



Attachment 3 Report of the Audit Committee

Report of the Audit Committee

To the Shareholders

The Audit Committee consists of qualified directors who are independent and experienced, with Mr. Suthep Wongvorazathe serving as Chairman, with Ms. Prisana Praharnkhasuk and Pol.Lt.Gen. Chaiwat Chotima serving as members.

In 2018, the committee held 12 meetings, nine of which with the management (in the absence of those with invested interest on applicable items). The following are the meeting attendance records.

Name	Attendance / Total
Mr. Suthep Wongvorazathe	12 / 12
Mrs. Prisana Praharnkhasuk	12 / 12
Pol.Lt.Gen. Chaiwat Chotima	11 / 12
Mr. Krisada Chinavicharana	4 / 5

*Resigned from the committee, with effect from May 31, 2018

In addition, the committee held two meetings with the Enterprise-wide Risk Management Committee (ERMC).

The committee deliberated various matters, summarized below:

1. Reviewed the quarterly and annual financial statements, related financial reports, information disclosure that was adequate and timely, compliance with generally accepted accounting practices, accounting standards, and key changes in accounting policies. Also, reviewed connected transactions between shareholders and subsidiaries or related companies. The committee met Bangchak's law team to get updates on significant cases where Bangchak had



been sued in court, the outcome of which could have key repercussions on its businesses.

2. Reviewed and ensured that Bangchak

- Commanded suitable, transparent, and efficient internal control and internal audit systems by monitoring Internal Audit's performance to ensure independence and efficiency; monitored the performance and business improvement plans of Bangchak Retail Co., Ltd. (a subsidiary); and commented on the internal control weakness of KSL Green Innovation Plc (an indirect subsidiary).
- Supported
 - Internal Audit's counseling for subsidiary BBGI Co., Ltd.'s internal audit system and shared internal audit expertise with BBGI Group employees
 - Internal Audit's participation in the ISO 22301 assessment project and counseling on internal audit to the management
 - Internal Audit's assessment of the IT Roadmap Investment Project
 - Internal Audit's ongoing development of an audit-supporting program, including a payment audit program under the Gasohol Card Project, and development of the Audit Management System (AMS) for greater efficiency.

3. Reviewed Bangchak's compliance with all announced accounting standards, legal provisions, SET's requirements, and applicable



- laws in a thorough, accurate fashion under corporate governance principles, with a focus on exceeding compliance.
4. Selected, nominated, and proposed pay for KPGM Phoomchai Audit Ltd. as Bangchak's external auditor for 2018; held quarterly discussions with the external auditor about audit-related problems and timely corrective actions on key issues.
 5. Reviewed the adequacy of Bangchak's risk management processes and proceeded with audit under the existing risks. This year meetings were held with ERM, where this committee advised that committee to
 - Develop a clear set of data on circumstances potentially affecting business, and develop an environmental management plan for approved investment projects
 - Develop a risk management plan and processes for inspection of vendor lists and credit review of BCP Trading Pte., Ltd. (a subsidiary).
 6. Urged and ensured compliance with the refinery's safety and environmental stewardship standards for the surrounding communities and society.
 7. Revised the committee's charter in line with SEC's and SET's rules and requirements as well as the corporate governance policy to ensure shareholders, business partners, customers, and other stakeholders that Bangchak's business complies with requirements and the code of conduct while upholding an efficient internal control system.



8. Reviewed Internal Audit's policy and handbook to embrace roles, duties, and responsibility of the Audit Committee and Internal Audit to guide its tasks.
9. Advocated international-standard quality for internal auditor development.

Monitoring Bangchak's performance this year under the assigned scope of duties and responsibility, the Audit Committee feels that Bangchak had prepared materially correct financial statements under the generally accepted accounting principles. Data for connected transactions or those that might produce conflicts of interest were duly disclosed. In place were an internal control system and risk management practices that were adequate and fit business circumstances. Finally, Bangchak accurately and thoroughly abided by the laws, SET's requirements, and applicable legal provisions.

(Signed) *Suthep Wongvorazathe*
(Mr. Suthep Wongvorazathe)
Chairman, Audit Committee
January 31, 2019