

Part 2

Management and Corporate Governance

7. Information on securities and shareholders

7.1 Our registered capital and paid-up capital

As of 31 December 2015, our registered capital totaled Baht 33,038,453,580.76, of which Baht 30,004,442,705.00 was paid-up capital. Paid-up capital consists of 4,335,902,125 ordinary shares with a par value of Baht 6.92 each.

7.2 Shareholders

7.2.1 List of the top 10 major shareholders

List of the top 10 major shareholders as of 8 January 2016

No.	List of the top 10 major shareholders	Number of shares	Shareholding percentage
1	CHEVRON SOUTH ASIA HOLDINGS PTE. LIMITED ⁽¹⁾	2,625,888,652	60.56%
2	PTT PUBLIC COMPANY LIMITED	234,562,369	5.41%
3	CHASE NOMINEES LIMITED	98,244,550	2.27%
4	NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND CL AC	81,551,900	1.88%
5	MORGAN STANLEY & CO. INTERNATIONAL PLC	78,245,625	1.80%
6	BUALUANG LONG-TERM EQUITY FUND	36,412,900	0.84%
7	CREDIT SUISSE SECURITIES (EUROPE) LIMITED	36,041,000	0.83%
8	JPMORGAN THAILAND FUND	30,336,100	0.70%
9	KRUNGSRI DIVIDEND STOCK LTF	29,199,100	0.67%
10	THAI NVDR CO., LTD.	25,882,100	0.60%

(1) Chevron South Asia Holdings Pte. Limited operates its business by holding shares in other petroleum refinery companies, i.e. investing in its subsidiaries and associated companies. As of the effective date hereof, Chevron Corporation, through its subsidiaries, holds 100 percent of shares in Chevron South Asia Holdings Pte. Limited.

7.2.2 Shareholders agreement

Chevron and PTT entered into a Letter of Understanding dated 5 June 2012 (the "LoU"), as our shareholders at the time, which prescribed certain rights of the shareholders. The LoU was terminated as of 03 December 2015, the IPO closing date, when PTT's shareholding reduced to less than 10 percent, as prescribed in the LOU. There are no other shareholder agreements.

7.2.3 Share transfer restrictions

Our shares can be transferred without any restriction.

7.2.4 Employee Stock Ownership Plan (ESOP)

A total of 35,728,800 newly issued ordinary shares were purchased by members of management (but excluding certain management secondees) and employees under the Employee Stock Ownership Plan (the "ESOP"), at the same price as the offering price of the Offer Shares on 23 – 25 November 2015. The offering of all shares under the ESOP took place once, concurrently with the combined offering. No directors were allotted any shares in this offering or under the ESOP. The shares sold to our

management and employees are subject to a lock-up period for up to three years from December 8, 2015, the date on which our shares commenced trading on the SET. Members of management and employees may sell up to one-fourth of such shares after each of the 12th month and 24th month from the commencement date of trading, and the remainder of such shares after the 36th month from the commencement date of trading.

7.3 Dividend policy

The Board of Directors meeting No. 4/2015, held on November 4, 2015, resolved that the dividend payment policy of SPRC is to pay an annual dividend of at least 50 percent of net profits after tax, and after meeting legal reserve requirements. The payment is subject to actual and future cash flows, market conditions, capital requirements and other considerations as our board of directors may deem relevant.

Our board of directors may recommend an annual dividend payment, subject to the approval of our shareholders at the shareholders' meeting. Our board of directors may also, by its resolution, decide to pay an interim dividend to our shareholders if the directors determine that it is justified by our profits. It is the policy of our board of directors to consider an interim dividend payment to shareholders every year.

Historical dividend payment information

Year	2012	2013	2014	First six months of 2015
Net earnings per share (US\$)	0.04	0.03	(0.05)	0.05
Dividend per share (US\$)	0.04	0.03	-	0.05
Dividend payout ratio (%)	95.00	95.00	-	95.00

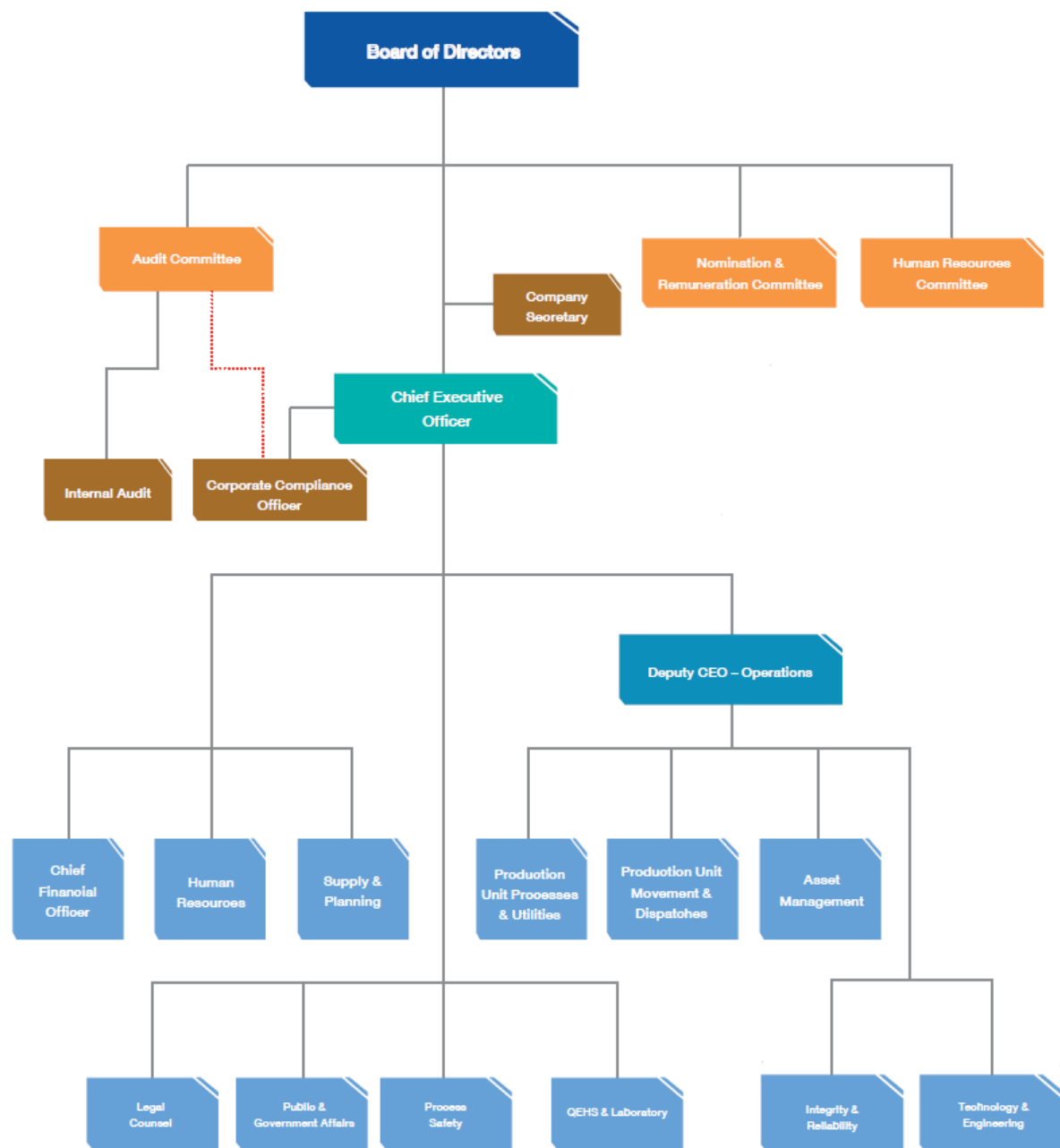
Year	2012	2013	2014	First six months of 2015
Net earnings per share (Baht)	1.14	0.97	(1.55)	1.70
Dividend per share (Baht)	1.09	0.92	-	1.71
Dividend payout ratio (%)	95.00	95.00	-	100.57

Remarks:

- Approval of dividends paid out of the 2012 profits was based on the 2012 net earnings per share before the change of functional currency, i.e. Baht 1.14.
- Dividend payout ratio in Thai Baht currency of first six months year 2015 was higher than 95% due to period of exchange rate use for convert net profit and dividend from US Dollar currency to Thai Baht currency are different.

8. Management Structure

Management Structure as of 31 December 2015



8.1 Board of Directors

8.1.1 Board of Directors as of 31 December 2015

Name	Position
1. Mr. Andrew Benjamin Walz ⁽¹⁾	Chairman of the Board of Directors
2. Mr. Pliu Mangkornkanok	Independent Director Vice-Chairman of the Board of Directors Chairman of the Audit Committee Member of the Human Resources Committee
3. Mr. Manoon Siriwan	Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee
4. Mr. Robert Stair Guthrie	Independent Director Chairman of the Nomination and Remuneration Committee Member of the Audit Committee
5. Mr. Amit Rajindrasingh Ghai	Director Member of the Nomination and Remuneration Committee
6. Mr. Ranga Rama Kumar Sreeramagiri	Director Member of the Human Resources Committee
7. Mr. William Lewis Stone	Director Chairman of the Human Resources Committee Member of the Nomination and Remuneration Committee Chief Executive Officer

(1) Mr. Andrew Benjamin Walz was appointed during the year to replace Mr. Ryan Curtis Krogmeier who resigned effective on 14 August 2015

Directors who resigned or completed their term in 2015

Name	Position	Effective Date
1. Mr. Ryan Curtis Krogmeier	Director Chairman of the Board of Directors Chairman of the Nomination and Remuneration Committee Member of the Human Resources Committee	Resignation with effect on 14 August 2015
2. Mr. Wirat Uanarumit	Director Member of the Nomination and Remuneration Committee	Resignation with effect on 9 December 2015
3. Ms. Duangporn Thiengwatanatham	Director Member of the Human Resources Committee	Resignation with effect on 18 December 2015

8.1.2 The authorized directors of the Company

The authorized directors of the Company are any two of Mr. Andrew Benjamin Walz, Mr. Amit Rajindrasingh Ghai, Mr. William Lewis Stone, and Mr. Ranga Rama Kumar Sreeramagiri, to jointly sign and affix the Company's seal.

8.1.3 Components of the Board of Directors

Pursuant to the Company's articles of association, the Board of Directors shall consist of at least five directors. The Board of Directors shall elect one director as the chairman, and may elect another director as the vice chairman or other positions as deemed appropriate. No less than one-half of the number of directors shall reside in Thailand.

The Charter of the Board of Directors, approved by the shareholders, requires that the Board of Directors consist of seven to nine directors who possess knowledge and experience in a variety of fields. Not less than one-third of the Company's Board of Directors shall be independent directors. The directors shall possess the qualifications and shall not possess any prohibited characteristics specified by law.

The Board of Directors shall evaluate the composition of the board every year to determine whether the board consists of directors with knowledge and experience in different fields, to ensure that the board members can suitably work together to determine the policy and operate the business of the Company.

8.1.4 Scope of authority, duties, and responsibilities of the Company's Board of Directors

The Company's Board of Directors has a number of duties and responsibilities toward the shareholders, pursuant to the Public Limited Company Act, Securities and Exchange Act, rules and guidelines of the SET, the Company's articles of association, and the Charter of the Board of Directors, to be observed by the Board of Directors. It is the utmost responsibility of the Board of Directors to manage the Company's business within the scope of the law, objectives, articles of association, and resolutions of the shareholders meeting. The Board of Directors shall propose any capital expenditure that exceeds Baht 1.5 billion for approval by the shareholders meeting.

The Board of Directors authorizes the Chief Executive Officer to manage the business and the daily tasks of the Company within the scope of authority approved by the Board of Directors. The Chief Executive Officer then delegates that authority to the management.

The Company's Board of Directors has the duties and responsibilities prescribed in applicable laws, including to consider and provide consent in matters essential for the Company's operation, taking into account good corporate governance and core principles, as follows:

- The Board of Directors shall perform its duty using its best efforts to add value to the business in the long run, and manage the business carefully and prudently, and prevent any occurrence of conflict of interest.
- The Board of Directors shall operate the business with transparency, and disclose sufficient information to related parties.
- The Board of Directors shall operate the business by taking into account an adequate control and risk management system.
- The Board of Directors shall determine the standard practice for the operation of the Company's business, to be observed by the directors and employees.

The Charter of the Board of Directors sets out the authority and duties of the Board of Directors, and clearly separates the authority and duties of the directors, independent directors, and chairman. For example, the independent director shall be independent from major shareholders, and shall not take part in the management of the Company. The chairman of the Board of Directors shall ensure that the Board of Directors performs work in an efficient manner and is open to the opinions of the directors, and encourage such participation.

The Company's Board of Directors will prepare annual reports of the Board of Directors regarding the activities and financial results of the Company, to be considered by the shareholders meeting.

The Company will arrange for the Audit Committee to audit and provide opinions regarding transactions required by applicable laws to be audited and commented on by the Audit Committee, such as related-party transactions, or transactions that may be a conflict of interest, etc. The opinions of the Audit Committee will be proposed to the Board of Directors or the shareholders, as the case may be, to ensure that the proposed transactions are in line with the relevant terms and rules for the best interest of the Company. The Company will also disclose information related to the execution of such transactions in the annual report and the annual registration (Form 56-1), as well as the notes to the financial statements.

The Company encourages directors to participate in seminars related to directors held by the Thai Institute of Directors, to develop knowledge and ability in performing their duties as directors.

8.1.5 Appointment and removal of directors

Appointment, removal, or termination from office of directors shall be in accordance with the Company's articles of association, as follows:

1. The shareholders meeting shall elect the Company's directors in accordance with the following rules and methods:
 - a) a shareholder shall be entitled to one vote per share held by them;
 - b) each shareholder may cast votes to elect one or more directors, but the votes are indivisible; and
 - c) the person who receives the highest vote, and other persons with the next highest number of votes, shall be elected as directors in accordance with the number of directors required, and if more than one person receives equal votes, the chairman of the shareholders meeting shall have the casting vote.
2. At each annual general meeting, one-third of the directors, or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been in office the longest shall retire. A retiring director is eligible for re-election.
 - Directors who will retire at the annual general meeting 2016 are:
 - Mr. Pliu Mangkornkanok; and
 - Mr. William Lewis Stone;
 - (Vacant, as a director was not yet recommended for appointment to replace Miss Duangporn Thiengwattanatham, who resigned.)
 - Directors who will retire at the annual general meeting 2017 are:
 - Mr. Andrew Benjamin Walz; and
 - Mr. Amit Rajindrasingh Ghai;
 - (Vacant, as a director was not yet recommended for appointment to replace Mr. Wirat Uanarumit, who resigned.)
 - Directors who will retire at the annual general meeting 2018 are:
 - Mr. Manoon Siriwan;
 - Mr. Ranga Rama Kumar Sreeramagiri; and
 - Mr. Robert Stair Guthrie
3. A director may resign from office by submitting a letter of resignation to the Company, effective from the date on which the Company receives the letter. The director may notify the public company registrar of his or her resignation. The Board of Directors may appoint a

new director to replace a resigning director, but any person so appointed shall retain office only for as long as the resigning director was entitled to retain the same.

4. A shareholders meeting may remove any director before the expiration of his or her period of office, upon a resolution of the meeting passed by not less than three-fourths of the shareholders attending the meeting and eligible to vote, holding not less than 50 percent of the total shares held by the shareholders attending the meeting and eligible to vote.

8.1.6 Attendance of the Board of Directors Meetings and Committee Meetings in 2015

Director's Name	Board of Directors Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Human Resources Committee Meeting
	(Total 7 Meetings)	(Total 4 Meetings)	(Total 3 Meetings)	(Total 4 Meetings)
1 Mr. Andrew Benjamin Walz	2/2	-	-	-
2 Mr. Pliu Mangkornkanok	6/7	4/4	1/1	-
3 Mr. Manoon Siriwan	7/7	4/4	-	-
4 Mr. Robert Stair Guthrie	7/7	4/4	2/2	-
5 Mr. Amit Rajindrasingh Ghai	7/7	-	1/1	-
6 Mr. Ranga Rama Kumar Sreeramagiri	4/7	-	-	0/1
7 Mr. William Lewis Stone	7/7	-	3/3	4/4
The list of director who resigned during the year				
1 Mr. Ryan Curtis Krogmeier	5/5	-	2/2	3/3
2 Mr. Wirat Uanarumit	6/6	-	1/2	-
3 Ms. Duangporn Thiengwatanatham	5/6	-	-	4/4

8.2 Leadership Team

Leadership Team members as of 31 December 2015 are:

Name	Position
1. Mr. William Lewis Stone	Director and Chief Executive Officer
2. Mr. Steven Lewis Gibson	Deputy Chief Executive Officer - Operations
3. Mr. Wichai Chunhasomboon	Chief Financial Officer
4. Mr. Sakchai Thamsuruk	Manager of Supply & Planning
5. Mr. Chirasak Mhasuconda	Manager of Human Resources
6. Mr. Pongkorn Chochuwong	Manager of Asset Management
7. Mr. Narong Triyotee	Manager of Production Unit-Processes & Utilities
8. Mr. Paul Andrew Rushworth	Manager of Production Unit-Movement & Dispatches
9. Mr. Roger Albert Frederick Bartlett	Manager Integrity & Reliability
10. Mr. Akasit Rumpagaporn	Manager Technology & Engineering
11. Ms. Nattawan Khumwiwat	Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer
12. Ms. Pornthip Viraphand	Manager Public & Government Affairs
13. Mr. Krisda Chaikul	Manager Process Safety
14. Ms. Angkana Panyaopart	Manager QEHS & Laboratory

8.3 Company Secretary

The Board of Directors meeting No. 4/2013, held on 27 November 2013, resolved to appoint Ms. Nattawan Khumwiwat to act in the position of Company Secretary. The Company Secretary has roles and responsibility to ensure compliance with and advise the Board of Directors and management on relevant laws and regulations, and practice guidelines for good corporate governance. The Company Secretary is responsible for organizing meetings of the Board of Directors and meetings of the shareholders, as well as following and monitoring the Company's actions and implementation in compliance with resolutions made at the meetings. The Company Secretary shall manage the registration and record of Company's directors, notice of the Board and shareholders meetings, minutes of the Board and shareholders meetings, safely store the company's material documents, and retain the conflict of interest declaration forms made by directors and management. The Company Secretary shall also perform other general company secretary's works and have other roles and responsibilities as provided by the Capital Market Supervisory Board.

Name: Ms. Nattawan Khumwiwat

Current Position: Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

Age: 35 years

Education

Master Degree:	LL.M., International Business Law, American University, Washington College of Law, USA LL.M., Business Law (English Program), Chulalongkorn University
Bachelor Degree:	Laws, Thammasart University
Barrister at Law:	The Thai Bar Association

Experience in SPRC

2015- Present	Corporate Compliance Officer
2013- Present	Corporate Legal Counsel and Company Secretary
2009 - 2013	Legal Counsel

Training Course on Company Secretary

- Company Secretary Program (CSP 39/2011)
- Board Reporting Program (BRP 5/2011)
- Effective Minute Taking (EMT 22/2012)

8.4 Director and Executive's Remuneration**8.4.1 Director's Remuneration**

Under the Company's Articles of Association, the director's remuneration will be considered and approved by the Shareholders at the Shareholders' meeting. The directors are entitled to remuneration from the Company in form of monthly fee, meeting allowance, reward, bonus or any other benefits in accordance with the Article of Association or as approved by a meeting of shareholders which may be a fixed sum or subject to any conditions applicable from time to time.

The Annual General Meeting of Shareholders in 2015 approved the director's remuneration for monthly fee and meeting allowance fee for Board of Directors meeting and committee meeting, without bonus.

Director Fee

Position	Monthly Fee (Baht/Month)	Meeting Allowance of Board of Directors Meeting (Only attending directors) (Baht/Meeting)
Chairman of the Board of Directors	150,000	25,000
Director	120,000	20,000

Compensation for Committee

Position	Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)
Chairman of the committee	40,000
Member of the committee	30,000

In summary, the total director compensation in 2015 is Baht 15,435,000, comprising of monthly fees in total of Baht 13,180,000 and the meeting allowance fees for the Board of Directors meetings and sub-committee meetings in total of Baht 2,255,000. This total fee was paid to 10 directors which include the directors who held the directorship position for 12 months, ending on 31 December 2015, the directors who completed their directorship term or resigned during the year, and the director who started their directorship during the year. Such director compensation is made in accordance with the resolution of the meeting of shareholders. The compensation was appropriately determined by considering roles and responsibilities, economic environment, and benchmarking with peers in the same industries and size of the company. The Company does not provide bonuses for directors, but the directors can be reimbursed from the Company on the actual expenses from attending of the Company's meetings with original receipt incurred.

The compensation that each director received in 2015

Name	Monthly Fee	Meeting Allowance Fee			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Human Resources Committee
1. Mr. Andrew Benjamin Walz	675,000	50,000	-	-	-
2. Mr. Pliu Mangkornkanok	1,440,000	120,000	160,000	40,000	-
3. Mr. Manoon Siriwan	1,440,000	140,000	120,000	-	-
4. Mr. Robert Stair Guthrie	1,440,000	140,000	120,000	80,000	-
5. Mr. Amit Rajindrasingh Ghai	1,440,000	140,000	-	30,000	-
6. Mr. Ranga Rama Kumar Sreeramagiri	1,440,000	80,000	-	-	0
7. Mr. William Lewis Stone	1,440,000	140,000	-	90,000	160,000
Directors who resigned in 2015					
1. Mr. Ryan Curtis Krogmeier	1,125,000	125,000	-	60,000	90,000
2. Mr. Wirat Uanarumit	1,352,000	120,000	-	30,000	-
3. Ms. Duangporn Thiengwatanatham	1,388,000	100,000	-	-	120,000
Total	13,180,000	1,155,000	400,000	330,000	370,000

Mr. Ryan Curtis Krogmeier (resigned in 2015), Mr. Andrew Benjamin Walz (appointed in 2015), Mr. Amit Rajindrasingh Ghai, Mr. Ranga Rama Kumar Sreeramagiri and Mr. William Lewis Stone are directors nominated by Chevron. They have declined to receive director compensation, both monthly fees and meeting allowance fees, from the Company. Total declined fees were Baht 7,085,000, comprising of the monthly fee of Baht 6,120,000 and the meeting allowance fee of Baht 965,000. Instead, the Company made this compensation to Chevron. This director compensation is not covered under the Personnel Secondment Agreement made between the Company and Chevron.

8.4.2 Executive Compensation

Total remuneration for executives includes basic salary, bonus, provident fund, welfare and benefit, and Employee Stock Ownership Plan (ESOP) expense.

In 2015, total remuneration for executives was Baht 205 million. These totals include management manpower costs paid to Chevron under the Personnel Secondment Agreement.

The total compensation for 14 executives in 2015

Compensation	Number of executives	Amount (Baht)
Salary	14	149,246,747
Bonus and ESOP	11	52,174,382
Provident Fund	9	3,468,938
Total		204,890,068

8.4.3 Report of the Company's securities held by directors (including spouse and minor children)

Name	Number of Shares		Changing Number of Shares Increase (Decrease)
	As of 3 December 2015	As of 31 December 2015	
1. Mr. Andrew Benjamin Walz Spouse and minor children	3 -	3 -	- -
2. Mr. Pliu Mangkornkanok Spouse and minor children	- -	- -	- -
3. Mr. Manoon Siriwan Spouse and minor children	- -	- -	- -
4. Mr. Robert Stair Guthrie Spouse and minor children	- -	- -	- -
5. Mr. Amit Rajindrasingh Ghai Spouse and minor children	- -	- -	- -
6. Mr. Ranga Rama Kumar Sreeramagiri Spouse and minor children	- -	- -	- -
7. Mr. William Lewis Stone Spouse and minor children	- -	40,000 -	40,000 -

Report of the Company's securities held by directors who resigned in 2015

Name	Number of Shares		Changing Number of Shares Increase (Decrease)
	As of 3 December 2015	As of 31 December 2015	
1. Mr. Ryan Curtis Krogmeier Spouse and minor children	- -	N/A N/A	N/A N/A
2. Mr. Wirat Uanarumit Spouse and minor children	- -	N/A N/A	N/A N/A
3. Ms. Duangporn Thiengwatanatham Spouse and minor children	- -	N/A N/A	N/A N/A

8.4.4 Report of the Company's securities held by Executives (including spouse and minor children)

Name	Number of Shares		Changing Number of Shares Increase (Decrease)
	As of 3 December 2015	As of 31 December 2015	
1. Mr. William Lewis Stone	-	40,000	40,000
Spouse and minor children	-	-	-
2. Mr. Steven Lewis Gibson	-	-	-
Spouse and minor children	-	-	-
3. Mr. Wichai Chunhasomboon	-	-	-
Spouse and minor children	-	-	-
4. Mr. Sakchai Thamsuruk	267,100 (ESOP)	267,100	-
Spouse and minor children	78,500 (ESOP)	78,500	-
5. Mr. Chirasak Mhasuconda	267,100 (ESOP)	267,100	-
Spouse and minor children	-	-	-
6. Mr. Pongkorn Chochuwong	347,300 (ESOP)	347,300	-
Spouse and minor children	-	-	-
7. Mr. Narong Triyotee	347,300 (ESOP)	347,300	-
Spouse and minor children	167,600 (ESOP)	167,600	-
8. Mr. Paul Andrew Rushworth	267,100 (ESOP)	267,100	-
Spouse and minor children	-	-	-
9. Mr. Roger Albert Frederick Bartlett	267,100 (ESOP)	267,100	-
Spouse and minor children	-	-	-
10. Mr. Akasit Rumpagaporn	205,500 (ESOP)	205,500	-
Spouse and minor children	-	-	-
Name	Number of Shares		Changing Number of Shares Increase (Decrease)
	As of 3 December 2015	As of 31 December 2015	
11. Ms. Nattawan Khumwiwat	205,500 (ESOP)	205,500	-
Spouse and minor children	-	-	-
12. Ms. Pornthip Viraphand	167,600 (ESOP)	167,600	-
Spouse and minor children	-	-	-
13. Mr. Krisda Chaikul Spouse and minor children	205,500 (ESOP)	205,500	-
	-	-	-
14. Ms. Angkana Panyaopart	205,500 (ESOP)	248,400	42,900
Spouse and minor children	-	-	-

8.5 Employees

8.5.1 Number of Employees

The company has 454 total employees as of 31 December 2015. The number of employees includes direct hires and secondees from Chevron.

Department	Number of Employees
Production Unit - Processes and Utilities	128
Production Unit - Movement and Dispatches	87
Asset Management	60
Technology and Engineering	44
QEHS & Laboratory	36
Corporate Service	22
Integrity & Reliability	24
Others	53
Total	454

8.5.2 Employee Compensation

SPRC recognizes that our employees and management are the most important resource for achieving the strategic goals of the company. Our Company's One Family culture cares for and respects all of our employees and management. It is the Company's policy to attract and retain high performance employees and encourage them to excel in the organization through attractive remuneration and benefits that fairly and equitably reward our employees for their contributions to SPRC's success, and that are competitive with other companies in Thailand's petrochemical industry.

In 2015, total compensation, including salary, bonus, overtime pay, provident fund, welfare and benefit and ESOP expense paid to the employees and executives was Baht 1,307 million including a one-time expense of Baht 322 million for ESOP. Annual merit increase for each employee is determined based on the individual's annual performance result and market competitiveness.

Other compensation

The Company provides for employees' retirement package which complies with Thai Labor Law. The Company also recognizes employees with "Top Up with Gold" at their retirement. The Company has recorded retirement benefits of Baht 21 million in the year 2015.

The Company also provides other benefits to the employees including Housing Allowance, Leave, Annual Holidays, Maternity Leave, Life Insurance and Disability, and Medical Coverage. In 2015, the Company initiated a Flexible Benefit program that allows individual employees to make selections of benefits to fit with their life style and family's needs.

Provident Fund

The Company provides a provident fund, registered as a juristic person under the Provident Fund Act, B.E. 2530 (1987) for the Company's employees. Participating employees pay a contribution of 3 to 15 percent of the monthly wage to the fund, and the Company contributes 3 to 15 percent of the

employee's wage, depending on the employee's years of service. Provident Fund contributions by the Company were Baht 48 million for the year 2015.

Employee Stock Ownership Plan

In conjunction with the Company's Initial Public Offering (IPO), we executed an Employee Stock Ownership Plan (ESOP) to promote management and employee's ownership as well as encourage employee pride and engagement in SPRC. The ESOP plan was approved at the Board of Directors meeting No. 2A/2015 and Shareholder meeting No. 2/2015, held on 29 June 2015 and on 7 July 2015, respectively. The Company offered to sell ordinary shares to management (not including certain management secondees) and employees at the same price as the IPO price and at the same period as the IPO. Company Directors were not eligible for the ESOP program. The Company provided support for the management and employees who participated in the ESOP program which was recorded as company expense. Employees and management purchased a total of 35,728,800 ordinary shares through the ESOP program.

Following the first day of trading of the Company's shares on the Stock Exchange of Thailand, the employees and management are allowed to sell up to 25% of their shares after 12 months and 24 months, and the remaining 50% after 36 months.

8.5.3 Training & Development

At SPRC, we believe that the efficiency, effectiveness and success of our organization depends largely on the skills, abilities and commitment of our people. We, therefore, place a lot of emphasis on the training and development of our people.

Training at SPRC is carried out with both short term and long term objectives in mind, and that's why we offer a range of training and development activities. Depending on roles and responsibilities, employees are provided:

- On-the-job learning including overseas job postings.
- Training for recognized professional qualifications – either through external organizations or through SPRC's own training services and facilities.
- Personal development programs.
- Mentoring and regular appraisals with line managers.
- Special project assignments.
- Joint Venture Chevron Technical University (JV CTU): A set of engineering and technical courses provided to young engineers of joint venture Chevron refineries by experienced Chevron engineers from around the world.

8.5.4 Labor disputes

The Company does not have labor union and has no material labor disputes in the past 3 years.

9. CORPORATE GOVERNANCE

9.1 Policy of Corporate Governance

The Company conducts all of its business operations to the highest levels of corporate governance and business ethics, with a goal of long term sustainability. We conduct our business and treat all stakeholders responsibly, equitably, and with transparency. We believe our business conduct and strong leadership builds confidence among our investors and stakeholders. The Board of Directors has set the Company's Corporate Governance Policy and Business Conduct, which set out policies and guidelines that are consistent with the corporate governance principles prescribed by the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC"). The Corporate Governance Policy and Business Conduct are part of the Company's business operation policy. It is our firm commitment to be a role model for good corporate governance.

9.1.1 The Rights of the Shareholders

The Company recognizes the rights of all shareholders, which include rights to independently buy, sell, or transfer shares; rights to attend and vote in shareholders meetings regarding the appointment or removal of directors, remuneration of directors, appointment and remuneration for auditors, declaration of dividend payments, determination or amendment of the Articles of Association and the memorandum of association, reduction or increase of capital, and approval of special matters requiring the resolution of the shareholders meeting.

Prior to our IPO last year and registration of the company's securities with the SET, the annual general meeting of 2015 was held on 28 April 2015, and three extraordinary general meetings were held on 16 June, 7 July, and 12 November 2015. All were held in accordance with the requirement in the Company's Articles of Association and the applicable laws concerning shareholder meetings. This includes due delivery of notices of the meetings, as well as providing in advance the procedures regarding attendance and the meeting agenda as prescribed in the Company's Articles of Association and laws.

All shareholders meetings of the Company were conducted taking into consideration the rights of shareholders. If a shareholder cannot attend the meeting, the Company allows the shareholder to appoint an independent director or any person as a proxy to attend the meeting on their behalf, by submitting a proxy form sent with the notice to the shareholders meeting by the Company.

To allow shareholders to vote knowledgeably and effectively, the Company sends the notice of shareholders meeting and supporting information to the shareholders at a reasonable time in advance. The notice contains details on the agenda of the meeting to be considered by the shareholders, with an explanation and reason for each agenda item or each resolution sought, as well as the opinion of the Board of Directors, including:

- with respect to the appointment of directors, background and suitability of the nominated persons, including education, experience, and other titles held;
- with respect to the consideration of remuneration for directors, components and amount of remuneration proposed to be approved by the shareholders;
- with respect to appointment of the auditor and determination of their remuneration, name and auditing office of the proposed auditor, the proposed remuneration, and the years for which the auditor has performed their duty for the Company in the event of reappointment of an existing auditor;
- with respect to the payment of dividend, an explanation to support the decision regarding the proposed dividend; and

- with respect to the consideration of important matters of the Company, such as amendment of the Articles of Association, amendment of the Board of Directors' charter, adjustment of the structure of the Company's capital, reduction and increase of capital, allocation of new ordinary shares for an initial public offering, approval of an employee stock ownership plan (ESOP), and consideration of listing the Company's shares on the SET, sufficient information regarding the objectives of the matters proposed, and the effects on the Company and the shareholders.

During the meeting, the Company provides an opportunity to all shareholders to ask questions, and give suggestions. The Board of Directors and senior leadership attend the meeting to answer questions and to listen to the opinions and suggestions of shareholders. When the meeting ends, the Company prepares accurate and complete minutes of the meeting, including questions and responses during the meeting, within 14 days from the date of the meeting. The meeting minutes are available for inspection by the shareholders, and sent to the relevant agency within the period specified.

It is the Company's policy to organize the shareholders meeting at a venue which meets our high safety standards, has multiple transportation options e.g. close to BTS or MRT station and available parking areas, and a proper sized meeting room.

9.1.2 Equitable Treatment for Shareholders

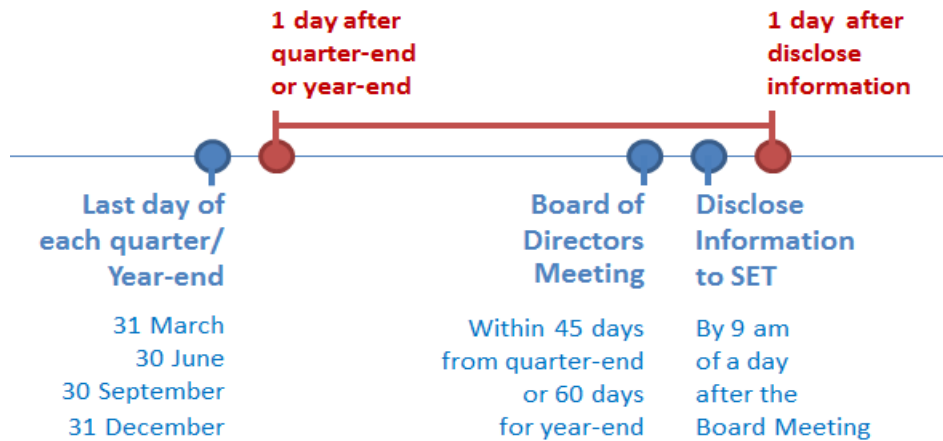
In the Company's Business Conduct, the Company has established a policy for managing conflicts of interest among directors, executives, and employees of the Company. The policy requires that the Company's directors, executives, and employees refrain from having any conflict between personal interest and the interest of the Company, or the duties of the directors, executives, and employees toward the Company. Conflicts of interest may arise when such persons take any action or have any personal interest that adversely affects the Company's interest, reputation, and good relations with others, as well as actions that affect their decisions when performing their respective duties. The practice regarding conflicts of interest is as follows:

- Directors, executives, and employees of the Company have duties in reporting their interests upon being appointed or joining the Company, and shall report on any changes to those interests.
- The Company discloses a clear shareholding structure to ensure confidence of the shareholders in the Company's shareholding structure.
- In a meeting of the Board of Directors, if any director has a conflict of interest in the matter being considered, that director shall not take part in the consideration and decision regarding that matter, by refraining from participating in that portion of the meeting and voting, in order to ensure fairness and transparency in the decision of the Board of Directors and to protect the best interests of all shareholders.

Preventive measures have been put into place to prevent the improper use of material non-public information by directors, executives, and employees who have access to such material non-public information through their duties and roles within the Company. Improper use includes insider trading whether for their own or others' benefit. The practice regarding material non-public information is as follows:

- Directors, executives, employees, auditors, contractors or consultants of the Company who are aware of SPRC's material and non-public information, directly or indirectly shall not:
 - engage in transactions of any kind of SPRC's securities whether for their own account or for the account of another;
 - recommend that another person engage in transaction of SPRC's securities (known as "tipping");
 - assist anyone in engaging in transactions of SPRC's securities; or

- disclose material and non-public information to anyone who does not have a legitimate business reason for receiving such information.
- All directors, executives, and employees who have access and are involved with financial reporting, as well as spouses and minor children of such persons, are prohibited from trading the Company's securities for a period starting one day after the quarter-end or year-end and ending one day after disclosure or publication of the quarterly or annual financial statements to the SET.



- If any director, executive or employee, or their spouse or minor children gain access to any undisclosed information that may affect the price of securities of the Company, those persons shall not trade the securities until a period of 24 hours following disclosure of such information to the public.
- Directors and executives shall notify the Chairman of the Board of Directors, or the Company Secretary, at least one day in advance before trading the Company's securities.
- If the company's directors and executives elect to trade in the Company's securities, the Company encourages them to make long-term investments. Directors and executives shall not engage in speculative or short-term trading of the Company's securities.
- Upon first being appointed as directors or executives of the Company, the directors and top-level executives shall report the holding of the Company's securities by them to the Office of the SEC (form 59-1) within 30 days from the date they first take office, and report any changes upon buying, selling, transferring, or accepting the Company's securities (form 59-2) within three business days from the date of any such change.
- The Audit Committee shall monitor the compliance with such measures, ensuring that any changes in securities holding are reported at the meeting of the Audit Committee each time any such changes occur. The number of shares held directly or indirectly at the beginning of the year, at the end of the year, and any trading during the year by the directors and top-level executives shall be disclosed in the annual report.

9.1.3 Roles of Stakeholders

The Company is committed to becoming a good role model for society, with the intention of operating the business sustainably and with good corporate governance. It is our belief and our commitment that our long term success must balance stewardship of the environment, social development and financial performance. We incorporate the balance of these objectives into our work practices, procedures and decision making. We support and participate in activities that benefit society, the community, and the environment in the long run. It is the Company's aim for the business to exist side by side with society and the environment, with a focus on concurrent development to ensure sustainable growth.

The Company recognizes the importance of honest, fair, and transparent business operations, in compliance with all applicable laws, rules, and regulations. All new staff will be introduced and trained

on the Company's Business Conduct when they start work for their awareness and understanding on the Company's Business Conduct. Periodic training is also provided to existing staff to refresh their awareness and understanding on the Company's Business Conduct.

The Business Conduct contains guidelines on how to conduct our business properly, including:

- To operate the business strictly in accordance with applicable laws, regulations, and rules, and to cooperate with government officials.
- To instill awareness among the employees regarding the importance of compliance with the law and fair business competition.
- To operate the business and make investments in accordance with the principles of ethics, transparency, and the honoring of mutual commitments and sharing benefits fairly.
- To respect human rights, as supported by the policy on promotion and protection of human rights, freedom, and equitable treatment, which is the foundation of human resource management and development. The Company's business operation is in line with the United Nations Universal Declaration of Human Rights. The Company does not discriminate against races, religions, women, children, or people with disability.
- To avoid conflicts of interest in all of our business operations and decisions.
- To enter into any related party transaction on a commercial arm's length basis and always take into consideration, on balance, the best interest of Company.
- To follow anti-corruption practices in accordance with Thai laws and US regulations, e.g. the Foreign Corrupt Practice Act. An example is the prohibition of promising to pay or give or actually paying or giving money or anything of value to officials for the purpose of gaining influence over the official's acts or decisions

Our Stakeholders

The Company has put in place policies and measures with respect to the treatment of stakeholders, as follows:

Shareholders

The Company regards shareholders as the owners of the Company. Directors, executives, and employees, therefore, have the duty to comply with the good corporate governance policy and code of ethics of the Company, in order to assure the shareholders that the Company operates its business in accordance with good corporate governance principles for the best and sustainable interest of all shareholders.

Customers

It is the Company's policy to build and maintain our customer base by developing, producing, and selling quality products through an efficient and reliable production and distribution process, and to meet or exceed customers' expectations. The Company surveys customer satisfaction on a quarterly basis, seeking opinions and suggestions from customers in order to establish a plan to continuously improve our relationship and the reliable supply of quality products.

Community

The Company has in place safety standards and production process controls, as well as operational best practices and advanced technologies to ensure that we meet or exceed all safety and environmental regulations and to ensure reliable and safe operations to have minimal impact on the environment and community around us.

Consumers

The Company is committed to product stewardship through the safe and reliable production of quality products, meeting all product specifications and regulations.

Employees

The Company believes that our staff and contractors are the heart of our operations and sustainable development, and we value all of our staff and contractors and their quality of life. The Company respects human rights, and believes foremost in the safety of all employees and contractors. On the first day of work at our Company, all new staff and contractors must have a full day training on safety awareness and the Company's safety culture. All staff and contractors have the authority and responsibility to stop – or not start – any work activity that they or others are performing if hazards or risks pose a threat to safety. The Company's goal is to ensure a positive and rewarding working environment.

Our human resources development system is based on equality, desirable employment terms and conditions, job development and achievement of full potential, equitable employment opportunity, and to encourage employee participation in planning, management, and compliance with internal practices and work processes, recognizing that the success of the Company depends on all its employees.

The Company promotes the development of personnel through training and first-hand experience that matches each of the employee's needs in order to improve work efficiency and the opportunity to progress in one's career. The Company's practice in this regard is as follows:

1. The Company values the differences between, and abilities of, each employee, and provides a working environment that fully encourages employees' contributions toward the Company's success.
2. The Company complies with the laws prohibiting unequal treatment, by giving employees equal opportunity to advance in the organization, and does not practice illegal treatment of employees. It is the Company's policy not to discriminate against employees based on differences in race, religion, skin color, origin, age, gender, disability, military service status, political opinion, sexual diversity, and genetic information. The Company promotes equality for persons with disability and complies with the law concerning employment of persons with disabilities by remitting money to the Fund for the Empowerment of Persons with Disabilities.
3. The Company sets remuneration for employees based on performance, to promote competition and the development of ability among employees.
4. The Company prohibits violence and sexual harassment within the workplace.
5. The Company provides training for employees based on the suitability for their roles, in accordance with an annual knowledge and skills development plan for each individual employee.
6. The Company prioritizes the organization of the work environment to ensure occupational safety, and provides a canteen with good sanitation, clean toilets, safe transportation, and medical clinic in line with legal requirements.
7. The Company ensures equality and transparency in its processes for hiring, transferring and remuneration of employees, taking into consideration qualifications, suitability for the role, nature of work, and performance.
8. The Company provides equal opportunity and encouragement for all levels of employees to raise questions, suggestions, or opinions, whether directly or indirectly, leading to mutual solutions to any problem. We utilize different communication channels, such as the direct supervisor, management, Human Resources Manager and the Corporate Compliance Officer. We also conduct internal employee engagement and satisfaction surveys every two years, to develop suggestions and areas to focus on to further improve our Human Resources programs.

The Company encourages the development of personal potential in many areas, including professional skills, general skills, leadership development, analytical skills, problem solving, and happiness in life and work.

The Company organizes Recreational activities to strengthen relationships between executives and employees, and between departments, both within the Company and with other companies and local government organizations, such as Refinery Games and Sports Complex Games.

The Company continuously encourages good health among employees through a variety of health promotions, such as holding regular health food fairs featuring food products and shops from the community, a week-long health fair, and an annual check-up for employees. Additionally, employee can participate and join in 22 sport and recreational clubs.

It is the Company's policy to attract and retain high performance employees and encourage them to excel in the organization through attractive remuneration and benefits that are competitive with other companies in Thailand's petrochemical industry.

The Company provides a provident fund, registered as a juristic person under the Provident Fund Act, B.E. 2530 (1987) for the Company's employees. Participating employees pay a contribution of 3 to 15 percent of the monthly wage to the fund, and the Company contributes 3 to 15 percent of the employee's wage, depending on the employee's years of service.

Partners who the Company deals with

It is the Company's policy to treat all our business partners fairly and transparently. Our business partners must be on our SPRC Approved Vendor List (AVL) to ensure reliable and high quality provision of services and supplies. To qualify for the AVL, the vendors and suppliers must meet the following criteria;

1. To ensure they have good safety management, they must demonstrate a successful safety performance, and have policies on safety, safety training, and safe workplace environment.
2. To ensure they can supply materials and provide services that meet the Company's requirements, they must have skill, capability, knowledge, resources, experience, and a good reputation.
3. To ensure they can be our sustained partnership, they must demonstrate a good financial status, such as good cash flow, reasonable debt, etc.

Additionally, the Company builds relationships that benefit all involved which we believe creates the best performance for both SPRC and its partners. The Company holds training and seminars for its business partners, including introduction to our safety culture, knowledge exchange, and awareness in occupational safety. The activities held include:

- holding meetings, workshops and other activities to introduce and strengthen our incident and injury free culture and work process with customers, contractors and other business partners;
- invitation of ship owners and truck owners, who transport products from our terminals, to meetings and workshops to strengthen relationships and safety awareness; and
- providing awards to ship owners and truck owners who perform work safely, and providing the opportunity for ship owners and truck owners to take pride in their award-winning safety standards.

The Company has a zero tolerance for corruption. Our policies and management systems promote ethics, morality, and transparency in operating our business. The Company instills awareness among employees regarding possible effects of corruption. Among other things, the Company combats corruption through our Business Conduct Policy on giving or receiving gifts, presents, entertainment, and other benefits from persons or companies dealing with the Company, to prevent conflicts of interest, including accepting money as consideration for providing service in the name of the Company, or giving or accepting gifts, presents, or entertainment from persons who operate, or wish to operate, a business with the Company, and giving gifts, presents, or entertainment to any person in order to induce that person to act for the benefit of the Company. If any such action is necessary and is in accordance with laws and the Company's guidelines, the permission shall be obtained from the Corporate Compliance Officer and management in advance.

The Company also has a policy concerning reporting or disclosure of activities, business, or relations between employees that may overlap or contradict the Company's interests. If an employee suspects that any activity may be overlapping or in conflict with the Company's interests, the employee shall report or disclose such information in advance, in order to protect the employee from any conflict of interest problem.

Furthermore, it is the Company's policy not to allow or support illegal payment of money or bribery to government agencies, or participation in political activities that violate Thai or US laws.

At the end of each fiscal year, members of the Company's management prepare a report on compliance with SPRC's Business Conduct policy over the past year, particularly in the part related to anti-corruption and conflict of interest.

The Company has procedures to allow for participation and suggestions from stakeholders for consideration by management and the Board of Directors. The Company ensures that sufficient information is disclosed so that stakeholders can efficiently take part in a dialog with the company. A channel for reporting tips or complaints has also been set up for reporting violations of the law or the Business Conduct, inaccurate financial reporting, or defective internal control systems. It is the responsibility of the Corporate Compliance Officer to ensure a proper investigation is held on any tips or complaints and report any findings, results and corrective actions to the Audit Committee and the Board of Directors without disclosure of the name of the whistleblower. In the case where a stakeholder suffers damage as a result of an infringement of their rights by the Company, SPRC has a policy to indemnify that stakeholder as appropriate.

9.1.4 Disclosure and Transparency

The Company recognizes the importance of information disclosure. Its disclosure policy takes into account equitable receipt of information, consistent with the rules, regulations, and procedures prescribed by the SET and the SEC.

The Company has established a policy for the disclosure of the Company's information, in order to control and screen the information as well as to ensure completeness and accuracy. A process is put in place to ensure transparency, credibility, equality, and timely disclosure. Both financial and non-financial information is disclosed in both Thai and English. Disclosure is also made through the SET Portal system of the SET and the Company's website at www.sprc.co.th.

The Company has developed channels for communicating information and news through various media for the benefits of various stakeholders, including:

- The investor relations group has been set up as a platform for communicating and managing relations with investors, securities analysts, and the general public, with a focus on disclosure of

accurate and sufficient information in a timely manner, so that they can reasonably and equitably obtain relevant information, in accordance with the rules prescribed by the SEC and the SET, and for carrying out other activities to enhance the image of the Company in the eyes of investors and related persons.

Shareholders, investors, securities analysts, and the general public may contact investor relations at:

Investor Relations Unit
Star Petroleum Refining Public Company Limited

Address: No. 1 I-3B Road, Map Ta Phut, Muang, Rayong Province 21150

Tel: 038 699 887

Email: ir@sprc.cp.th

Facsimile: 038 699 999 extension 7887

- The Company has planned investor relations communications, such as:
 - quarterly meeting with analysts and institutional investors;
 - opportunity day at the SET to report the operating results every quarter;
 - holding meetings and telephone conferences with both domestic and international investors and analysts on a routine basis;
 - arranging visits to the refinery for minor shareholders and investors to meet with the management to develop an understanding of the Company's business; and
 - holding exhibitions or giving talks to improve the knowledge of investors, such as the SET in the City, and SET Thai Corporate Day 2016 – Driving Economy with Sustainable Growth Conference.
- Preparing printed matter and other materials to disseminate the Company's information, including annual reports and sustainable development reports.
- Publishing information through the mass media, such as news, photographs, articles, and social media.
- Communicating information to employees through various staff meetings, bulletin boards, as well as electronic means, such as intranet or e-mail.

The Company has put in place measures for personal data protection to ensure that personal data in the possession of the Company is kept confidential and treated in a reasonable manner. Data access measures implemented by the Company help prevent unauthorized access, unauthorized disclosure, abuse, or careless management of data. Such measures prohibit employees from tampering with the data, such as examination, reproduction, distribution, removal from the premises, destruction, or making changes to the data without authorization. Furthermore, all employees must appropriately use information technology protections, such as by keeping passwords confidential.

9.1.5 Responsibilities of the Board of Directors

The Company's Board of Directors consists of directors who possess knowledge, ability, and experience in a variety of fields, so that they can apply this experience, knowledge, and ability in effectively developing and determining the direction, policy, and strategy of the Company's business operation, in accordance with the strategic plan and budget determined, and rules and regulations of the relevant authority and government agencies, as well as the resolutions of the shareholders meeting, with honesty, transparency, and care for the best interests of the Company and its shareholders. The Board

of Directors has also put in place an internal control process that is appropriate and consistent with good corporate governance principles.

9.2 Committees

The Board of Directors has established 3 committees, Audit Committee, Nomination and Remuneration Committee, and Human Resources Committee in order to support and provide recommendations to the Board of Directors in each aspect for effective operations of the Company's business.

Member of each committee as of 31 December 2015				
	Name	Audit Committee	Nomination and Remuneration Committee	Human Resources Committee
		(3 persons)	(4 persons)	(3 persons)
1	Mr. Andrew Benjamin Walz	-	-	-
2	Mr. Pliu Mangkornkanok	Chairman	-	Member
3	Mr. Manoon Siriwan	Member	Member	-
4	Mr. Robert Stair Guthrie	Member	Chairman	-
5	Mr. Amit Rajindrasingh Ghai	-	Member	-
6	Mr. Ranga Rama Kumar Sreeramagiri	-	-	Member
7	Mr. William Lewis Stone	-	Member	Chairman

Remark: Directors number 2, 3 and 4 are independent directors who are qualified and have qualifications in accordance to the requirements of the Company's independent directors. Mr. Pliu has knowledge and experience to review the financial statements

9.2.1 Scope of authority, duties, and responsibilities of the Company's Board of Directors

The Company's Board of Directors has a number of duties and responsibilities toward the shareholders, pursuant to the Public Limited Company Act, Securities and Exchange Act, rules and guidelines of the SET, the Company's articles of association, and the Charter of the Board of Directors, to be observed by the Board of Directors. It is the utmost responsibility of the Board of Directors to manage the Company's business within the scope of the law, objectives, articles of association, and resolutions of the shareholders meeting. The Board of Directors shall propose any capital expenditure that exceeds Baht 1.5 billion for approval by the shareholders meeting.

The Board of Directors authorizes the Chief Executive Officer to manage the business and the daily tasks of the Company within the scope of authority approved by the Board of Directors. The Chief Executive Officer then delegates that authority to the management.

The Company's Board of Directors has the duties and responsibilities prescribed in applicable laws, including to consider and provide consent in matters essential for the Company's operation, taking into account good corporate governance and core principles, as follows:

- The Board of Directors shall perform its duty using its best efforts to add value to the business in the long run, and manage the business carefully and prudently, and prevent any occurrence of conflict of interest.
- The Board of Directors shall operate the business with transparency, and disclose sufficient information to related parties.

- The Board of Directors shall operate the business by taking into account an adequate control and risk management system.
- The Board of Directors shall determine the standard practice for the operation of the Company's business, to be observed by the directors and employees.

The Charter of the Board of Directors sets out the authority and duties of the Board of Directors, and clearly separates the authority and duties of the directors, independent directors, and chairman. For example, the independent director shall be independent from major shareholders, and shall not take part in the management of the Company. The chairman of the Board of Directors shall ensure that the Board of Directors performs work in an efficient manner and is open to the opinions of the directors, and encourage such participation.

The Company's Board of Directors will prepare annual reports of the Board of Directors regarding the activities and financial results of the Company, to be considered by the shareholders meeting.

The Company will arrange for the Audit Committee to audit and provide opinions regarding transactions required by applicable laws to be audited and commented on by the Audit Committee, such as related-party transactions, or transactions that may be a conflict of interest, etc. The opinions of the Audit Committee will be proposed to the Board of Directors or the shareholders, as the case may be, to ensure that the proposed transactions are in line with the relevant terms and rules for the best interest of the Company. The Company will also disclose information related to the execution of such transactions in the annual report and the annual registration (Form 56-1), as well as the notes to the financial statements.

The Company encourages directors to participate in seminars related to directors held by the Thai Institute of Directors, to develop knowledge and ability in performing their duties as directors.

The authorized directors of the Company are any two of Mr. Andrew Benjamin Walz, Mr. Amit Rajindrasingh Ghai, Mr. William Lewis Stone, and Mr. Ranga Rama Kumar Sreeramagiri, to jointly sign and affix the Company's seal.

Board of Directors meetings

The Company's Articles of Association require that the Board of Directors holds at least one meeting every three months, and may hold additional meetings to consider urgent matters.

The directors shall regularly attend Board of Directors meetings to acknowledge and take part in the decisions regarding the operation of the Company's business. The Company Secretary has the duty to determine in advance the meeting schedule every year, and notify each director of the meeting schedule for the following year, before the end of the year, so that each director is aware of the meeting schedule in advance, and is able to attend the meeting. Each meeting takes approximately four hours. In 2015, meetings of the Board of Directors were held seven times, including the four meetings scheduled in advance, and three special meetings.

The Chairman, the Chief Executive Officer, and the Company Secretary together consider and approve the meeting agenda. At each meeting, a clear agenda is set, and sufficient supporting documents sent to the directors, both in hard copy and electronic form, at least seven days in advance, to allow sufficient time for the Board of Directors to study the matters before the meeting.

To consider each matter, the Chairman of the Board of Directors, who acts as the chairman of the meeting, allocates sufficient time for each agenda item, and allows directors to ask questions and express opinions freely. Resolutions of the Board of Directors require a majority vote of the directors. Each director has one vote. In the event of equal votes, the Chairman of the meeting has the casting vote.

The Company's executives attend the Board of Directors meeting in order to directly provide beneficial information and acknowledge policies from the Board of Directors, to ensure efficient implementation. The executives report implementation results in the following Board of Directors meeting.

If any director has a conflict of interest in the matter being considered, the interested person shall not take part in the consideration and decision on that such matter, for transparency and the best interest of the Company.

Upon conclusion of the meeting, the Company Secretary prepares the minutes of the meeting, containing important matters considered, as well as the opinions expressed in the meeting, and proposes the minutes to the next Board of Directors meeting for consideration and approval, and certification by the Chairman of the Board of Directors. The Company's directors may express opinions or amendment of the minutes to include more details. Minutes approved by the meeting and certified by the Chairman of the Board of Directors are systematically kept, with the documents supporting each agenda item in the meeting, both in hard copy and electronic form, for convenience of retrieval and reference.

9.2.2 Scope of authority, duties, and responsibilities of the Audit Committee

- To ensure that the Company's financial statements are accurate and adequately disclosed.
- To ensure that the Company implements internal controls and internal audit systems that are appropriate and effective, and to consider the independence of the internal audit unit and give consent regarding the appointment, transfer, and termination of employment of the internal auditor.
- To ensure that the Company complies with the law governing securities and exchange, regulations of the SET, and the laws applicable to the Company's business.
- To consider selecting, nominating, and appointing an independent person to act as an auditor of the Company, and propose the remuneration of the auditor, and attend meetings with the auditor without the management's presence at least once a year.
- To consider related-party transactions or transactions with likely conflict of interest, and ensure that they are in accordance with the laws and regulations of the SET, in order to ensure that such transactions are reasonable and in the best interest of the Company.
- To prepare the report of the Audit Committee and disclose the same in the Company's annual report. The report is certified by the Chairman of the Audit Committee, and contains at least the following:
 - opinion regarding the accuracy, completeness, and reliability of the Company's financial report;
 - opinion regarding the adequacy of the Company's internal control system;
 - opinion regarding compliance with the law governing securities and exchange, regulations of the SET, and the laws applicable to the Company's business;
 - opinion regarding the suitability of the auditor;
 - opinion regarding transactions with likely conflict of interest;
 - number of Audit Committee meetings held and attended by each audit committee member;
 - overall opinion or observation of the Audit Committee from compliance with the charter; and
 - other details to be noted by shareholders and general investors as deemed appropriate by the Audit Committee in accordance with the scope of duty and responsibility assigned by the Board of Directors.
- To take any other actions as assigned by the Board of Directors, subject to the consent of the Audit Committee.

9.2.3 Scope of authority, duties, and responsibilities of the Nomination and Remuneration Committee

- The Company's Nomination and Remuneration Committee has the duties of assisting the Board of Directors with respect to the structure of the Board of Directors; the nomination, election, and re-election of directors; consideration for performance of the Board of Directors and each director; as well as the succession plan for the Board of Directors.
- The Nomination and Remuneration Committee has the duties assigned by the Board of Directors, including approving the nomination process for directors, determining the terms of appointment, and providing consultancy service to assist the Board of Directors in evaluating the performance and nomination of directors.

The Nomination and Remuneration Committee shall ensure that the Board of Directors possesses the appropriate skills, experience, expertise, and variety, and shall implement an appropriate process with respect to succession, appointment, performance, and other matters related to the Board of Directors.

- The Nomination and Remuneration Committee considers and proposes fair and reasonable remuneration or a remuneration structure for the Board of Directors and other committees, including the Company's Chief Executive Officer, in accordance with rules and responsibility, performance, the Company's operating results, and business guidelines, to be approved by the Board of Directors.

9.2.4 Scope of authority, duties, and responsibilities of the Human Resources Committee

- The primary role of the Human Resources Committee is to provide the Board of Directors with assistance regarding the strategic plan for management and development of the Company's human resources, and the Company's remuneration system.
- The Human Resources Committee has the duties assigned by the Board of Directors, including approving the plan on payment of annual remuneration, and incentives.
- The Human Resources Committee considers ways to develop human resources management and personnel development strategies, in order to enhance the operation of the Company's business, and improve operations, as well as to increase shareholder value in the long run.
- The Human Resources Committee ensures that the remuneration system is appropriately managed, and a clear and reasonable process is in place, in order to enhance the Company's human resources management strategy.

9.3 Nomination of directors and top-level executives

The Board of Directors has determined the procedures for nomination of directors as guidelines for the Nomination and Remuneration Committee with respect to the nomination of directors, and for the Human Resources Committee with respect to the nomination of chief executive officer of the Company, to ensure compliance with the good corporate governance guidelines of the SET for listed companies. The Nomination and Remuneration Committee has the duty to examine policies and the process for nominating new directors, and determine necessary and desirable qualifications of new directors. A person appointed as director or executive of the Company (as the case may be) shall possess all qualifications under Section 68 of the Public Limited Company Act, and shall not possess any prohibited characteristic prescribed in the Notification of the Securities and Exchange Commission No. GorJor. 8/2553 re: Determination of Untrustworthy Characteristics of Company Directors and Executives (as amended). Directors and executives shall also possess knowledge, ability, and experience suitable for the operation of the Company's business.

9.3.1 Nomination of independent directors

Persons nominated as independent directors shall possess the following qualifications:

1. An independent director must not hold shares exceeding 1 percent of the total shares with voting rights of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company. That percentage shall include shares held by related persons of the independent director.
2. An independent director shall not be, or have been, an executive director, employee, staff member, or consultant who receives a regular salary, or a controlling person of the Company, the parent company, the subsidiaries, the associate companies, the same-level subsidiaries, major shareholders, or controlling persons of the Company, unless the director has not held such a position for at least two years before the date of submission of the application to the Office of the SEC. Such a prohibition does not include cases of an independent director holding a position as a government officer or consultant of a government agency that is a major shareholder or controlling person of the Company.
3. An independent director shall not be related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of a child of another director, executive, major shareholder, controlling person to be nominated as an executive director, or controlling person of the Company or the subsidiaries.
4. An independent director shall not have, or have had, a business relationship with the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company in a manner that may prevent free judgment, and shall not be, or have been, a significant shareholder or controlling person of a person related to the business of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company, unless that relationship ended at least two years before the date of submission of the application to the Office of the SEC.

The above business relationship includes execution of trade transactions in the ordinary course of the business; leasing or letting immovable property; transactions related to assets or service, or provision or acceptance of financial assistance by way of borrowing or lending, guarantee, charges, and security assets, and other similar circumstances causing indebtedness of the Company or a party to the other party of 3 percent of the net tangible assets of the Company, or Baht 20 million and above, whichever is lower. Calculation of such indebtedness shall be in accordance with the method for calculating related-party transactions under the notification of the Capital Market Supervisory Board concerning rules for related-party transactions, *mutatis mutandis*. However, such indebtedness shall include the indebtedness arising during the period of one year before the relationship with that person was established.

5. An independent director shall not be, or have been, an auditor of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company, and shall not be a significant shareholder, controlling person of, or a partner in, the auditing office in which the auditor of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company works, unless the director has not held such a position for at least two years before the date of submission of the application to the Office of the SEC.
6. An independent director shall not be, or have been, a provider of any professional service, including legal advisory or financial advisory service, receiving more than Baht 2 million of service charges per year from the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company, and shall not be a significant shareholder, controlling person, or a partner of the service provider, unless the

director has not held such a position for at least two years before the date of submission of the application to the Office of the SEC.

7. An independent director shall not be a director appointed as the agent of the directors of the Company, major shareholders, or shareholders related to a major shareholder.
8. An independent director shall not operate a business of the same nature, with and in competition with the business of the Company, or the subsidiaries, and shall not be a significant partner in a partnership, or be an executive director, employee, staff member, or consultant who receives a regular salary, or hold shares exceeding 1 percent of the total shares with voting rights, of another company operating a business of the same nature, with and in competition with the business of the Company or the subsidiaries.
9. An independent director shall not possess any other characteristics that prevent him or her from freely giving an opinion regarding the Company's operation.

9.3.2 Appointment and removal of directors

Appointment, removal, or termination from office of directors shall be in accordance with the Company's articles of association, as follows:

1. The shareholders meeting shall elect the Company's directors in accordance with the following rules and methods:
 - d) a shareholder shall be entitled to one vote per share held by them;
 - e) each shareholder may cast votes to elect one or more directors, but the votes are indivisible; and
 - f) the person who receives the highest vote, and other persons with the next highest number of votes, shall be elected as directors in accordance with the number of directors required, and if more than one person receives equal votes, the chairman of the shareholders meeting shall have the casting vote.
2. At each annual general meeting, one-third of the directors, or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been in office the longest shall retire. A retiring director is eligible for re-election.
 - Directors who will retire at the annual general meeting 2016 are:
 - Mr. Pliu Mangkornkanok; and
 - Mr. William Lewis Stone;
 - (Vacant, as a director was not yet recommended for appointment to replace Miss Duangporn Thiengwattanatham, who resigned.)
 - Directors who will retire at the annual general meeting 2017 are:
 - Mr. Andrew Benjamin Walz; and
 - Mr. Amit Rajindrasingh Ghai;
 - (Vacant, as a director was not yet recommended for appointment to replace Mr. Wirat Uanarumit, who resigned.)
 - Directors who will retire at the annual general meeting 2018 are:

- Mr. Manoon Siriwan;
 - Mr. Ranga Rama Kumar Sreeramagiri; and
 - Mr. Robert Stair Guthrie
3. A director may resign from office by submitting a letter of resignation to the Company, effective from the date on which the Company receives the letter. The director may notify the public company registrar of his or her resignation. The Board of Directors may appoint a new director to replace a resigning director, but any person so appointed shall retain office only for as long as the resigning director was entitled to retain the same.
4. A shareholders meeting may remove any director before the expiration of his or her period of office, upon a resolution of the meeting passed by not less than three-fourths of the shareholders attending the meeting and eligible to vote, holding not less than 50 percent of the total shares held by the shareholders attending the meeting and eligible to vote.

9.4 Governance over the Company's subsidiaries and associated companies.

As of 31 December 2015, Company does not have subsidiaries and associated companies.

9.5 Introduction for new directors

In August 2015, Mr. Andrew Benjamin Walz was appointed as a new director and elected as Chairman of the Board. The Company provided him an introduction on the Company's business and operations, the Company's culture and business practices, the Company's performance benchmarking with the peers in Thailand and international industry, as well as the Company's governance documents.

9.6 Board Self-Assessment

The Board of Directors has assessed its 2015 performance and discussed the results of the assessment at the Board of Directors meeting in February 2016. The self-assessment form consists of 50 questions covering 6 criteria;

- **Board structure and qualifications:** to evaluate the appropriate composition of the board on diversity of skills and experiences as well as diversity to effectively support the Board's activities and Company's business;
- **Roles, duties and responsibilities of the board:** to evaluate the effectiveness and contribution of the Board of Directors to achieve the goals of the Company;
- **Duties of directors:** to evaluate the neutrality and independence of directors performing their roles;
- **The board meeting:** to evaluate the effectiveness and environment of the meetings, and the quality of information provided for board consideration at the meetings;
- **Relationship with management:** to evaluate the trust relationship between directors and management, including working to support each other on their roles; and
- **Director's self-improvement and training:** to evaluate the Directors' understanding of their roles, and responsibilities, and the company's nature of business.

The overall result of the 2015 Board's self-assessment indicates 95%. The directors also discussed development of criteria to assess the CEO's performance and achievement of business results and strategies.

9.7 Audit Fee

In 2015, the shareholders approved the appointment of PricewaterhouseCoopers ABAS Ltd. to serve as auditor for the Company. The company made total audit payments of Baht 2,909,800 for the Audit fee of Baht 2,772,000 and for Out of pocket expenses of Baht 137,800.

In addition to the audit fee, the Company also made total payments of Baht 9,000,000 for other services related to our Initial Public Offering which were the Service fee of Baht 8,750,000 and Out of pocket expenses of Baht 250,000.

10. Sustainable Development and Corporate Social Responsibility (CSR)

SPRC is committed to being a role model to society in conducting business based on good corporate governance and corporate social and environmental responsibility. We recognize that we must have a good balance between financial performance, stewardship of the environment, and social development. We promote business growth along with sustainable development for society and our stakeholders, such as shareholders, investors, employees, customers, business partners, surrounding communities, etc. We emphasize the need for socially responsible business processes, and support social activities that benefit communities in the long term, with the ambition that the business sector, communities, society, and the environment can peacefully coexist and progress together to achieve sustainable and quality growth.

We have established our sustainability development program and embedded it in our business processes to follow these principles. We have robust corporate governance and business conduct policies to ensure that we interact fairly and transparently with all of our stakeholders, manage our business ethically and without corruption, and have respect for human rights. In addition, we have identified 9 specific focus areas within our overall sustainable development framework. Highlights of some of these focus areas follows.

Climate Change:

We conduct business in a manner that reduces emission of greenhouse gases and causes minimal impact on environment and communities. Our goal is to achieve a reduction of greenhouse gas emissions by percent by 2020 (base 201 year), primarily by means of improving energy efficiency in our refinery. We routinely review the energy conservation policy, objectives and management plans, and make corrective actions as required to implement continual improvement in energy management. We monitor energy usage in our operations continuously to ensure we are always maintaining as efficient an operation as possible. We explore new opportunities in reducing emissions of greenhouse gas, such as our recent installation of furnace air preheaters which reduced GHG emissions by 16,000 metric ton per year.

Air Quality:

We are committed to improving air quality in the surrounding areas with a long term roadmap to reduce air emissions and their impact on the environment and the surrounding communities. We comply with all rules and regulations relating to air emissions. We are committed to reduce SO₂, NO_x, VOC and particulate emissions by 2019 through daily monitoring by Continuous Emissions Monitoring Systems ("CEMS"), operational control and selected projects.

Spill Prevention and Response:

SPRC integrates spill prevention into all aspects of operation and maintenance procedures and activities. Our commitment to incident and injury free operations is fundamental to our commitment to zero spills to the environment. We are also committed to having world-class spill response preparedness and contingency plans to respond in the event that a spill occurs. We collaborate with our partners (local authorities, port authorities, provincial government, industry safety and environmental groups, and oil spill professionals) to build our competency by having practical training sessions and emergency exercises in oil spill response. We continually improve our operational, maintenance and reliability mitigation plans to minimize the risk of a spill, as well as our spill response plans to minimize impact to communities and the environment in the case of a spill.

Water Management:

SPRC recognizes that water resources continue to become more constrained and has committed to reducing its water consumption in order to reduce the impact on the environment and surrounding communities that must share the same water sources. SPRC's Water Management Team has developed

a long-term road map and identified potential projects for water reduction. We continuously monitor water usage and water availability and make adjustment to the process to conserve water. We promote new initiatives and projects to reduce fresh water consumption through usage reduction and recycling.

Waste Management:

SPRC's Waste Management Team focuses on ways to reduce waste generation, and minimize the impact of waste generated on the environment as well as reduce waste disposal costs. The "3R" philosophy – Recycle, Reuse, or Reduce – is the key concept used for waste management. SPRC realizes the importance of waste management and has an efficient waste management system to achieve ongoing reduction of waste volume in the operations. We have closely controlled, and consistently sought measures to reduce, the volume of waste from the production process, and have endeavored to reduce waste disposal by means of landfill.

Corporate Social Responsibility ("CSR")

Our "One Family" culture extends to the surrounding communities, and SPRC believes that community acceptance and engagement is one of the key success factors for a sustainable business. We continually expand our CSR programs with the aim to improve the quality of life of people in the communities through care of the environment and social development. We offer opportunities for all employees to initiate and participate in CSR activities under the branded CSR theme "Do Good, Look Great with Nong Star". The CSR activities are carried out by our volunteers and they join hand-in-hand with communities, local government and business partners. Our CSR activities are conducted primarily in the Rayong area, where SPRC is located, through four key areas of activity -- namely, youth and education, quality of life, environment, and relationships.

The four areas of CSR activities:

1. Youth and education
 - Continuously support the Vocational Chemical Engineering Practice College, Map Ta Phut Technical College (V-ChEPC) project to develop the capabilities of aspiring technicians.
 - Extend our safety culture to local schools, to help students appreciate safety in their daily lives, through recreational activities.
2. Quality of life
 - Arrange fire evacuation exercise for students, and prepare fire evacuation procedures for schools.
 - Join hands with Map Ta Phut Municipality to organize the health program "Aerobics on Tour" activity for communities in Map Ta Phut municipality area, and share health and safety information with them.
3. Environment
 - Arrange a "3R: Reduce, Reuse, and Recycle" project and encourage staff and contractors donate waste to the community's Waste Bank.
 - Join hands with the Huay Ma Had community and the Khao Huay Ma Had Water Conservation and Forest Restoration Group, to build a check dam at Khao Phu Don-Huay Ma Had for the third consecutive year.
4. Relationships
 - Work with 38 communities in Map Ta Phut, Rayong Province, through regular community visits, idea sharing, and brainstorming for improvement on their quality of life, environment and safety.

- Arrange and provide support for local traditional events such as the Songkran festival, Kathin, Loy Krathong, and making merit (e.g. Boonkhaolam merit-making event).

The Company's Sustainable Development and CSR activities are disclosed in the 2015 Sustainability Report. The Company has selected topics based on the materiality assessment under the Global Reporting Initiative G4, which is the latest edition of internationally recognized guidelines for reporting on economic, social, and environmental performance.

11. Internal Controls and Risk Management

SPRC's Board of Directors and Management are committed to "Set the Standard" in corporate governance, business conduct, integrity and ethical behavior. Internal controls are geared to achieve these standards and meet the company's objectives. The Audit Committee (AC) was assigned by the Board of Directors to review and assess the adequacy of the internal control system to ensure effective and efficient operations, including adequate, accurate and reliable financial reporting and compliance with applicable laws and regulations. SPRC also follows the U.S. Sarbanes-Oxley Act of 2002.

At the Board of Directors Meeting No. 2/2015, held on May 14th, 2015, the directors including the audit committee evaluated SPRC's Internal Control System based on the internal control assessment report prepared by Management and the Internal Auditor. The Audit Committee has performed an assessment of the effectiveness of the Internal Control System including a review of all internal audit findings and recommendations. The Board of Directors opined that SPRC's internal control systems are suitable and adequate, and are consistent with good corporate governance. Basic principles of our Internal Controls are as follows:

1. **Control Environment:** The Board of Directors has established the Audit Committee with oversight responsibility related to financial practices and reporting and internal controls. Management and employees are assigned appropriate levels of authority to ensure effective internal controls are in place to achieve the company's objectives.
2. **Risk Assessment:** The Risk Management Policy was established and approved by the Board of Directors. The Risk Management Committee was set up and includes the top level of SPRC management. The Risk Management Committee is responsible for overseeing the risk management program and system, including coordinating annual risk assessments, reviewing and making recommendations for appropriate risk management mitigation plans and monitoring progress on those plans. Risk Management policy applies to all aspects of the operations of SPRC and is designed to manage, including but not limited to, operational risk, financial risk, trading risk, reputational risk and strategic risk. Management reviews the risk assessment and progress on mitigation plans with the Audit Committee on a quarterly basis.
3. **Internal Control Activities:** Internal control activities are selected and developed to mitigate risks to the achievement of the company's objectives. Segregation of duties is one of the critical and effective internal controls designed to provide appropriate checks and balances, and to prevent fraud and error. Policies and procedures to specify work process are established and communicated throughout the company. Information technology controls are designed and implemented to support the achievement of company objectives.
4. **Information and Communication:** SPRC has established a policy regarding communication in order to keep all key audiences timely and effectively informed on all matters pertinent to key company operations, to give careful consideration to their feedback and opinions, and to comply with all applicable laws and regulations. SPRC delivers the meeting agenda and information packages to the Board of Directors in a timely manner at least 7 days in advance to ensure that they have sufficient time to review and make decisions. Internally, Management keeps SPRC staff informed through a variety of means, including written and electronic means, as well as quarterly staff presentations.

5. **Monitoring Activities:** An annual internal audit program is developed, review and approved by the Audit Committee to audit potential high value or high risk company activities. Audit findings, recommendations and corrective actions are identified and tracked to ensure completion in a timely manner, and communicated to those parties responsible as well as to Management. The internal auditor reports to the Audit Committee on quarterly basis.

Business Conduct Policy: The Board of Directors has established the Business Conduct Policy in order to clearly set forth SPRC's expectations of its management, employees, agents, and representatives (Personnel) in the manner in which it conducts its business. SPRC's personnel is communicated and trained to have understanding and awareness on the Company's Business Conduct and be able to apply and comply with the Company's Business Conduct.

The Board of Directors has appointed a Corporate Compliance Officer with responsibility to develop and promote the corporate compliance programs and to have overall responsibility within SPRC for all activities related to the proper implementation of SPRC's corporate compliance program with support from the relevant departments. The Company has also set up an anonymous e-mail and phone system to allow reporting of possible fraud, improper activities or behaviors, non-compliance issues and any other activities that do not match SPRC's high standards of business conduct.

The Board of Directors has approved a rigorous policy for approval and monitoring of related party transactions, to ensure all related party transactions are on an "arm's length basis" and/or on terms that would have been similar to the transactions entered into with other non-related parties. The related party transactions were defined in accordance with the rules and regulations of the SEC, the Management regularly reports the execution of the related transaction to the Audit Committee on quarterly basis.

The Internal Auditor independently assessed and evaluated the effectiveness, control, and governance of selected work processes, as well as compliance with contract terms and conditions for selected contractors. During 2015 audits, the auditor did not find any significant weakness in the internal controls or any issues related to conflict of interest or fraudulent activities.

Risk Management

It is the policy of SPRC to conduct its business in a manner to ensure that risks of SPRC are identified, analyzed, and managed so that they are mitigated to an acceptable level.

SPRC has developed and implemented a Risk Management Policy which applies to all aspects of the business and operations of SPRC and is designed to manage, including but not limited to, Operational Risk, Financial Risk, Trading Risk, Reputation Risk and Strategic Risk.

The Risk Management Committee includes the Chief Executive Officers, the Deputy Chief Executive Officer - Operations, the Supply and Planning Manager, and the Chief Financial Officer.

SPRC utilizes a risk based approach to internal control and decision making, designed to provide reasonable assurance of achieving our business objectives with fit for purpose risk mitigation measures.

SPRC conducts risk assessments annually to identify potential risks to our operations and identify effective ways of responding to and mitigating those risks. Risk response is routinely monitored to ensure plans are progressed on a timely basis and make adjustments as necessary if conditions change.

SPRC reviews its Risk Matrix, mitigation plans, and progress on those plans with the Audit Committee on a regular basis, and reports to Audit Committee every quarter.

SPRC has developed business processes to provide practical tools for day-to-day risk based decision-making that weighs threats against costs and other business impacts, as well as procedures that set out the nature, role, responsibility and authority of risk assessment processes within SPRC to ensure that risk assessment is conducted in an effective and timely manner.

Internal Auditor

According to the Audit Committee Charter, the Audit Committee has authorization and is responsible for appointment or removal of the internal auditor of the Company. The Audit Committee Meeting No. 4/2012, held on 20 June 2012, resolved to appoint Ms. Sukhumal Tonpitak to be the Company's Internal Auditor. The Internal Auditor has roles and responsibilities to independently conduct audits on the Company's operating business based on risk management tools, provide recommendations on internal controls to the business units, and monitor the Company's internal control system to ensure it is effective and robust. The audits develop value-added suggestions for improvements in systems and procedures to achieve the Company's goals.

Name: Ms. Sukhumal Tonpitak

Current Position: Internal Auditor

Age: 46 years

Education:

Master Degree: MBA, Maryville University of St. Louis, Missouri, USA.

Bachelor Degree: Accounting, Assumption University

Experience in SPRC:

2009 – Present Internal Auditor

Training Course: The Institute of Internal Auditors of Thailand

- Certified Professional Internal Auditor of Thailand
- Internal Control
- Risk Management

12. Related Party Transactions

In 2015, SPRC conducted a significant amount of its business with related parties. All of these related parties were our major shareholders or one of their affiliates. During most of the year, our two major shareholders were Chevron at 64.0% and PTT at 36.0%. As of December 3, 2015, as part of our Initial Public Offering, PTT reduced its shareholding to 5.4%, and is no longer considered a related party. All financial figures presented in the coming tables cover Chevron and its affiliates for all of 2015 and PTT for the year up to December 2, 2015. Accounts receivable and accounts payable for the end of year only reflect transactions with Chevron and its affiliates, as PTT is no longer a related party.

Need and Justification for Related Party Transactions

Due to the nature of our business, SPRC has worked with its shareholders to both buy feedstocks and to sell products. SPRC has been able to leverage off of the global capability and expertise of both Chevron and PTT for sourcing our feedstock, primarily crude oil, to ensure that we have access to a wide variety of crudes at competitive prices. Chevron and PTT are also two of the largest marketers of products in Thailand, providing significant benefit to SPRC to place its products in the higher value domestic market. To achieve higher value for some of its products, SPRC also sells a variety of petrochemical feedstocks to petrochemical companies, mostly in the Map Ta Phut Industrial Estate, many of which are affiliates of PTT. Lastly, SPRC has several service contracts with Chevron to leverage off of their global business, technological and operational expertise. All of these contracts have been confirmed to be at “arm’s length” with competitive market pricing, and executed in the normal course of business.

Approval of Related Party Transactions

All related party contracts have been endorsed by SPRC’s Audit Committee, which is made up of independent directors only. A summary of all related party contracts are reviewed quarterly with the Audit Committee to review the scope of the contract, confirmation that pricing is competitive and at market prices, and that contract terms and conditions have been met.

Any new related party transactions approval process will follow the Board of Director’s resolution as well as applicable laws and regulations. All new related party transactions will be reviewed by the Audit Committee to ensure that they are executed strictly on a commercial “arm’s length basis, taking into consideration that the agreement is in the best interest of SPRC and in the normal course of business. The Audit Committee’s opinion on such new transaction will be communicated to the Board of Directors. When there is a potential conflict of interest, directors will not participate in the vote on approving the contract at the Board of Directors.

Related Party Transactions (Revenue)

Company Name	Relationship	Nature of Transaction/Service	Amount of Y2015 (US\$ Million)
Chevron Singapore Pte. Ltd.	Affiliate of Chevron which directly or indirectly hold 100% of shares	• Purchase and Sale Agreement (PSA)	91.6
Chevron Thailand Limited (CTL)	Affiliate of Chevron which directly or indirectly hold 100% of shares	• Purchase and Sale Agreement (PSA) • Purchase, Sale and Storage Crude/ Products Agreement • Fixed Reserve	2,439.1 0.8 <0.1
Chevron U.S.A. Inc. (Singapore Branch)	Affiliate of Chevron which directly or indirectly hold 100% of shares	• Purchase and Sale Agreement (PSA)	108.0
HMC Polymers Co., Ltd.	41.4 % of the shares held by PTT	• Propylene Sale and Purchase Agreement	123.0
PTT Global Chemical PLC (PTTGC)	48.9 % of the shares held by PTT	• Participating and Operating Agreement on Single Point Mooring System (SPM) • Intermediate Product Exchange Agreement • LPG Transportation and Loading Agreement • Pipe Rack Term Agreement • Thapline Distribution System Agreement • Crude Oil Co-load/Co-Freight Agreement	0.8 244.9 0.5 0 0.2 0
PTT International Trading Pte Ltd.	100 % of the shares held by PTT	• Purchase and Sale Agreement (PSA)	223.6
PTT PLC	• Major shareholder, with 36% of SPRC's shares • As of December 3, 2015, PTT, as part of our Initial Public Offering, reduced its shareholding to 5.4%	• Purchase and Sale Agreement • Purchase, Sale and Storage Crude/ Products Agreement • Sale and Purchase of Decant Oil • Sale of Light Naphtha of Export • Fixed Reserve • Floating Reserve • Line Handling Fee • Agreement for Import, Purchase and Sale Base Fuel 95	1,458.0 0.8 0.1 3.8 0.2 <0.1 <0.1 22.2
Thaioil Marine International Pte. Ltd.	100 % of the shares held by Thaioil (49.1 % of the shares in Thaioil held by PTT)	• Line Handling Fee	<0.1
UBE Chemicals (Asia) PLC	25 % of the shares held by IRPC PLC (38.5% of the shares in IRPC PLC held by PTT)	• Agreement for Sale and Purchase of Molten Sulphur	4.1

Related Party Transactions (Expenses)

Company Name	Relationship	Nature of Transaction/Service	Amount of Y2015 (US\$ Million)
B8/32 Partners Limited	25% of the shares held by PTTEP off shore Investment Co., Ltd. (75% of the shares in PTTEP offshore Investment Co., Ltd. held by PTT Exploration and Production PLC (65.3% of the shares held by PTT) and 25% of the shares held by PTT International Trading Pte Ltd.)	Feedstock Supply Agreement (FSA)	64.4
- Chevron Oversea Services Corporation (COSC) - Chevron Thailand Limited (CTL) - Singapore Refining Co., Pte. Ltd. (SRC) - Caltex Australia Limited (as of March 2015)	Affiliate of Chevron which directly or indirectly hold 100% of shares, (50% of the shares in SRC are indirectly held by Chevron)	- Secondment Agreement Personnel. Provide secondees for SPRC, to assist SPRC in construction, administrative control, and refinery operations - SPRC also provide staff to support Chevron	1.7
Caltex Service Corporation	Affiliate of Chevron which directly or indirectly hold 100% of shares	VDU License Agreement	0
Chevron (Thailand) Exploration and Production Ltd	Affiliate of Chevron which directly or indirectly hold 100% of shares	Feedstock Supply Agreement (FSA)	163.7
Chevron (Thailand) Limited	Affiliate of Chevron which directly or indirectly hold 100% of shares	Purchase Order of Lube Oil	0.1
Chevron Asia Pacific Shipping Pte., Ltd. (CAPS)	Affiliate of Chevron which directly or indirectly hold 100% of shares	- Feedstock Supply Agreement (FSA) - Marine Services Transportation Agreement (MSTA)	10.0 0.8
Chevron Block B8/32 (Thailand) Ltd.	Affiliate of Chevron which directly or indirectly hold 100% of shares	Feedstock Supply Agreement (FSA)	11.7
Chevron Lummus Global LLC	Chevron corporation which directly or indirectly hold 50% of shares	DHTU License Agreement	0
Chevron Offshore (Thailand) Ltd.	Affiliate of Chevron which directly or indirectly hold 100% of shares	Feedstock Supply Agreement (FSA)	103.5
Chevron Oversea Services Corporation (COSC)	Affiliate of Chevron which directly or indirectly hold 100% of shares	- Technical Service Agreement - Technical Services License Agreement	0.8 1.6

Related Party Transactions (Expenses), Continued

Company Name	Relationship	Nature of Transaction/Service	Amount of Y2015 (US\$ Million)
Chevron Research and Technology Company	Affiliate of Chevron which directly or indirectly hold 100% of shares	HVGO License Agreement	0
Chevron Singapore Pte Ltd	Affiliate of Chevron which directly or indirectly hold 100% of shares	Sale and Contract of LSWR (Fuel Oil No. 5)	56.0
Chevron U.S.A. Inc (Singapore Branch) (CUSA)	Affiliate of Chevron which directly or indirectly hold 100% of shares	- Feedstock Supply Agreement - New Feedstock Supply Agreement (FSA)	1,452.5 0
Dhipaya Insurance Public Company Limited (TIP)	13.3% of the shares held by PTT	- Insurance - SPRC bought insurance policies from TIP. The insurance policies include, among other, property all risks, business interruption, third party liability and marine cargo insurance.	2.7
Eastern Fluid Transport Co., Ltd. (EFT)	15% of the shares held by PTT Global Chemical PLC (PTTGC) (48.9% of the shares in PTTGC held by PTT)	- BIG Pipe Rack Maintenance and Management - SPRC use EFT service to maintain BIG pipeline according to its obligation.	<0.1
NPC Safety and Environmental Service Co., Ltd.	100% of the shares held by PTT Global Chemical PLC (PTTGC) (48.9% of the shares in PTTGC held by PTT)	Supply for Personnel Protection Equipment	0.1
Orange Energy Limited	53.9% of the shares held by PTTEP off shore Investment Co., Ltd. (75% of the shares in PTTEP off shore Investment Co., Ltd. held by PTT Exploration and Production PLC (65.3% of the shares held by PTT) and 25% of the shares held by PTT International Trading Pte Ltd.)	Feedstock Supply Agreement (FSA)	69.4

Related Party Transactions (Expenses), Continued

Company Name	Relationship	Nature of Transaction/Service	Amount of Y2015 (US\$ Million)
PTT Energy Solution Co., Ltd. (PTTES)	• 40% of the shares held by PTT • 20% of the shares held by Thairoil (49.1% of the shares in Thairoil held by PTT) • 20% of the shares held by PTT Global Chemical PLC (PTTGC) (48.9% of the shares in PTTGC held by PTT) • 20% of the shares held by IRPC PLC (38.5% of the shares in IRPC PLC held by PTT)	• Purchase Order – Technical Service provided by PTTES	0.3
PTT Exploration and Production PLC	65.3% of the shares held by PTT	• Feedstock Supply Agreement (FSA)	7.7
PTT Global Chemical PLC (PTTGC)	48.9% of the shares held by PTT	• Intermediate Product Exchange Agreement • Participating and Operating Agreement on Single Point Mooring System (SPM) • Sale and Purchase of Light Naphtha	153.8 0.7 6.3
PTT International Trading Pte Ltd.	100% of the shares held by PTT	• Sale and Purchase Agreement – Base Fuel 95	15.7
PTT Maintenance & Engineering Co., Ltd.	40% of the shares held by PTT	• Project Construction Service	0
PTT PLC	• Major shareholder, with 36% of SPRC's shares • As of December 3, 2015, PTT, as part of our Initial Public Offering, reduced its shareholding to 5.4%	• Feedstock Supply Agreement • Process Natural Gas – PTT to supply natural gas for use in SPRC's petroleum product manufacturing process • Cogeneration Natural Gas – PTT to supply natural gas for use in SPRC's cogeneration power plant.	1,005.1 29.8 47.2
PTTEP International Limited	100% of the shares held by PTT	• Feedstock Supply Agreement (FSA)	12.6
Thai Oleo Chemicals Co., Ltd.	100% of the shares held by PTT Global Chemical (PTTGC) (48.9% of shares in PTTGC held by PTT)	• Supply Agreement for Methylester (B100) off-take	5.8
Ubon Bio Ethanol Co., Ltd.	21.3% of the shares held by Thairoil Ethanol (100% of the shares in Thairoil Ethanol held by Thairoil which 49.1% of the shares in Thairoil held by PTT)	• Denatured Ethanol Supply Agreement	3.2

The below table shows the total account receivables and account payables for the period ending December 31, 2015 for Chevron related party transactions only. PTT was no longer a related party at the end of the period.

Related Party Transactions	For the period of ending December 31, 2015 (US\$ Million)
Accounts Receivable	121.0
Accounts Payable	54.5
Other	0.0