

Attachment 3 Report of the Audit Committee

To the Shareholders,

The Audit Committee independently completed their duties under the Audit Committee Charter, which complies with the regulations and guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Their duties include: to review and discuss with management and the external auditor on the appropriateness of accounting policies; review financial reports; monitor the adequacy, integrity and effectiveness of the internal controls relative to corporate risk management; review related party transactions; review and assess internal and external auditor activities and effectiveness; and meet with external and internal auditors in the absence of management.

The Audit Committee comprises of three independent directors: Mr. Pliu Mangkornkanok as the chairman, Mr. Manoon Siriwan and Mr. Robert Stair Guthrie as committee members. The Audit Committee members have skills, qualifications and competencies of independent directors as required by the guideline of the SEC and provided in the Board Charter and the Audit Committee Charter. They have experience in the fields of management, finance, accounting, marketing, economics, the oil business, and refining in particular.

In 2015, the Audit Committee held four meetings with full attendance by the members. Below is a summary of key activities undertaken in 2015.

1. **Financial Statements:** The Audit Committee has reviewed and discussed the quarter and annual financial statements of the year 2015 reported by the Chief Financial Officer and the external auditor. Management presented to the Audit Committee that SPRC's audited financial statements were prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the SEC under the Security and Exchange Act B.E. 2535. In addition, Pricewaterhouse Coopers ABAS Ltd. (PwC) presented their independent audit and opinion of the financial statements. The Audit Committee has reviewed and discussed with PwC and management on the audited financial result for fiscal year 2015. In addition, the Audit Committee included a discussion on the reasonableness of significant estimates and judgements and the clarity of disclosure in the financial statements. The Audit Committee reported to the Board of Directors that the audited financial statements for the year ended 31 December 2015 were prepared in compliance with generally accepted accounting principles and accurately reflect the financial performance of the Company.
2. **Internal Controls:** The Company has a sufficient internal control system based on the result of the internal control assessment which was conducted per the guidelines of the SEC. For the internal audit function, the Audit Committee reviewed and approved the annual audit plans and KPIs and monitored activities and performance of the internal auditor and audit function on a quarterly basis. In year 2015 there were no significant weaknesses in the internal controls or any issues related to conflict of interest or fraudulent activities.
3. **Independence of Auditors:** The Audit Committee met with the internal auditor and external auditors at each meeting without the presence of management to discuss their ability to perform their duties independently and on the level of cooperation from the company's management and staff on audit activities.
4. **Related Party Transactions:** The Audit Committee has reviewed all related party transactions and reviewed their performance on a quarterly basis. The Audit Committee agrees that the transactions are reasonable and have been entered into for the best interest of the Company. The terms and

conditions of the transactions are reasonable and necessary for the company's business. They were negotiated on an arm's length basis in the ordinary course of business and according to normal trade conditions, which an ordinary person under similar circumstance would enter into, without any misappropriation of benefits between the Company and the conflicted person. The material related party transactions are disclosed in the company's financial statements.

5. **Risk Management:** The Company has established the Risk Management Committee at the management level to ensure that all risks to the company are identified, analyzed, and managed so that they are mitigated to an acceptable level. The Audit Committee evaluated and monitored the effectiveness of the risk management process on a quarterly basis. It has found that the Company has an adequate risk management process including identification of internal and external factors, assessment on impacts and likelihood, and mitigation assurance plans.
6. **Compliance:** The Company has appointed a Corporate Compliance Officer to implement, control, monitor and ensure a Business Conduct Policy is in place and all staff are aware, understand and comply with the Business Conduct Policy, as well as to ensure that the Company operates with integrity, transparency, fairness, and without corruption, bribery or violation of laws. Compliance matters were reported to the Audit Committee on a quarterly basis and they noted that the company has sufficient control on all compliance matters.
7. **Appointment of the External Auditor for 2016:** The Audit Committee reviewed past performance, as well as the qualification and remunerations of the external auditor as proposed by management. The Audit Committee endorsed Price Waterhouse Cooper as external auditor for the year 2016 for the Board's concurrence and the shareholders' approval at the 2016 AGM, together with its audit fees.
8. **Corporate Governance:** At the Board of Directors Meeting No. 1/2015, the Audit Committee proposed to the Board of Directors to limit the term of independent directors to be not more than 3 consecutive terms for good corporate governance. The Board of Directors supported and endorsed the revision of the qualifications of independent directors in the Charter of the Board of Directors. The Annual General Meeting of Shareholders in 2015 approved this revision of the Charter of the Board of Directors.
9. **Audit Committee Self-Assessment:** At the Audit Committee Meeting No. 1/2016, the Audit Committee conducted a self-assessment of the Audit Committee's performance in 2015. The self-assessment covers the appropriateness of the Audit Committee's composition and qualifications, the effectiveness of preparation for the meetings and the meetings themselves, and the roles and responsibilities of the Audit Committee. The self-assessment result is 94%. For the year 2015, the Audit Committee has completed its duties according to the Audit Committee Charter and opined that the audited financial statements for the year ended 31 December 2015 were prepared in compliance with generally accepted accounting principles and accurately reflect the financial performance of the Company; the company has performed with good corporate governance; complied with all laws and regulations; and have an effective, efficient, and well managed risk management and internal control system.

On behalf of the Audit Committee



Mr. Pliu Mangkornkanok
Chairman of the Audit Committee

Attachment 5 Internal Control Assessment

Assessment Form of Sufficiency of Internal Control System**Concept and Objective**

Having an effective internal control system is extremely important for listed companies or companies that have members of the Public as shareholders as an effective system enables a company to protect, manage, and deal with risks or losses that may occur within a company and its stakeholders. Therefore, it is the responsibility of the Board of Directors to ensure that a company has an adequate internal control system that is sufficient to oversee that business operations are carried out efficiently according to targets, objectives, and relevant regulations, able to protect assets from corruption and losses, as well as organize accounts so that they are correct and reliable.

The Securities and Exchange Commission ("SEC") has coordinated with Price Waterhouse Coopers Thailand ("PwC Thailand") in developing this Evaluation Form for Adequacy of Internal Control System ("Evaluation Form") for the purpose of acting as a tool to assist companies to use in assessing the adequacy of their internal control systems.

This Evaluation Form has been put together in accordance with COSO¹ (The Committee of Sponsoring Organization of the Treadway Commission) and adjusted based on the new framework as of May 2013, simplified for ease of understanding, and adapted for listed companies in Thailand. The main questions can be separated into 5 categories in accordance with the original COSO, but have segmented the categories further into a total of 17 principles in order to understand and comprehend each question clearly.

Application Method

A company should use this Evaluation Form as a guide in assessing or reviewing the adequacy of its internal control system at least once a year and may review additionally if an event occurs that may materially affect the company's operations. The assessment should be carried out by the Audit Committee and the Board of Directors in order to exchange views, align understanding, and determine a path for suitable application for the company.

Responses to the Evaluation Form for each section should be based on real practice. If the assessment finds that the company is still missing adequate internal control (whether it be a lack of systems in place or an inadequacy of systems in place), the company should explain the reasons and guidelines for correction.

¹ Joint committee consisting of five major professional associations headquartered in the United States: the American Institute of Certified Public Accountants (AICPA), Institute of Internal Auditors (IIA), Financial Executives International (FEI), American Accounting Association (AAA), and Institute of Management Accountants (IMA)

Control Environment

1. The organization demonstrates a commitment to integrity and ethical values

Question	Yes	No
1.1 Board of Directors and management set business direction which are based on principle of good ethics in carrying out operations, which cover: 1.1.1 Execution of day-to-day responsibilities and decision-making of various tasks 1.1.2 Interaction with partners, customers, and external parties <i>Board of Directors Charter of SPRC clearly sets out the framework of responsibilities and accountabilities of the Board of Directors, which recognizes that SPRC's Chief Executive Officer (CEO) is authorized to oversee SPRC's day-to-day operations, while important strategic, business, operational and governance policy matters are reserved to the Board.</i> <i>In addition, SPRC's Business Conduct adopted since 2010 sets forth, amongst other things, its business objectives, as well as the responsibilities of SPRC to its shareholders, customers, employees, trading partners, and the community.</i>	✓ ✓	
1.2 Statements that are clearly written out for management and employees to carry out and comply with ethics that cover: 1.2.1 A suitable code of conduct for management and employees <i>SPRC's Business Conduct clearly set forth SPRC's expectations of its management, employees, agents, and representatives in the manner in which it conducts its business.</i> 1.2.2 Prohibiting management and employees to act in a way which may lead to conflict of interests with the company, including prohibiting corruption which may lead to damages to the organization² <i>SPRC's Business Conduct has an entire section dedicated to Conflicts of Interest. This includes (1) avoiding accepting or giving gifts, fees, favors or other advantages, (2) setting framework for entering into related party transactions, and (3) prohibiting insider trading.</i> 1.2.3 Suitable penalties in place if violate above procedures <i>SPRC's Business Conduct requires all personnel, both management and employees, to comply with Business Conduct. Failure to comply could result in disciplinary action as further described in the Staff Manual.</i> 1.2.4 Penalties for non-compliance are communicated to management and employees, for example through orientations for new employees, having employees sign documents acknowledging requirements and penalties at least once a year, and distributing code of conduct to employees and 3rd parties for awareness <i>Business Conduct is provided to all personnel, both management and employees, at the initial orientation as well as every set intervals. All personnel are required to read and acknowledge the Business Conduct Policy. All personnel are required to take a computer-based test regarding Business Conduct upon start of employment and every 3 years. All personnel are also required to report conflicts of interest (COI).</i>	✓ ✓ ✓ ✓	

² The company should determine internal control to align with anti-corruption policies and company's risks

Question	Yes	No
1.3 Processes in place to monitor and assess compliance with Code of Conduct: 1.3.1 Monitoring and assessment by internal audit unit or compliance unit <i>Business Conduct designates Chief Compliance Officer (CCO) to have the responsibility for activities related to the proper implementation of SPRC's corporate compliance program CCO will report to the Audit Committee on a quarterly basis. In addition, the internal audit conducts the business audit compliance and report to the Audit Committee on a quarterly basis.</i> 1.3.2 Self-assessment of management and employees <i>Each management and employee has to perform Compliance Health Check, a test of understanding of SPRC Business Conduct, which is done every 3 years. Such test is considered self-assessment. Additionally, each management and employees must declare in Conflicts of Interest Declaration Form if they have any conflict of interest with the Company.</i> 1.3.3 Assessment by independent external experts	✓ ✓	✓
1.4 Timely response if non-compliance in relation to honesty and ethics is observed 1.4.1 Processes in place detect violations within a suitable time period <i>SPRC has various audit process such as business control audit, refinery management system audit, and ISO certification audit to detect non-compliance in a timely manner. A dedicated confidential line of communication is also in place for reporting non-compliance.</i> 1.4.2 Processes in place that create ability to penalize or deal with violations in a suitable manner and on a timely basis <i>SPRC has Guidelines Employee Accountability Assessment applies to an incident when the initial investigation indicates a degree of human involvement in an incident that needs the further analysis. If it happened that there will be an incident error from People difficulty from their work reliability or safety whether by intend or unintended where the result is led to cause of incident or violate to company reputation, the result of this action will be led to disciplinary action.</i> 1.4.3 Corrective response in place for actions that conflict with honesty and ethics	✓ ✓ ✓	

2. The Board of Directors demonstrates independence from management and exercises oversight and the development of internal control

Question	Yes	No
2.1 Clearly distinguish roles and responsibilities of Board of Directors versus management by clearly specifying reserved matters for Board of Directors	✓	
2.2 Board of Directors sets targets for carrying out business that is clear and measurable as a guide for carrying out work for management and employees	✓	
2.3 Board of Directors ensures the company determines roles and responsibilities of Board of Directors and management to be in compliant with the law and the charter, which includes the important roles of the Audit Committee, Auditor, Internal Auditor, and persons responsible for financial reporting	✓	
2.4 Board of Directors are knowledgeable of the business and have expertise that can benefit the company or are able to ask for recommendations from experts in the related field	✓	
2.5 Board of Directors consists of independent directors that are knowledgeable, capable, trustworthy, and are independent with regards to carrying out their duties. For example, not having business relationships with the company or other relationships which would affect the ability to use discretion and execute in an independent manner and in an amount that is adequate <i>The Board of Directors Charter requires the Board to comprise at least 3 independent directors, all of whom should be able to read and understand financial statements. Moreover, at least 1 independent director should have accounting and financial management qualification and at least 1 independent director should have detailed knowledge and understanding of the industry in which SPRC operates. SPRC has Board Charter which specifies the qualification and roles and responsibilities of independent directors.</i>	✓	
2.6 Board of Directors oversee development and matters related to internal control for the organization, which includes building a control environment, risk assessment, control activities, information and communication, and monitoring <i>The Audit Committee regularly reports to the Board of Directors such matters as financial statements, internal control, corporate risk management, compliance reports, related party transactions, etc.</i>	✓	

3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives

Question	Yes	No
3.1 Senior management determines organization structure that supports attaining objectives of the company by analyzing the suitability of both the business and regulations as well as creating control efficiently. For example, separate responsibilities for important tasks which create checks and balances, create internal inspection work that reports to Audit Committee, and create a line for reporting that is transparent	✓	
3.2 Senior management determines lines for reporting for the company by taking into account suitability of authority, duties, responsibilities, and communicating information	✓	
3.3 Ability to suitability determine, assign, and limit authority and responsibility between Board of Directors of the company, senior management, management, and employees	✓	

4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives

Question	Yes	No
4.1 The company has appropriate policies and practices for recruiting, developing and retaining competent employees as well as procedures for consistently reviewing such policies and practices <i>SPRC has a One Family culture, treating all its employees as family members. SPRC is committed to developing the functional and leadership capabilities of its staff on every level through our Individual Competency Development Plan along with our Career Path, Career Development and Knowledge Management initiatives. Additionally, the Talent Management Program has been implemented to reduce risk in terms of manpower planning, by producing a group of successors who can serve as middle and top management in the future</i>	✓	
4.2 The company has in place performance evaluation mechanisms. Employees that meet expectations obtain rewards whereas those that do not meet expectation are treated accordingly. Such performance evaluation, rewarding and penalizing system are clearly communicated to employees <i>SPRC sets procedures regarding staff short-term and long-term development plan called "Individual Competency Development Plan" which involves Line Manager/Supervisor assessing staff's individual competency (in 3 aspects: leadership, common and functional) against required level of the job to specify development needs. SPRC has in place performance evaluation mechanism and development plan for employees as it helps improve work quality which leads to fulfilling SPRC's and employees' objectives. In the staff performance appraisal, Performance Charter and Performance Appraisal, an appraisal form, is used by staff for demonstrating personal commitments to achieve the SPRC Core Values (such as safe behavior, IIF leadership role, personal development plan etc), personal contributions to achieving Company's key result areas and SPRC, department/section action plans, and year-end self-appraisal. This performance appraisal takes into account personal development plan, set and agreed between staff and Line Manager/Supervisor, well in advance before the appraisal time.</i>	✓	
4.3 The company has procedures for timely preparation of and timely reaction to a shortage of competent employees <i>Company Manpower requirements are approved annually as part of business planning process.</i>	✓	
4.4 The company has procedures for recruiting, developing and retaining all management and employees alike, such as mentoring programs, training and seminars <i>SPRC sets procedures regarding recruitment new employees (both internal and external recruitments) which begin with recruitment request from Department Manager until hiring or selecting internal staff for job movement.</i> <i>SPRC also sets procedures regarding staff short-term and long-term development plan called "Individual Competency Development Plan" which involves Line Manager/Supervisor assessing staff's individual competency (in 3 aspects: leadership, common and functional) against required level of the job to specify development needs in the forms of coaching, on-the-job training, development assignment, training, and self-learning, such as induction training and employment training.</i>	✓	

Question	Yes	No
Moreover, SPRC sets procedures to identify successors for key positions at middle and senior management levels to ensure a back-up resource in case of vacancy. Successors are identified from a pool of potential staff based on past performance, staff competencies and staff own wishes. Once the suitable staff is selected and a talent development plan for successors is finalized, the plan will be incorporated into Individual Competency Development Plan to provide job rotation opportunity or job assignment that relate and support to staff career plan. Individual Competency Development Plan will be regularly monitored and followed up.		
4.5 The company sets material succession plans and procedures Moreover, SPRC sets procedures to identify successors for key positions at middle and senior management levels to ensure a back-up resource in case of vacancy. Successors are identified from a pool of potential staff based on past performance, staff competencies and staff own wishes. Once the suitable staff is selected and a talent development plan for successors is finalized, the plan will be incorporated into Individual Competency Development Plan to provide job rotation opportunity or job assignment that relate and support to staff career plan. Individual Competency Development Plan will be regularly monitored and followed up.	✓	

5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives:

Question	Yes	No
5.1 Board of Directors and management have procedures and communication in place which force all staff to hold responsibility for internal control and provide for improvement of execution process (if necessary)	✓	
5.2 Board of Directors and management set measurable indicators to suitably evaluate the results of work, and set compensation and rewards appropriately by considering both implementation according to Code of Conduct and short-term and long-term objectives of the company <i>SPRC believes in meritocracy and has in place a “pay-for-performance” philosophy. This allows SPRC to attract and retain top-notch personnel, to provide incentive and to reward excellence. Performance appraisals and evaluation of performance indicators are used to evaluate performance. SPRC also sets compensation measurement in the form of team reward for the firm as a whole. Team reward measures various aspects of performance which are process safety indicator (loss of containment), a number of environment incidents, operational availability, process utilization, margin improvement, waste elimination and efficiency improvement, and milestone achievement, each of which is given score to translate into additional bonus.</i>	✓	
5.3 Board of Directors and management assess compensation and rewards continually by focusing on links with success of duties for adhering to internal control <i>Employee compensation is one area discussed in Business Conduct.</i>	✓	
5.4 Board of Directors and management consider not creating too much pressure in implementing duties on staff <i>Under One Family culture, SPRC encourages a work-life balance and provides training courses for its employees and has a corporate culture that emphasizes Incident and Injury Free.</i>	✓	

Risk Assessment

6. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to the objective.

Question	Yes	No
6.1 The company complies with applicable accounting standards appropriate to the business by demonstrating that items in financial reports have credible sources, complete and accurate display of rights or obligations of the company, suitable values, and complete and accurate disclosure.	✓	
6.2 The company defines material financial reporting by considering important factors such as users of financial report, transaction size and trends of business	✓	
6.3 The company's financial reports truly reflect the operational activities of the company.	✓	
6.4 The Board of Directors or Risk Committee approve and communicate risk management policy to management and all employees to acknowledge and comply with the policy as a part of the culture of the organization. <i>The Risk Management Committee reviews and approves risk matrix (comprising strategic risks, business risks, operational risks, financial risks and trading risks) which is then presented to Audit Committee on a quarterly basis. Information on the risks identified are then communicated to mid management to assign risk owner for monitoring and mitigation purposes.</i>	✓	

7. The organization identifies risk to the achievement of its objectives across the entity and analyzes risk as basis for determining how the risks should be managed.

Question	Yes	No
7.1 The company identifies all types of risks which may affect the business entity, subsidiaries, divisions, operating units and functional levels. <i>Risk identification process consists of members of Risk Management Committee, Company's leadership team, and representatives from Board of Directors and Audit Committee. Risk identification is part of annual risk management exercise, which involves each department to identify its risk, including strategic risk, business risk, operational risk, financial risk, trading risk, project risk. The list is combined to form an overall organization risk picture for further assessment.</i>	✓	
7.2 The company analyzes all types of risks which may occur from internal and external factors which include strategic risk, operational risk, reporting, compliance and information technology.	✓	
7.3 Management of all levels are involved in risk management. <i>SPRC has in place system procedure for risk management that involves Leadership and middle managements who are responsible for preparing and validating their departmental risks and assurance plans.</i>	✓	
7.4 The company has assessed the importance of risks by considering the possibility of an event occurring and the resulting impact which may occur <i>Risk assessment process will prioritize risks by profiling its potential and likelihood of impact and occurrence and mapping those risks profile onto a matrix.</i>	✓	
7.5 The company has measures and action plans to manage risks by acceptance, reduction, avoidance or sharing. <i>SPRC system procedure for risk management involves management to select risk responses (avoiding, accepting, reducing, or sharing risk) – and develop a set of actions to be aligned with the entity's risk tolerances and risk appetite.</i>	✓	

8. The organization considers the potential for fraud in assessing risks to the achievement of objectives

Question	Yes	No
8.1 The company considers the possibility of fraud occurrences, covering various types of fraud such as fraudulent financial reporting, loss of assets, corruption, management override of internal controls, material misstatements of financial statements, and misappropriation of assets <i>SPRC takes all reasonable steps necessary to ensure adherence to the compliance program requirements which includes the continued use of internal and external auditors to monitor compliance with SPRC's accounting and related policies and standards, the detection of fraudulent financial practices and oversight concerning the adequacy of internal control procedures and controls.</i>	✓	
8.2 The company carefully reviews its objectives by considering the potential of achieving current target including considering reasonableness of employee incentives or compensations in a sense that they do not induce employees to act inappropriately. For example, setting unrealistic sales budget may induce employee to make false sales numbers <i>SPRC has Refinery Management System in place to provide a management structure which SPRC business processes are integrally specified to achieve superior performance and ensure SPRC business processes are fit-for-purposed, sustained and continuously improved. Refinery Management System covers all of SPRC activities required to efficiently operate refining process which can be grouped into 4 areas: Emergency Response & Security Management, Hydrocarbon Management, Asset Management and Administration Management. Refinery Management System also involves setting overall vision, mission, strategy and role and responsibilities as well as accountabilities of managements.</i>	✓	
8.3 The audit committee considers and inquires management of the possibility of fraud occurrences and relevant preventive and corrective measures	✓	
8.4 The company communicates policies and procedures to all employees	✓	

9. The organization identifies and assesses changes that could significantly impact the system of internal control

Question	Yes	No
9.1 The company assesses changes in external factors that may affect its business operations, internal controls and financial reporting as well as determines sufficient measures in response to such changes <i>SPRC Refinery Management System (RMS) covers all SPRC activities required to efficiently operate of crude oil refining process, including planning, receiving, processing blending, storage, transferring and quality controlling of crude oils, intermediates and petroleum. Maintenance of the facilities and utilities and financial controlling in support of SPRC. There are in place the semi-annual Management System (MS) reviews to ensure the SPRC RMS and other integrated MS are functioning toward desired performance and seeking for the continual improvement. In addition, SPRC has corporate risk management system to identify, assess, profile, communicate, monitor and mitigate risks which quarterly reports to the Audit Committee.</i>	✓	
9.2 The company assesses changes of business models that may affect its business operations, internal controls and financial reporting as well as determines sufficient measures in response to such changes	✓	
9.3 The company assesses changes of organizational leaders that may affect its business operations, internal controls and financial reporting as well as determines sufficient measures in response to such changes <i>There is an assessment and preparation plan in place to avoid impact from change in leadership. Specifically, SPRC maintains system procedures for succession plan which will potentially reduce the effect of changes of organizational leaders on business operations, internal controls and financial reporting.</i>	✓	

Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels

Question	Yes	No
10.1 The company's control measures are appropriate for risks and type of organization. For example, general environment, complexity of tasks, job characteristics, scope of work and other specific characteristics <i>The company has in place a risk management policy, corporate risk management and Risk Management Committee to identify, monitor and manage risks in its organization</i>	✓	
10.2 The company sets internal control procedures in writing and covers any processes appropriately such as policies and procedures for financial transactions, purchasing and general management as well as setting scope, power and delegation of authorities securely in order to prevent fraud. For example, setting up the authority level of management, approval process of investment projects, purchasing and supplier selection process, details of purchasing decision database, material of tool processes disbursement. The company also provides processes for the following cases: <i>SPRC has MODA which describes delegation of authorities, and Contracting Procurement and Procedure (CPP) which describes authority for contracting procurements</i> 10.2.1 Collecting any information relating to major shareholders, directors, management and related persons as well as connected persons for follow up and review of related party transactions or conflicting transactions. The company also updates information regularly. <i>SPRC keeps records of RPTs in its SAP system. Accounting department and Legal department determine whether transaction is considered RPT. SPRC updates RPT through sampling contracts and checks for consistency with existing contract terms.</i> 10.2.2 In situation where the company approved or entered into related party transactions which binds the company for a long term period such as sale/purchase agreement, loan agreement, and guarantee, the company has consistently monitored such agreements to ensure compliance with agreed terms and conditions during the period in which the company is bound (e.g. monitoring of debt servicing, and review of suitability of agreements) <i>Mechanism is in place to review related party transactions incurred, even if they are part of normal course of business, which are part of a long-term agreement and these are reported to AC on a regular basis.</i>	✓ ✓ ✓	
10.3 The company sets the internal control system to be appropriately flexible such as having a variety of manual and automated control, or having both prevention and monitoring control	✓	

Question	Yes	No
10.4 The company sets internal control systems in all levels of the organization such as group company, business unit, business section, department or process <i>All employees must understand the internal controls relevant to their position and follow the policies and procedures related to those controls as stated in SPRC Business Conduct. Business Conduct test (computer-based training) is compulsory and is refreshed every 3 years.</i> <i>In addition, the company has Refinery Management System which all levels such as leadership team, line manager, supervisor and etc. are involve in internal audit for management system which will be arranged according to the requirements of the international standard i.e. ISO 9001, ISO 14001, OHSAS 18001 and ISO/IEC 17025.</i>	✓	
10.5 The company completely separates responsibility of the following three duties in order to monitor each appropriately: (1) duty of approval; (2) duty of recording accounting transactions and information; and (3) duty of managing property <i>The Company realizes the importance of segregation of duties and clearly segregates the following responsibilities: (1) duty of approval; (2) duty of recording accounting transaction and information; (3) duty of asset custody</i>	✓	

11. The organization selects and develops general control activities over technology to support the achievement of objectives

Question	Yes	No
11.1 The company should govern the relationship between information technology for process implementation and methods for control of information technology systems <i>SPRC Business Conduct has requirement on use of IT. The company also governs the relationship between information technology (IT) for implementation and methods for control IT system through IT security management.</i>	✓	
11.2 The company should set methods for controlling infrastructure information technology appropriately <i>The company has IT security and user policy and guidelines and IT security manage to control IT to control all employees and IT department to use IT system appropriately.</i>	✓	
11.3 The company should set methods for controlling security information technology appropriately	✓	
11.4 The company should establish information technology control activities over the procurement process, the development process and technology system maintenance process appropriately <i>IT security and user policy and guidelines cover user program development and change management for development IT system appropriately.</i>	✓	

12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action

Question	Yes	No
12.1 The company has a secure policy for monitoring related party transactions of major shareholders, directors, management and related persons. The transaction must be approved in accordance with stated approval procedures such as Articles of Association, the Stock Exchange of Thailand regulations, Securities Exchange Commission, etc. in order to prevent opportunities for exploiting the company for personal benefit <i>The Company has stated in the Business Conduct for entering into transactions with major shareholders, directors, management, and other related parties that may have conflicts of interests. The Company's Manual of Delegated Authorities also sets the scope and approval limit for such transactions.</i>	✓	
12.2 The company has a policy for considering approval of transactions by persons without interests in the transactions <i>The Company has stated in the Business Conduct that business decisions should be made free from any conflict of interest.</i>	✓	
12.3 The company has a policy for considering approval of transactions that yield the highest benefit to the company and are similar to conducting transactions on an arm's length basis <i>The Company has stated in the Business Conduct that the related party transactions are to be conducted strictly on a commercial arm's length basis and the best interest of SPRC.</i>	✓	

Question	Yes	No
12.4 The company has procedures for monitoring the operation of subsidiaries or associate companies as well as guidelines for the company's representatives, which include directors or management of subsidiaries or associate companies (In case that the company has no subsidiaries or associate companies, please ignore this question)	N/A	
12.5 The company sets roles and responsibilities for implementing policies and procedures by management and employees	✓	
12.6 The policies and processes of the company are put into practice in a timely manner by competent staff as well as cover corrective procedures <i>The company regularly reviews of SPRC business conduct and the Company's Manual of Delegated Authorities</i>	✓	
12.7 The company regularly reviews policies and procedures to ensure they are suitable <i>The company regularly reviews of SPRC business conduct and the Company's Manual of Delegated Authorities</i>	✓	

Information & Communication

13. The organization obtains or generates and uses relevant, quality information to support the function of other components of internal control.

Question	Yes	No
13.1 The company determines information requirements for carrying out businesses from both internal and external sources that are qualified and are related to the business process	✓	
13.2 The company considers costs and benefits the company will receive including the amount and accuracy of the information.	✓	
13.3 The company provides sufficient material information to support the consideration of the Board of Directors. Material information includes details of the matters to be considered, reasons, impact on the Company, other options, etc. <i>In proposing any matter to the Board of Directors for consideration, the management always provides sufficient detailed information to support the Board of Directors' consideration. At every meeting that the Board of Directors considers the matter, the management is present in the meeting to provide any explanation that the Board of Directors may need.</i>	✓	

Question	Yes	No
13.4 The company provides notice of meetings or documents of meetings which are sufficient, and necessary information for consideration to the Board of Directors before the meeting for at least the minimum period stipulated by laws. <i>The Article of Association prescribes that invitation letters, meeting agendas and meeting documents are to be supplied to the Board of Directors not less than 7 days prior to the meeting, except in emergency case, in order to protect the rights and benefits of the Company. In the past, the Company sent invitation letters, the meeting agendas, and meeting documents to the Board of Directors not less than 7 days prior to the meeting.</i>	✓	
13.5 The company provides minutes of the meeting which contain sufficient detail enabling shareholders to inspect the suitability of performance of the directors e.g. recording enquiries, opinions or observations of the directors on the considered matter, opinions of the directors who disagree with the proposed matter along with reasons, etc. <i>The minutes of Board of Directors' meeting have recorded summarized information relevant to questions, opinions, and remarks in meeting, together with, if any, the differing opinions from other director and the reasons for those opinions. This information represents evidence that can be traced for the properness of the directors' performance.</i>	✓	

Question	Yes	No
13.6 The company has procedures as follows: 13.6.1 Keeping records of important documents in a group 13.6.2 In situations where the company has been informed by the auditor or internal auditors that there are deficiencies in internal control, the company has completely corrected all deficiencies. <i>The accounting department is responsible for keeping all accounting documents in an orderly manner within the legal timeframe. The Company has never been informed by the external auditor of any material deficiency in keeping accounting documents.</i>	✓ ✓	

14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.

Question	Yes	No
14.1 The company has an effective process for communicating information internally and has appropriate communication channels for supporting the internal control.	✓	
14.2 The Company provides important information to the Board of Directors on a regular basis and the Board of Directors can easily access the information or review various items as required. In addition, the Board can designate a person to be able to request additional information above that given by management, inquire the external auditors and internal auditors, organize the meeting of the Board of Directors and Executive Committee as requested and organizing meetings between the Board of Directors and the management. <i>Board of Directors Charter has stated that directors shall have access to senior management and to any information of SPRC, as required. In addition, Directors may obtain independent profession advice if necessary.</i>	✓	
14.3 The company provides special communication channels or secure channels to individuals in the company for safely reporting information or clues about fraud or corruption (whistle-blower hotline) to the company. <i>The company provides special communication channels to report the potential violation to Corporate Compliance. Moreover, reports may be made anonymously.</i>	✓	

15. The organization communicates with external parties regarding matters affecting the functioning of other component of internal control.

Question	Yes	No
15.1 The company has effective processes for communicating with external stakeholders and appropriate communications channel to support internal control e.g. providing officer or investment relation or complaint center, etc. <i>Supply and Planning department has maintained a complaint center to receive comments related to products from external stakeholders. SPRC has an extensive community outreach program where SPRC works with the community to understand concerns from the community, support the community, and look for opportunities to engage the community in its work.</i>	✓	
15.2 The company provides special communication channels or secure channels to individuals in the company for safely reporting information or clues about fraud or corruption (whistle-blower hotline) to the company. <i>SPRC communicates with external stakeholders through its website</i>	✓	

Monitoring Activities

16. The organization selects, develops and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.

Question	Yes	No
16.1 The company sets procedures for monitoring compliance of business conduct and restriction on management and employees regarding conflict of interest such as designating each department to monitor and report to its superior or designating the internal control unit to monitor and report to audit committee <i>SPRC Business Conduct deals with FCPA (US Foreign Corrupt Practices Act)</i>	✓	
16.2 The company organizes the internal control system audit by self-audit and/or independent internal auditor <i>The company has the internal auditor to monitor internal control system. In addition, The company has an internal audit for management system which will be arranged according to the requirements of the international standard i.e. ISO 9001, ISO 14001, OHSAS 18001 and ISO/IEC 17025.</i>	✓	
16.3 The frequency of monitoring and evaluation is appropriate to the change of the Company. <i>The annual audit plan, covering financial business process, operational business process, and business process on management concern areas, has been set in advance and presented to the Audit Committee. The audit results have also been reported to the Audit Committee quarterly.</i>	✓	

Question	Yes	No
16.4 Monitoring and evaluating the internal control system by knowledgeable and capable persons. <i>The internal control system has been monitored by the internal auditor who has an experience on internal audit</i>	✓	
16.5 The company has set the internal control unit to report directly to the audit committee.	✓	
16.6 The company encourages internal audits to be performed in accordance with International standards for the professional practice of Internal Auditing (IIA) <i>SPRC encourages Internal Auditor to acquire the Certified Internal Auditor license (CIA). The Internal Auditor adopts International standards for the professional practice of Internal Auditing (IIA).</i>	✓	

17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate

Question	Yes	No
17.1 The Company evaluates and communicates the weakness of internal control and rectifies it on time in the case that the operation occurred is significantly different from the target. <i>The Company evaluates and reports internal audit reports to audit committee in order to monitor and rectifies it</i>	✓	
17.2 The Company has reporting policies as follows: 17.2.1 The management must report to the board of directors immediately in the case that there is any suspicion of severe fraud, breach of laws, or unusual actions that may materially affect the image and financial position of the Company. 17.2.2 Report weakness that is material in nature together with rectification (even if the rectification process has already commenced) to the board of directors/audit committee to consider within a reasonable timeframe <i>The company reports internal audit findings to Audit Committee quarterly</i> 17.2.3 Report the progress of the improvement on material weakness to the board of directors/audit committee. <i>The company reports internal audit findings to Audit Committee quarterly</i>	✓ ✓ ✓	