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 2014

Activity	Number (times)
Foreign Roadshow	6
Local Roadshow	2
Analyst Meetings	4
Opportunity Day (organized by the SET)	4
Company Visit	25
Conference Call	8
Answering Inquiries by E-mail/telephone	3-4/day
E-newsletter	4
Site Visit	4
Shareholder and Minor Investors Get-together	5

- 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 Investor Relations Section, tel. 0-2335-4580, 83, 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 2014 can be summarized as follows:



Activity	Number (times)
Press Conference / other ceremonies involving the media	18
SMS news alert	43
Press Release	29
Photo Caption	65



10. Social Responsibility

Founded in 1984, Bangchak Petroleum Public Company Limited has adopted its businesses with values and cultures coherently with national energy security and the contribution for better living of the Thai society. From day one, our corporate vision, culture, and missions have been fully aligned with the principle of **Sustainable Business Development in Harmony with the Environment and Society**. This principle demands clear alignment and strong adherence between business activities and the environment and society, as well as the adoption of the Sufficiency Economy philosophy, corporate governance principles, and principles of social responsibility. These principles have been integrated and applied to drive Bangchak toward sustainable growth under the corporate vision of **“creating an energy business that is environmentally friendly for sustainable development”, or “Greenenergy Excellence”**.

With its 30-year anniversary observed in 2014, Bangchak’s business growth has expanded from fossil fuel into various alternative/renewable energy sources to meet demand of stakeholders and correspond to the national and global changes on society and the environment. As a good corporate citizen, Bangchak is fully committed to growing invariably to its original work philosophy in creating value for society and the environment with both CSR in-process and CSR after-process activities, designed and executed at all levels from local communities, communities surrounding the refinery, to the nation. All work activities promote stability and strengthen preventive capability toward better, sustainable economy, society, environment, and energy security for Thais. These missions are adhered to by executives and all employees of all units under the employee culture of **“To be virtuous, knowledgeable, and contributive to society”**.

According to the Company culture and vision, the Company has instituted risk management practices to diversify income to businesses with more stable income in tandem with environmental stewardship achieved through being a **Low-Carbon Company**, extending to a **Green Society** with a **Green Process** in all refining stages since 2013. It sells **Green Products** (meaning alternative-energy forms sold through all service stations), practices **Green Management** and **Green Procurement** meaning implanting low energy usage in employees’ habits and consuming of green products in **Green Office & Green Building**, while growing green society to incorporate affiliates, business partners, and stakeholders. In addition, Bangchak has introduced sustainable management



as its key component, ranging from its strategic planning, where social and environmental KPIs are made operating goals on top of business ones (financial, customer, process, and people). These are then deployed into action for business lines, division, executives and employee as follows:

1. *Grow the business and increase new business*

The company has defined business growth goals to grow sustainable value for its business by restructuring its EBITDA from refining business, which is highly volatile by nature of the refining business—whether world market prices or refining margins that are subject to global and regional economic conditions—which could in turn result in the company's performance being also volatile. The company has increases its EBITDA in renewable energy business to 50% in 2020, including solar-energy power generation, biodiesel production, ethanol production from energy crops- which is a secure income business and has low risks from external factor.

2. *Low Carbon Company*

Recognizing that its oil refining business belongs to the energy-consuming industry, Bangchak strives to become a Low-Carbon Company by emitting minimal net volumes of carbon dioxide to minimize environmental impacts arising from its business. Investment is made to produce and sell clean fuels with less environmental impacts than other fuels. Bangchak was in fact the first company to produce and sell gasohol and biodiesel. The company added energy stability in production processes by purchasing power and steam from a cogeneration power plant fueled by natural gas, a green form of energy. Bangchak is also studying diesel production from algae and renewable energy from household waste. It also plans to continually upgrade the refinery's energy efficiency.

3. *Socially and Environmentally Friendly Business Models (In-process)*

The company is determined to do business in such a way that not only can it sustain continuous growth, but also simultaneously generate positive impacts on society and the environment. Such a model that the Company has been operating successfully is the cooperation model of petrol stations operated by agricultural cooperatives. Also, Bangchak buys agricultural products of communities for use as its sales promotional giveaways to grow



these products' markets, while giving these products access to consumers. Bangchak joined the Ministry of Agriculture and Cooperatives, Ministry of Energy, and Bank for Agriculture and Agricultural Cooperatives in developing a new business of turning deserted orange plantations into an oil palm plantation to generate income for Rangsit farmers in line with the public sector's alternative/renewable energy promotion plan. An indirect benefit is that Rangsit areas can absorb water further to counteract land subsidence and floods that may ruin Bangkok Metropolis.

4. *Open, Transparent and Verifiable*

The Company adheres to an open, transparent and verifiable policy in its operations. Operational data are transparently disclosed under good corporate governance and The Stock Exchange of Thailand rules. Applying proactive environmental management, it discloses online data on quality of air and effluents around the refinery by posting electronic sign board at the entrance to the refinery and surrounding communities.

Safety, Security, Occupational Health, Environment, and Energy Management (SHEE)

Safety is vital to the organization and stakeholders. All executives and all employees are directly responsible for safety, security, occupational health, environment and energy under the **“SHEE are everyone's responsibility”** theme. They are held responsible for all stakeholder groups, themselves, peers, communities, and society. The company therefore has a standard safety management system, ranging from policy-making, compliance to specific standards, such as American Petroleum Institute: API, National Electric Code: NEC, International Electro-technical Commission, American Society Mechanical Engineering: ASME, American Society for Testing and Material: ASTM, etc. Also, it has standard for development of employees' competence in work performance, assessment, and reviewing by senior executives for support of necessary resources and continuous improvement. (PDCA).

1. Define, review, and keep updated the SHEE Policy toward excellence.
2. Put in place a management structure to consistently ensure systematic, participative processes by all employees.
3. Establish a safety culture.
4. Promote SHEE awareness and “work safely” behavior. Some SHEE Awareness activities such as



- **“Moment of CARE”** is designed to nurture all employees and contractors with SHEE awareness and safe work practices. Executives and employees are given opportunities to write notes with care and support contents to all peers and contractors.
 - Distribution of **portable safety manuals** to employees and contractors.
 - **SHEE talk:** A SHEE talk is compulsory before all meetings, designed to promote communication on safety, occupational health, environment, and energy among management and employees.
 - **SHEE Channel:** SHEE Channel is a set of activities designed to support communication among employees via corporate communication channels, including company broadcast, internal electronic mails, LCD screens and posters located at various places in each building under subjects of BB-SHEE and We Care-We Share.
5. Develop workers’ capability, knowledge, and competence.
 6. To efficiently conduct SHEE management, Bangchak commits itself to the accreditation of international management standards, including ISO-14001 for environmental management, OHSAS/TIS 18001 for safety and occupational health, ISO 17025 for quality laboratory, ISO 27001 for IT system security, ISO 22301 for business continuity management, ISO 50001 for energy management, and ISPS Code for sea port safety and security management.
 7. Enhance plant reliability.
 8. Upgrade the process safety management (PSM) system.

Under proactive management for health and occupational health, Bangchak initiated a risk assessment program on occupational health. Work space redesign was executed to limit unsafe possibility from the source. The work environment including chemicals, light, noise, and heat, is regularly monitored to define preventive and mitigation measures, as well as improving workplace safety. These initiatives include:

1. Conducted health risk assessment.
2. Deployed proactive occupational health processes, including;
 - Employee health checkups before, during, and after employment.
 - Annual employee health checkups on a standard program and specific programs for those working under specific occupational health risks prescribed by Bangchak’s occupational health doctors and medic personnel. These occupational health specialists regularly identify special health checkups for certain personnel, follow up, and analyze the health status of these people, both at



- home and at work; and prescribe medication if unusual medical results are found.
- International-standard procedures and monitoring programs for certain personnel with occupational health risk exposure, and grouping of these personnel by risk level of low, medium, and high.
 - Development of occupational health programs for contractors, including proper preparation of work space, personnel protective equipment, and knowledge-sharing during the refinery's planned maintenance shutdowns.
3. Promoted communication with employees on health and occupational health
 4. Improved physical work space for workers, including adjustment of work space for safety and increasing light intensity in working areas.
 5. Improved work space exposed to a chemical environment, including regular measurement of Volatile Organic Compounds (VOCs) and conversion of production units into additional closed systems, including closed system for waste water treatment pond.
 6. Improved Hearing Conservation Program such as using auditory conservation measures in the workplace, including measurement of noise levels and mapping of noise contours for noise reduction and prevention. Erected a sound wall; notified areas with loud noise for workers to be well prepared and act accordingly; provided special health checkups on hearing ability and hearing disorders for individuals; and equipped high-risked personnel with hearing measuring devices, and so on.
 7. Improved ergonomics in work space, including installation of ergonomic chairs in control rooms for workers required to sit for long hours.

Employee care

Regarding employees as a vital component of business success that enhances corporate virtue as well as value and drives corporate sustainability, Bangchak continuously looks after and develops employees' capability, including their compensation, which is derived from benchmarking outcomes within the petroleum industry (upstream, midstream, to downstream) and peer industries, and Bangchak's own welfare, which is far superior to legal requirements. This year, to put these systems on a par with international standards, Bangchak enrolled in the "Best Employer" project, which seeks to find outstanding employers in Thailand to exemplify successful businesses due to outstanding employee administration. The project is operated by the Sasin Graduate Institute of



Business Administration of Chulalongkorn University and the Aon Hewitt (Thailand) Co., Ltd., a renowned international consultant on personnel administration. Conducting a survey every two years, the project was designed to heighten employee engagement, leadership efficiency, reputation of employers, and an internal culture that drives an efficient organization. To this end, workforce analysis and planning are first prepared for the analysis and planning of manpower needs for each period. Then, an adequate number of employees should be in place for corporate expansion. The planning also prescribes how this manpower will be acquired from outside and inside the company. Development of existing personnel's capability to the desired qualifications, as specified by plans, is illustrated below:

1. Building High Performance Culture

- 1.1 Defining competencies for each position to develop professionalism fitting each duty and position through properly prepared training processes
- 1.2 Career Path and Learning Development Program defines career-path criteria for all employees, grouping them into management and specialist such as Senior Petroleum Refining Executive etc. All employees have opportunities to progress in the lines and professions of their choice.

2. Building Effective Leadership & Leadership Pipeline

- 2.1 In preparing key corporate successors, one extracts the ability or caliber of all executives to achieve corporate success:
 - 2.1.1 For 2014, leadership DNA was assessed for Bangchak executives under the following process:
 - Assessment made through the Assessment Center on the "5 Gives" leadership characteristics (leadership branding).
 - 90-Degree Assessment (Self & Boss) on the "5 Gives" leadership characteristics (leadership branding).
 - ADEPT personality questionnaire, a psychological test relying on the analysis of thinking, basic individual habits, and personalities.
 - 2.1.2 For 2014-2015, succession planning covers department Vice President up to Senior Executive Vice Presidents.
 - 2.1.3 For 2015, development of successors will be planned for these positions through various development processes with a focus on development on the job and coaching rather than formal training.
- 2.2 Young Talent Management: Besides grooming executives, Bangchak runs this program for high flyers, who are apt to be



chosen for capacity-building for other tasks or businesses for the company.

2.3 Employee Engagement is another yardstick for Best Employer, surveyed every year for future improvement and development

Bangchak has prepared a roadmap for becoming the Best Employer by 2019. To this end, it had set a Best Employee score this year at more than 60% as the corporate KPI on the Balanced Scorecard on Learning and Growth. This goal has been exceeded, with 66% achieved.

Social and environmental responsibility activities

Environmental

Bangchak's core business being in oil refining, the monitoring of VOCs (Volatile Organic Compounds) in parallel with good turnaround maintenance is critical. This year, the company closely controlled VOCs emissions through the following processes:

- Establishment of a VOC inventory (VOC emission records) by experts and development of plans to control and reduce VOC emissions.
- Treatment by cleaning and segregating oil emulsion from the wastewater treatment system to reduce the agglomeration of oil residues under a closed system by rooftop installation. The VOCs emission reduction outcomes were quite efficient, corresponding positively to VOC emission measurement in the wastewater treatment work area compared with previous years.
- Daily measurement of the fugitive VOCs with a portable measuring device under the US EPA standard.

The flare is a vital part for petroleum and petrochemical plants because it is a safety instrument which ensures that the flare gas and liquids are released and eliminated from production processes through complete combustion for the benefit of plant safety and minimized impacts on the environment and communities. Although during normal periods, no gas is flared due to standardized design and communities' appreciation of the flare's function, Bangchak maintains more projects and measures to mitigate the impacts of flaring by avoiding gas flaring by increasing production control reliability and improving flare performance through the following actions:

- Installed equipment to restore the gas from RSU (Reformate Splitter Unit) and from the hydrocracking unit (4C-105: Product



Fractionators) that constantly enters the flare for reuse in the process gas system, which is expected to become functional by June 2015

- Managed the project to modify the flare into a ground flare stack.
- Developed the communication protocol with communities and their participation through the likes of annual major turnaround planning and informing the communities at least a month ahead of time, and scheduling officers or Bangchak employees to call on communities around the refinery to reach an understanding about the annual major maintenance turnaround or other shutdowns.

Bangchak's measures concern continual water consumption reduction and water reuse (in offices and processes). This year Bangchak exercised its measures to curb water consumption. It used a micro-filtration system in parallel with the reverse-osmosis system, used quality condensate water in place of water for boilers at Plant 2 and the Power Plant, used stripped water from the sour-water stripping unit and the stripping steam instead of piped water, and treated slightly contaminated condensate water for reuse in the boiler feedwater system. Bangchak consumed 2,388,903 cubic meters of piped water from the Metropolitan Waterworks Authority, or 2.19 cubic meters per barrel equivalent of produced oil.

Air emission considers to be top priority for Bangchak throughout its first three decades of operations. Its corporate culture demands business to develop in parallel with the environment and society since 1984. Bangchak's ultimate goal is not merely to fully comply with all rules and regulations, but also to cause no impact on society. Numerous investment programs have been installed to consistently reduce air emissions, including the reduction of all pollutants at sources to ensure the use of clean fuels in production processes.

An international, experienced third party has been employed to conduct independent measurement of the air quality emitted from distillation towers at every six-month period or sooner. The measurement follows the U.S. EPA (United States Environmental Protection Agency) standard including NO_x, SO₂, H₂S, and TSP (total suspended particulates) measurement as part of Bangchak's environmental monitoring program. Emissions from all refining units are combined as a mass flow rate or the total air emissions, with the exception of the H₂S, which is emitted only from the SRU (Sulfur Recovery Unit) tower.



Social

In its participation in community and social development close to the refinery, the company encouraged employees' activity participation with neighboring communities (CSR in-process) to forge trust and friendship, while being helpful to them under a safe feeling. As the urban society gets increasingly diverse, marked by booming condominium growth, the company's plans and objectives for each target group fall into three phases: establishing relations, joint thinking and action, and joint development and drive for self-reliance. Various projects primarily take into account relationship and a response to lifestyles of target groups. This year, Bangchak initiated a community panel seminar to highlight community opinions and follow up with quality activities in line with public problems, notably education and youth development—these communities' primary interest. As for CSR after-process, convinced that “sustained happiness comes from sharing”, Bangchak seeks to ensure that the Thai society exists happily. With that in mind, the company proceeded with a project to educate stakeholders on social and environmental responsibility to grow its partner network for a green society, including business partners, service stations, and the public. Continuing its emergency plan training, the company also provided chemical knowledge to surrounding communities, schools, and condominiums. It improved the format of emergency communication from the refinery to communities for greater clarity and practicality for each community's living conditions. With clarity and commitment to its social and environmental responsibility, Bangchak has become stronger in concept and practice to lead and drive partners/stakeholders toward a green society, in the process developing the caliber of Bangchak's business partners' business responsibility to the environment and participation in social development.

New community and social projects

On reaching its 30th anniversary, the heart of Bangchak's stewardship of communities and society at large is not just its best efforts of environmental and social responsibility where business growth is concerned, but the company's ambitions are also to ensure that the Thai society can continue, as can Bangchak's dedication of willpower as a corporate citizen to bring social benefits under the belief that “sustained happiness comes from sharing”. The ultimate aim is for Thais to be aware of our co-existence in this land in a sufficient way.



Sharing	Rekindling awareness of sharing	Sharing innovation
- Bangchak's 30-year Journey: Baht 30-Million Contribution to Thai Red Cross Society. Donation of cash & blood donation buses/vans & medical apparatus for the Bhumisiri Mangalanuson Building, Chulalongkorn Hospital. - The Bangchak Service Station Green Partnership Project expands the concept of social & environmental responsibility to the network of service station operators in their stewardship of consumers, the environment, communities & society, and employees.	"Sharing" ad film: Life story of Mr. Jon Jandai, the founder of the Pun Pun Center for Self Reliance, a seed saving center and sustainable living and learning center for self-reliance & seeds. A firm believer that genuine local seeds are the foundation of self-reliance & sustained happiness, he collects and shares them with those around him so that happiness may take root in the Thai society. - Produced & publicized the "Phaen Din Nee Mee Phaw" melody, with lyrics composed by Mr. Nitiphong Hornak and sung by Mr. Asani Chotikul. The hope is to rekindle Thais' awareness of a traditional caring Thai society.	Invented new sales promotional giveaways: roast rice tea and roast rice green tea, designed to ease the hardship of rice farmers amid the rice-pledging crisis. Tea growers in Chiang Rai province, devastated by an earthquake, conceived these products, adopted by Bangchak.

Economic	Social	Environmental
- Expanded the network of community service stations from 617 to 626 - Promoted the use of community products as Bangchak's sales promotional giveaways, like the organic brown rice (known as Mee Dee Sarm Tor), a product of the Rai	Education: The Thailand Go Green 2014 Contest Project under the "Eat Smart, Live Smart, Use Renewable/ Alternative Energy Smart: Thailand Go Green" theme for students nationwide to jointly conduct the project and live environmentally friendly lives.	Purchase of used vegetable cooking oil to make biodiesel to reduce crude imports while easing environmental impacts of dumping the used oil into public water sources. This year, there were 108 tons bought, used for biodiesel production more than 92,000 liters and 72 tons of



Choen Tawan community enterprise group. The location is supervised by revered monk Waw Wachiramethi. Over Baht 16 million has returned to the community.		greenhouse gas emission averted.
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New projects to address the needs of nearby communities and society

In CSR-in process social and community development, Bangchak's clear goal is to convey friendship, usefulness, and a feeling of safety to communities through its Environmental and Community Relations Division. Bangchak being located amid urban citizens, diversity marks communities around the refinery, leading to different plans and targets for individual groups. In any case, two-way communication is the predominant means of communication, complemented by opinion surveys of these matters, which gauge their ideas and expectations of Bangchak. This leads to an extension of community relations activities that rely on participation in new projects to improve current operation and overcome social problems, particularly education and youth development.

Education	Relation	Environment
- Ran a project on simple reading and writing literacy to ease child illiteracy (reading & writing) in communities & schools. This national problem is found even in Bangkok schools today. - Youth development under the Gen-D Project: Invigorating youths, adjusting attitude, and resolving risk behavior of students of three schools around the refinery.	Staged a mobile seminar with the community panel to forge relations and share communities' views and needs. The seminar provided opportunities for clarification of Bangchak's stance, policies, and responsibility to the organization.	Ran a 3-year project promoting biodiversity: "Fireflies, a Path to Conservation", along with community leaders of six subdistricts around area of Amphoe Phra Pradaeng, Samut Prakan province. The project's deliverable is a rehabilitation plan and conservation of green areas in Kung Bang Kachao (Bangkok's urban lung) for greater fertility, indicated by the firefly population. The monitored project will run from 2014 to 2016.



Ongoing projects for nearby communities and society

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.	• My School (Bangchak Employees volunteer to teach kids in surrounding area), Year 12th • Open up the World of Knowledge with Bangchak, year 11th • Project Citizen, Year 5th • Bangchak Youth Scholarship Project, Year 10th • Bangchak GIFTED, Year 4th • Teacher Upgrading, Year 5th • Waen Kaeo project, Year 4th
Safety	• Confidence in refinery's safety • Safety immunity for handling emergencies or catastrophes	• Trained schools / communities / nearby condominiums on emergency drills and firefighting • Donated firefighting apparatus
Sports	• Strong and healthy youths who stay away from drugs • Ability to generate income and good educational opportunities through sports	• Bangchak Youth Futsal Tournament, Year 11th • Bangchak Youth Football Club, Year 8th
Quality of life	Promotion of quality of life	• One Family, Year 21st • Healthy Community Project
Environment	Awareness of environmental woes and cost-effective application of resources	• Thot Pha Pa, Raksa Ton Nam by employees and participating schools around the refinery and those in Chaiyaphum, Year 10th • Mobile Communities, Sapling Planting, Phu Long Reforestation Year 5th, 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 cooking oil from communities around the refinery, Year 3rd
Relations and cultural preservation	Promotion of cordial relations between refinery and its neighbors	• Mobile Communities, Year 5th • Filling up with Knowledge with Bangchak Refinery Year 9th • Khrop Khrua Bai Mai Bulletin, Year 10th and Rop Rua Bangchak Newsletter Year 9th • Sanook kids, Waan pid term, Year 5th • National Children's Day Year 30th



Economic	Generation of income and opportunities for community residents to leverage their competencies and to benefit themselves and their families	• Food stalls run by community residents catered to thousands of contractor employees during the Refinery major maintenance turnaround period, with some Baht 1.86 million generated for the communities. • Use of communities' cooking and sweets • Hiring of locals with adequate competencies • Community occupational promotion and development project Year 2nd
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Regarding vendors and suppliers as critical players in the company's success, Bangchak puts in place a policy supporting procurement of domestic goods and services, promotion of green merchandise, and development of their sustainability together with Bangchak's. Therefore, Bangchak has since 2008 established E-procurement to ensure procurement processes marked by clarity, transparency, ethics, with equitably detailed procurement for the sake of fair competition, contractor management filled with respect for human rights and conformance to labor laws. Bangchak reviews merchandise qualifications to fit tasks and users' safety in addition to minimal environmental impacts before price setting so as to focus on merchandise with the right qualifications for given tasks.

This year, Bangchak has taken the following actions on its purchasing and hiring system, while modifying business processes to cater to vendors' and suppliers' desires as follows:

- Migrated to the SAP SRM system in September for transparent and accountable procurement
- Increased capacity for contractors and suppliers through training and seminars on **Anti-Corruption** to stress procurement ethics and transparency and invite business partners to participate and accept the company's invitation to join CAC membership, on **Environmental aspect** together with the procurement of green goods and services to make them aware of green products and services, and on **Labour Law aspect** which the contractors and suppliers would comply with the law.
- Encouraged corporate procurement of green products and services, beginning with office supplies and increasing in number.
- Drove business partners' efforts for green industry certification, so as to jointly and proactively develop the industrial sector in a



- concrete way with a goal to continually develop all business partners into green companies.
- Managed relationship with contractors, vendors and suppliers, and business partners every year by listening and acknowledging their views and continually apply them to the improvement of business.
 - Communicated relevant news and information to business partners by business processes and E-mail, including the policy of rejection of gifts in all circumstances.

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 goal is deliberated by the Board in a clear and measurable way for use as concrete guidelines for employees. The company updated working policies, employee manual, working process, organizational structure and working groups so these would help management work efficiently. In addition, the management 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 CG Day 2014 under the “Bangchak’s 30-year Journey, Building on Virtue toward Sustainability” topic, with employee shows to narrate the company’s background over the past 30 years and commit the company to furthering good deeds toward sustainability.

Moreover, the company made it a policy to refrain from accepting gifts in a bid to elevate CG and set a high standard for fair business engagement with all related parties. It also staged a business partner seminar 2014, educating them and promoting their conformance to joining CAC (Thailand’s Private Sector Collective Action Coalition against Corruption).

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 Enterprise-wide Risk Management Committee (ERMC) to define policies, strategies and enterprise-wide 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 and BCM Taskforce, 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. Bangchak is the first domestic refinery to win ISO 22301 certification (business continuity management) and undergo constant surveillance surveys from the accreditor.

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. There is 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, the company added knowledge under the Lean Process and Kaizen concepts to promote work efficiency and lower losses. To prevent siphoning of interests, watertight measures are in place in case the company engages in transactions with the major shareholder, directors, and so on. Transaction approval is mandatory without involvement by parties with vested interests. Furthermore, data for such transactions must be disclosed under the regulations of SEC, as must data about related parties or entities under applicable accounting standards.

In addition, the business processes and corporate governance policy of Bangchak Biofuels Co., Ltd., Bangchak Solar Energy Co., Ltd., and Bangchak Green Net Co., Ltd. (the Company's subsidiaries) were reviewed.

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, the company 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

To ensure that Bangchak conducted comprehensive risk management with maximum efficiency and effectiveness, Enterprise-wide Risk Management Committee (ERMC) monitored, observed, made recommendations on, and reviewed the risk management outcomes that



affected company performances. On the whole, ERM C successfully executed its work plans and endorsed the approaches and policy of risk management through the development of a corporate risk management manual for executives and employees to use as a guide. In addition, ERM C promoted affiliates' adoption of enterprise-wide risk management to ensure efficient business execution and goal achievement. A performance summary appears below.

- 1. Reviewed and provided recommendations for investment in emerging businesses:** The committee supervised, reviewed, and provided recommendations on risk management for all investment projects in new businesses before tabling them to the Board for approval. It is to ensure that such businesses command suitable risk management practices and stand a good chance of goal achievement.
- 2. Steered strategic risk management:** ERM C steered strategic risk management under evolving circumstances affecting long-term corporate goals by setting primary risk KPIs for tracking changes and formulating strategic plans.
- 3. Advocated Business Continuity Management (BCM):** The committee monitored and established BCM by regularly preparing the company's strategies, personnel, and resources. As a result, this year, Bangchak achieved certification of ISO 22301-2012 (business continuity management) for its head office, Bangchak Refinery, Bangchak Oil Distribution Center, Central Region Business Office, and Bang Pa-in Oil Distribution Center, as assessed by MASCI (Management System Certification Institute (Thailand)). This certification promotes stakeholders' confidence that the company can continue its business uninterrupted during crisis.

In summary, ERM C values risk management and BCM for Bangchak to manage its businesses under a risk management system characterized by effectiveness, adequacy, and suitability for business goal achievement.

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 54
- 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 (DAP89/2011), Thai Institute of Directors (IOD)
 - Audit Committee Program (ACP39/2012), 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.
 - Director Certification Program (DCP198/2014), Thai Institute of Directors (IOD)
- 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 2013 and 2014, connected transactions with the shareholders were as follows:

Company	Relationship	Connected transaction	2013 Baht (million)	2014 Baht (million)
PTT Plc	Major shareholder	• Value of sale of refined products to PTT	17,584.34	14,094.53
		• Other revenues	134.33	129.14
		• Trade debtors as of the end of the period	1,595.40	614.25
		• Value of purchase of refined products from PTT	123,813.37	107,138.83
		• Trade creditors as of the end of the period	9,770.27	4,258.79
		• Creditor to others	763.59	830.29
		• Finance lease liabilities	1,084.58	1,004.33
		• Service fee for the use of PTT's Si Racha Terminal	294.34	305.76
		• Expenses on natural gas, steam and electricity	3,097.76	2,981.60
		• Interest expenses	62.72	58.38
		• Other expenses	4.68	1.84
		• Advance payments for utilities	403.19	415.68

1.2 Connected transactions with subsidiaries, jointly-controlled businesses, associated companies and related companies during 2013 and 2014 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	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	29,171.63	31,560.10	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	65.25	5.52	- BCP holds 70% shares	- BCP delegates its representatives as directors
<u>Associated companies</u>				
Ubon Bio	-	14.62	- BCP holds 21.28%	- BCP delegates its



Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
Ethanol Co., Ltd. Ubon Agricultural Energy Co., Ltd.	1.25	7.08	shares - Ubon Bio-Ethanol Co., Ltd. (associated company) holds 100% shares	representatives as directors - BCP delegates its representative as director
<u>Other related businesses</u> PTT International Trading Co., Ltd. Thai Oil Plc	108.86 493.48	1,522.99 1,656.86	- PTT Plc holds shares in this company - PTT Plc holds shares in this company	- -
IRPC Plc	965.30	1,500.87	- PTT Plc holds shares in this company	-
Star Petroleum Refining Co., Ltd	227.08	181.42	- 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	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Green Net Co., Ltd.	1.66	1.16	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	2,982.26	3,925.01	- BCP holds 70% shares	- BCP delegates its representatives as directors
<u>Associated companies</u> Ubon Bio Ethanol Co., Ltd.	707.22	1,326.32	- BCP holds 21.28% shares	- BCP delegates its representatives as directors
<u>Other related businesses</u> IRPC Plc	1,846.02	6,210.01	- PTT Plc holds shares in this company	-



Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
PTT International Trading Co., Ltd.	-	2,453.65	- PTT Plc holds shares in this company	-
PTT Global Chemical Plc	1,379.42	4,000.26	- PTT Plc holds shares in this company	-
Thai Oil Plc	7,290.66	8,913.73	- PTT Plc holds shares in this company	-
Thai Lube Base Plc	867.87	349.40	- Connected through PTT Plc	-
IRPC Oil Co., Ltd.	12.52	33.79	- Connected through PTT Plc	-
Fuel Pipeline Transportation Co., Ltd.	216.01	335.78	- BCP holds 4.95% shares	- BCP delegates its representative as director
Star Petroleum Refining Co., Ltd	-	5.13	- PTT Plc holds shares in this company	-

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

Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	42.63	6.80	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	28.78	214.06	- BCP holds 70% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy Co., Ltd.	12.77	1,029.80	- BCP holds 100% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Prachinburi) Co., Ltd.	0.57	74.43	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	0.57	41.55	- BCP holds 49% shares	- BCP delegates its representatives as directors



Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
Bangchak Solar Energy (Buriram) Co., Ltd.	0.57	45.27	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Buriram 1) Co., Ltd.	0.57	41.34	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Nakhonratchasima) Co., Ltd.	0.57	41.40	- BCP holds 49% shares	- BCP delegates its representatives as directors
<u>Associated companies</u> Ubon Bio Ethanol Co., Ltd.	0.93	0.02	- 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.	5.26	5.68	- BCP holds 4.95% shares	- BCP delegates its representative as director
PTT Global Chemical Plc	22.50	-	- PTT Plc holds shares in this company	
Thai Oil Plc	29.28	-	- PTT Plc holds shares in this company	

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

Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Green Net Co., Ltd.	0.60	0.47	- BCP holds 49% shares	- BCP delegates its representatives as directors



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1.2.5 Interest expenses paid by the company to subsidiaries, jointly-controlled businesses, associated companies and related companies.

Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	12.96	16.10	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy Co., Ltd.	4.37	5.22	- BCP holds 100% shares	- BCP delegates its representatives as directors
<u>Other related businesses</u>				
Thai Oil Plc	0.05	0.05	- PTT Plc holds shares in this company	-
NPC Safety and Environmental Services Co., Ltd.	1.80	3.12	- Connected through PTT Plc	-
Energy Complex Co., Ltd.	22.57	19.68	- PTT Plc holds shares in this company	-
PTT ICT Solutions Co., Ltd.	17.05	17.28	- PTT Plc holds shares in this company	-
IRPC Oil Co., Ltd.	-	0.03	- Connected through PTT Plc	-
PTT Energy Solutions Co., Ltd.	1.64	6.48	- PTT Plc holds shares in this company	-
PTT Tank Terminal Co., Ltd.	-	0.20	- PTT Plc holds shares in this company	-
PTT Exploration and Production Plc	0.01	0.01	- PTT Plc holds shares in this company	-



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

1.2.6.1 Trade debtors

Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	1,044.93	942.94	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	7.63	1.06	- BCP holds 70% shares	- BCP delegates its representatives as directors
<u>Associated companies</u>				
Ubon Bio Ethanol Co., Ltd.	0.82	1.85	- Ubon Bio-Ethanol Co., Ltd. holds 21.28% shares	- BCP delegates its representatives as directors
Ubon Agricultural Energy Co., Ltd.	0.08	4.87	- Ubon Bio-Ethanol Co., Ltd. (associated company) holds 100% shares	- BCP delegates its representative as director
<u>Other related businesses</u>				
Fuel Pipeline Transportation Co., Ltd.	0.33	0.33	- BCP holds 4.95% shares	- BCP delegates its representative as director
IRPC Plc	53.54	57.59	- 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	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Other related businesses</u>				
Fuel Pipeline Transportation Co., Ltd.	29.82	26.41	- BCP holds 4.95% shares	- BCP delegates its representative as director



1.2.7.2 Other debtors

Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Biofuel Co., Ltd.	-	70.00	- BCP holds 70% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy Co., Ltd.	0.59	0.43	- BCP holds 100% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Prachinburi) Co., Ltd.	0.20	0.22	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	0.20	0.16	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Buriram) Co., Ltd.	0.20	0.16	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Buriram 1) Co., Ltd.	0.20	0.16	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy (Nakhonratchasima) Co., Ltd.	0.20	0.16	- BCP holds 49% shares	- BCP delegates its representatives as directors
BCP Energy International Pte. Ltd.	-	57.68	- BCP holds 100% shares	- BCP delegates its representatives as directors

1.2.8 Creditors of related businesses

1.2.8.1 Trader creditors

Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	3.91	2.17	- BCP holds 49% shares	- BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	228.76	301.80	- BCP holds 70% shares	- BCP delegates its representatives as directors
Bangchak Solar Energy Co., Ltd.	0.45	0.48	- BCP holds 100% shares	- BCP delegates its representatives as directors



Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Associated companies</u> Ubon Bio Ethanol Co., Ltd.	-	151.63	Ubon Bio-Ethanol Co., Ltd. holds 21.28% shares	- BCP delegates its representatives as directors
<u>Other related businesses</u> Thai Oil Plc	310.34	165.52	- PTT Plc holds shares in this company	-
Thai Lube Base Plc	60.14	2.73	- Connected through PTT Plc	-
IRPC Plc	130.82	168.76	- PTT Plc holds shares in this company	-
PTT Global Chemical Plc	57.77	-	- PTT Plc holds shares in this company	-
IRPC Oil Co., Ltd.	-	6.47	- Connected through PTT Plc	-

1.2.8.2 Other creditors

Related company	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Other related businesses</u> Fuel Pipeline Transportation Co., Ltd.	21.44	34.34	- BCP holds 4.95% shares	- BCP delegates its representative as director
Energy Complex Co., Ltd.	0.12	0.19	- 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	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Other related businesses</u> Energy Complex Co., Ltd.	4.75	4.76	- 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	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2014	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Green Net Co., Ltd.	28.56	29.02	- 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	2013 Baht (million)	2014 Baht (million)	Relationship for the year ended 31 December 2013	
			Shareholding	Management
<u>Other related businesses</u> Fuel Pipeline Transportation Co., Ltd.	4.40	3.92	- BCP holds 4.95% shares	- BCP delegates its representative as director

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.

The company entered into an agreement with PTT PCL on the operation, production, and maintenance of a public utility unit that generates electricity and steam. Calling for



monthly fee payment, the agreement covered 16 months, ending in August 2014, with an administration fee as agreed and other conditions in line with regular businesses.

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 BCP Energy International Pte, Ltd.

A subsidiary company in Singapore, BCP Energy International Pte, Ltd. was set up to engage in businesses concerning energy, petrochemical, and natural resource abroad. These connected transactions followed normal business practices, relied on market prices.

11. 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.



- 12. 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.
- 13. 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.
- 14. 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
- 15. 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.
- 16. 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.
- 17. 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.
- 18. 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.
- 19. 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
- 20. 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.
- 21. 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.
- 22. 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.
- 23. Connected transactions with IRPC Oil Co., Ltd.**
Transactions with this company, a connected company as a result of shared relationship through PTT, 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 PTT Energy Solutions 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 PTT Tank Terminal 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. Major connected transactions must be reviewed and approved by the Board.