



7. Securities and Shareholder Information

• Registered Capital and Paid-up Capital

The Company's registered capital amounted to Baht 1,376,923,157 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.

• Shareholders

Top 10 Major Shareholders (as of September 7, 2018)		Number of Shares	Shareholding (%)
1.	Vayupak Fund 1	201,873,600	14.66
2.	Social Security Office	199,128,697	14.46
3.	Ministry of Finance.	137,442,767	9.98
4.	Thai NVDR Co., Ltd.	120,439,428	8.75
5.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	33,642,198	2.44
6.	STATE STREET BANK EUROPE LIMITED	31,304,143	2.27
7.	AIA COMPANY LIMITED -EQ4-P	30,000,069	2.18
8.	Bangkok Life Assurance PLC	23,056,200	1.67
9.	Krungsri Dividend Stock LTF	22,045,400	1.60
10.	NORTRUST NOMINEES LIMITED-CL AC	17,313,500	1.26
Top 10 Total		816,246,002	59.28
Grand Total		1,376,923,157	100.00

Shareholders through Thai NVDR Co., Ltd. Who owns more than 0.50% of the paid-up BCP shares

Top Major Shareholders (as of September 7, 2018)		Number of Shares	Shareholding (%)
1.	N.C.B.TRUST LIMITED-NORGES BANK 5	18,743,578	1.36
2.	BNY MELLON NOMINEES LIMITED	16,931,700	1.23
3.	STATE STREET BANK EUROPE LIMITED	14,549,875	1.06
4.	RBC INVESTOR SERVICES BANK S.A.	8,565,400	0.62
5.	STATE STREET BANK AND TRUST COMPANY	7,947,100	0.58
Total		66,737,653	4.85

Source: <http://www.set.or.th/set/companyholder.do?symbol=BCP-R>

Note: Investors can examine updated shareholders' information at Bangchak's website before the AGM

• Issuance of other securities



Debentures

Tris Ratings Co., Ltd., assigned for Bangchak's corporate and debt instruments 'A' credit ranking with a 'stable' credit outlook.

In 2018, Bangchak issued domestic, name-registered, unsubordinated, and unsecured bonds with a bondholder's representative worth Baht 11 billion. As of the year-end, Bangchak posted Baht 25 billion in all outstanding debentures, as detailed below:

Debenture	Value (Baht million)	Interest rate (%/year)	Maturity (years)	Redemption Date
BCP194B	2,000	4.35	5	April 11, 2019
BCP194A	2,000	4.92	7	April 30, 2019
BCP208A	3,000	2.13	2	August 10, 2020
BCP214A	2,500	4.81	7	April 11, 2021
BCP224A	1,000	5.35	10	April 30, 2022
BCP238A	400	2.96	5	August 10, 2023
BCP244A	3,500	5.18	10	April 11, 2024
BCP258A	600	3.42	7	August 10, 2025
BCP273A	2,000	4.72	12	March 3, 2027
BCP28DA	7,000	4.04	10	December 20, 2028
BCP303A	1,000	5.05	15	March 3, 2030

Dividend policy

Bangchak Corporation Public Company Limited

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

Dividend Payment History



Year	2013	2014	2015	2016	2017 (Restate)	2018 (first half)
Earnings per share (Baht/share)	3.38	0.52	3.01	3.47	4.07	1.56
Annual dividend (Baht/share)	1.35	1.00	2.00	1.80	2.15	0.85
Dividend payout ratio (%)	40	192	66	52	53	54

Subsidiaries' dividend policies (only dividend-paying ones)

- BCPG Plc.

This company's dividend payment is no lower than 40% of its net profit according to separate financial statements after deduction of all reserved funds under its regulations and related laws. The Board of Directors' resolution on dividend payment will be raised for the approval of the shareholders at the AGM, except for interim dividend payment, which the Board authorized to approve and make a subsequent report to shareholders' meeting. Dividend payment is subject to each year's economic situation, the company's cash flow, and investment plans of Bangchak and affiliates. The Board, however, will also take into consideration other factors as seen appropriate.

- BBGI Plc.

The Company has the policy to pay out dividend to the shareholders at the rate of not less than 40 percent of net profit after deduction of allocation of legal reserve. However, this is subject to the Company's cash flow and investment plans according to the necessary, appropriation and other concerning as the Board of Directors' consideration.

- 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

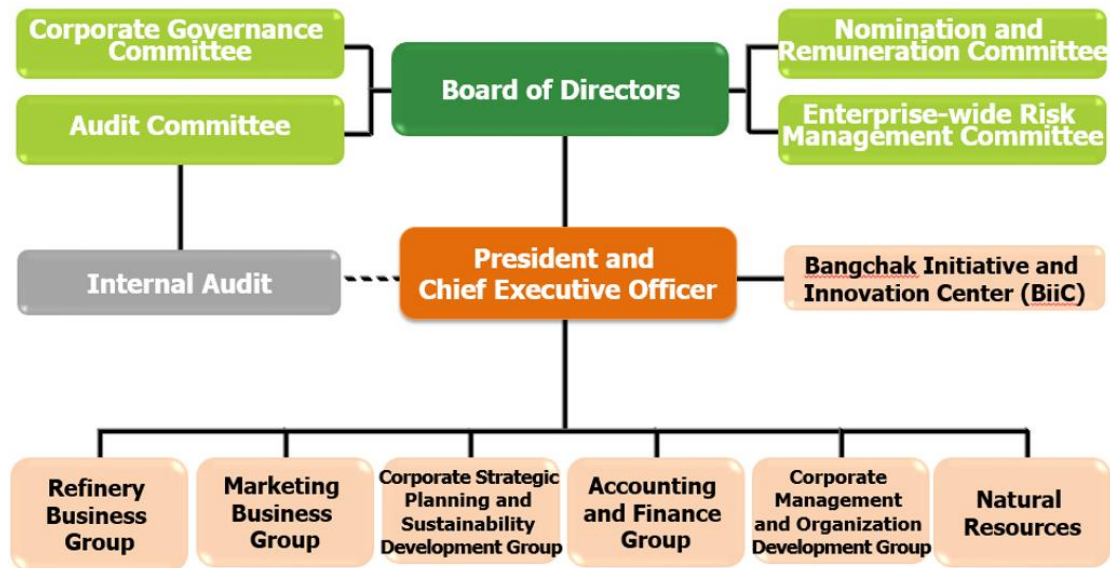


shareholders (AGM). For a given year, if the company's profit is less than the dividends calculated for holders of preferred shares, all dividends are to be paid from such profit to holders of preferred shares only, and none is to be paid to holders of common shares. Any outstanding dividends for holders 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.



8. Management Structure

The Board of Directors and the management perform in the best interests of Bangchak and its shareholders under a clear, balanced, and accountable management structure. The Board monitors and ensures that the management implements its policies, plans and strategies, and that there is clear distinction of roles and responsibilities between the Board and the management.



As of December 2018

Note: The Audit Committee considers, appoints, transfers, dismisses, and undertakes annual evaluation of the Chief Audit Executive and review the independence of Internal Audit.

1. **Board of Directors** There were 15 directors (As of 31 December 2018) as follows:

	Name	Position	Appointment date
1.	Mr. Pichai Chunhavajira	- Chairman (Independent director)	24 April 2012 (Independent director since 1 June 2017)
2.	Mr. Surin Chiravisit	- Vice Chairman (Independent director) - Chairman of the Nomination and Remuneration Committee - Member of the Enterprise-wide Risk Management Committee	8 April 2010
3.	Mr. Suthep Wongvorazathe	- Independent director - Chairman of the Audit Committee - Member and Secretary of the Nomination and Remuneration Committee	30 October 2012



	Name	Position	Appointment date
4.	Gen. Vitch Devahasdin	- Independent director - Chairman of the Corporate Governance Committee	5 April 2016
5.	Adm. Sucheep Whoungmaitree	- Independent director - Member of the Nomination and Remuneration Committee	26 May 2015
6.	Pol.Lt.Gen. Chaiwat Chotima	- Independent director - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	9 April 2014
7.	Lt.Gen. Thammanoon Withee	- Independent director - Member of the Nomination and Remuneration Committee	28 February 2018 Replacing Gen. Apirat Kongsompong
8.	Mrs. Prisana Praharnkhasuk	- Independent director - Member of the Audit Committee	5 April 2016
9.	Mr. Teerapong Wongsiwawilas	- Independent director - Member of the Corporate Governance Committee	26 January 2017
10.	Dr. Poramettee Vimolsiri	- Independent director - Member of the Enterprise-wide Risk Management Committee	7 June 2018 Replacing Mr. Krisada Chinavicharana
11.	Mr. Jarin Chakkaphark	- Director (Representative of Social Security Office) - Member of the Corporate Governance Committee	12 October 2017
12.	Mr. Prasong Poontaneat	- Director (Representative of Ministry of Finance) - Chairman of the Enterprise-wide Risk Management Committee	24 April 2012
13.	Dr. Anuchit Anuchitanukul	- Director (Representative of Ministry of Finance) - Member of the Enterprise-wide Risk Management Committee	25 April 2018 Replacing Mr. Visit Vongruamlarp
14.	Dr. Prasert Sinsukprasert	- Director - Member of the Enterprise-wide Risk Management Committee	5 April 2016
15.	Mr. Chaiwat Kovavisarach	- President and Chief Executive Officer - Member and Secretary of Corporate Governance Committee - Member and Secretary of Enterprise-wide Risk Management Committee - Secretary of the Board of directors	30 October 2012



Name		Position	Appointment date
Directors whose terms were completed and resigned directors in 2018			
1.	Gen. Apirat Kongsompong	- Independent director - Member of the Nomination and Remuneration Committee	26 September 2013 (Resigned on 26 February 2018)
2.	Mr. Visit Vongruamlarp	- Director (Representative of Ministry of Finance) - Member of the Enterprise-wide Risk Management Committee	8 April 2015 (Completed term on 25 April 2018)
3.	Mr. Krisada Chinavicharana	- Independent director - Member of the Audit Committee	23 November 2015 (Resigned on 31 May 2018)

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. Chaiwat Kovavisarach with affixation of the Company's seal or any one of these two directors signs jointly with Mr. Surin Chiravisit or Mr. Suthep Wongvorazathe or Pol.Lt.Gen. Chaiwat Chotima or Adm. Sucheep Whoungmaitree or Mrs. Prisana Praharnkhasuk or Lt.Gen. Thammanoon Withee, being two persons, with affixation of the Company's seal.

Board structure

- Board diversity prevails, equipped with a series of skills matching Bangchak's business strategies, which are identified through Board Skill Matrix preparation.
- The Board consists of 5-15 directors without gender discrimination.
Today there are 15 of them, with one female member.
- Independent directors account for more than one-third of the Board. Today there are 10 of them, which exceeds half of the Board, thus conforming to good governance.
- **The Chairman cannot be the same person as the President and Chief Executive Officer and does not belong to any Sub-Committee in view of clear-cut responsibilities and duties.**



Board Skills Matrix

Name/Specific Expertise		Oil business	Retail business	Energy business	International business	Accounting and finance	Management	Compliance	Organizational development and innovation	Society, environment, and safety	Risk and crisis management
1.	Mr. Pichai Chunhavajira	x	x	x	x	x	x		x	x	x
2.	Mr. Surin Chiravisit	x	x	x			x	x	x	x	x
3.	Mr. Suthep Wongvorazathe	x	x	x	x	x	x				x
4.	Gen. Vitch Devahasdin						x	x	x	x	x
5.	Adm. Sucheep Whoungmaitree						x	x	x	x	x
6.	Pol.Lt.Gen. Chaiwat Chotima	x	x	x			x			x	x
7.	Lt.Gen. Thammanoon Withee						x	x	x	x	x
8.	Dr.Porametee Vimolsiri			x	x	x	x		x	x	x
9.	Mrs. Prisana Praharnkhasuk	x		x		x	x		x		x
10.	Mr. Teerapong Wongsiwawilas						x	x	x		x
11.	Mr. Jarin Chakkaphark						x		x	x	x
12.	Mr. Prasong Poontaneat	x	x	x		x	x	x	x		x
13.	Dr. Anuchit Anuchitanukul		x		x	x	x		x		x
14.	Dr. Prasert Sinsukprasert	x	x	x			x				x
15.	Mr. Chaiwat Kovavisarach	x	x	x	x	x	x		x	x	x
Total		8	8	9	5	7	15	6	12	9	15

Independent Directors

There is a need to ensure that independent directors are critical to good governance, looking after the interests of Bangchak and its shareholders by imposing checks and balances on Board decision-making and commanding awareness of their duties with due regard for righteousness and free views from any party's influence. The Board therefore devised definitions and qualifications of independent directors in Section 3.1 of the corporate governance policy, with stricter shareholding requirements than those of SEC and SET, that is, 0.5% against the legal maximum of 1% of the total eligible voting shares of Bangchak, its parent company, subsidiaries, associates, major shareholder or controller, and independent directors' related parties.

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
 - lack of qualifications according to the Public Company Limited Act and the Securities and Exchange Act
 - decision of the shareholders' meeting to resign according to the Public Company Limited Act
 - 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.

Policy on Director Nomination

To nominate Directors, the Company focuses on people with knowledge, capability, experience, sound career profile, leadership, vision, morality, ethics and good attitude toward the organization, who can dedicate adequate time for the Company's benefit. Moreover, consideration was also given to Board diversity and Board skill matrix in order to nominate the directors's qualifications **by considering skills which have been missing and also appropriate qualifications in compliance with the structure of Directors and in line with the Company's strategic directions. Bangchak will also use Director Pool from the Thai Institute of Directors (IOD) to nominate directors** through transparent procedures to bolster the confidence of shareholders.

Policy on Board Diversity

Nomination of directors takes into account diversity in several aspects, including educational background, career experience, skills, and expertise without any regard for gender, age, nationality, origin, religious belief, or other differences.



Directors' Nomination

1. Bangchak allows minor shareholders to nominate directors by submitting their names to it
2. The Nomination and Remuneration Committee (NRC) reviews Board structure for suitability and Bangchak's strategic needs
3. NRC defines the competency and experience for directors to be nominated by using Director Qualifications and Skill Matrix so that they may match Bangchak's goals and strategies
4. NRC proceeds with nomination and tables qualified persons for directors in place of those whose terms expire or for additional directors, using IOD's Director Pool as part of the nomination process. NRC is also to nominate directors to its secretary.
5. NRC selects those qualified to be directors and tables their names for the Board's endorsement
6. The Board endorses the list of directors for subsequent approval by the AGM.

Terms of Directorship

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. **Independent directors do not hold their positions for more than three consecutive terms from the date of the first appointment of their independent directorship. The Board will consider their reappointment based on reason and necessity and will consider them non-independent directors.**

Roles, Duties, and Responsibilities of the Board of Directors

1. 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.
2. Establish Clear Leadership Role and Responsibilities of the Board



- 2.1 The board should demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance, including:
 - (1) defining objectives;
 - (2) determining means to attain the objectives; and
 - (3) monitoring, evaluating, and reporting on performance.
- 2.2 To achieve sustainable value creation, the board should exercise its leadership role and pursue the following governance outcomes:
 - (1) competitiveness and performance with long-term perspective;
 - (2) ethical and responsible business;
 - (3) good corporate citizenship; and
 - (4) corporate resilience.
- 2.3 The board should ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards.
- 2.4 The board should demonstrate a thorough understanding of the division of board and management responsibilities. The board should clearly define the roles and responsibilities of management and monitor management's proper performance of its duties.
3. Define Objectives that Promote Sustainable Value Creation
 - 3.1 The board should define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company.
 - 3.2 The board should ensure that the company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilising innovation and technology effectively.
4. Strengthen Board Effectiveness
 - 4.1 The board should be responsible for determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the company's objectives.
 - 4.2 The board should select an appropriate person as the chairman and ensure that the board composition serves the best interest of



the company, enabling the board to make its decisions as a result of exercising independent judgement on corporate affairs.

4.3 The board should ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.

4.4 When proposing director remuneration to the shareholders' meeting for approval, the board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the board to lead the company in meeting its objectives, both in the short and long term.

4.5 The board should ensure that all directors are properly accountable for their duties, responsibilities and (in-) actions, and allocate sufficient time to discharge their duties and responsibilities effectively.

4.6 The board should ensure that the company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.

4.7 The board should conduct a formal annual performance evaluation of the board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the board.

4.8 The board should ensure that the board and each individual director understand their roles and responsibilities, the nature of the business, the company's operations, relevant law and standards, and other applicable obligations. The board should support all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on the board and board committees.

4.9 The board should ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The board should appoint a company secretary with necessary qualifications, knowledge, skills and experience to support the board in performing its duties.

5. Ensure Effective CEO and People Management

5.1 The board should ensure that a proper mechanism is in place for the nomination and development of the chief executive officer and



- key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the company to achieve its objectives.
- 5.2 The board should ensure that an appropriate compensation structure and performance evaluation are in place.
 - 5.3 The board should consider its responsibilities in the context of the company's shareholder structure and relationships, which may impact the management and operation of the company.
 - 5.4 The board should ensure the company has effective human resources management and development programmes to ensure that the company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.
6. Nurture Innovation and Responsible Business
- 6.1 The board should prioritise and promote innovation that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the company.
 - 6.2 The board should encourage management to adopt responsible operations, and incorporate them into the company's operations plan. This is to ensure that every department and function in the company adopts the company's objectives, goals, and strategies, applying high ethical, environmental and social standards, and contributes to the sustainable growth of the company.
 - 6.3 The board should ensure that management allocates and manages resources efficiently and effectively through out all aspects of the value chain to enable the company to meet its objectives.
 - 6.4 The board should establish a framework for governance of enterprise IT that is aligned with the company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the company's objectives.
7. Strengthen Effective Risk Management and Internal Control
- 7.1 The board should ensure that the company has effective and appropriate risk management and internal control systems that are aligned with the company's objectives, goals and strategies, and comply with applicable law and standards.



- 7.2 The board shall establish an audit committee that can act effectively and independently.
- 7.3 The board should manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.
- 7.4 The board should establish a clear anti-corruption policy and practices (including communication and staff training), and strive to extend its anti-corruption efforts to stakeholders.
- 7.5 The board should establish a mechanism for handling complaints and whistleblowing.
- 8. Ensure Disclosure and Financial Integrity
 - 8.1 The board must ensure the integrity of the company's financial reporting system and that timely and accurate disclosure of all material information regarding the company is made consistent with applicable requirements.
 - 8.2 The board should monitor the company's financial liquidity and solvency.
 - 8.3 The board should ensure that risks to the financial position of the company or financial difficulties are promptly identified, managed and mitigated, and that the company's governance framework provides for the consideration of stakeholder rights.
 - 8.4 The board should ensure sustainability reporting, as appropriate.
 - 8.5 The board should ensure the establishment of a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders (such as analysts and potential investors).
 - 8.6 The board should ensure the effective use by the company of information technology in disseminating information.
- 9. Ensure Engagement and Communication with Shareholders
 - 9.1 The board should ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.
 - 9.2 The board should ensure that the shareholders' meetings are held as scheduled, and conducted properly, with transparency and



efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

9.3 The board should ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

10. Maintain the Company's inside information obtained from their job performance and refrain from exploiting such information for personal or other parties' gains. Undertake no securities transactions at least one month prior to announcement of financial statements and at least three days after such announcement
11. Report on one's own portfolio of securities, as well as those of their spouses, cohabitation partners, and minor children under legal age, including legal entities where they have more than 30% shareholding of the number of all voting rights to the monthly Board meeting and must report to the Company without delay in the following cases:
 - Directors or related person with vested interests in the Company's or its subsidiaries' management
 - Hold shares or debentures in the Company or subsidiary companies.
12. Each Director cannot hold the position of Director in more than other two listed companies in the Stock Exchange of Thailand (SET), excluding Directors' current positions (as of August 19, 2016), the policy-amending date. This excludes the executive director or CEO in the capacity of board director for companies in the group.

Roles and Responsibilities of the Chairman, leader of the Board

1. Steer, monitor, and ensure efficient performance of the Board in fulfilling the Company's objectives and main goals.
2. Ensure full participation by the Directors in advocating a corporate culture of ethics and good corporate governance.
3. Set Board meeting agenda in consultation with the President and Chief Executive Officer, with measures to ensure that essential matters are included
4. Allocate adequate time for the management to table matters and for Directors to thoroughly discuss important matters
5. Promote Directors' exercising of full discretion, their attention to all matters brought to the meetings, and corporate governance matters



6. Promote sound relations between the Board and the management. Support the management's management without interfering in day-to-day affairs.

The Board is authorized to approve various matters, including:

- Vision, short-term and long-term strategic plans
- Annual plans and budgets
- Investment and operation of key projects for Bangchak and affiliates
- Management restructuring
- Dividend policy
- Performance assessment of itself and the President and Chief Executive Officer
- Decision on the President and Chief Executive Officer's compensation
- Appointment of Directors who resign during the year and that of sub-committees
- Designation of Directors authorized to sign and bind Bangchak
- Appointment of executive vice presidents upward
- Appointment of Directors serving on Bangchak's affiliates and setting of oversight guidelines for such companies.

Board meetings

- The Board schedules its meetings at least **once a month (every third Thursday)** and as deemed necessary. The meeting schedule and agendas are agreed in advance for the year. The invitation letters accompanied by relevant documents are sent to the directors at least seven days in advance of each meeting.
- **Meetings among the non- management directors and the independent directors at least twice a year**, these preceded the Board meetings. The intention is to freely discuss general issues on management or corporate governance, with subsequent notification to the President and chief executive officer so that the management may take actions on such issues.
- Each Board meeting should be attended by at least three-quarters of all directors. Additionally, **at least three- fourths of all board members are needed to vote on an issue.**



- Each year, **directors should attend no less than 75% of all Board meetings.** (Directors should attend the meeting at least **12 of 16 times a year**)

In 2018, **the Board held 12 meetings (three extra meetings) and one annual seminar on corporate strategies with the management to review and revise the corporate vision and set goals every five years** on annual basis under Bangchak's vision, mission, and values, together with an assessment of business circumstances. The Board of Directors reviewed and resolved that the Company's Vision, mission and core value shall remain unchanged.

New Directors' Orientation

Bangchak stages lectures and company visits and prepares a directors' manual for new directors to be informed of its business nature and approaches, relevant laws and regulations, corporate governance policy, and other essential information that will prove useful to their efficient performance. This year the following directors attended new directors' orientations:

- Lt.Gen. Thammanoon Withee on 22 March 2018
- Dr. Anuchit Anuchitanukul on 15 May 2018
- Dr. Poramettee Vimolsiri on 26 June 2018

Directors' Development

Bangchak encourages its Board to undergo additional study and training to enhance their knowledge of Board roles and duties in efficient management under corporate governance. To this end, it applied for IOD memberships on behalf of all directors to benefit from related intelligence and knowledge accrual. This year the following directors took advantage of such training and study visits:

- Thammasat Leadership Program on Society and the World for Senior Executives Class 2 covered current global situations, international rules and regulations, economic and political international relations, organized by Foundation for Thammasat Leadership Program and attended by Mrs. Prisana Praharnkhasuk between June 19 and October 9, 2018.



- Lecture on business strategies and planning by a lecturer from McKinsey Company for the Board during the seminar on annual organizational strategies on August 3-4, 2018.
- Board's visits on energy business, innovation, and technology to Morocco and Portugal on October 5-16, 2018, to benefit decisions on new business investment in the future.

As of today, two directors have attended IOD's Director Accreditation Program (DAP) and eleven have attended its Director Certification Program (DCP). Training details appear under "Boards of Directors".

Sub-Committees

The Board of Directors elected Sub-committees (or Committees) to facilitate the Company's business, undertaking with four sub-committees. The Committees can serve for three years in each term. Details about subcommittee charters appear in the corporate governance policy, publicized on Bangchak's website.

1. Audit Committee (AC)

The Audit Committee must be made up of independent directors. At least three independent directors form the Audit Committee, and at least one of them must be adequately knowledgeable or experienced in accounting, finance, or audit to review the credibility of financial statements.

Name	Position
1. Mr. Suthep Wongvorazathe	Chairman and Independent Director with expertise in accounting and finance
2. Mrs. Prisana Praharnkhasuk	Member and Independent Director with expertise in accounting and finance, and graduate accounting
3. Pol.Lt.Gen. Chaiwat Chotima	Member and Independent Director
4. Executive Vice President, Internal Audit	Secretary

Roles and Responsibilities

1. To ensure accuracy and adequacy of the Company's financial reporting according to Accounting Principles governed by laws.



2. To ensure that the Company has a suitable and efficient internal control system and internal audit and to ensure the efficiency and adequacy of the risk management system.
3. To review the performance of the Company 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 or acquisition and disposition of assets transaction to ensure compliance with the laws and regulations of the Stock Exchange of Thailand (SET), and that it is reasonable and brings the highest benefit to the Company.
5. To inspect and consider with the management on the defects that have been found and on the responses from the management.
6. To empower the auditing and investigating of all related parties under the authorization of the Audit Committee and also to authorize hiring of an expert so as to audit and investigate in compliance with the Company's regulations.
7. To prepare a report of the Audit Committee and disclose it in the 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, recommend the removal 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 Audit so that they are contributory to each other and to reduce double operations as concerns financial auditing.
10. To approve the Charter, audit work plans, budget, training plans and manpower of the Internal Audit
11. To appoint, transfer, dismiss, and undertake annual evaluation of the Chief Audit Executive and review the independence of Internal Audit.
12. To review the efficiency and effectiveness of internal control and risk management focusing on the issue of information technology.
13. In performing the duty of the Audit Committee, if there is transaction or act which could extremely affect the Company's financial status and the Company's performance, namely



- Transaction which lead to conflict of interest
- Dishonest, extremely unusual or remiss internal control system
- Breaking the securities and exchange law, regulations of the exchange or laws relating to business of the Company

The Audit Committee has to report it to the Board of Directors so as to modify and revise within prescribed time. If the Audit Committee or executives does not modify and revise within the 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 review and consider the Self-Evaluation Tool for Countering Bribery of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).
15. To perform any other act assigned by the Board of Directors with approval of the Audit Committee.

The external auditor's employment contract may be revoked if it does not perform, neglects its duties, or is engaged in malfeasance.

2. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is made up of at least three persons, and more than half must be independent directors. At least one member must be knowledgeable or experienced in personnel management. The Chairman of the committee must be an independent director.

Name	Position
1. Mr. Surin Chiravisit	Chairman and Independent Director
2. Adm. Sucheeep Whoungmaitree	Member and Independent Director
3. Pol. Lt. Gen. Chaiwat Chotima	Member and Independent Director
4. Lt.Gen. Thammanoon Withee	Member and Independent Director
5. Mr. Suthep Wongvorazathe	Member and Secretary, Independent Director



Roles and Responsibilities

1. Define qualifications needed for potential Directors, and President and Chief Executive Officer.
2. Recommend qualified candidates for the positions of Directors, and President and Chief Executive Officer to the Board of Directors.
3. Define criteria of remuneration for Directors, and the President and Chief Executive Officer.
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 and Chief Executive Officer to the Board of Directors for approval.
6. Review and summarize the President and Chief Executive Officer's succession plan every year and report it to the Board of Directors.
7. Perform other tasks as assigned by the Board of Directors

3. Enterprise-wide Risk Management Committee (ERMC)

The ERMC is made up of at least three members, at least one of whom must be knowledgeable in risk management. Qualified external parties can serve as members.

Name	Position
1. Mr. Prasong Poontaneat Director	Chairman and Non-executive
2. Mr. Surin Chiravisit	Member and Independent Director
3. Dr. Poramatee Vimolsiri	Member and Independent Director
4. Dr. Prasert Sinsukprasert	Member and Non-executive Director
5. Dr. Anuchit Anuchitanukul	Member and Non-executive Director
6. Mr. Chaiwat Kovavisarach	Member and Secretary, Executive Director

Roles 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 other tasks as assigned by the Board of Directors

4. Corporate Governance Committee (CGC)

The Corporate Governance Committee is made up of at least three directors, and at least one of whom must be knowledgeable in corporate governance practices by international standards. An independent director must serve as Chairman of this committee.

Name	Position
1. Gen. Vitch Devahasdin	Chairman and Independent Director
2. Mr. Teerapong Wongsiwawilas	Member and Independent Director
3. Mr. Jarin Chakkaphark	Member and Non-executive Director
4. Mr. Chaiwat Kovavisarach	Member and Secretary, Executive Director

Roles 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 other tasks as assigned by the Board of Directors



Summary of Board and Sub-committees meeting attendance

Name		Meeting attendance / total (times)								Remarks
		Board of Directors				Sub-Committees				
		Meeting		Seminar	Total	AC	NRC	ERMC	CGC	
		Monthly	Extra							
1	Mr. Pichai Chunchavajira ^{1/}	12/12	3/3	1/1	16/16	-	-	-	-	
2	Mr. Surin Chiravisit	12/12	3/3	1/1	16/16	-	7/7	5/6	-	
3	Mr. Suthep Wongvorazathe	12/12	3/3	1/1	16/16	12/12	7/7	-	-	
4	Gen. Vitch Devahasdin	11/12	3/3	0/1	14/16	-	-	-	2/2	
5	Adm. Sucheep Whoungmaitree	12/12	3/3	1/1	16/16	-	7/7	-	-	
6	Pol.Lt.Gen. Chaiwat Chotima	12/12	3/3	1/1	16/16	11/12	7/7	-	-	
7	Lt.Gen. Thammanoon Withee ^{2/}	9/10	1/2	0/1	10/13	-	3/5	-	-	Appointed on 28 September 2018
8	Mrs. Prisana Praharnkhasuk	12/12	2/3	1/1	15/16	12/12	-	-	-	
9	Mr. Teerapong Wongsiwawilas	12/12	3/3	1/1	16/16	-	-	-	2/2	
10	Dr. Poramettee Vimolsiri ^{3/}	7/7	0/1	0/1	7/9	-	-	2/3	-	Appointed on 7 June 2018
11	Mr. Jarin Chakkaphark	11/12	0/3	0/1	11/16	-	-	-	1/2	
12	Mr. Prasong Poontaneat	12/12	2/3	1/1	15/16	-	-	6/6	-	
13	Dr. Anuchit Anuchitanukul ^{4/}	8/8	2/2	1/1	11/11	-	-	4/4	-	Appointed on 25 April 2018
14	Dr. Prasert Sinsukprasert	11/12	2/3	1/1	14/16	-	-	5/6	-	
15	Mr. Chaiwat Kovavisarach	12/12	3/3	1/1	16/16	-	-	6/6	2/2	
Directors whose terms were completed and resigned directors in 2018										
1	Gen. Apirat Kongsompong	1/1	1/1	-	2/2	-	0/1	-	-	Resigned on 26 February 2018
2	Mr. Visit Vongruamlarp	4/4	1/1	-	5/5	-	-	2/2	-	Completed term on 25 April 2018
3	Mr. Krisada Chinavicharana	5/5	0/1	-	5/6	4/5	-	-	-	Resigned on 31 May 2018

Note: ^{1/} Chairman did not join any Sub-Committee as Member

^{2/} Appointed as Member of NRC on 18 May 2018

^{3/} Appointed as Member of ERMC on 7 June 2018

^{4/} Appointed as Member of ERMC on 18 May 2018

Assessment of directors' performances

The Board completes business performance assessment forms at least once a year, which the Company Secretary will arrange for delivery and collection for making an executive summary or the results for presentation at a Board meeting. Directors jointly consider business performance and



suggest improvements. Assessment scores are given in percent, with >85% = excellent, >75% = very good, >65% = good, >50% = fair, and ≤50% = need improvement. The assessment is summarized below:

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 95.8%, 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 96.8%, regarded as excellent.

2) Entire Board relies on 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 97.5%, 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 98.0%, rated excellent.
- Nomination and Remuneration Committee, the group evaluation had the average score of 97.7%, rated excellent.
- Corporate Governance Committee, the group evaluation had the average score of 98.3%, rated excellent.
- Enterprise-wide Risk Management Committee, the group evaluation had the average score of 96.9%, rated excellent.

Board Remuneration

- 1) The Board's remuneration comes in three forms: monthly (retainer) remuneration, meeting allowances, and bonus. Such remuneration, made comparable to those of the same industry, is linked to the performance of the Company and individual directors.



- 2) Directors with additional responsibilities, including subcommittee service, shall receive additional remuneration in proportion to such responsibilities.
- 3) In line with good corporate governance, the Board has instituted the reporting of individual directors' remuneration and the management's remuneration – which includes disclosure of the remuneration of directors or executives, or both, if they are appointed to other positions in subsidiaries – in the annual report.

Policy on Director Remuneration

In setting directors' compensation, Bangchak takes into account suitability for duties, assigned responsibility, and parity with SET-listed industry and business peers of comparable sizes. Such compensation must be attractive enough to inspire quality performance to achieve Bangchak's goals and business directions under a transparent process to bolster shareholders' confidence.

Director Remuneration approved by 2018 AGM of 25 April 2018 are as follows:

1) Monthly remuneration and meeting allowance

The Board of Directors	Monthly Remuneration (Baht/person)	Meeting Allowance (Baht/person/time) (Only for attending directors)
The Board of Directors	30,000	30,000
The Sub-Committees		
1. The Audit Committee	10,000	15,000
2. The Nomination and Remuneration Committee	-	15,000
3. Enterprise-wide Risk Management Committee	-	15,000
4. Corporate Governance Committee	-	15,000
5. Other committees that may be appointed in the future by the Board as seen fit and necessary	-	15,000



The Chairman of the Board of Directors and the Chairman of the Sub-Committees shall receive monthly remuneration and meeting allowances higher than those of members by 25 percent, whilst the Vice Chairman of the Board of Directors shall receive monthly remuneration and meeting allowances higher than those of members by 12.5 percent respectively.

2) Bonuses for Directors

0.75 percent of the net profit, but not over 3,000,000 Baht/year per director. The calculated amounts are to reflect individual periods of service. Moreover, the Chairman and Vice Chairman shall receive the bonus higher than those of members by 25 percent and 12.5 percent respectively.

3) Other Remuneration

Group health insurance

IPD+OPD treatment with annual health insurance not exceeding 50,000 Baht (excluding VAT) per one director

Directors' Other Expenses

1) Other Essential Business Expenses

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

2) Others

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

In 2018, the individual remuneration of Directors was as follows:

Name		Remuneration in Baht						
		BOARD	AC	NRC	ERMC	CGC	Bonus	Total
1	Mr. Pichai Chunhavajira	1,050,000	-	-	-	-	3,522,610.58	4,572,610.58
2	Mr. Surin Chiravisit	978,750	-	131,250	75,000	-	3,170,349.52	4,355,349.52
3	Mr. Suthep Wongvorazathe	870,000	375,000	105,000	-	-	2,818,088.46	4,168,088.46
4	Gen. Vitch Devahasdin	780,000	-	-	-	37,500	2,818,088.46	3,635,588.46
5	Adm. Sucheep Whoungmaitree	870,000	-	105,000	-	-	2,818,088.46	3,793,088.46



BANGCHAK CORPORATION PUBLIC COMPANY LIMITED

Name		Remuneration in Baht						
		BOARD	AC	NRC	ERMC	CGC	Bonus	Total
6	Pol.Lt.Gen. Chaiwat Chotima	840,000	285,000	105,000	-	-	2,818,088.46	4,048,088.46
7	Lt.Gen. Thammanoon Withee ^{1/}	601,071	-	45,000	-	-	-	646,071.00
8	Mrs. Prisana Praharnkhasuk	840,000	300,000	-	-	-	2,818,088.46	3,958,088.46
9	Mr. Teerapong Wongsiwawilas	840,000	-	-	-	30,000	2,625,068.70	3,495,068.70
10	Dr. Poramettee Vimolsiri ^{2/}	444,000	-	-	30,000	-	-	474,000.00
11	Mr. Jarin Chakkaphark ^{3/}	690,000	-	-	-	15,000	625,384.01	1,330,384.01
12	Mr. Prasong Poontaneat	840,000	-	-	112,500	-	2,818,088.46	3,770,588.46
13	Dr. Anuchit Anuchitanukul ^{4/}	605,000	-	-	60,000	-	-	665,000.00
14	Dr. Prasert Sinsukprasert	810,000	-	-	75,000	-	2,818,088.46	3,703,088.46
15	Mr. Chaiwat Kovavisarach	870,000	-	-	90,000	30,000	2,818,088.46	3,808,088.46
Total		11,928,821	960,000	491,250	442,500	112,500	32,488,120.49	46,423,191.49
Directors whose terms were completed and resigned directors in 2018								
1	Gen. Apirat Kongsompong ^{5/}	116,786	-	-	-	-	2,818,088.46	2,934,874.46
2	Mr. Visit Vongruamlarp ^{6/}	265,000	-	-	30,000	-	2,818,088.46	3,113,088.46
3	Mr. Krisada Chinavicharana ^{7/}	299,032	109,677	-	-	-	2,818,088.46	3,226,797.46
Total		680,818	109,677	-	30,000	-	8,454,265.38	9,274,760.38

Note: 1/ Appointed as Director on 28 February 2018
 2/ Appointed as Director on 7 June 2018
 3/ Transferred bonus to the Social Security Fund in compliance with the regulations of the Office of the Social Security Fund
 4/ Appointed as Director on 25 April 2018
 5/ Resigned on 26 February 2018
 6/ Completed term on 25 April 2018
 7/ Resigned on 31 May 2018

Bonuses for directors whose terms were completed and who resigned in 2017 (performance in 2017 paid in 2018)

Names		Bonus (Baht)	Remarks
1.	Prof. Dr. Chai-anan Samudavanija	217,147.25	Resigned on 5 April 2016
2.	M.L. Puntrik Smiti ^{1/}	2,177,262.87	Resigned on 5 April 2016
TOTAL		2,394,410.12	

Note: 1/ Transferred bonus to the Social Security Fund in compliance with the regulations of the Office of the Social Security Fund

Comparison of Remuneration of Directors in 2016 and 2017



Remuneration	2017		2018	
	Directors	Baht	Directors	Baht
Monthly remuneration and meeting allowance	15	15,852,339.00	15	14,755,566.00
Bonus	15	36,836,034.73	15	43,336,795.99
TOTAL		52,688,373.73		58,092,361.99

Note: Bonus for 2017 performance under the resolution of the 2017 AGM, held on 5 April 2017 (0.75 percent of the net profit, but not over 3,000,000 Baht/year per director. The calculated amounts are to reflect individual periods of service. Moreover, the Chairman and Vice Chairman shall receive the bonus higher than those of members by 25 percent and 12.5 percent respectively.)

Directors' Remuneration due to Directorship of subsidiaries, associates, and joint ventures in 2018

Company	Name	Total remuneration in 2018 (Baht)					
		Monthly remuneration	Meeting allowance	Bonus	Sub-Committee remuneration	ESOP (Capital Gain)	Net total
BCPG	Mr. Pichai Chunhavajira	450,000	412,500	1,874,520	-	1,931,250	4,668,270
	Mr. Chaiwat Kovavisarach *	320,625	303,750	1,687,069	187,500	1,738,130	4,237,074
BBGI	Mr. Pichai Chunhavajira	450,000.00	200,000.00	-	-	-	650,000.00
	Mr. Surin Chiravisit	360,000.00	200,000.00	-	90,000.00	-	650,000.00
	Mr. Chaiwat Kovavisarach	360,000.00	200,000.00	-	57,000.00	-	617,000.00
NIDO	Mr. Chaiwat Kovavisarach	58,324.47 AUD (per annum)	-	-	-	-	1,399,787.28

- Notes:**
- BCPG: BCPG Public Company Limited
 - BBGI: BBGI Public Company Limited
 - NIDO: Nido Petroleum Pty. Ltd.
 - Exchange rate AUD\$ 1 equivalent to approximately Baht 24
 - * Mr. Chaiwat Kovavisarach resigned as a director of BCPG, effective from October 15, 2018, and was appointed Chairman of the Investment Committee, effective from March 25, 2016.



2. Executive Management

The Board has set the roles and duties of the management in Bangchak's day-to-day business management in line with the company's policies, plans, goals, regulations, and rules, as well as Board resolutions, within the approved budget. To this end, they are to conform strictly with integrity and care to maintain Bangchak's and its shareholders' interests to the best of their ability under corporate governance. They are to report updates on conformance to such resolutions together with key performance outcomes to the Board at least monthly. Today the management consists of 17 persons, No. 1 through No. 8 of whom are regarded as executives under SEC's definition (As of December 2018):

Name	Position
1. Mr. Chaiwat Kovavisarach	President and Chief Executive Officer
2. Mr. Pongchai Chaichirawiwat	Senior Executive Vice President, appointed to BBGI Public Company Limited
3. Mr. Somchai Tejavanija	Chief Marketing Officer & Senior Executive Vice President, Marketing Business Group
4. Mr. Yodphot Wongrukmit	Senior Executive Vice President, Corporate Management and Sustainability Development
5. Mr. Bundit Sapianchai	Senior Executive Vice President, appointed to BCPG Public Company Limited
6. Mr. Surachai Kositsareewong	Senior Executive Vice President, Accounting and Finance
7. Mr. Kiatchai Maitriwong	Senior Executive Vice President, Corporate Strategic Planning and Sustainability Development
8. Mr. Chalermchai Udomranu	Senior Executive Vice President, Refinery Business Unit
9. Mr. Pichit Wongrujiravanich	Executive Vice President, Internal Audit
10. Mr. Dhanajit Makarananda	Executive Vice President, appointed to BBGI Public Company Limited
11. Mr. Chokchai Atsawarangsalit	Executive Vice President, Marketing Business and Oil Terminal



12. Mr. Viboon Wongsakul	Executive Vice President, appointed to Bangchak Retail Company Limited
13. Mr. Pativat Tivasasit	Executive Vice President, Refinery Manufacturing Business
14. Ms. Revadee Pompatkul	Executive Vice President, appointed to BCPG Public Company Limited
15. Ms. Pakawadee Junrayapes	Executive Vice President, Sustainability Development and Corporate Compliance
16. Dr. Michael William Fischer	Executive Vice President, Natural Resources
17. Mr. Suwat Meemook	Executive Vice President, Bangchak Initiative and Innovation Center

Succession Planning and Management Development

Under the Board's policy on the President and Chief Executive Officer's nomination, as long as he or she is suitable, an external or internal person may enter the selection process under Bangchak's given circumstances. Suitable persons are selected by NRC, which defines the nomination criteria and method.

To optimize benefit in the selection of the President and Chief Executive Officer, the Board assigns the management to appoint a "Personnel Development and Administration Panel" (PDA) to oversee training and competency development of senior executives. Also, the Board has laid down additional development guidelines for rotation of duties of senior management team members to promote all-round understanding, experience, and preparedness for corporate administration. Any executive from Senior Vice President and Chief Executive Officer upward may apply for nomination as President and Chief Executive Officer if they command the required qualifications.

Procedure

1. Define management positions requiring succession planning (President and chief executive officer and all senior executive vice presidents)
2. NRC defines the required competency and experience for each position



3. NRC specifies the qualified executives to succeed each position
4. Assign the President and chief executive officer to assess the performance and competency of qualified executives matching the required competencies needed so as to develop individual development plans (IDPs) to close the competency gaps
5. Assign PDA to look after the training and competency development of qualified executives
6. The President and chief executive officer institutes rotation of duties of qualified executives and lets senior executive vice presidents attend Board meetings so that they may understand and gain experience to be prepared for corporate administration as a whole
7. The President and chief executive officer periodically reports to NRC the performances and development outcomes under IDPs of qualified executives
8. Each year, NRC revises and summarizes succession planning outcomes for the President and chief executive officer and senior executive vice presidents for the Board's acknowledgment.

Nomination and Appointment of the President and Chief Executive Officer

NRC nominates and reviews the qualifications of senior executives and others under NRC-set guidelines for the Board to appoint as President and chief executive officer. These include the legally required director qualifications and those required by Bangchak's regulations, together with essential skills and experience in Bangchak's best interests and alignment with Bangchak's business directions. The Board appointed Mr. Chaiwat Kovavisarach President and chief executive officer, effective from January 1, 2015, on account of his knowledge of investment in new businesses abroad and his sound financial knowledge, both of which align with Bangchak's business directions. The meeting of the Board of Bangchak No.12/2561 on Thursday, September 27, 2018, approved the extension of the employment contract for Mr. Chaiwat Kovavisarach, President and Chief Executive Officer, for one more term for four years, from January 1, 2019, to December 31, 2022.

Performance Appraisals of the President and Chief Executive Officer, and Senior Executives

Bangchak measures performance outcomes as KPIs (key performance indexes), including its own performance, common practices of peer listed



companies of comparable sizes, roles and responsibilities, executive development, and overall economic circumstances. The President and chief executive officer must present his performance in various aspects, including the management of the refinery and marketing business units, business development, and organizational development, while discussing current management outcomes covering successes and obstacles, including the ability to expand business opportunities and competition, social and environmental policies, together with responses to public policies. NRC is to decide on the President and chief executive officer's compensation, which is then forwarded to the Board for approval. The President and chief executive officer earns benefits as the top management executive in addition to the compensation as a director.

Remuneration of Executives

- 1) Executives shall receive short-term remuneration, i.e. salary and bonus, and long-term remuneration, including the Employee Stock Option Program (ESOP) and the Employee Joint Investment Program (EJIP), which the Board will consider on a case-by-case basis. These payments motivate executives, are on a par with industry practice, correlate to the Balanced Scorecard principles and to each person's key performance indices (KPIs), and connect compensation with performance.
- 2) Executives who serve as a director in a joint venture will be compensated according to the Company's regulations on the appointment of directors of joint ventures. As for the President and chief executive officer who is tasked with additional roles and responsibilities, as a subcommittee member for instance, will be paid according to the Board's decision based on merit of that task or responsibility.
- 3) The Board has ordered a report on the remuneration of executives—including the disclosure of payments made to executives who are appointed a role in a subsidiary to be included in the Company's annual report in compliance with the Corporate Governance Policy.

Remuneration for Executives as defined by the SEC (President & Chief Executive Officer and Senior Executive Vice Presidents)



Remuneration	2017		2018	
	Persons	Baht	Persons	Baht
Salary	8	54,032,508	8	57,797,017
Bonus & Retirement pay	8	41,185,847	8	35,037,965
Provident fund	8	4,983,264	8	5,443,224
Total	8	100,201,619	8	98,278,206

3. Directors and executives assigned to other companies

The Board appoints representative directors of subsidiaries, associates, and joint ventures under **the guidelines for appointment of representative directors in joint ventures**. To this end, the President and Chief Executive Officer selects fully qualified persons under such guidelines for the Board's appointment. Each subsequent change is to be reported by the President and chief executive officer for the Board's acknowledgment. Today, the following directors and executives are assigned as directors of subsidiaries, associates, and joint ventures:



X = Chairman // = Managing Director / President / Chief Executive Officer / = Director

As of December 31, 2018

Subsidiary Companies

- 1 BCPG Plc (BCPG)
- 2 BBGI Co., Ltd. (BBGI)
- 3 Bangchak Retail Co., Ltd. (BCR)
- 4 Bangchak Green Net Co., Ltd. (BGN)
- 5 Bangchak Solar Energy Co., Ltd. (BSE)
- 6 Bangchak Solar Energy (Prachinburi) Co., Ltd. (BSE-PR)
- 7 Bangchak Solar Energy (Chaiyaphum 1) Co., Ltd. (BSE-CPM1)
- 8 Bangchak Solar Energy (Buriram) Co., Ltd. (BSE-BRM)
- 9 Bangchak Solar Energy (Buriram 1) Co., Ltd. (BSE-BRM1)
- 10 Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd. (BSE-NMA)
- 11 BCPG Biopower 1 Co., Ltd. (BBP1)
- 12 BCPG Biopower 2 Co., Ltd. (BBP2)
- 13 Lom Ligor Co., Ltd. (Lom Ligor)
- 14 BCPG Investment Holding Pte. Ltd. (BCPG Investment)
- 15 BSE Energy Holdings Pte. Ltd. (BSE Energy Holdings)
- 16 Greenergy Holdings Pte. Ltd. (Greenergy Holdings)
- 17 Greenergy Power Pte. Ltd. (Greenergy Power)

- 18 Huang Ming Japan Company Limited (Huang Ming)
- 19 BCPG Japan Corporation (BCPG Japan)
- 20 BCPG Engineering Company (BCPG Engineering)
- 21 BCPG Wind Cooperative U.A. (BCPG Wind)
- 22 Bangchak Biofuel Co., Ltd. (BBF)
- 23 KSL Green Innovation Plc (KGI)
- 24 14. Bangchak Bioethanol (Chachoengsao) Co., Ltd. (BBE-CCO)
- 25 BCP Trading Pte. Ltd. (BCPT)
- 26 BCP Innovation Pte.Ltd. (BCPI)
- 27 BCP Energy International Pte.Ltd. (BCPE)
- 28 Nido Petroleum Pty. Ltd. (NIDO)
- 29 BCPR Co., Ltd. (BCPR)
- 30 BCPR Pte. Ltd. (BCPR SG)
- 31 BCV Biobase Co., Ltd. (BCVB)
- 32 BCV Energy Co., Ltd. (BCVE)
- 33 BCV Innovation Co., Ltd. (BCVI)
- 34 BCV Partnership Co., Ltd. (BCVP)

Associated Companies

1. Bongkot Marine Services Co., Ltd. (Bongkot Marine)
- 2 AomSuk Social Enterprise Co., Ltd. (AomSuk)
- 3 Ubon Bio Ethanol Co., Ltd. (UBE)
- 4 Ubon Bio Gas Co., Ltd. (UBG)
- 5 Ubon Agricultural Energy Co., Ltd. (UAE)
- 6 NP Bio Energy Co., Ltd. (NPE)
- 7 Star Energy Group Holdings Pte. Ltd. (Star Energy)
- 8 PetroWind Energy Inc. (PetroWind Energy)
- 9 OKEA AS (OKEA)

Joint Ventures

- 1 Fuel Pipeline Transportation Co., Ltd. (FPT)
- 2 Lithium Americas Corp. (LAC)

Others

- 1 Happiness Sharing Foundation (Foundation)

4. Company Secretary

Under the Securities and Exchange law (Articles 89/15 and 89/16), Board Meeting No. 6/2009 appointed Ms. Pakawadee Janrayapes, Executive Vice President, Sustainability Development and Corporate Compliance, as Company Secretary, effective from July 1, 2009. Her profile is as follows:

Ms. Pakawadee Junrayapes

- Age 57
- 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 (CSP34/2010), 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)



- Anti-Corruption: The Practical Guide (ACPG2/2013) Thai Institute of Directors (IOD)
- Thailand and the ASEAN Economic Community, Class 4/2013, King Prajadhipok's Institute
- Advances for Corporate Secretaries, Class 2/2017, Thai Listed Companies Association (TLCA)
- Certificate of Top Management (2017), Company cooperate with Thailand Management Association (TMA) and Duke Corporate Education (DUKE)
- Certificate, Public Law and Management, King Prajadhipok's Institute Class 17/2018
- Experience
 - Bangchak Corporation Public Company Limited
 - 2018 – Present : Executive Vice President, Sustainability Development and Corporate Compliance, and Company Secretary
 - 2015-2017 : Senior Vice President, Legal and Corporate Compliance, and Company Secretary
 - 2011-2015 : 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
 - Others
 - 2006-2008 : Personal Specialist of National Legislative Assembly Member and Sub-Committee on Energy
- Other directorship positions / Other positions at present
 - Other listed companies
 - None –
 - Non-listed companies
 - None –
- Shareholding in the Company: 15,500 shares or 0.001126% (As of September 7, 2018)
- Familial relationship between directors and executives: None
- Criminal records on violation of securities and futures contract laws: None

**Roles and Responsibilities**

- Prepare and maintain key documents, including the Board roster, meeting notices, minutes of Board meetings and shareholders' meetings, annual reports, and reports of vested interests
- Schedule Board meetings and shareholders' meetings under the law and company regulations. Coordinate conformance to the resolutions of Board and shareholders' meetings
- Advise and support the performance of directors and the management under the law and relevant regulations
- Coordinate between the Chairman and the President and chief executive officer together with his management team, which includes coordination between Bangchak and its shareholders
- Encourage the directors, management, and employees to conform to corporate governance
- Perform other lawful tasks and Board-assigned tasks.

5. Personnel

On December 31, 2018, the Company had a total headcount of 1,254:

Employee	Persons
Corporate Management and Sustainability Development	114
Accounting and Finance	78
Corporate Strategic Planning and Sustainability Development	72
Marketing Business Group	357
Refinery Trading Business Group	585
The President and Chief Executive Officer	32
BCPG Plc	4
BBGI Plc	12

Significant changes in number employee for the past three years

- None (Total employee in year 2016 were 1,196 persons, which increased slightly to 1,254 persons in year 2018)

Remuneration of employee

Bangchak's policy provides for suitable compensation to employees in line with their performance outcomes. For the short term, this compensation is the bonus, in turn linked to company performance. For the long term,



this compensation means the provident fund, a form of welfare that gives employees financial guarantee.

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 Corporation Public Company Limited Provident Fund” by choosing the accumulated at a rate of five percent or ten percent or fifteen percent of the salary and the Company will pay the same rate but not over ten percent to the Fund. In 2018 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 1,732.21 million Baht. **The remuneration for President&CEO and Senior executive vice presidents upward is 5.67% of total remuneration of employee.**

Personnel Development

Bangchak focuses on continuing personnel development for greater operating capability matching corporate goals, policies, and directions—apart from international competitiveness to accommodate the growth of AEC (ASEAN Economic Community). To this end, it appointed a “Personnel Development and Administration Panel” to endorse personnel development, define guidelines for personnel administration, define an approach for corporate culture development, and forge a sound employee attitude so that the efficiency of Bangchak’s corporate administration may be on a par with business peers and in keeping with its business status and goals.

In 2018, a variety of training courses were staged, averaging 45.88 hours/ person/ year. These included the staff’s environmental capability development in courses dealing with joint management systems, and internal monitoring under ISO 14001, OHSAS 18001, ISO 50001, and ISO 45001 (SHEE Internal Auditor), wastewater system improvement (WWTU Improvement), and joint management standards and internal assessment under ISO (New version) to enhance knowledge and understanding for operators attached to the water pollutant treatment system. (Training details are included in the Sustainability Report under Employee Stewardship, Environmental Expense Account, and Water Pollution).



9. Corporate Governance



1. Corporate Governance and Anti-Corruption

- **Policy:** Since 2003 the Board of Directors has defined a written corporate governance (CG) policy as a guideline for directors, management, and employees, which is to be revised annually. In 2017, Bangchak issued Revision 15 of this policy by conforming the directors' roles to the CG Code for listed companies, limiting directorship in other listed companies by excluding management directors in Bangchak Group, limiting the terms of independent directors to three consecutive terms, and duly reporting changes in securities holding in accordance with the Notification of SEC Sor Jor 38/2561.
- **Communication:**
 - A talk on corporate governance as part of the orientation for new directors. (Mar. 22 May 15 and Jun. 26, 2018)
 - A talk on corporate governance as part of the orientation for new employees. (Jul. 4, 2018)
 - Staged the 14th annual CG Day this year, with Emeritus Professor Dr. Kasem Wattanachai serving as speaker and sharing ideas about conscientious behavior and application of expertise in parallel with virtue for public interests. (Nov. 7, 2018)
 - Organized the "BCP CAC-SME Executive Briefing & Workshop" for business partners (involving medium-size and small SMEs) to promote their alliance and certified CAC membership; today six of Bangchak's business partners are among the ten certified CAC-SME members (Jun. 19, 2018)



- **Measures and Guidelines**

- All employees are required to pass certain criteria to ensure proper understanding. The test may be done on the e-HR system or the online knowledge management system ("We Share") (Nov.12-30, 2018)
- Political neutrality without rendering assistance to any political party, directly or indirectly
- Donation is strictly for charity, including sponsorship for the Company's business, which is not to be used as excuses for corruption and requires clear documented proofs in line with the Company's regulations
- No acceptance of gifts or objects of any value on all occasions. No acceptance of and no giving of entertainment and other unnecessary and inappropriate expenses to government officials or those dealing with the Company's business. If any is received, employees must refuse and report the incident to their superiors for acknowledgment.
- Annual notification to stakeholders on Bangchak's "No Gift" policy for the New Year and other occasions so as to elevate good corporate governance and set a standard for conducting business with all related parties fairly.

- **Internal Control, Risk Management, and Internal Audit:** In order to monitor compliance to this corporate governance policy, Bangchak instituted internal control, risk management, and internal audit systems for key business functions, such as procurement and accounting. Bangchak also closely monitored the progress of risk management plan on a regular basis.

- **Audit**

Internal Audit formulates the annual audit plans and reports audit findings to the Audit Committee and the Board for acknowledgment.

Bangchak values good corporate governance and anti-corruption alike. To this end, it 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 2016, Bangchak won first recertification since 2013.



2. Committees

The Board appointed a number of committees, namely the Audit Committee, Nominating and Remuneration Committee, Corporate Governance Committee, and Enterprise-wide Risk Management Committee, to support its oversight of Bangchak. Details of these committees appear under “Management Structure”.

3. Nomination and appointment of directors and the top executive

Today, Bangchak has 15 directors, 10 of whom are independent ones. Eight are SEC-defined executives, with the President&CEO serving as the top executive. Appointment of directors and the President must be reviewed by the Nomination and Remuneration Committee. Bangchak has made it possible for directors and shareholders to play a part in nominating qualified directors, in addition to using the Director Pool of Thai IOD. Details of the qualifications of independent directors and the nomination and appointment of directors and the President appear under “Management Structure”.

4. Oversight of subsidiaries, associates, and joint-venture companies

Bangchak runs its businesses through subsidiaries, associates, and joint-venture companies, as detailed under “Shareholding Structure”. The Board commands a mechanism for supervising the management and the responsibility of subsidiaries, associates, and joint-venture companies to safeguard the interests of Bangchak’s investment capital, including

- Secondment of executives by the Board to serve as directors and executives in those companies proportionate to its own shareholding. Details appear under “Management Structure”.
- Definition of an oversight approach for joint-venture companies for representative directors to uphold so that the businesses of subsidiaries, associates, and joint-venture companies may be uniform and in line with Bangchak’s policy approach and relevant



legislation. Voting or actions on important matters must secure prior approval from the President&CEO, Board, or shareholders, depending on the case.

- Institution of a corporate governance policy and a suitable, watertight internal control system in each of the subsidiaries.
- Supervision of disclosure of these companies' financial status and performance outcomes, as well as engagement in key transactions, must be properly done in line with Bangchak's criteria.

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 their spouses, cohabitation partners, and minor children under legal age, including legal entities where they have more than 30% shareholding of the number of all voting rights of the juristic person, 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.

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. Audit fee

For the fiscal year 2018, the Company and its subsidiaries paid for audit fees amounting to 11.56 Million Baht to KPMG in Thailand and KPMG member firms in overseas, which the auditors worked for, and to persons



or businesses related to the auditors and audit firm. This audit fee amount excluded the remuneration paid by associates.

In this regard, KPMG in Thailand and KPMG member firms in overseas and its auditors do not have any relationships or interests involving the Company, management, or major shareholders, including their related persons.

- **Audit fees for the year 2018**

1. Fees for annual audit and quarterly review of the Company and consolidated financial statements amounted to 1.92 Million Baht to KPMG.

Audit fees of the Company	
1. Annual audit fee for the Company's financial statement	0.40 Million Baht
2. Fees for annual audit and quarterly review of the Company and consolidated financial statements	1.52 Million Baht
Total audit fees of the Company	1.92 Million Baht

2. Fees for the annual audit of subsidiaries and quarterly review of listed subsidiaries performed by KPMG Thailand and KPMG overseas in which the fees were absorbed by the subsidiaries were as follows:

Audit fees of subsidiaries	
1. Fees for annual audit of the subsidiaries' financial statements and quarterly review of listed subsidiaries on the Stock Exchange of Thailand - Number of subsidiaries - Amount	17 Companies 5.21 Million Baht
2. Fees for annual audit of the overseas subsidiaries' financial statements - Number of subsidiaries - Amount (equivalent)	38 Companies 4.43 Million Baht
Total audit fees of subsidiaries	9.64 Million Baht



- **Non-audit fee**

There was no any other fees paid to KPMG by the Company. The subsidiaries paid for auditing compliance with the conditions of the BOI Promotion Certificate amounting to 1.5 Million Baht to the audit firm and persons or businesses related to the auditors and the audit firm.

7. Compliance with corporate governance for listed companies

The Stock Exchange of Thailand (SET) established “The Principles of Good Corporate Governance for Listed Companies 2012”. The Securities and Exchange Commission (SEC) issued its “Corporate Governance for listed companies 2017”, with effect from March 2017, which contains eight major practical guidelines. This year Bangchak continued its compliance with these principles by following these five aspects:

1) Shareholders' rights

The Board of Directors has defined a policy on shareholders' rights in Section 3.3 of the corporate governance policy, as implemented below.

- A Record Date for the AGM was set so that shareholders may have enough time to review meeting notices and various data ahead of the meeting.
- Informed the shareholders about two months ahead of the meeting so that they may schedule meeting attendance, which exceeds what is required by law.
- The meeting notices with information for each agenda item and the proxy form were sent to shareholders for consideration in advance.
- Allowed the shareholders to submit queries needing Bangchak's explanation on certain points of the agenda for the AGM ahead of the meeting since August 31, 2018.
- Facilitated and supported shareholders to attend the shareholders' meeting of either by themselves or through proxies.
- Facilitated shareholders on the meeting date:
 - The AGM was held at the Company's headquarters for travel convenience. Parking spaces are adequately reserved, and shuttle buses are arranged for the shareholders at the BTS Bangchak Station in case they are traveling on their own.



- Adopted the Barcode system for registration and vote-tallying for efficiency and speed.
 - Applied the shareholders' meeting software to registration and vote-tallying for efficiency and transparency.
 - Supplied duty stamps for proxy assignment free of charge.
 - Prepared stickers for those that had already registered for getting in and out of the meeting room without rechecking.
- Before the meeting, the Company Secretary clarified the method for voting and vote-tallying for each agenda item and requests shareholders' representatives to witness vote-tallying together with the inspector.
- During the meeting
 - Conducted the meeting by the agenda items sent to the shareholders without adding or switching the agenda items
 - Allowed the shareholders equal rights for expressing views and posing questions on each agenda item and recorded key concerns and views in the minutes.
- After the meeting:
 - Publicized the resolutions and vote tallies on each agenda item through SET's channels and Bangchak's website by the evening of the meeting date
 - Publicized the minutes through SET's channels and Bangchak's website, and delivered to the shareholders that expressed views at the meeting.

At the 2017 AGM, **Bangchak invited Mr. Visith Uevirojnangkoorn, an independent legal counselor, to serve as an independent inspector to validate the votes and ensure transparency and compliance with the law and the Company's article of association.** This included examination of documents of shareholders or their proxies with the right to attend the meeting, quorum, stakeholders whose voting right was not exercised, and whether the voting process followed the Company's article of association or what was announced by the chair of the meeting, as well as collection of ballots, verification of meeting resolutions, as well as ballot casting. One person representing the shareholders witnessed vote counting at the AGM.



2) Equitable Treatment of Shareholders

The Board of Directors has defined a policy on equitable treatment of shareholders in the corporate governance policy, as implemented below.

- Publicized meeting documents on its website 34 days ahead of the meeting and delivered them to the shareholders 30 days ahead of the meeting.
- Allowed the shareholders to propose additional AGM agenda items and nominate directors from August 31 to December 31. Bangchak disclosed the criteria and methods at its website and informed the shareholders through SET's channels. The Board's policy is against adding agenda items without prior notice, particularly crucial items for which the shareholders need time to study before making a decision.
- Supported the shareholders' use of proxy forms to steer voting at the meeting (Form B) and nominated nine independent directors as proxy alternatives at the meeting.
- Used ballots on every agenda item, particularly that dealing with directors' election where individual directors were voted on. To this end, the votes equaled the number of shares held for the election of one director.
- Required that directors with vested interests should have no votes and stay outside the meeting on such agenda item, as mentioned in the corporate governance policy.
- Defined practices for employees on the maintaining of Bangchak's confidential information and avoidance of benefit-seeking for themselves by exploiting such confidential information, as mentioned in the corporate governance policy.

3) Roles of stakeholders

In the corporate governance policy, the Board defined a policy for its roles toward the stakeholders. In the corporate governance system, several key groups of stakeholders are found, including customers, employees, business partners, shareholders, investors, creditors, and residents of neighboring areas, society, and the environment. Bangchak values the importance of the rights of all groups, which includes actions violating their rights and intellectual properties. Below are the policy and practices (detailed under "Sustainability Report"):



Employees

- Places Individual Development Plans (IDPs) to raise staff knowledge and caliber.
- Performance assessment is based on the Balance Scorecard principles whereby all employees have Key Performance Indicators (KPIs) and will be compensated in accordance with their performance.
- Gives a competitive and fair compensation, depending on the overall performance of the company, in the short term and the long term. In this regard, an annual salary survey is carried out with other companies in the same industry. Bangchak, moreover, provided staff welfare exceeding what was required by law, which included the provident fund, medical welfare, shuttle-bus service, staff relations activities, as well as an employee club with various recreational activities.

Customers

- The Company is dedicated to improving the quality and reliability of products and services for maximum customer satisfaction. Its policy is to deliver quality goods and services which meet or exceed customers' demands under fair conditions. Bangchak brand service stations were ranked 1st (tie for 1st place) as measured by Net Promoter Score for the second consecutive year.
- The Company is also committed to consumers' safety by delivering standard-certified products and by giving accurate, adequate information about its products and services.

Suppliers/Contractors

- The Company has a suppliers' code of conduct and a policy to select and treat Suppliers/Contractors with equality and fairness. It has produced a "Business Contact" manual and drawn up a "Dealer/Station Operator Policy" for distribution to business contacts and dealers/station operators so that they may have proper understanding and strictly comply with Bangchak's corporate governance and business ethics. Bangchak also firmly adheres to contract provisions. Whenever any condition cannot be complied with, Bangchak urgently informs Suppliers/Contractors in advance to jointly solve problems.



- The Company has defined strict criteria for Suppliers/Contractors selection to bolster fair and equal procurement procedures without violation of human rights. It invites those qualified to register with it. Qualified companies are allowed to make offers to compete with others in the same business. The procurement committee then proceeds with the selection, based on price and technical aspects.

Creditors

The Company treats its creditors fairly, responsibly, and transparently and seeks to fulfill all its contractual and financial obligations, especially guarantee conditions, capital management, and payment, collaterals, potential obligations and debts, as well as appropriate capital structure management to ensure creditors of its financial status and ability of repayment. If it cannot fulfill one or more of its obligations, it must notify creditors in advance so that a resolution can be mutually agreed.

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.

Communities surrounding the refinery, society, and the environment

- The Company conducts its business with adherence to environmental management standards, such as ISO 14000. The Company considers health and safety and the environment an integral part of the business, and has a written guideline on health, safety and the environment for the Directors, Executives, and employees to uphold.
- Environmental stewardship
 - Internal efforts by using LED light bulbs to save energy, promoting the use of recycled paper, using electronics system to improve



- work processes by reducing the use of paper, as well as providing knowledge and training for employees on occupational safety, health, and environment, as well as energy
- External efforts by arranging for E-Procurement for business partners in making offers in procurement and E-Complaint for customers in filing their complaints or making recommendations, to reduce the use of paper.
- 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.

Consumption of resources

The Company continually raises the efficiency of resource (energy, water and chemical) consumption, suiting the size of the business and efficiently managing waste and use it to its full potential.

Sanctity of intellectual properties

Bangchak has its policy on intellectual property management to define clear guidelines for the prevention and sanctity of intellectual properties. Compliance with this policy is the direct responsibility of the executives, employees, affiliates, and contractors working on behalf of Bangchak.

Whistleblowing and complaint-filing channels

Bangchak's Board of Directors has laid down measures regarding whistleblowing or concerns about any wrongdoing or misconduct that may lead to fraud involving people in the organization, be they staff or stakeholders. Whistleblowing can also be applied to suspicious financial statements or a lax internal control system. Bangchak has a mechanism to protect staff or whistleblowers by establishing a confidential database accessible only by authorized persons. This is to encourage cooperation from stakeholders in better protecting its interests. If a concern about wrongdoing is raised, a committee comprising members of units relevant



to the issue will be set up to launch an investigation, the result of which is forwarded to the whistleblower through:

E-mails: ico@bangchak.co.th

Letters: Internal Audit

Bangchak Corporation Public Company
Limited 2098 M Tower Building, 8th Floor,
Sukhumvit Rd., Phra Khanong Tai, Phra
Khanong, Bangkok 10260 Tel: 0 2335 4566

During 2018, there was one complaint concerning the disbursement of expenses, which—after fact-finding—led to the conclusion that the employee in question erred in task performance, but had no dishonest intention.

Contact channels

The Board of Directors Tel: 0 2335 4638
Fax: 0 2016 3982
E-mail: bcpsecretary@bangchak.co.th

Company Secretary Tel: 0 2335 4050
Fax: 0 2016 3982
E-mail: pakawadee@bangchak.co.th

Investor Relations Tel: 0 2335 4583
Fax: 0 2335 8000
E-mail: ir@bangchak.co.th

4) Information disclosure and transparency

The Board of Directors has defined a policy on information disclosure and transparency in the corporate governance policy, as implemented below.

- Disclosed performance outcomes, company information, and outlooks to analysts and investors (domestic and international) every quarter.
- Distributed key company data and documents, including the memorandum of association, certification, and regulations beyond the corporate governance policy on its website.



- Investor Relations coordinated with analysts, investors, and other parties that need financial data, performance outcomes, company status, and transactions affecting Bangchak.
- Publicized Bangchak's key information regularly through SET's channels, annual information disclosure forms, annual report, and its website in Thai and English.

5) Board responsibilities

In the corporate governance policy, the Board defined a policy for the roles, duties, and responsibilities of the Board. Details appear under "Management Structure", and below are Bangchak's actions taken this year:

- Review the vision, objectives, key goals, and business strategies and applying innovations and technologies to key resource allocation to supplement sustainable value to the business so that Bangchak may achieve its objectives, by pursuing useful information, and by fully sharing views.
- Oversee the management's translation of strategic plans into operational plans, assess the outcomes and steer affiliates by requiring their management to report their performances and other key matters for the Board's acknowledgment every month.
- Held an annual corporate strategy seminar with the management to review the vision and set corporate goals.
- Staged a meeting of the independent directors in May and October and a meeting of the non-management directors in April and November.
- Organized a study visit on energy business, innovation, and technology in Morocco and Portugal to apply to Bangchak's business development.
- Developed performance assessment forms for the Board: individual (self-assessment and cross-assessment), group, and committee.
- Revised and defined Bangchak's annual vision, missions, strategies, business plan goals, and budgets every year to maximize value to businesses and for shareholders' security. In addition, the Board endorses key strategies and policies, particularly financial KPIs (key performance indicators) and work plans. Endorsement of KPIs and metric-setting is done early in the year, with periodic tracking.



- Monitored management performance and ensured strategic implementation. Required that progress updates and company performance should be reported each month to Board meetings.
- Instituted an effective internal control system, internal audit, and risk management measures together with regular tracking at Board meetings.
- Established the Compliance unit to monitor all functions to ensure complete compliance, including preparation of legal assessment for Bangchak units, oversight of license renewals with an alert system for responsible superiors and subordinates, and legal education through channels like Outlook, intercom, and annual law training.

The Board of Directors is determined to manage businesses in compliance with good governance so that Bangchak's businesses may become transparent, efficient, and responsible to all stakeholders. **The Board recognizes its duties under the new CG Code's guidelines, to apply each Principle and Sub-Principle by means that are suitable for the company's business. Such application review takes place at least annually.** The Company has fully complied with the Corporate Governance Code for listed companies 2017, except the following matters which are the aspects not yet applied, which will in time be adapted as seen fit.

CG Code Principle	Justification or Alternative Measure
The board should comprise at least 5 directors and should not be more than 12 directors. (Guideline 3.1.2)	Bangchak values corporate governance in parallel with the recruitment of competent people to manage businesses. It recognizes the necessity and benefit of recruiting additional such directors. Today the Board consists of 15 directors.
Each director should attend not less than 75 percent of all board meetings in any whole Financial reporting year. (Guideline 3.5.5)	Bangchak instituted an electronic meeting system to facilitate directors that cannot attend meetings in person, which has provided it with helpful comments from those directors.



8. Conflicts of Interest

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

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

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

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

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

The Securities and Exchange Act 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 of Directors Division with a copy to Internal Audit for acknowledgment.



9. 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. Bangchak allowed all information to be equally publicized, whether financial reports, performance outcomes and business outlooks, data affecting Bangchak stock prices, or quality-assured data disclosed to investors and stakeholders. Directly and indirectly, Bangchak presented its performance outcomes and company information, summarized below:

- Direct: Bangchak staged meetings between its executives and shareholders, stock analysts, investors, and employees via regular activities to present performance outcomes through analyst meetings, roadshows, conference calls, participation in conferences (domestic and abroad), participation in meetings with minor investors at the “Opportunity Day” or at “SET in the City”, hosted by SET, or company visits by shareholders to enable them to appreciate company businesses more. In addition, institutional investors (domestic and international) and stock analysts may make appointments with executives to inquire about company data through company visits.

Activity	Number (times)
Foreign Roadshow	6
Local Roadshow	3
Analyst Meetings	4
Opportunity Day (organized by the SET)	4
Company Visit	9
Conference Call	3
Answering Inquiries by E-mail/telephone	528 (twice a day in average)
E-newsletter	4
Factsheet	4
Site Visit	3
Shareholder and Minor Investors Get-together	3
Press Conference	2



- Indirect: Bangchak provided assorted data, performance outcomes, financial statements, and other information given to SET. Other data were presented through meeting documents, video and audio recordings, and E-Newsletters, 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.



10. Social Responsibility

Bangchak operates strictly under its founding mission to co-develop for a good quality of life with the communities where it operates and the public at the national level, with the solutions and practices in response to the needs and expectations of the communities and society. In 2018, it supported and promoted activities at the community and society levels in parallel with details as follows:

Community development surrounding Bangchak's sites

Bangchak classifies communities around the refinery into four groups to properly respond to each group's needs and expectations. The most common needs and expectations are safe operations, prompt communication, in case of emergencies, emergency preparedness, and engaging the communities in social and community development activities. Bangchak has set community relations strategy and conducted social and community development activities covering eight areas which are education, safety, sports, quality of life, environment, relationship promotion, cultural conservation, economy, and public benefits. During 2018, over 236 activities were held, providing benefits to 28,974 persons.

Social development at the national level

Bangchak's business growth at the national level is pursued under a scheme of social enterprise, driven with a scope of work that truly reflects the needs and expectations of farmer groups, who are stakeholders, customers and a majority of the population. With deep, thorough and caring business operations through support of education and economic development at the community level, Bangchak has opted to expand its



businesses from existing operations to improve the quality of life and increase environmental awareness of the Thai society. During the previous year, Bangchak added activities with initiatives in line with the United Nations Sustainable Development Goals (UNSDGs) with a focus on youths and farmers, and activities to raise the awareness and importance of the environment, society and economic development at the grassroots.

All these activities not only are in line with the corporate vision, but also correspond to the SDGs (Sustainability Development Goals), the corporate social responsibility standard of ISO 26000, and UN Global Compact (UNGC); hence, they can be advanced toward sustainability. Those who are interested can read and access more information in the Company's report on business development in conjunction with the environment and society under the framework of Global Reporting Initiative (GRI), posted at the corporate website at www.bangchak.co.th.



11. Internal Control and Risk Management

Bangchak Corporation PCL constantly values an effective internal control system under the scope of The Committee of Sponsoring Organizations of the Treadway Commission (COSO). This year, it proceeded with system improvement at the recommendations of EY Corporate Services Ltd., which assigned by Bangchak to assess its internal control system before presenting its recommendations to the Board of Directors and the management for improvement.

Having reviewed the recommendations, the Board provided its views on the adequacy and suitability of the internal control system. Below is a summary of assessment findings.

1. Control environment

The Company's favorable environment provides for the system to proceed as aspired. Legal and Corporate Governance centralizes clear and measurable compliance with assorted laws and regulations; therefore, employees have guidance for their behavior. Amendment is made to work policies, the employee manual, work manuals, organization and taskforce structuring, all of which ease the management's tasks. Bangchak relentlessly values business integrity and ethics under the corporate governance policy and sustainable business development in parallel with society and the environment, apart from the oversight of compliance.

Bangchak values the issues of fraud risks and conflicts of interest, as evident in its requirement for employees to provide data on their conflicts



of interest via the e-HR system for their convenience and up-to-date data every year.

The 14th annual CG Day, held this year, saw Emeritus Professor Dr. Kasem Wattanachai deliver his concept on how to behave conscientiously and apply one's knowledge and virtue for the good of all this to stimulate employees' awareness, leading to a corporate culture of sustainable corporate governance. The 5th consecutive Suppliers' Seminar, also held this year, provided knowledge and supported Bangchak's suppliers (business partners) to join the alliance of the Thai private sector against corruption under CAC to stress ongoing commitment to combating corruption. This year Bangchak focused on promoting CAC-SME, an alliance project of the Thai private sector meant for medium and small SMEs. Today, out of the ten CAC-SME-certified companies, six are Bangchak's suppliers.

Bangchak underwent assessment and was acclaimed by third-party agencies this year. In Asia it earned the ASEAN Corporate Governance Award for Top 50 ASEAN PLCs for the second year in a row; this represented an exercise relying on the ASEAN CG Scorecard (ACGS) as a central criterion for assessing and ranking listed companies. Also, The Asset magazine presented a Platinum Award – Excellence in Environmental, Social and Governance at The Asset Corporate Awards 2018. On the domestic front, for the second year in a row, Bangchak garnered the Best Sustainability Award 2018, an upgrade from the award



for reports on corporate governance and social responsibility; it also accepted from SET an Excellent Sustainability Award, echoing its comprehensive integration of business sustainability in line with the corporate governance code.

2. Risk Assessment

Bangchak appointed the Enterprise-wide Risk Management Committee (ERMC) to define policies, strategies, and goals for enterprise risk management and develop a corporate risk management system for ongoing efficiency under ISO 31000, which embraces strategic, operational, finance, and corporate reputation risks, which could arise from safety and health; impacts on the environment, society, and communities; compliance with laws; and anti-corruption. Covering the corporate hierarchy, Bangchak's risk management processes consist of the operating level for achieving corporate goals, business groups, divisions, work processes, and the establishment of investment project risk management plans for every project in and outside Thailand. The outcomes are then relayed to all business groups and affiliated companies so that all may follow the standard process. To this end, the corporate risk management structure embraces all business groups and affiliated companies to ensure that Bangchak Group may together achieve short-term and long-term goals.

Bangchak identified and drew up risk management plans in parallel with the establishment of corporate strategic plans to align with COSO



Enterprise Risk Management – Integrated Framework (COSO ERM). It applied key risk indicators (KRIs) to its monitoring and surveillance processes concerning risk occurrence to modify and develop them into additional risk management plans, mitigate impacts on corporate goals, and pay special attention to risk management by Bangchak Group companies so that they may proceed suitably with manageable key risk control so as to jointly achieve goals.

To enable Bangchak to handle unforeseen risks that could hurt business capability, including natural catastrophes, sabotage, political change, and other incidents, it appointed a Business Continuity Management Taskforce to develop a system, oversee preparedness, and revise plans to cope with risks and crises more effectively so that Bangchak's businesses may proceed uninterrupted and mitigate repercussions. To this end, it has introduced the ISO 22301:2012 system to the corporation, embracing Head Office, Bangchak Refinery, and Bangchak Oil Distribution Center, Central Region Business Office, and Bang Pa-in Oil Distribution Center since 2013 (for six consecutive years). This move certifies that Bangchak indeed commands a system to handle crises, manage business continuity on a par with international standards, and bolster confidence among stakeholders that it is capable of coping with crises, and of continuing to deliver products. The acquired ISO 22301:2012 certificate has been monitored each year by the standard certifier.



3. Control activities

Bangchak's control activities rely on KPIs for planning and exerting control. Duties and responsibilities are segregated for checks and balances, as are the revision and definition of authority levels and approval authority for each level for business suitability. Checks and balances and authority inspection are the mandates of dedicated units and committees, including Internal Audit, the Investment Committee, and ERM.

If things go wrong, Bangchak's documents are in place for respective liability borne by divisions and responsible parties. To prevent asset losses and abuses, the company sets stewardship procedures. Monitoring of transactions binding Bangchak in the long term is in place to ensure compliance with agreed terms. Preventive measures avert employees' abuse of its business opportunities for self-interests. This year it also trained employees on "Procedure for Managing and Controlling Inside Information" for greater understanding and compliance with such procedures.

Bangchak's procedures ensure employees' compliance with applicable laws, articles of association, and key work processes. It also has developed an IT work system so as to ensure better internal control.

The company's strict and suitable measures are in place for engagement in transactions with the major shareholder, directors, among others, to



prevent benefit siphoning. For instance, such transactions must go through the approval process involving only those free of vested interests. Also, data for such transactions must be disclosed under SEC's rules along with disclosure about related parties or businesses under accounting standards.

Bangchak has appointed an ISMS Management Team in charge of oversight and management of information system security. It has also reviewed and amended policies and requirements for IT system security under ISO 27001. Finally, it has constantly informed employees about risks and prevention of IT threats, together with the standards for accessing the information system. Also, it has achieved ISO/IEC 27001:2013 certification, the Information Security Management System, and a letter of compliance with ISO/IEC 27032:2012 and guidelines for cybersecurity—the first Thai company to do so under the certification by Bureau Veritas Certification (Thailand).

Bangchak commands a monitoring system for the regular oversight of subsidiaries under its business strategies, policy scope, and guidelines.

4. Information and communication

A Digital Roadmap has been drawn up to accommodate work on refinery management, marketing, finance, accounting, and personnel administration so that Bangchak may leverage various data through analysis and for higher-efficiency operation. Innovative technologies are applied to oil refining processes, including Technology IoT (Internet of



Things), sensors installed around the refinery, execution of Big Data Analytics, data analysis for marketing planning, development of improved services for customers, and improvement of work process efficiency. Also, Bangchak investigated emerging technologies to improve work processes so that they may be convenient and concise (that is, more automated), including robotics, mobile technology, artificial intelligence, Blockchain, virtual reality, and augmented reality.

Bangchak employs several internal communication channels and processes to present synopses, depending on the contents. The key is swift and accurate information regularly passed on through diverse channels, including the Intranet, e-mails, intercom, and digital bulletin boards. In its external communication, online communication is common, and its website and Facebook are readily accessible; one can search data with mobile devices for swift and efficient application.

Bangchak has set up complaint channels as well as a whistleblowing system for employees and stakeholders, who can use phone numbers or e-mails; they are to be duly protected and enter the fact-finding process for eventual correction.

5. Monitoring and assessment

Bangchak commands a monitoring system for regular outcome comparison against targets. If incidents affect performance, steps will be taken to modify strategic plans for suitability, in line with assessment outcomes. As a result, performance will align with goals. Internal Audit, reporting to the Audit Committee, audits business proceedings under the



internal control system. Finally, the company has set up an Internal Audit Division under Corporate Sustainability, whose responsibility is to promote internal control system improvement.

**Head of Internal Audit**

At its meeting No. 6/2005 held on Jul. 11, 2005, the Board of Directors deemed it appropriate to appointed Mr. Pichit Wongrujiravanich as Vice President of Internal Audit. Since Mr. Pichit has over 22 years' experience in auditing with SGV-NA Thalang Office Co., Ltd. and Yontrakit Group., currently, he works as Executive Vice President of Internal Audit.

The Audit Committee considers, appoints, transfers, and assesses the performance of the head of Internal Audit. Please see information of the head of Internal Audit in Attachment 4.

Head of the Compliance Department

At its meeting No. 6/2009 held on Jun. 26, 2009, the Board of Directors appointed Ms. Pakawadee Junrayapes as Company Secretary, effective from July 1, 2009. In 2017, due to the Company's management restructuring, the Company appointed Ms. Pakawadee Junrayapes as Executive Vice President, effective from January 1, 2018. Please see information of the head of Legal and Corporate Compliance in Attachment 4.

**12. Connected Transactions****1. Connected transactions with subsidiaries, jointly-controlled businesses, associated companies and related companies during 2017 and 2018 consisted of the following:****1.1 Sale of products and services to subsidiaries, jointly-controlled businesses, associated companies and related companies**

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	31,443.56	34,501.22	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	0.03	0.04	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	2,715.36	7,752.79	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd.	-	9.21	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	8.64	9.04	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
<u>Associated companies</u>				
Ubon Bio Ethanol Plc.	12.64	9.60	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors
Ubon Agricultural Energy Co., Ltd.	14.98	1.98	- Ubon Bio Ethanol Plc. (associated company) holds 100% of the shares	- Bangchak delegates its representatives as directors



1.2 Purchase of products and services from subsidiaries, jointly-controlled businesses, associated companies and related companies

Related company	2017	2018	Relationship for the year ended 31 December 2018	
	THB (million)	THB (million)	Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd	0.16	0.18	- BCP holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	4,533.86	4,019.00	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	7,434.83	22,903.10	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	1,057.36	1,062.37	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
KSL Green Innovation Plc.	-	906.42	- BBGI (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
<u>Associated company</u>				
Ubon Bio Ethanol Plc.	1,487.59	1,368.04	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors
<u>Joint venture</u>				
Bongkot Marine Services Co., Ltd.	261.30	490.00	- Bangchak holds 30% of the shares	- Bangchak delegates its representatives as directors
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd	441.69	443.28	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors



1.3 Revenue from investment and other revenues from subsidiaries, jointly-controlled businesses, associated companies and related companies

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd	68.43	39.95	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	115.53	1.99	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
Nido Petroleum Pty. Ltd.	143.89	126.40	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
BBGI Plc.	-	48.47	- Bangchak holds 60% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	884.97	936.38	- Bangchak holds 70.11% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	9.61	0.63	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd.	12.81	22.89	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Innovation Pte. Ltd.	-	2.62	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
KSL Green Innovation Plc.	-	0.50	- BBGI (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPR Pte, Ltd.	-	2.88	- BCPR (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors



Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Associated company</u>				
Ubon Bio Ethanol Plc.	21.27	-	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors
<u>Joint venture</u>				
Bongkot Marine Service Co., Ltd.	-	24.00	- BCP holds 30% of the shares	- Bangchak delegates its representatives as directors
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd	5.80	4.90	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

1.4 Other expenses paid to subsidiaries, jointly-controlled businesses, associated companies and related companies

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	26.83	23.67	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	0.29	0.25	- Bangchak holds 70.11% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd.	8.58	4.62	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors



Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	-	0.11	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
Nido Petroleum Pty. Ltd.	17.03	-	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	9.06	8.05	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors

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

1.5.1 Trade debtors

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd	1,142.19	1,080.28	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	1.71	3.20	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	558.37	1,133.77	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	1.04	0.71	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors



Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Associated companies</u>				
Ubon Bio Ethanol Plc.	1.13	1.57	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors
Ubon Agricultural Energy Co., Ltd.	0.90	-	- Ubon Bio Ethanol Plc. (associated company) holds 100% of the shares	- Bangchak delegates its representatives as directors
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd	0.33	0.33	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

1.5.2 Debtors and loans to related businesses

1.5.2.1 Loans

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiaries</u>				
Nido Petroleum Pty. Ltd.	2,113.45	1,291.39	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	90.00	410.00	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Innovation Pte. Ltd.	-	197.75	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors



Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
BCPR Pte. Ltd.	-	3,228.48	- BCPR (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd	13.91	10.51	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

1.5.2.2 Other debtors

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Biofuel Co., Ltd.	0.43	0.74	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
Bangchak Solar Energy Co.,Ltd.	0.39	0.39	- BCPG (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
Nido Petroleum Pty. Ltd.	8.05	10.42	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	2.46	4.62	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	2.35	3.06	- Bangchak holds 70.11% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	1.48	0.01	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors



Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
BBGI Plc.	-	5.01	- Bangchak holds 60% of the shares	- Bangchak delegates its representatives as directors
BCP Innovation Pte. Ltd.	-	2.60	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCV Bio Based Co., Ltd.	-	0.01	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCV Energy Co., Ltd.	-	0.01	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCV Innovation Co., Ltd.	-	0.01	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCV Partnership Co., Ltd.	-	0.01	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors

1.6 Creditors of related businesses

1.6.1 Trader creditors

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd	0.02	0.02	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	158.47	152.06	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors



Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
BCP Trading Pte. Ltd.	384.74	503.24	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	102.22	102.51	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
KSL Green Innovation Plc.	-	71.07	- BBGI (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
<u>Associated company</u> Ubon Bio Ethanol Plc.	128.98	109.93	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors

1.6.2 Other creditors

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiaries</u> Bangchak Green Net Co., Ltd	3.92	3.33	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	0.02	0.04	- Bangchak holds 70.11% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	7.93	3.67	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	1.01	1.83	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors



Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Joint venture</u> Bongkot Marine Services Co., Ltd.	12.42	12.59	- Bangchak holds 30% of the shares	- Bangchak delegates its representatives as directors
<u>Related business</u> Fuel Pipeline Transportation Co., Ltd.	43.38	43.66	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

1.7 Other non-current assets

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiary</u> Nido Petroleum Pty. Ltd.	312.70	321.65	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPR Pte. Ltd.	-	2.86	- BCPR (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors



1.8 Other current liabilities: These items are Bangchak's revenue received in advance for land lease and demanded guarantee payment for building lease.

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Subsidiaries</u> BCPG Plc.	6.00	6.00	- Bangchak holds 70.11% of the shares	- Bangchak delegates its representatives as directors

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

Related company	2017 THB (million)	2018 THB (million)	Relationship for the year ended 31 December 2018	
			Shareholding	Management
<u>Related business</u> Fuel Pipeline Transportation Co., Ltd	2.50	2.02	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors

1. 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 terms, based on market prices, and conformed to details stated in the operating agreement.

**2. Connected transactions with Bangchak Biofuel Co., Ltd.**

Bangchak Biofuel Co., Ltd., an indirect subsidiary through BBGI Company Limited (BBGI), which holds 70% of its shares, was set up to produce and sell biodiesel. These connected transactions followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

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

Bangchak Solar Energy Co., Ltd., an indirect subsidiary through BCPG Plc., was formed to run a 38-MW capacity solar farm, “Sunny Bangchak” Phase 1 at Amphoe Bang Pa-In, Phra Nakhon Si Ayutthaya. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

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

An indirect subsidiary company through BCPG Plc., Bangchak Solar Energy (Prachinburi) operated a power plant to produce electricity from solar cells at Amphoe Kabin Buri, Prachin Buri. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

5. Connected transactions with Bangchak Solar Energy (Chaiyaphum 1) Co., Ltd.

An indirect subsidiary company of BCPG Plc., Bangchak Solar Energy (Chaiyaphum 1) operated a power plant to produce electricity from solar cells at Amphoe Bamnet Narong, Chaiyaphum. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

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

An indirect subsidiary company through BCPG Plc., Bangchak Solar Energy (Buriram) operated a power plant to produce electricity from solar cells at Amphoe Prakhon Chai, Buri Ram. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

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

An indirect subsidiary company through BCPG Plc., Bangchak Solar Energy (Buriram 1) operated a power plant to produce electricity from solar cells at Amphoe Nong Ki, Buri Ram. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

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

An indirect subsidiary company through BCPG Plc., Bangchak Solar Energy (Nakhonratchasima) operated a power plant to produce electricity from solar cells at Amphoe Dan Khun Thot, Nakhon Ratchasima. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

9. 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 relating to energy, petrochemicals, and natural resources abroad. The service fees followed normal business terms and were based on market prices.



10. Connected transactions with BCP Innovation Pte. Ltd.

A subsidiary company in Singapore, BCP Innovation Pte. Ltd. was set up to engage in innovation-related businesses. The service fees followed normal business terms and were based on market prices.

11. Connected transactions with BCP Trading Pte. Ltd.

A subsidiary company in Singapore, BCP Trading Pte. Ltd. was set up to trade commodities including crude oil, petroleum products, petrochemicals and related chemicals and to conduct other businesses that would benefit the company, including but not limited to oil hedging, chartering, storage and distribution. These connected transactions followed normal business terms and were based on market prices.

12. Connected transactions with Nido Petroleum Pty. Ltd.

Nido Petroleum Pty. Ltd. (an indirect subsidiary in Australia) was formed to run the upstream petroleum business. These connected transactions followed normal business terms and were based on market prices.

13. Connected transactions with BCPG Plc.

A subsidiary company, BCPG Plc. was established to engage in power generation from solar cells. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

14. Connected transactions with Bangchak Retail Co., Ltd.

A subsidiary company, Bangchak Retail is engaged in franchise businesses and intellectual property acquisition. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

**15. Connected transactions with BBGI Plc.**

A subsidiary company, BBGI Plc. was established to engage in bio-based product manufacturing. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

16. Connected transactions with Bangchak Bioethanol (Chachoengsao) Co., Ltd.

An indirect subsidiary company through BBGI, which holds 85% of its shares, Bangchak Bioethanol (Chachoengsao) is engaged in cassava-based ethanol production. The ethanol was used in gasohol production. Purchases and service fees followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

17. Connected transactions with KSL Green Innovation) Plc.

An indirect subsidiary company through BBGI, engages in ethanol production primarily from molasses (a byproduct of the sugar process). Purchases followed normal business terms and were based on market prices.

18. Connected transactions with BCPR Pte. Ltd.

A subsidiary company in Singapore, BCPR Pte. Ltd. was formed to undertake petroleum exploration and production. These connected transactions followed normal business terms and were based on market prices.

19. Connected transactions with BCV Bio Based Co., Ltd.

A subsidiary company, BCV Bio Based Co., Ltd. was established to engage in a startup business in Thailand. These connected transactions followed normal business terms and were based on market prices.

**20. Connected transactions with BCV Energy Co., Ltd.**

A subsidiary company, BCV Energy Co., Ltd. was established to engage in a startup business in Thailand. These connected transactions followed normal business terms and were based on market prices.

21. Connected transactions with BCV Innovation Co., Ltd.

A subsidiary company, BCV Innovation Co., Ltd. was established to engage in a startup business in Thailand. These connected transactions followed normal business terms and were based on market prices.

22. Connected transactions with BCV Partnership Co., Ltd.

A subsidiary company, BCV Partnership Co., Ltd. was established to engage in a startup business in Thailand. These connected transactions followed normal business terms and were based on market prices.

23. Connected transactions with Ubon Bio Ethanol Plc.

An indirect subsidiary company through BBGI, with 21.28% equity, engages in ethanol production from fresh cassava and cassava chips for gasohol production for domestic sale and export to China for the most part. Purchases and service fees followed normal business terms, based on market prices, and conform to details stated in the operating agreement.

24. Connected transactions with Bongkot Marine Services Co., Ltd.

The Company entered into a contract for the use of Bongkot oil depot service with Bongkot Marine Services Co., Ltd., a joint venture which provides floating storage unit services. The transaction followed normal business terms, based on market prices, and conform to details stated in the operating agreement.



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

Transactions with Ubon Agricultural Energy Co., Ltd., a related company through Bangchak's associated company, Ubon Bio Ethanol Plc., which holds its shares, followed normal business terms and were based on market prices.

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

Bangchak entered into contracts with FPT to take its oil products from Bangchak Depot to its Bang Pa-in Depot and sell them to its customers in the Central, Northern and Northeastern regions, followed normal business terms and were based on market prices.

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

Disclosure of connected transactions follows the rules of the Office of the Securities and Exchange Commission (SEC), as well as the accounting standards for the disclosure of information on connected parties and businesses, as defined by the Federation of Accounting Professions.

Policy for future connected transactions

In undertaking future connected transactions, Bangchak 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 follows market practices or the details stipulated in commercial contracts, or both. The connected transaction shall be dealt on a fair and arm's length basis. However, in such cooperation, Bangchak takes into consideration its best interests. The Audit Committee and the Internal Audit supervise and review



Bangchak's businesses to ensure its conformance to Securities and Exchange Act and SET's rules and regulations, notifications, orders and requirements. In addition, for whichever transactions involving Bangchak executives, they are not allowed to cast their votes in meetings. Major connected transactions must be reviewed and approved by the Board.