



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 August 29, 2019)		Number of Shares	Shareholding (%)
1.	Social Security Office	203,417,697	14.77
2.	Vayupak Fund 1	201,873,600	14.66
3.	Ministry of Finance.	137,442,767	9.98
4.	Thai NVDR Co., Ltd.	91,454,250	6.64
5.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	32,835,228	2.38
6.	AIA COMPANY LIMITED-EQDI-D FUND 1	30,000,069	2.18
7.	Bangkok Life Assurance PLC	23,056,200	1.67
8.	Krungsri Dividend Stock LTF	22,045,400	1.60
9.	STATE STREET EUROPE LIMITED	19,245,211	1.40
10.	Mrs. Somsong Lapananrat	15,689,600	1.14
Top 10 Total		777,060,022	56.43
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 August 29, 2019)		Number of Shares	Shareholding (%)
1.	STATE STREET BANK AND TRUST COMPANY	14,065,100	1.02
2.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	11,696,200	0.85
3.	STATE STREET EUROPE LIMITED	9,894,044	0.72
4.	BNY MELLON NOMINEES LIMITED	8,883,126	0.65
Total		44,538,470	3.24

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**

Bangchak earned “A” credit rating for the organization and debt instruments with a “stable” outlook from TRIS Rating Co., Ltd.

In 2019, Bangchak issued and offered perpetual subordinated bonds, which repays the principal only once when the company is dissolved or when the issuer exercises the right to redeem them. The issuer can defer interest payment to the holders while accruing payable interests indefinitely without any limit on the number of times, at the issuer's sole discretion. The bond states the holder's name, is unguaranteed, nonconvertible, and bears the holder's agent; the issuer can redeem Baht 10 billion's worth of such bonds before maturity. As of December 31, 2019, Bangchak posted Bah 31 billion in outstanding bonds as detailed below.

Debenture	Value (Baht million)	Interest rate (%/year)	Maturity (years)	Redemption Date
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
BCP19PA	10,000	Floating ^{1/}	Principal amount to be repaid once upon company dissolution or when the issuer exercises its right to redeem the bonds.	

Remarks: ^{1/} Floating interest rates as detailed below:

- (1) For the first year to the fifth year, fixed at 5.00% per year
- (2) For the sixth year to the 25th year, the rate is the sum of (a) five-year government bond yield rate, (b) initial credit spread, and (c) 0.25% per year



- (3) For the 26th year to the 50th year, the rate is the sum of (a) five-year government bond yield rate, (b) initial credit spread, and (c) 1.00% per year
- (4) From the 51st year onward, the rate is the sum of (a) five-year government bond yield rate, (b) initial credit spread, and (c) 2.00% per year.

The interest rate is to be adjusted every five years, referenced to the five-year government bond yield rate at the end of the two working days before the start of the new period of interest rate adjustment. The initial credit spread means the difference between the 5.00% per year interest rate and the five-year government bond yield as of September 17, 2019, which equaled 3.61% per year.

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	2014	2015	2016	2017 (Restate)	2018 (Restate)	2019 (first half)
Earnings per share (Baht/share)	0.52	3.01	3.47	4.07	1.79	0.54
Annual dividend (Baht/share)	1.00	2.00	1.80	2.15	1.35	0.50
Dividend payout ratio (%)	192	66	52	53	75	93



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.

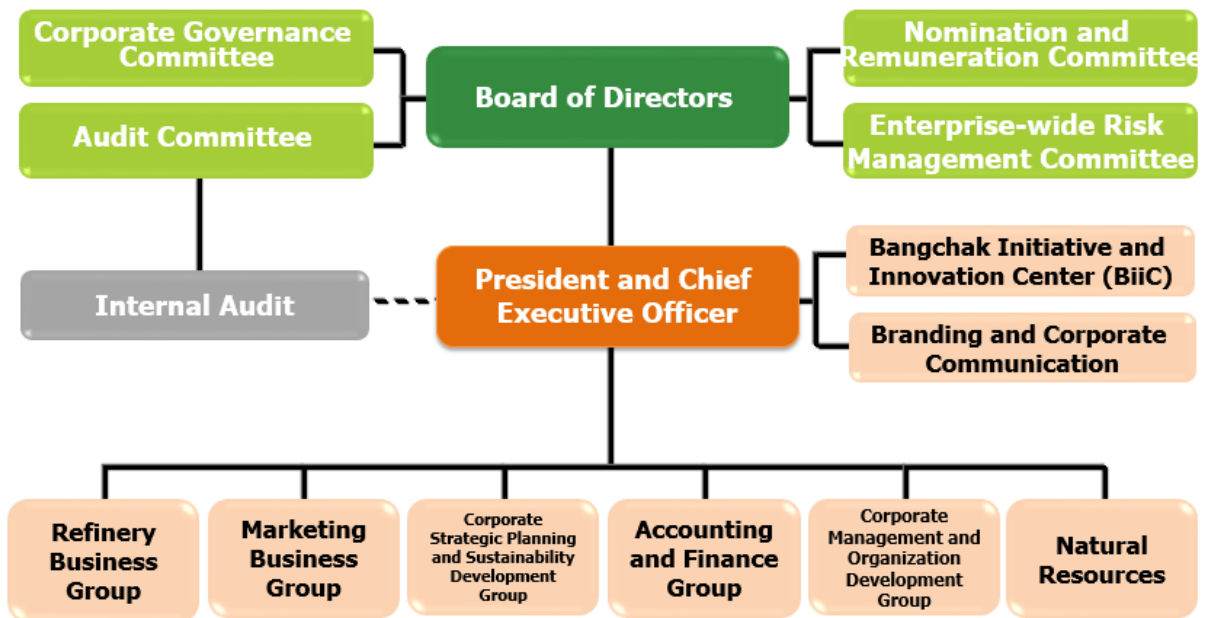
- Bangchak Green Net Co., Ltd.

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 2019

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 2019) 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 - Member of the Enterprise-wide Risk Management Committee - Member of the Corporate Governance Committee	8 April 2010



Name		Position	Appointment date
3.	Mr. Suthep Wongvorazathe	- Independent director - Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee	30 October 2012
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 and Secretary 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
8.	Mrs. Prisana Praharnkhasuk	- Independent director - Member of the Enterprise-wide Risk Management 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 Audit Committee	7 June 2018
11.	Mr. Suthi Sukosol	- Director (Representative of Social Security Office) - Member of the Corporate Governance Committee	26 July 2019 Replacing Mr. Jarin Chakkaphark
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
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 the Corporate Governance Committee	30 October 2012



Name		Position	Appointment date
		<ul style="list-style-type: none"> - Member and Secretary of Enterprise-wide Risk Management Committee - Secretary of the Board of directors 	
Directors whose terms were completed and resigned directors in 2019			
1.	Mr.Jarin Chakkaphark	<ul style="list-style-type: none"> - Director (Representative of Social Security Office) - Member of the Corporate Governance Committee 	12 October 2017 (Resigned on 8 May 2019)

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 9 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. Chotima Chaiwat	X	X	X			X			X	X
7.	Lt.Gen. Thammanoon Withee						X	X	X	X	X
8.	Mrs. Prisana Praharnkhasuk	X		X		X	X		X		X
9.	Mr. Teerapong Wongsiwawilas						X	X	X		X
10.	Dr.Porametee Vimolsiri			X	X	X	X		X	X	X
11.	Mr. Suthi Sukosol						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
รวม		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

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



- 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 9 of 12 times a year)

In 2019, the Board held 12 meetings with exclusive meetings of the independent directors in April and September and meeting of the non-management directors in May and October, 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:

- Mr. Suthi Sukosol on 14 August 2019

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:

- A lectured entitled "Turning Big Data into Decisions" by Mr. Andreas Weigend, a Big Data expert, on March 6, 2019, delivered to Mr. Prasert Sinsukprasert
- A lecture entitled "Energy Sector Environment" by a speaker from McKinsey & Company, delivered to the Board of Directors at the annual corporate strategic seminar on July 12-13, 2019



- A study visit by the Board of Directors to OKEA ASA in Norway from August 31 to September 8, 2019
- A lecture entitled “Business Canvas” by Mr. Alex Osterwalders, a subject matter expert, delivered to the Board of Directors from December 11 to 12, 2019.

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. Dr.Porametee Vimolsiri	Member and Independent Director with expertise in accounting and finance
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. Suthep Wongvorazathe	Chairman and Independent Director
2. Adm. Sucheep Whoungmaitree	Member and Independent Director
3. Lt.Gen. Thammanoon Withee	Member and Independent Director
4. Pol.Lt.Gen. Chaiwat Chotima	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	Chairman and Non-executive Director
2. Mr. Surin Chiravisit	Member and Non-executive Director
3. Mrs. Prisana Praharnkhasuk	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. Surin Chiravisit	Member and Non-executive Director
3. Mr. Teerapong Wongsiwawilas	Member and Independent Director
4. Mr. Suthi Sukosol	Member and Non-executive Director
5. 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

Names			Meeting attendance / total (times)							Remarks
			Board of Directors			Sub-Committees				
			Meeting	Seminar	Total	AC	NRC	ERMC	CGC	
1	Mr. Pichai	Chunhavajira ^{1/}	12/12	1/1	13/13	-	-	-	-	
2	Mr. Surin	Chiravisit ^{2/}	12/12	1/1	13/13	-	1/1	5/5	3/3	
3	Mr. Suthep	Wongvorazathe ^{3/}	12/12	1/1	13/13	12/12	4/4	-	-	
4	Gen. Vitch	Devahasdin	11/12	0/1	11/13	-	-	-	3/3	
5	Adm. Sucheep	Whoungmaitree	12/12	1/1	13/13	-	4/4	-	-	
6	Pol.Lt.Gen. Chaiwat	Chotima	10/12	1/1	11/13	12/12	4/4	-	-	
7	Lt.Gen. Thammanoon	Withee	12/12	0/1	12/13	-	1/4	-	-	
8	Mrs. Prisana	Praharnkhasuk ^{4/}	12/12	1/1	13/13	-	-	4/4	-	



9	Mr. Teerapong Wongsiwawilas	12/12	1/1	13/13	-	-	-	3/3	
10	Dr. Poramettee Vimolsiri ^{5/}	12/12	1/1	13/13	11/12	-	-	-	
11	Mr. Suthi Sukosol ^{6/}	5/5	0/0	5/5	-	-	-	2/2	Appointed on 26 July 2019
12	Mr. Prasong Poontaneat	12/12	0/1	12/13	-	-	5/5	-	
13	Dr. Anuchit Anuchitanukul	11/12	1/1	12/13	-	-	4/5	-	
14	Dr. Prasert Sinsukprasert	12/12	1/1	13/13	-	-	5/5	-	
15	Mr. Chaiwat Kovavisarach	11/12	1/1	12/13	-	-	5/5	3/3	
Directors whose terms were completed and resigned directors in 2019									
1	Mr. Jarin Chakkaphark	3/4	-	3/4	-	-	-	-	Resigned on 8 May 2019

- Note:**
- ^{1/} Chairman did not join any Sub-Committee as Member
 - ^{2/} Appointed as Member of CGC and dismissed from Chairman of NRC on 25 April 2019
 - ^{3/} Appointed as Member of NRC on 25 April 2019
 - ^{4/} Dismissed from Member of AC on 1 January 2019 and appointed as Member of ERM on 25 April 2019
 - ^{5/} Appointed as Member of AC and dismissed from Member of ERM on 1 January 2019
 - ^{6/} Appointed as Member of CGC on 26 July 2019

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 94.3%, 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 96.0%, 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 96.7%, 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 98.3%, rated excellent.
- Nomination and Remuneration Committee, the group evaluation had the average score of 97.5%, rated excellent.
- Corporate Governance Committee, the group evaluation had the average score of 93.3%, rated excellent.
- Enterprise-wide Risk Management Committee, the group evaluation had the average score of 94.7%, 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 2019 AGM of 11 April 2019 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 2019, the individual remuneration of Directors was as follows:

Name		Remuneration in Baht						
		BOARD	AC	NRC	ERMC	CGC	Bonus	Total
1	Mr. Pichai Chunhavajira	937,500	-	-	-	-	1,504,169.08	2,441,669.08
2	Mr. Surin Chiravisit	877,500	-	18,750	75,000	45,000	1,353,752.16	2,370,002.16
3	Mr. Suthep Wongvorazathe	780,000	375,000	71,250	-	-	1,203,335.25	2,429,585.25
4	Gen. Vitch Devahasdin	690,000	-	-	-	56,250	1,203,335.25	1,949,585.25
5	Adm. Sucheep Whoungmaitree	780,000	-	60,000	-	-	1,203,335.25	2,043,335.25
6	Pol.Lt.Gen. Chaiwat Chotima	690,000	300,000	60,000	-	-	1,203,335.25	2,253,335.25
7	Lt.Gen. Thammanoon Withee	720,000	-	15,000	-	-	1,012,120.34	1,747,120.34
8	Mrs. Prisana Praharnkhasuk	780,000	-	-	60,000	-	1,203,335.25	2,043,335.25
9	Mr. Teerapong Wongsiwawilas	750,000	-	-	-	45,000	1,203,335.25	1,998,335.25
10	Dr. Poramettee Vimolsiri	780,000	285,000	-	-	-	685,736.25	1,750,736.25
11	Mr. Suthi Sukosol ^{1/}	305,806.45	-	-	-	30,000	-	335,806.45
12	Mr. Prasong Poontaneat	750,000	-	-	93,750	-	1,203,335.25	2,047,085.25
13	Dr. Anuchit Anuchitanukul	750,000	-	-	60,000	-	824,202.23	1,634,202.23
14	Dr. Prasert Sinsukprasert	780,000	-	-	75,000	-	1,203,335.25	2,058,335.25
15	Mr. Chaiwat Kovavisarach	750,000	-	-	75,000	45,000	1,203,335.25	2,073,335.25
Total		11,120,806.45	960,000	225,000	438,750	221,250	16,209,997.31	29,175,803.76
Directors whose terms were completed and resigned directors in 2019								
1	Mr. Jarin Chakkaphark ^{2/}	216,774.19	-	-	-	-	1,203,335.25	1,420,109.44
Total		216,774.19	-	-	-	-	1,203,335.25	1,420,109.44

Note: 1/ Appointed as Director on 26 July 2019

2/ Resigned on 8 May 2019 and transferred bonus to the Social Security Fund in compliance with the regulations of the Office of the Social Security Fund



Bonuses for directors whose terms were completed and who resigned in 2018 (performance in 2018 paid in 2019)

Names		Bonus (Baht)	Remarks
1.	Gen. Apirat Kongsompong	184,621.30	Resigned on 26 February 2018
2.	Mr. Visit Vongruamlarp	379,133.02	Completed term on 25 April 2018
3.	Mr. Krisada Chinavicharana	494,521.34	Resigned on 31 May 2018
TOTAL		1,058,275.66	

Comparison of Remuneration of Directors in 2018 and 2019

Remuneration	2018		2019	
	Directors	Baht	Directors	Baht
Monthly remuneration and meeting allowance	15	14,755,566.00	15	13,182,580.64
Bonus	15	43,336,795.99	15	18,471,608.22
TOTAL		58,092,361.99		31,654,188.86

Note: Bonus for 2018 performance under the resolution of the 2018 AGM, held on 25 April 2018 (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 2019

Company	Name	Total remuneration (Baht)						
		Monthly remuneration	Meeting allowance	Bonus	Sub-Committee remuneration	ESOP (Capital Gain)	Net total	Others
BCPG	Mr. Pichai Chunhavajira	450,000	487,500	1,769,855	-	510,000.00	3,217,355.00	-
	Mr. Chaiwat Kovavisarach	289,580	300,000	1,214,132	225,000	459,005.44	2,487,718.09	-
BBGI	Mr. Pichai Chunhavajira	450,000	175,000	168,698.32	-	-	793,698.32	-
	Mr. Surin Chiravisit	360,000	140,000	134,958.62	75,000	-	709,958.62	-
	Mr. Chaiwat Kovavisarach	360,000	120,000	134,958.62	50,000	-	664,958.62	-
NIDO	Mr. Chaiwat Kovavisarach	58,324.47 AUD (per annum)	-	-	-	-	1,252,809.62	-
OKEA	Mr. Chaiwat Kovavisarach	457,151 NOK	110,000 NOK	556,797 NOK	-	-	3,900,099.56	-



Company	Name	Total remuneration (Baht)						
		Monthly remuneration	Meeting allowance	Bonus	Sub-Committee remuneration	ESOP (Capital Gain)	Net total	Others
	Mrs. Prisana Praharnkhasuk	287,386 NOK	77,000 NOK	371,198 NOK	140,000 NOK	-	3,038,241.78	-
LAC	Mr. Chaiwat Kovavisarach	42,000 USD	-	-	2,500 USD	-	1,347,575.70	23,461 Deferred Share Units

Notes:

- BCPG: BCPG Public Company Limited
- BBGI: BBGI Public Company Limited
- NIDO: Nido Petroleum Pty. Ltd.
- OKEA: OKEA ASA
- LAC: Lithium Americas Corp.
- Exchange rate AUD\$ 1 equivalent to approximately Baht 21.48
- Exchange rate NOK\$ 1 equivalent to approximately Baht 3.47
- Exchange rate USD\$ 1 equivalent to approximately Baht 30.28
- Deferred Share Units: Periodically convertible hypothetical share units into common shares

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. 11 of whom are regarded as executives under SEC's definition (As of December 2019):

Name	Position
1. Mr. Chaiwat Kovavisarach	President and Chief Executive Officer
2. Mr. Yodphot Wongrukmit	Senior Executive Advisor, Corporate Management and Organization Development Group



- | | |
|----------------------------------|--|
| 3. Mr. Kiatchai Maitriwong | Senior Executive Advisor, Corporate Strategic Planning and Sustainability Development Group |
| 4. Mr. Chalermchai Udomranu | Senior Executive Advisor, Refinery Business Group |
| 5. Mr. Pongchai Chaichirawiwat | Senior Executive Vice President, appointed to BBGI Public Company Limited |
| 6. Mr. Somchai Tejavanija | Chief Marketing Officer & Senior Executive Vice President, Marketing Business Group |
| 7. Mr. Bundit Sapianchai | Senior Executive Vice President, appointed to BCPG Public Company Limited |
| 8. Mr. Surachai Kositsareewong | Senior Executive Vice President, Accounting and Finance |
| 9. Mr. Chokchai Atsawarangsalit* | Executive Vice President acting Senior Executive Vice President, Corporate Management and Sustainability Development |
| 10. Mr. Viboon Wongsakul* | Executive Vice President acting Senior Executive Vice President, Corporate Strategic Planning and Sustainability Development Group, appointed to Bangchak Retail Company Limited |
| 11. Mr. Pativat Tivasasit* | Executive Vice President, Refinery Manufacturing Business acting Senior Executive Vice President, Refinery Business Unit |
| 12. Mr. Pichit Wongrujiravanich | Executive Vice President, Internal Audit |
| 13. Mr. Dhanajit Makarananda | Executive Vice President, appointed to BBGI Public Company Limited |



- | | |
|------------------------------------|---|
| 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 |
| 18. Ms. Sattaya Mahattanaphanij | Executive Vice President, appointed to BCPG Public Company Limited |
| 19. Ms. Phatpuree Chinkkulkitnivat | Executive Vice President, appointed to BCPG Public Company Limited |
| 20. Mr. Bundit Hansapaiboon | Executive Vice President, Planning and Trading Bussiness |
| 21. Mr. Kittiphong Limsuwannarot | Executive Vice President, appointed to BBGI Public Company Limited |
| 22. Mr. Warakorn Kosolpisitkul | Acting Executive Vice President, Marketing Bussiness and Oil Terminal |

*Note: Appointed as Acting Senior Executive Vice President, effective from September 1, 2019.

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, with four-year term from 1 January 2019 to 31 December 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	2018		2019	
	Persons	Baht	Persons	Baht
Salary	8	57,797,017	8	83,899,655
Bonus & Retirement pay	8	35,037,965	8	42,964,594
Provident fund	8	5,443,224	8	7,364,004
Total	8	98,278,206	8	134,228,253

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:



BANGCHAK CORPORATION PUBLIC COMPANY LIMITED

Name (English/Thai)		Subsidiary Companies																Associated Companies										Joint Ventures		Others																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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BANGCHAK CORPORATION PUBLIC COMPANY LIMITED

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

As of December 31, 2019

Subsidiaries			Associated Companies		
1. BCPG PLC (BCPG)	17. BCP Midstream Co., Ltd. (BCPM)	32. BCPG Japan Corporation (BCPG Japan)	1. Bangchak Marine Services Co., Ltd. (Bangchak Marine)	Associated Companies	
2. BCPG Co., Ltd. (BCPG)	18. BCP Energy Co., Ltd. (BCPE)	33. BCPG Engineering Company (BCPG Engineering)	2. Gas Sales Service Enterprise Co., Ltd. (ANESGA)	1. Fuel Pipeline Transportation Co., Ltd. (FPT)	
3. Bangchak Petro Co., Ltd. (BCP)	19. BCP Innovation Co., Ltd. (BCPI)	34. BCPG Petro Co., Ltd. (BCPG Petro)	3. BCP Petrochemical Co., Ltd. (BCPP)	2. Lubeoil America Corp. (LAC)	
4. Bangchak Green Pet Co., Ltd. (BCGP)	20. BCP Petrochem Co., Ltd. (BCPP)	35. BCP Petrochem Ph. Co., Ltd. (BCPP Ph.)	4. BCP Petrochemical Co., Ltd. (BCPP)	Others	
5. Bangchak Solar Energy Co., Ltd. (BCSE)	21. BCPH Co., Ltd. (BCPH)		5. BCP Petrochemical Co., Ltd. (BCPP)	1. Hongsana Group Foundation (Foundation)	
6. Bangchak Solar Energy (Pharmaceutical) Co., Ltd. (BCSE-Pharm)	22. BCPH Ph. Co., Ltd. (BCPH Ph.)		6. BCP Petrochemical Co., Ltd. (BCPP)		
7. Bangchak Solar Energy (Construction) Co., Ltd. (BCSE-Const)	23. BCPH Ph. Co., Ltd. (BCPH Ph.)		7. BCP Petrochemical Co., Ltd. (BCPP)		
8. Bangchak Solar Energy (Business) Co., Ltd. (BCSE-Bus)	24. BCP Trading Ph. Co., Ltd. (BCPT)		8. BCP Petrochemical Co., Ltd. (BCPP)		
9. Bangchak Solar Energy (Business) Co., Ltd. (BCSE-Bus)	25. BCP Innovation Ph. Co., Ltd. (BCPI Ph.)		9. BCP Petrochemical Co., Ltd. (BCPP)		
10. Bangchak Solar Energy (Business) Co., Ltd. (BCSE-Bus)	26. BCP Innovation Ph. Co., Ltd. (BCPI Ph.)		10. BCPG Petrochemical Co., Ltd. (BCPP)		
11. Thai Digital Energy Development Co., Ltd. (TDE)	27. Bangchak Vehicle Ph. Co., Ltd. (BCV)		11. BCP Petrochemical Co., Ltd. (BCPP)		
12. BCPG Innovation Co., Ltd. (BCIG)	28. BCPG Innovation Ph. Co., Ltd. (BCPI Ph.)		12. BCP Petrochemical Co., Ltd. (BCPP)		
13. Sun Light Co., Ltd. (SLC)	29. BCPG Innovation Ph. Co., Ltd. (BCPI Ph.)		13. BCP Petrochemical Co., Ltd. (BCPP)		
14. Bangchak Bunkai Co., Ltd. (BBP)	30. BCPG Innovation Ph. Co., Ltd. (BCPI Ph.)		14. BCP Petrochemical Co., Ltd. (BCPP)		
15. Bangchak Bioenergy (Chonburi) Co., Ltd. (BCB)	31. BCPG Innovation Ph. Co., Ltd. (BCPI Ph.)		15. BCP Petrochemical Co., Ltd. (BCPP)		
16. BCP Green Innovation Ph. Co., Ltd. (BCGIP)	32. BCPG Innovation Ph. Co., Ltd. (BCPI Ph.)		16. BCP Petrochemical Co., Ltd. (BCPP)		

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. Details of the company secretary profile appear in “Executive Management” section.

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, 2019, the Company had a total headcount of 1,242.

Employee	Persons
Corporate Management and Sustainability Development	109
Accounting and Finance	82



Corporate Strategic Planning and Sustainability Development	31
Marketing Business Group	348
Refinery Business Group	576
The President and Chief Executive Officer	82
BCPG Plc	4
BBGI Plc	10

Significant changes in number employee for the past three years

- None (Total employee in year 2017 were 1,240 persons, which increased slightly to 1,242 persons in year 2019)

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 2019 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 1,892.89 million Baht. **The remuneration for President&CEO and Senior executive vice presidents upward is 7.35% 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 2019, a variety of training courses were staged, averaging 45.30 hours/ person/ year. These included the staff’s environmental capability development in courses, including a technical seminar on combustion efficiency measurement system and a practitioner course on industrial pollutant management, etc. (Training details are included in the Integrated 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. This year the Company revised its policy (Revision 16) concerning the notification of a wish to trade the Company's securities by at least one day ahead of such trading, the hiring of an external consultant to aid the assessment of Board of Directors' performance at least every three years, and the rotation of external auditors in line with the announcement of the Capital Market Supervisory Board No. Thaw Jaw 75/2561.
- **Communication:**
 - A talk on corporate governance as part of the orientation for new directors. (August 14, 2019)
 - A talk on corporate governance as part of the orientation for new employees. (March 25, 2019 and September 17, 2019)
 - Organized the 15th annual CG Day to promote understanding of and cultivate awareness of the CG Policy by inviting employees of Bangchak Group to join the "CG's GOT TALENT" show, embracing the communication of Bangchak CG's six fundamental principles called ARTEVE



(accountability, responsibility, transparency, equitable treatment, vision to create long-term value, and ethics). Joining the judging panel were Dr. Mana Nimitmongkol, Anti-Corruption Organization of Thailand Secretary-General, and Admiral Sucheep Whoungmaitree, Bangchak director. (October 18, 2019)

- Organized the annual Suppliers' Seminar under the "Code of Suppliers' Conduct for Sustainable Business Development" theme to inform and advise suppliers of the importance and benefit to jointly establish Bangchak's ecology of transparent business conduct, free of fraud and bribery of all forms. Participants also joined in declaring their resolve and joined certified CAC membership (April 30, 2019), thus making Bangchak one of the five winners of the CAC Change Agent Award—in honor of companies whose businesses are marked by transparent, clean practices throughout the supply chain. (October 18, 2019)



• 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") (November 8-22, 2019)
- 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. Bangchak also joined the UN Global Compact and in 2013 was one of the first 22 companies to achieve CAC (Collective Action Coalition against Corruption) membership certification. Achieving the first CAC membership in 2013 thanks to ongoing transparent business conduct, in 2019 it won the second membership recertification since its first membership recertification in 2016.

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 ensure proper checks and balances between the Board of



Directors and the management to aid Bangchak's corporate governance. Details of these committees appear under "Management Structure".

3. Nomination and appointment of directors and the top executive

Today, Bangchak has 15 directors, 9 of whom are independent ones. Eleven 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 2019, the Company and its subsidiaries paid for audit fees amounting to 10.83 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 2019**

1. Fees for annual audit and quarterly review of the Company and consolidated financial statements amounted to 2.04 Million Baht to KPMG.

Audit fees of the Company	
1. Annual audit fee for the Company's financial statement	0.42 Million Baht
2. Fees for annual audit and quarterly review of the Company and consolidated financial statements	1.62 Million Baht
Total audit fees of the Company	2.04 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 4.92 Million Baht
2. Fees for annual audit of the overseas subsidiaries' financial statements - Number of subsidiaries - Amount (equivalent)	38 Companies 3.87 Million Baht
Total audit fees of subsidiaries	8.79 Million Baht

- **Non-audit fee**

The Company and its subsidiaries paid for other fees amounting to 3.90 Million Baht and the subsidiaries paid for auditing compliance with the conditions of the BOI Promotion Certificate amounting to 1.58 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”, 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 30, 2019.
- 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 2019 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 representative from the shareholders joined the witnesses verifying the AGM ballot-counting.

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 31 days ahead of the meeting and delivered them to the shareholders 28 days ahead of the meeting.
- Allowed the shareholders to propose additional AGM agenda items and nominate directors from August 30 to December 31, 2019.

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 six 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. In addition, the shareholders could contact the Company via company website and our Investor Relation Division.

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. This year Bangchak held an SHEE Excellence Day 2019 to inform participants of Circular Economy issues. The concept is part of the BCG Economy (Green, Bio, and Circular Economy).
- Environmental stewardship
 - Internally, the Company campaigned on reducing printing jobs or photocopying and reliance on electronic communication means instead of paper, including printing on both pages instead of one. It modified business processes to electronic, while educating employees on occupational health, safety, and energy, 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

This year Bangchak monitored complaint or grievance reports filed through Internal Control, finding no such complaint or grievance submitted through ICO@bangchak.co.th about corrupt, immoral, or unethical practices.

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 8663
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 April and September, and a meeting of the non-management directors in May and October.
- Educated the Board of Directors and enriched their experience, which aids their performance and business investment review, this year Bangchak organized a study visit for the Board of Directors on natural resources at the operation of OKEA ASA, where Bangchak held shares.
- 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.

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.

- **Intention to trade Bangchak Corporation's securities form**

To enable directors and the management to inform the Company of the intention to trade Bangchak shares through Internal Control at least one day in advance, for reporting to the Audit Committee every



quarter. Written notices can be sent through ICO@bangchak.co.th or other electronic channels, including the LINE application.

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	4
Local Roadshow	5
Analyst Meetings	4
Opportunity Day (organized by the SET)	4
Company Visit	6
Conference Call	4
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	2
Press Conference (2020 Business Plan)	1

- 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.

Investors and related parties can make queries or ask for the Company's information at Ms. Supamol Eamaon, tel. 0 2335 8663 or e-mail address: ir@bangchak.co.th



10. Social Responsibility

Bangchak is constantly committed to sustainable business innovation in tandem with environmental and social sustainability under its 3Ss corporate strategies (Security, Stability & Sustainability) and its 4 Greens Strategies (Green Business, Green Production, Greenovative Experience & Green Society). To achieve this ambition, Bangchak integrates these strategies with nine Sustainability Development Goals (SDGs) chosen for alignment with national development policies, business capability, Bangchak's interest, and stakeholders' needs and expectations. The outcomes drive and develop its businesses, namely refinery & trading, marketing, green power plant, bio-based products, and natural resource businesses, for security and sustainable accommodation of growth while looking after the environment and society in line with its Evolving Greenovation vision and SDGs.

Amid today's highly volatile world economy, politics, environment, and society, Bangchak strives to develop and invest in undertakings or projects that are compatible with its economic model leading to sustainable development, which represents a new-age economic development model characterized by three economies:

- **Bio Economy:** This system focuses on cost-effective exploitation of biological resources with the application of advancements in science, technology, and innovation. In fact, Bangchak has taken steps here with its bio-based product business that processes



agricultural produce into bio-based products of higher economic values.

- Circular Economy: This system focuses on cost-effective consumption of resources, raw materials, and products through reuse or recycling along with zero-waste product and process design via innovation and transformation based on the 3Rs principle.
- Green Economy: This system focuses on running green businesses through the development and improvement of production processes along with ongoing environmental management—this has in fact been Bangchak's underlying business development model from day one. In short, Bangchak strives to improve people's lives in parallel with environmental and social stewardship.

As for the development of organization sustainability and internal processes, Bangchak is determined to become a sustainability leader and a high-performance organization, leveraging frameworks, tools, and international standards to guide management, namely DJSI, TQA, UNGC's 10-point agreement on human rights, labor, the environment, and anti-fraud together with other sustainability-related guidelines and standards so as to duly build on its work processes and sustainability for excellence so as to securely sustain upcoming change while efficiently meeting stakeholders' needs and expectations.

As for the environment, Bangchak remains committed to becoming a green refinery that is modern, safe, and environment-friendly. This year it earned the Water Footprint standard certification for six products from the



Federation of Thai Industries out of its Water Management preparation through the Water Footprint of Product Program. As a result, Bangchak became the first Thai oil refinery to be so certified, implying efficient water resource management, a lower production cost, and heightened competitiveness, which values conservation of natural resources and the environment while pursuing sustainable development goal success.

Finally, for social development, Bangchak has initiated new projects with proficient third-party networks to grow its social activities and align them with sustainable national development needs. To this end, Bangchak strives to strengthen society by working on the majority of people—society's grassroots—by focusing first on education and promotion of farmers' and the new generation's development of goods and services, leveraging innovation and technology to hone national competitiveness while nourishing growth concepts for business sustainability and happiness. To this end, diverse social development projects are in place: Education for the Future, Co-development School, Green Impact (to develop an online marketing platform for groups of farmers, the youth, communities, and startups), and the "Stop Soil Erosion with Royal Scientific Knowledge" project.

For more information, please visit www.bangchak.co.th, which contains the Integrated Sustainability Report prepared under GRI Sustainability Reporting Standards (GRI Standards).



11. Internal Control and Risk Management

Bangchak Corporation Public Company Limited values a sound internal control system under the scope of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which requires these components of internal control: control environment, risk management, control activities, information and communication, and monitoring activities.

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

Bangchak's work environment favors proceeding under the internal control system. Legal and Corporate Compliance centralizes compliance efforts for laws and regulations of agencies in a clear, concrete way so as to guide employees' performance. Internal Control Division promotes and steers compliance with the internal control system under COSO. Amendment is made to business policies, employee manual, operating manual, and organization and taskforce structuring to render the management's efficiency. Finally, Bangchak relentlessly values business integrity and ethics under its corporate governance (CG) policy, sustainable business development with the environment and society, as well as 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.

Bangchak organized the 2019 CG Day (15th year) under the “CG’s GOT TALENT” theme to enhance employees’ understanding and awareness of the CG policy by inviting Bangchak Group employees to join a contest under this theme to communicate the ARTEVE (Accountability, Responsibility, Transparency, Equitable Treatment, Vision to Create Long Term Value, and Ethics) fundamental principles of Bangchak’s CG. Also, this year’s annual suppliers’ seminar (held for the sixth consecutive year) educated and supported suppliers to join CAC to stress ongoing commitment to combating corruption.

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 an Enterprise-wide Risk Management Committee (ERMC) to steer risk management for the entire corporation and develop a continually efficient enterprise risk management system under the ISO 31000 international standard embracing strategic, operation, financial, and reputation risks. These risks imply safety and occupational health risks; risks of impacts on the environment, society, and communities; compliance risks; and risks of corrupt practices, among others. Risk management processes cover the entire corporation, namely the corporate, business group/functional group, section, and work process groups. Also in place is a formulating process for investment project risk management in each of Bangchak's projects worldwide. And to promote ESG (Environmental, Social and Governance), the Board values risk management by affiliates and joint ventures so that they may operate suitably, stay vigilant, and monitor overall impacts for manageable risk control. On the whole, Bangchak Group successfully managed these risks.

Bangchak's defined policy and key risk management practices have been well-aligned with TQA and Dow Jones Sustainability Indices (DJSI) in parallel with corporate strategic plan formulation. Key risk indicators (KRIs) have been applied to the vigilance monitoring of risk likelihood to finetune and define additional risk management plans to ease impacts on



corporate goals and achieve manageable key corporate risk control and desired outcomes.

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.

Bangchak has adopted a system for documents and evidence of delegating responsibility should errors arise. Custody of company assets prevents losses or abuses, as does the monitoring of transactions with long-term corporate commitment, under which agreed terms are to be honored. Measures are in place to prevent exploitation of opportunities or benefits from personal gain. This year Bangchak rolled out a “How to manage and control inside information” manual so that all functions may effectively comply and refrain from causing damage to Bangchak.

At Bangchak, procedures ensure compliance with laws and applicable regulations as well as key operating procedures. Technology systems have been developed for promoting internal control. This year Bangchak rolled out its “Work process management policy”, which takes seriously proper work practices by designated work processes. Work processes are constantly improved for effectiveness with due regard for points of control and control measures to lessen risks; these efficient processes are modern and align with Bangchak’s directions and goals. Finally, Bangchak appointed a taskforce to manage personal information, which organized a seminar to educate the workforce to prime them for compliance with the Protection of Personal Information Act B.E. 2562 (2019), effective from May 2020 onward.



At Bangchak, watertight measures are in place for its transactions with major shareholders, directors, among others, to avert the siphoning of benefits. For instance, such transactions must be approved by those without vested interests and such transactions' data must be disclosed under SEC's rules, including data on parties or related undertakings under accounting standards.

Bangchak has appointed an ISMS Management Team to oversee and manage information security. The team revises Bangchak's policy and requirements for IT system security under ISO 27001 and regularly informs employees about risks, prevention of cyberthreats, and IT security requirements. As a result, it achieved an Information Security Management System, ISO/IEC 27001:2013, and earned a letter of compliance under ISO/IEC 27032:2012 (Guidelines for Cybersecurity) as the first entity in Thailand under the certification of Bureau Veritas Certification (Thailand) Co., Ltd.

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

4. Information and communication

Every year Bangchak revises its Digital Roadmap to agree with its strategic plans on refinery management, marketing, and key business processes, namely finance, accounting, personnel administration. To this end, new technologies helped map out business processes to grow business caliber, including IoT (Internet of Things). Sensors were installed



inside the refinery so that their data may be analyzed under the Predictive Maintenance Project to allow maintenance planning and cut down on unplanned shutdowns. In marketing, data analytics analyzes customers' data, leading to personalized marketing and enhanced customer experience ability to further meet their needs. Finally, Bangchak has applied Robotic Process Automation in supporting work processes characterized by numerous data and repetitive actions.

Bangchak's various employee communication channels and processes educate employees on various issues in a swift manner to ensure that messages get through, including the Intranet, e-mails, intercom, and digital message boards, in addition to informal but popular channels like LINE Group. Also, communication with external stakeholders is carried out through multiple media, especially online media, today's popular means of communication due to its data transmission speed, including its website and Facebook. The purpose is easy access and application as well as successful data search results through mobile devices to quickly and efficient meet business demand.

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's performance monitoring system regularly compares actual performance with goals. Should parameters be found that affect performance outcomes, proper adjustment is made to strategic plans to agree with performance outcomes so that outcomes may meet goals. Internal Control Division, Corporate Sustainability Development, is the owner of the control self-assessment (CSA) process of adequacy and suitability assessment under the corporate internal control system, done by relevant executives. This year Bangchak developed online e-CSA for such executives for greater assessment efficiency. Reporting to the Audit Committee, assesses internal control outcomes before informing responsible parties of shortcomings so as to constantly develop the effectiveness of the internal control system.

**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 2018 and 2019 consisted of the following:

1.1 Sale of products and services to subsidiaries, jointly-controlled businesses, associated companies and related companies

Related company	2018 THB (million)	2019 THB (million)	Relationship for the year ended 31 December 2019	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	34,501.22	33,298.87	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	0.04	0.03	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	7,752.79	10,650.21	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd.	9.21	11.55	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	9.04	5.05	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
KSL Green Innovation Plc.	-	0.79	- BBGI (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
<u>Associated companies</u>				
Ubon Bio Ethanol Plc.	9.60	15.07	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors
Ubon Agricultural Energy Co., Ltd.	1.98	0.52	- 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	2018 THB (million)	2019 THB (million)	Relationship for the year ended 31 December 2019	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd	0.18	0.18	- BCP holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	4,019.00	4,942.08	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	22,903.10	24,073.52	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	1,062.37	1,001.09	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
KSL Green Innovation Plc.	906.42	1,756.77	- BBGI (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
<u>Associated company</u>				
Ubon Bio Ethanol Plc.	1,368.04	1,327.40	- 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.	490.00	459.52	- Bangchak holds 30% of the shares	- Bangchak delegates its representatives as directors
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd	443.28	453.56	- 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	2018 THB (million)	2019 THB (million)	Relationship for the year ended 31 December 2019	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd	39.95	30.35	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	1.99	0.69	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
Nido Petroleum Pty. Ltd.	126.40	6.94	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
BBGI Plc.	48.47	47.83	- Bangchak holds 60% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	936.38	971.37	- Bangchak holds 70.04% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	0.63	0.60	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd.	22.89	20.19	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPR Co., Ltd.	-	0.24	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	-	2.78	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Innovation Pte. Ltd.	2.62	37.86	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
KSL Green Innovation Plc.	0.50	0.50	- BBGI (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPR Pte. Ltd.	2.88	14.98	- BCPR Co., Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors



Related company	2018 THB (million)	2019 THB (million)	Relationship for the year ended 31 December 2019	
			Shareholding	Management
<u>Associated company</u>				
OKEA ASA	-	4.14	- BCPR Pte. Ltd. (Bangchak's subsidiary) holds 46.52% of the shares	- Bangchak delegates its representatives as directors
<u>Joint venture</u>				
Bongkot Marine Service Co., Ltd.	24.00	15.00	- BCP holds 30% of the shares	- Bangchak delegates its representatives as directors
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd	4.90	4.73	- 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	2018 THB (million)	2019 THB (million)	Relationship for the year ended 31 December 2019	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd.	23.67	32.09	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	0.25	0.01	- Bangchak holds 70.04% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd.	4.62	6.44	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	0.11	-	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	8.05	2.12	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors



Related company	2018	2019	Relationship for the year ended 31 December 2019	
	THB (million)	THB (million)	Shareholding	Management
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd	-	0.25	- Bangchak holds 4.95% 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	2018	2019	Relationship for the year ended 31 December 2019	
	THB (million)	THB (million)	Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd	1,080.28	1,085.28	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	-	0.02	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	3.20	1.64	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	1,133.77	932.10	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	0.71	-	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
<u>Associated companies</u>				
Ubon Bio Ethanol Plc.	1.57	1.56	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors



Related company	2018	2019	Relationship for the year ended 31 December 2019	
	THB (million)	THB (million)	Shareholding	Management
<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	2018	2019	Relationship for the year ended 31 December 2019	
	THB (million)	THB (million)	Shareholding	Management
<u>Subsidiaries</u>				
Nido Petroleum Pty. Ltd.	1,291.39	1,199.07	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	410.00	610.00	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCP Innovation Pte. Ltd.	197.75	878.69	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPR Pte. Ltd.	3,228.48	3,103.70	- BCPR Co., Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd	10.51	7.10	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors



1.5.2.2 Other debtors

Related company	2018	2019	Relationship for the year ended 31 December 2019	
	THB (million)	THB (million)	Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Biofuel Co., Ltd.	0.74	0.06	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
Bangchak Solar Energy Co.,Ltd.	0.39	-	- BCPG (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
Nido Petroleum Pty. Ltd.	10.42	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	4.62	3.13	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	3.06	9.04	- Bangchak holds 70.04% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	0.01	0.05	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
BBGI Plc.	5.01	4.38	- Bangchak holds 60% of the shares	- Bangchak delegates its representatives as directors
BCP Innovation Pte. Ltd.	2.60	35.82	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
BCV Bio Based Co., Ltd.	-	0.15	- 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



<u>Associated company</u> OKEA ASA	-	0.14	- BCPR Pte. Ltd. (Bangchak's subsidiary) holds 46.52% of the shares	- Bangchak delegates its representatives as directors
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1.6 Creditors of related businesses

1.6.1 Trader creditors

Related company	2018 THB (million)	2019 THB (million)	Relationship for the year ended 31 December 2019	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd	0.02	-	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	152.06	441.08	- BBGI (Bangchak's subsidiary) holds 70% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	503.24	240.23	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd	102.51	96.13	- BBGI (Bangchak's subsidiary) holds 85% of the shares	- Bangchak delegates its representatives as directors
KSL Green Innovation Plc.	71.07	92.30	- BBGI (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
<u>Associated company</u> Ubon Bio Ethanol Plc.	109.93	148.89	- BBGI (Bangchak's subsidiary) holds 21.28% of the shares	- Bangchak delegates its representatives as directors



1.6.2 Other creditors

Related company	2018 THB (million)	2019 THB (million)	Relationship for the year ended 31 December 2019	
			Shareholding	Management
<u>Subsidiaries</u>				
Bangchak Green Net Co., Ltd	3.33	4.67	- Bangchak holds 49% of the shares	- Bangchak delegates its representatives as directors
BCPG Plc.	0.04	0.04	- Bangchak holds 70.04% of the shares	- Bangchak delegates its representatives as directors
BCP Trading Pte. Ltd.	3.67	-	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Bangchak Retail Co., Ltd	1.83	2.54	- Bangchak holds 100% of the shares	- Bangchak delegates its representatives as directors
Nido Petroleum Pty. Ltd.	-	10.98	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
<u>Joint venture</u>				
Bongkot Marine Services Co., Ltd.	12.59	1.99	- Bangchak holds 30% of the shares	- Bangchak delegates its representatives as directors
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd.	43.66	48.42	- Bangchak holds 4.95% of the shares	- Bangchak delegates its representatives as directors



1.7 Other non-current assets

Related company	2018	2019	Relationship for the year ended 31 December 2019	
	THB (million)	THB (million)	Shareholding	Management
<u>Subsidiary</u>				
Nido Petroleum Pty. Ltd.	321.65	305.40	- BCP Energy International Pte. Ltd. (Bangchak's subsidiary) holds 100% of the shares	- Bangchak delegates its representatives as directors
BCPR Pte. Ltd.	2.86	17.86	- BCPR Co., Ltd. (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	2018	2019	Relationship for the year ended 31 December 2019	
	THB (million)	THB (million)	Shareholding	Management
<u>Subsidiaries</u>				
BCPG Plc.	6.00	5.78	- Bangchak holds 70.04% 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	2018 THB (million)	2019 THB (million)	Relationship for the year ended 31 December 2019	
			Shareholding	Management
<u>Related business</u>				
Fuel Pipeline Transportation Co., Ltd	2.02	1.54	- 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 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. Connected transactions with BCPR Co., Ltd.

A subsidiary company, BCPR Co., Ltd., was formed to be holding company which invests in BCPR Pte. Ltd., a subsidiary company in Singapore. Service fees among the two followed normal business terms, based on market prices, and conformed to details stated in the operating agreement.

12. Connected transactions with BCPR Pte. Ltd.

A indirect 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. Connected transactions with OKEA ASA

An indirect associated company in Norway, OKEA ASA was formed to undertake petroleum exploration and production. These connected transactions followed normal business terms and were based on market prices.

18. Connected transactions with Ubon Bio Ethanol Plc.

An indirect associated 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.

19. 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.

**20. 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.

21. 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.