



# 56-1 One Report 2021

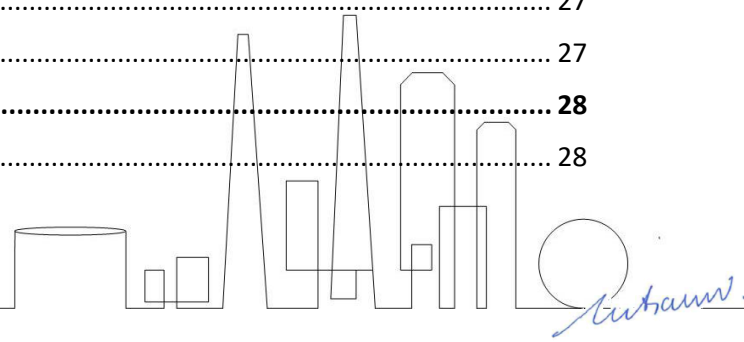
Star Petroleum Refining Public Company Limited



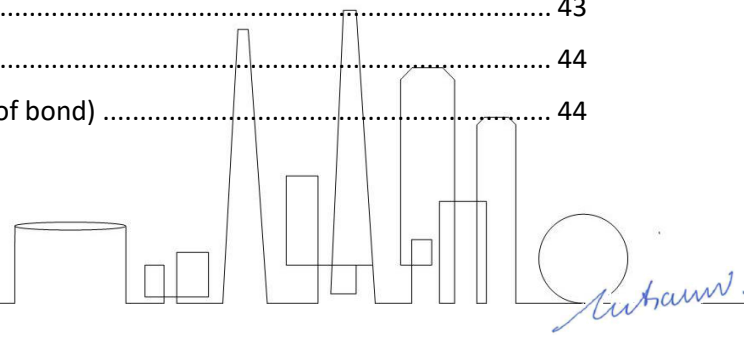
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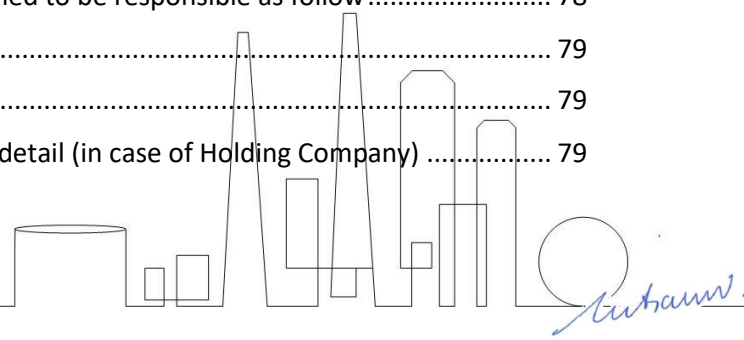


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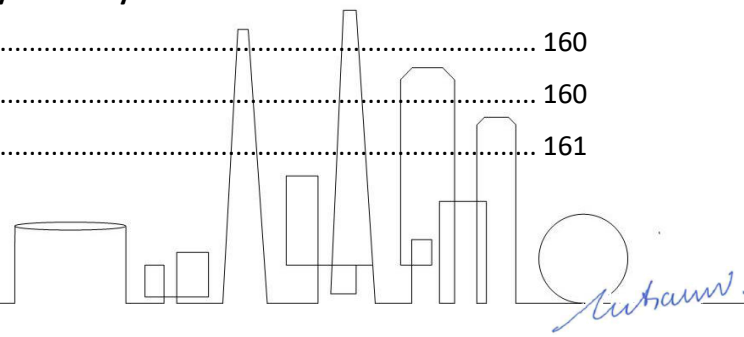
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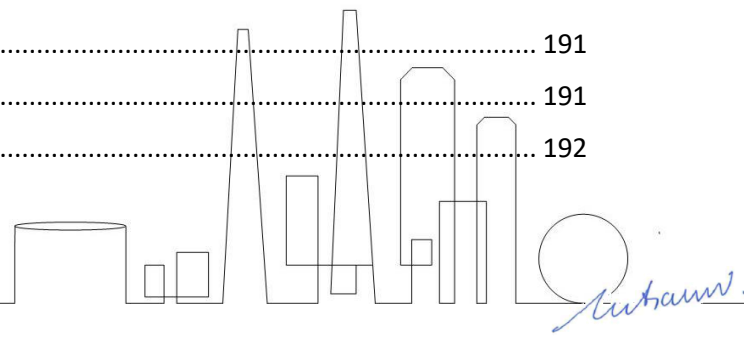




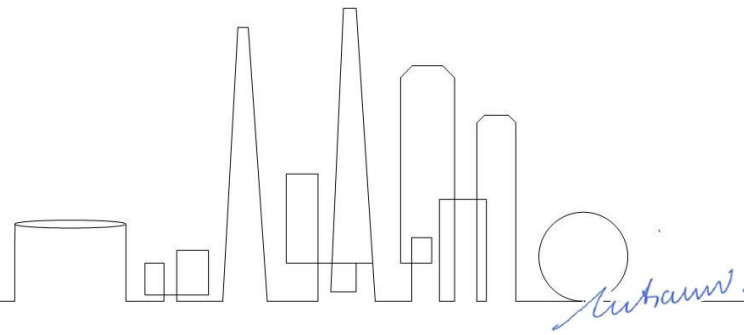
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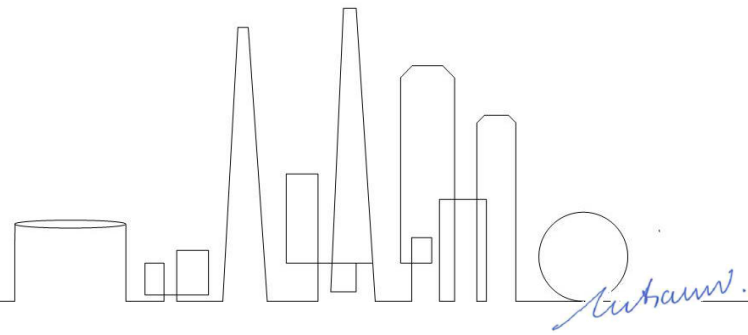


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## Part 1 Business Overview and Performance Review



## 1. Structure and Company Performance

### 1.1 Policy and Business Overview

SPRC is one of leading petroleum product producers in Thailand and among the most efficient refineries in the Asia Pacific region, located in Map Ta Phut Industrial Estate, Rayong. We operate a complex refinery with a capacity of 175,000 barrels per day of crude oil. Our products include liquefied petroleum gas ("LPG"), polymer grade propylene ("PGP"), chemical grade naphtha, premium and regular grades of gasoline, jet fuel, diesel, fuel oil, and asphalt. We place our petroleum products primarily in Thai domestic market, mostly through Chevron, PTT, PTTOR and chemical products to petrochemical companies in Map Ta Phut Industrial Estate.

#### 1.1.1 Vision, Mission, and Strategy

Our **Vision** is:

"One Caring Family, Energizing Our Future"

Our **Mission** is:

"To energize our future", we will:

- Invest in our people enhancing SPRC's caring family culture and performance delivery
- Deliver safe, reliable, and sustainable operations
- Strengthen our competitiveness through smart & timely investments
- Meet or exceed our stakeholder expectations

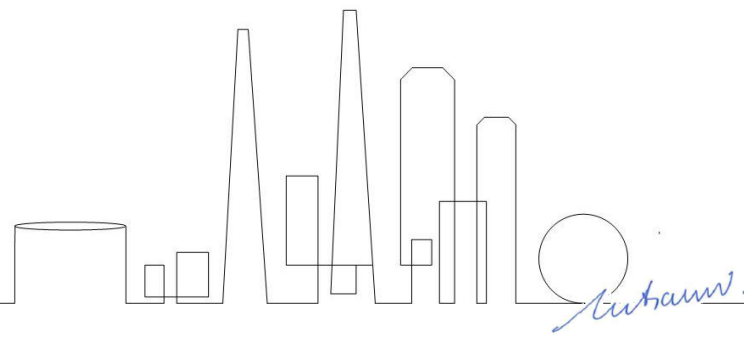
SPRC intends to accomplish the Mission through the focus in four strategic Key Result Areas: **Organization Capability, Reliability and Efficiency, Investment & Growth Opportunities, and Workforce Culture.**

The specific strategic objective on each of the Key Result Area are as follows:

1. **Organization Capability:** Create competitive advantage through robust transition and organization capability development plans.
2. **Reliability and Efficiency:** World leading asset reliability and availability with optimum cost
3. **Investment & Growth Opportunities:** To maintain competitiveness for long term viability, energy transition and enhance the return to shareholder
4. **Stakeholders:** Live SPRC's pride and image in one passionate and caring family with agile and highly reliable spirit

At SPRC, we believe that nothing is more important than operating safely and reliably. We have a strong foundation of personal safety. Our first and foremost commitment is to the safety of our employees and contractors and to the safety of the surrounding community and environment. We work together as One Family with deep care and concern for all our employees, contractors, and stakeholders. Our operational excellence and process safety ensure minimal downtime and operational reliability. The top performance in availability and utilization enable us to focus on continuous margin improvement. Our high level of performance generates high margin and returns to shareholders.

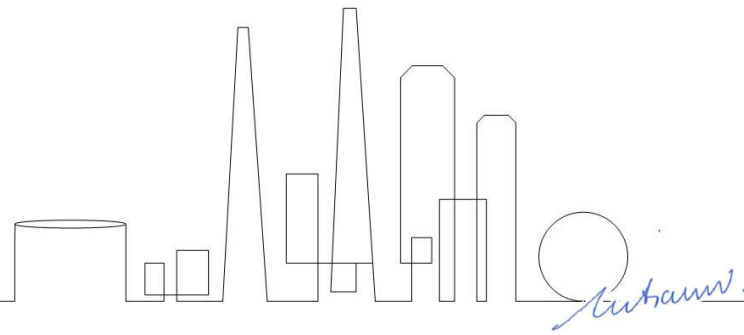
SPRC is stepping toward ensuring business sustainability with stronger emphasis on SPRC strategic planning and more deliberately shape our future direction. We focus our evaluation of business strategies that enhances our competitiveness through a more diversified portfolio of products and shifting yield to more high value products, which in turn create and sustain good returns to our shareholders.



### 1.1.2 Development and Significant Changes

#### Our key accomplishments in 2021 include:

- Achieved over 8 years with 31.4 Million man-hours without days away from work injury.
- Continued to closely monitor the COVID-19 situation and implemented the measures in accordance with the guideline provided by the Ministry of Public Health. SPRC employees received 100% double doses of COVID-19 vaccination and the Company did not have any material impacts to the operation.
- Sustained high operational availability of 98.8% with target top quartile performance in availability and utilization among over 90 refineries in the Asia Pacific and India Ocean region.
- Optimizing crude throughput as well as continuing process and product optimization by maximizing gasoline and diesel productions to capture domestic demand and margin while minimizing jet fuel production as jet demand has been impacted by Covid-19 pandemic. This was to maximize value in tough environment.
- Captured Bottom Line Improvement Program (BLIP) benefit from crude, process and product optimization at US\$1.10/bbl.
- There was the minor maintenance on the Resid Fluidized Catalytic Cracking Unit (RFCCU) during 25 September – 8 October 2021 for 13 days. During the minor maintenance period, all other process facilities have continued to operate. The operational issues have been resolved and there was no supply disruption to our customers.
- Continued to find more potential opportunity and cash flow improvement in 2021 with carry over sustainable saving items amounting US\$44M from investment deferral, cost control and process optimization.
- For growth opportunities:- The Company continued to work on several opportunities to create value for all of our Shareholders. We had identified the key focus area for our direction both short-term and long-term by aligning with the global situation and Thailand situation. For the short-term direction, we focused to capture the benefit from peak oil demand and to improve the energy efficiency leveraging Government incentives where appropriate. For the long-term direction, we planned to expend our value chain and move toward the energy transition which will enhance the sustainability.
- For Sustainable Development, the company accomplished in combining the business resilience with sustainable development during that tough time as impacted by COVID-19 pandemic by focusing on:-
  - **Safety:** With our IIIF (incident, injury and infection free) culture, we maintained our excellent safety record.
  - **Reliability:** Sustained high Operational availability to support domestic demand recovery.
  - **Environment:** Committed to maintain our environmental performance by minimizing negative impacts to environment and surrounding communities.
  - **People:** We have activated the Business Continuity Plan, resulted in the implementation of Work from Home for the non-essential employees with no impact on Company operations in any way. Moreover, we have not laid off any employee and has no retrenchment plans.
  - **Customer:** We continued to focus on product supply continuity – quick operational & supply chain adjustments in response to drastic demand changes from COVID-19 to meet customer expectations.





**Our key accomplishments in 2020 include:**

The Company performance was impacted by Covid-19 pandemic which resulted in the significantly decline in oil products demand and caused a sharp fall-off in oil price since the first quarter of the year. SPRC had reduced the production down to optimal level to meet the limited domestic demand. We had maximized light crude process to maximize gasoline production while zero jet production to captured margin. The Company also captured Bottom Line Improvement Program (BLIP) benefit from crude, process and product optimization at US\$0.96/bbl which was higher than the target of US\$0.80/bbl in 2020. Through all these situations, SPRC family continued to remain incident, injury and infection free, made significant cash flow improvement through inventory management, reduction in operating expenses, capital expenditure and process optimization while sustaining high operational availability of 99.9% with target top quartile performance in availability and utilization among over 90 refineries in the Asia Pacific and India Ocean region.

**Our key accomplishments in 2019 include:**

The Company successfully executed the Event project that combined the Turnaround and Inspection (T&I) with 26 investment projects. The largest of these was a Capacity Increase Project which increased the Refinery capacity by 10,000 barrels/day to a total of 175,000 barrels/day. The other projects had a variety of objectives, including improved reliability, safety, and increasing flexibility of the Refinery to run different types of crudes, and increase margin capture. These enhancements will also allow the Refinery to run 6 years between planned T&I's, pushing the next T&I out to late 2025.

**1.1.3 The spending of the fund from capital raising align with its purpose****(1) The spending of the fund from the offering of bond or debt instrument**

N/A

**(2) The law related to the debt instrument**

N/A

**1.1.4 Obligations made by the company in the registration statement, securities offering and / or the condition**

N/A

**1.1.5 General Information and Reference****Name**

Star Petroleum Refining Public Company Limited

**Initial**

SPRC

**Business**

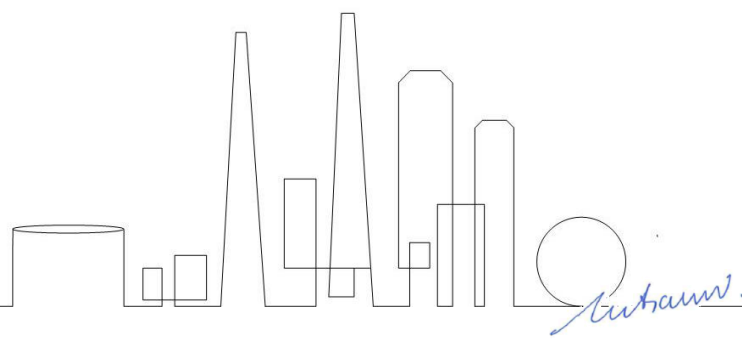
Founded in 1992, SPRC is one of the leading petroleum product producers and oil refiner in Thailand and the Asia Pacific region.

SPRC owns and operates a complex refinery with a capacity of 175,000 barrels per day of crude oil. SPRC strategically located in Map Ta Phut, Thailand's premier petrochemicals hub and our key products consist of LPG, premium and regular grade of gasoline, jet fuel, diesel and fuel oil.

Our unique configuration and flexibility in production enables us to produce more gasoline compared to other Thai refineries.

**Registration number**

0107555000155



**Address**

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

Tel: +66 (0) 38 699 000

Fax: +66 (0) 38 699 999

**Website**[www.sprc.co.th](http://www.sprc.co.th)**Listing Date**

Trading commencement on 8 December 2015

**Capital As of 31 December 2021****Registered Capital**

Baht 30,004,442,705

Comprising 4,335,902,125 fully paid-up common shares of Baht 6.92 per share

**1.2 Nature of Business**

SPRC is one of the leading petroleum product producers in Thailand and among the most efficient refineries in the Asia Pacific region. We operated a complex refinery with a capacity of 175,000 barrels per day of crude oil.

**1.2.1 Revenue Structure**

The following table sets forth the sales revenue and sales volumes of our various petroleum products for the periods indicated. Sales prices and revenue include excise taxes, oil fund, conservation fund and local taxes on fuels as required. These taxes are pass-through taxes that are sent on to the government.

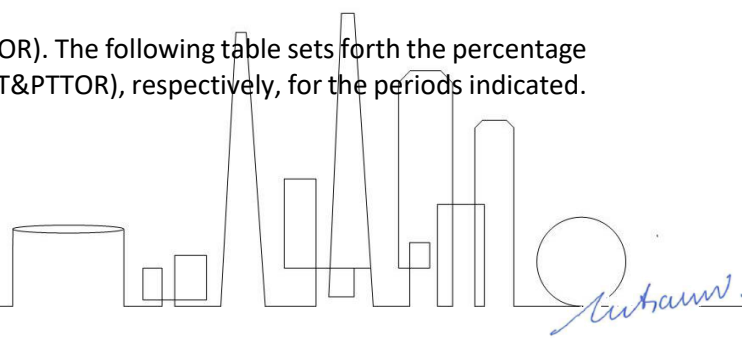
Sale Revenue (in millions of US\$)	Year Ended December 31, 2019			Year Ended December 31, 2020			Year Ended December 31, 2021		
	Sales Revenue	Volume (thousand barrels)	\$/bbl <sup>(2)</sup>	Sales Revenue	Volume (thousand barrels)	\$/bbl <sup>(2)</sup>	Sales Revenue	Volume (thousand barrels)	\$/bbl <sup>(2)</sup>
PGP	87.1	1,263	68.97	103.2	1,670	61.78	133.3	1,612	82.70
LPG	103.0	2,340	44.03	89.7	2,451	36.61	132.2	2,353	56.17
Light Naphtha	128.7	2,295	56.09	136.5	3,443	39.66	226.4	3,277	69.08
Gasoline	1,616.3	14,750	109.58	1,319.4	15,820	83.40	1,789.9	15,450	115.86
Jet Fuel	346.3	4,306	80.42	95.0	1,794	52.96	91.3	1,194	76.40
Diesel	2,393.8	21,381	111.96	2,001.2	25,035	79.94	2,300.6	21,748	105.78
Fuel Oil	254.8	4,373	58.25	96.7	2,707	35.71	145.4	2,623	55.44
Asphalt	43.3	770	56.31	25.0	568	44.06	50.9	700	72.65
Mix C4	92.9	1,828	50.83	93.6	2,592	36.09	162.6	2,785	58.39
Crude	29.6	427	69.19	10.4	268	38.77	1.6	23	69.37
Other <sup>(1)</sup>	295.9	4,218	70.16	181.3	4,233	42.83	315.8	4,204	75.11
<b>Total Revenue</b>	<b>5,391.7</b>	<b>57,951</b>	<b>93.04</b>	<b>4,152.0</b>	<b>60,579</b>	<b>68.54</b>	<b>5,350.0</b>	<b>55,971</b>	<b>95.59</b>

(1) Includes sulfur, reformat and products sold pursuant to our cracker feed exchange with PTT Global Chemical

(2) Includes excise tax, energy conservation promotion fund, oil fuel fund and local taxes

We sell a significant portion of our petroleum products primarily through the Offtake Agreement that we have entered into with Chevron and PTT (PTT&PTTOR) and we sell our products both domestically and for export. From time to time, we also enter into a variety of short-term product sales agreements on a spot or term basis for the remaining petroleum products that are produced in our refinery.

Our top two customers are Chevron and PTT (PTT&PTTOR). The following table sets forth the percentage of total revenue accounted for by Chevron and PTT (PTT&PTTOR), respectively, for the periods indicated.



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Year Ended December 31,			
	2019	2020	2021
	% of Total Revenue		
Chevron .....	54.2	52.2	43.2
PTT&PTTOR	34.2	35.1	40.7
Others	11.6	12.7	16.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The following table sets forth our sales revenue for our petroleum products that are sold domestically as compared to export for the periods indicated. The domestic market is typically higher value than the export market.

Year Ended December 31,					
	2019		2020		2021
	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue	Sales Revenue
(in millions of US\$, except for percentages)					
<b>Petroleum Products</b>					
Domestic .....	4,974.2	92.3%	3,796.2	91.4%	4,779.5
Export .....	417.5	7.7%	355.8	8.6%	570.5
<b>Total revenue ...</b>	<b>5,391.7</b>	<b>100.0%</b>	<b>4,152.0</b>	<b>100.0%</b>	<b>5,350.0</b>

The following table sets forth our sales revenue for each of our petroleum products and such revenue as a percentage of our total revenue for the periods indicated.

Year Ended December 31,						
Sale Revenue (in millions of US\$)	2019		2020		2021	
	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue	Sales Revenue	% of Total Revenue
Polymer Grade Propylene...	87.1	1.6%	103.2	2.5%	133.3	2.5%
Liquefied Petroleum Gas <sup>(1)</sup> ..	103.0	1.9%	89.7	2.2%	132.2	2.5%
Light Naphtha .....	128.7	2.4%	136.5	3.3%	226.4	4.2%
Gasoline .....	1,616.3	30.0%	1,319.4	31.8%	1,789.9	33.5%
Jet Fuel .....	346.3	6.4%	95.0	2.3%	91.3	1.7%
Diesel .....	2,393.8	44.4%	2,001.2	48.2%	2,300.6	43.0%
Fuel Oil .....	254.8	4.7%	96.7	2.3%	145.4	2.7%
Asphalt .....	43.3	0.8%	25.0	0.6%	50.9	1.0%
Mix C4 .....	92.9	1.7%	93.6	2.3%	162.6	3.0%
Crude .....	29.6	0.6%	10.4	0.3%	1.6	0.0%
Others <sup>(2)</sup> .....	295.9	5.5%	181.3	4.4%	315.8	5.9%
<b>Total Revenue .....</b>	<b>5,391.7</b>	<b>100.0%</b>	<b>4,152.0</b>	<b>100.0%</b>	<b>5,350.0</b>	<b>100.0%</b>

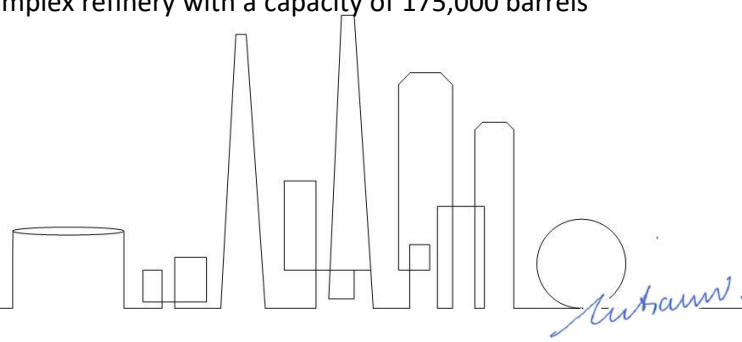
(1) Includes Government fuel subsidies

(2) Includes sulfur, reformat and products sold pursuant to our cracker feed exchange with PTT Global Chemical

## 1.2.2 Products and Services

### (1) Type of Products, Services and Innovation

SPRC is one of the leading petroleum product producers in Thailand and among the most efficient refineries in the Asia Pacific region. We operated a complex refinery with a capacity of 175,000 barrels per day of crude oil.





## Crude and Product

Our refinery is capable of processing a wide range of crude oil, which we typically source from the Middle East and the Far East. Our choice of feedstocks and product slate at any time depends on relative prices and yields. We decide on our product slate with input from our offtakers, based on our assessment of demand and projected prices for the various products that we can produce, typically around three months in advance of expected orders.

Our primary petroleum products from the distillation and conversion of crude oil are hydrocarbon fuels, which include LPG, premium and regular grades of gasoline, jet fuel, diesel, fuel oil and asphalt, as well as petrochemical feedstocks used in the petrochemical industry, which include PGP, LPG, chemical grade naphtha, mixed C4, reformate and sulfur.

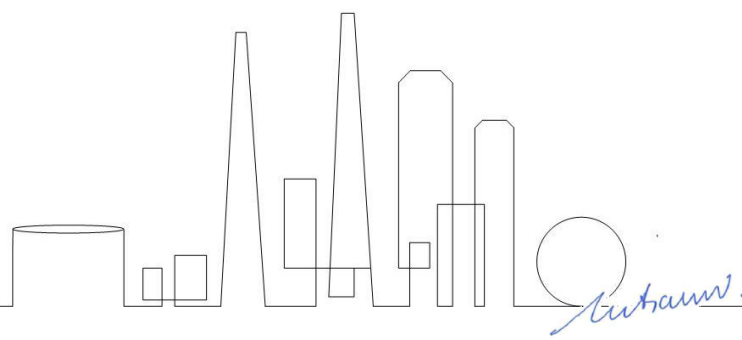
## Product Pricing

Most of the products sold through the offtake Agreement are benchmarked off the Mean of Platts Singapore, or MOPS. Thai domestic prices are adjusted from MOPS pricing with certain transportation, production, product quality, and market adjustments as appropriate.

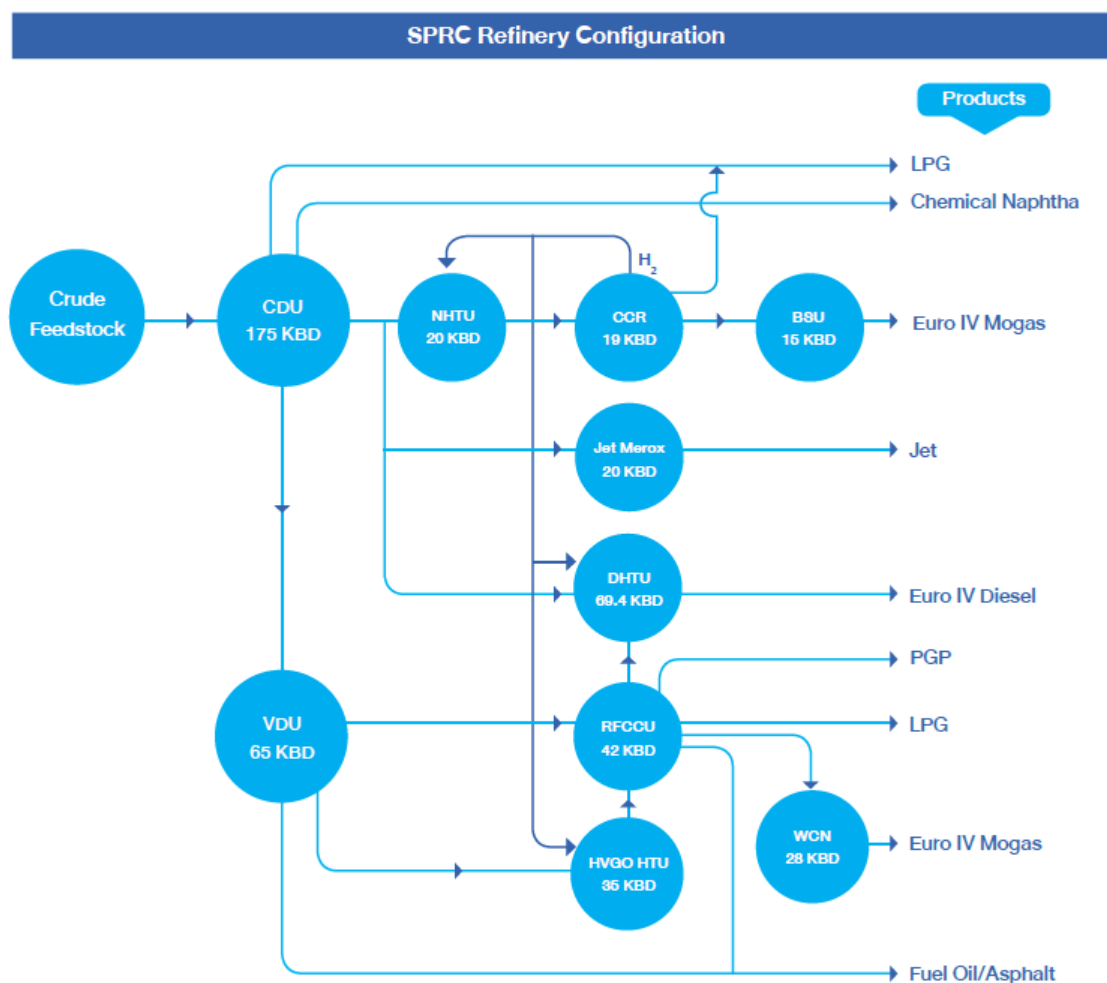
Domestic sale prices of petroleum products sold outside of the Offtake Agreement are also market driven and are generally based on the monthly average of regional benchmark prices with certain adjustment for the applicable product in the month that they are sold. Our exports for petroleum products are also generally based on benchmark pricing, such as the price for the relevant product quoted on MOPS, plus or minus a premium or discount based on market conditions and negotiations with potential purchasers as well as differences in product quality and location.

## Production Facilities and Processes

Our production facilities are located in Rayong province, approximately 200 kilometers to the southeast of Bangkok. Our refinery is a cracking refinery as compared to a hydroskimming refinery. Hydroskimming refineries are relatively low complexity refineries that have a significant amount of fuel oil yield. Cracking refineries are able to upgrade a significant portion of fuel oil into higher value transportation fuels such as gasoline, jet and diesel, providing a much higher margin than hydroskimming refineries.



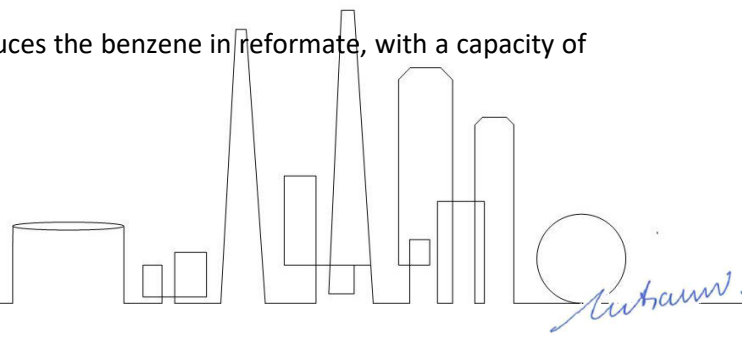
The following diagram illustrates our refinery's configuration:



KBD = 1,000 barrels per day

Our refinery's main units comprise of the following (all capacity figures are given as of 31 December 2021):

- one Crude Distillation Unit ("CDU") that heats crude and then distills it, with a capacity of 175,000 barrels per day that uses crude oil as a primary feedstock and primarily produces LPG, naphtha, jet fuel, diesel and long residue;
- one Vacuum Distillation Unit ("VDU") that uses a vacuum to improve distillation of long residue from the CDU, with a capacity of 65,000 barrels per day, and primarily produces diesel, heavy and very heavy vacuum gas oil, fuel oil and asphalt;
- one Naphtha Hydrotreater Unit ("NHTU"), with a capacity of 20,000 barrels per day, which removes sulfur from heavy naphtha prior to feeding it to the continuous catalytic regeneration reformer;
- one Continuous Catalytic Regeneration Reformer ("CCR"), with a capacity of 19,000 barrels per day, which converts low-octane naphtha into high-octane reformate for production of various grades of unleaded gasoline;
- one Benzene Saturation Unit ("BSU") that reduces the benzene in reformate, with a capacity of 15,100 barrels per day;



- one Jet Merox Unit that treats jet streams from the CDU in order to produce jet fuel, with a capacity of 20,000 barrels per day;
- one Diesel Hydrotreater Unit (“DHTU”) that treats streams from the CDU, VDU and RFCCU to produce diesel, with a capacity of 69,400 barrels per day;
- one Residue Fluidized Catalytic Cracker Unit (“RFCCU”) that cracks petroleum hydrocarbons in order to convert heavy low value fractions of petroleum crude oils to more valuable and higher margin products, with a capacity of 42,000 barrels per day. The RFCCU operates in conjunction with one propane/propylene splitter that allows for the separation and production of polymer grade propylene (PGP), with a capacity of 6,400 barrels per day, as well as merox treating units designed to make LPG and gasoline products meet product specifications with a total capacity of 49,000 barrels per day;
- one Whole Cracked Naphtha Hydrotreater Unit (“WCN”) that treats gasoline from the RFCCU, with a capacity of 28,000 barrels per day; and
- one Heavy Vacuum Gas Oil Hydrotreater Unit (“HVGO HTU”) that removes sulfur and improves feed quality for the RFCCU, with a capacity of 35,000 barrels per day.

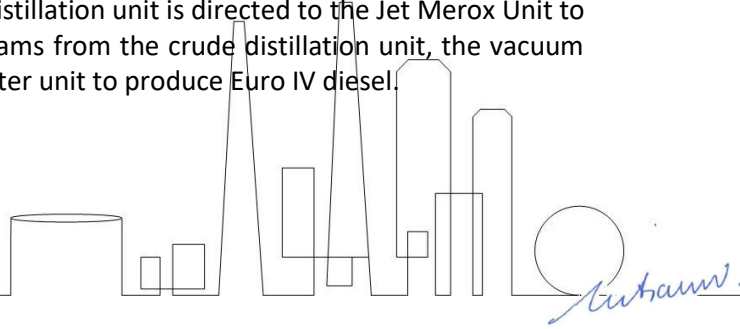
### Overview of the Refinery Production Process

By heating crude oil to a certain temperature and sending it to the crude distillation unit, it is possible to separate crude oil into different fractions, each with its own boiling range. The crude distillation unit produces several streams that are utilized in the refinery to produce different petroleum products. The lighter boiling components rise up the crude distillation tower while the heavier boiling components fall to the bottom. As the lighter components pass up through the crude distillation tower, the oil’s temperature gradually drops and vapor is condensed. The distillation of oil vapors at different temperatures produces various petroleum products such as LPG, naphtha, jet fuel, and diesel. The heavier components are sent to the vacuum distillation unit which reduces the boiling point of the heavier components to facilitate the separation of diesel and heavy vacuum gas oil from residue. The residue from the vacuum distillation unit is used to produce fuel oil and asphalt. The heavy vacuum gas oil and very heavy vacuum gas oil are sent to the RFCCU.

The heavy vacuum gas oil from the vacuum distillation unit is fed to the heavy vacuum gas oil hydrotreater, which removes sulfur and improves feed quality for the RFCCU. The RFCCU converts streams from the vacuum distillation unit and the heavy vacuum gas oil hydrotreater unit that would otherwise be used to make lower value fuel oil into lighter, more valuable products such as LPG, gasoline and diesel by cracking, or breaking, large molecules into smaller molecules. Our RFCCU also upgrades a portion of the vacuum distillation unit residue and this allows our refinery to process lower cost, heavier crude oils. A dedicated distillation process is used to separate components into refinery fuel gas, PGP, LPG, gasoline, diesel, and a small amount of fuel oil. The gasoline from the RFCCU is treated in the whole cracked naphtha hydrotreater unit to meet Euro IV gasoline specifications.

Some of the lighter components from the crude distillation tower are sent to a series of towers called the light end recovery. The separated components consist of a refinery fuel gas, LPG, light naphtha and heavy naphtha. Light naphtha is sent to the gasoline-blending unit, or sold as chemical naphtha to petrochemical companies as ethylene cracker feedstock. Low octane heavy naphtha is routed to the naphtha hydrotreater to remove sulfur and then to the continuous catalyst regeneration reformer to boost its octane by changing the shape of the oil molecules to higher octane molecules. The reformed naphtha, or reformate, is sent to the benzene saturation unit which reduces benzene content in order to comply with Euro IV specifications. The product from the benzene saturation unit is used to blend different grades of unleaded gasoline.

The oil from one of the streams of the crude distillation unit is directed to the Jet Merox Unit to remove contaminants to produce jet fuel. Other streams from the crude distillation unit, the vacuum unit and the RFCCU are treated in the diesel hydrotreater unit to produce Euro IV diesel.





## (2) Market and Competition

### (a) Significant Marketing Characteristics

#### Marketing Strategy

1. The Company focuses to place our petroleum products primarily in Thai domestic market for highest return, mostly through Chevron, PTT and PTTOR under the offtake Agreement. The Company continues to maximize domestic placement to respond the demand increase as well as expands the placement to CLMV Market. In 2021, The company has a proportion of domestic sales at 85%, CLMV sales at 6% and export sales at 9%
2. The company focuses on producing and selling Gasoline which has higher demand than domestic production. Our unique configuration and flexibility in production of our refinery enables us to produce more gasoline compared to other Thai refineries

The following table sets forth the sales revenue and sales volumes of our various petroleum products for the periods indicated. Sales prices and revenue include excise taxes, oil fund, conservation fund and local taxes on fuels as required. These taxes are pass-through taxes that are sent on to the government.

Sale Revenue (in millions of US\$)	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
	2019			2020			2021		
	Sales Revenue	Volume (thousand barrels)	\$/bbl <sup>(2)</sup>	Sales Revenue	Volume (thousand barrels)	\$/bbl <sup>(2)</sup>	Sales Revenue	Volume (thousand barrels)	\$/bbl <sup>(2)</sup>
PGP	87.1	1,263	68.97	103.2	1,670	61.78	133.3	1,612	82.70
LPG	103.0	2,340	44.03	89.7	2,451	36.61	132.2	2,353	56.17
Light Naphtha	128.7	2,295	56.09	136.5	3,443	39.66	226.4	3,277	69.08
Gasoline	1,616.3	14,750	109.58	1,319.4	15,820	83.40	1,789.9	15,450	115.86
Jet Fuel	346.3	4,306	80.42	95.0	1,794	52.96	91.3	1,194	76.40
Diesel	2,393.8	21,381	111.96	2,001.2	25,035	79.94	2,300.6	21,748	105.78
Fuel Oil	254.8	4,373	58.25	96.7	2,707	35.71	145.4	2,623	55.44
Asphalt	43.3	770	56.31	25.0	568	44.06	50.9	700	72.65
Mix C4	92.9	1,828	50.83	93.6	2,592	36.09	162.6	2,785	58.39
Crude	29.6	427	69.19	10.4	268	38.77	1.6	23	69.37
Other <sup>(1)</sup>	295.9	4,218	70.16	181.3	4,233	42.83	315.8	4,204	75.11
<b>Total Revenue</b>	<b>5,391.7</b>	<b>57,951</b>	<b>93.04</b>	<b>4,152.0</b>	<b>60,579</b>	<b>68.54</b>	<b>5,350.0</b>	<b>55,971</b>	<b>95.59</b>

(1) Includes sulfur, reformat and products sold pursuant to our cracker feed exchange with PTT Global Chemical

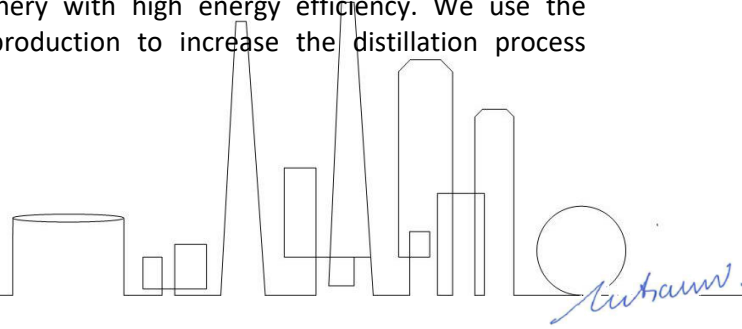
(2) Includes excise tax, energy conservation promotion fund, oil fuel fund and local taxes

#### Situation of Marketing and Competition

The refining industry in Thailand is highly competitive. Currently, there are other 5 refineries in Thailand which are Thai Oil Public Company Limited, Esso Public Company Limited, Bangchak Corporation Public Company Limited, PTT Global Chemical Public Company, and IRPC Public Company Limited with the nation's overall refining capacity of approximately 1,242,000 barrels per day in 2021. PTT, which is Thailand's largest oil and Gas Company, holds significant interests in 3 of our principal competitors: Thai Oil Public Company Limited, PTT Global Chemical Public Company, and IRPC Public Company Limited.

The company focuses on enhancing the refining efficiency, controlling the quality and production costs to be at a competitive level in the domestic market and export market. The Company is also looking for opportunities to maximize the returns where the Company has important factors that support the Company's capability, including

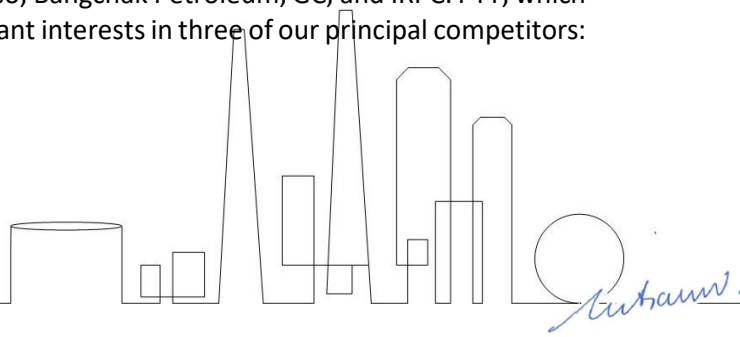
1. Our refinery is a modern complex refinery with high energy efficiency. We use the technology developed by experts for production to increase the distillation process flexibility.



2. The company has continuously developed and improved the production process to enhance the efficiency of production efficiently and maximize the return.
3. The strategic location of our refinery in the Map Ta Phut Industrial Estate in Rayong provides us access to a convenient product delivery network that allows us to distribute our products in a cost effective manner via transmission pipelines, coastal vessels via our marine terminal, and trucks via our truck loading terminal, to Thailand's main demand clusters for petroleum products. In addition, several petrochemical companies that purchase products from our refinery are also located in the vicinity of the Map Ta Phut Industrial Estate.
  - a. **Pipeline** Our refinery is connected to the Thappline pipeline and our offtakers transport gasoline, jet fuel and diesel through it to distribution networks in the Bangkok area. We increase the pressure of a booster pump, which is jointly owned with PTT Global Chemical Public Company from 850 Cubic meter per hour to 1,200 Cubic meter per hour which increases the capability to deliver products to the Thappline pipeline to meet customer needs.
  - b. **Marine terminal** We have a marine terminal with 2 piers to distribute products throughout Thailand. The main pier has five berths and is able to accommodate vessels of up to 80,000 dwt and is used for the distribution of petroleum products both domestically and to export markets as well as to receive domestic crude oil and other feedstocks. We also have a second pier that has two berths for the loading and distribution of LPG.
  - c. **Truck loading terminal** We operate a truck loading terminal for our offtakers to facilitate the distribution of our petroleum products to the southeast and northeast of Thailand, within Rayong province and to the Indo-China export market, including Laos, Cambodia and Myanmar. Our truck loading terminal also contains an asphalt loading rack to distribute asphalt and we charge operating costs of the truck loading terminal to offtakers. We have installed a vapor recovery unit and bottom loading capabilities in our truck terminal to reduce VOC emissions at the terminal.
4. We have entered into a cracker feed exchange with GC where we supply heavy vacuum gas oil as supplemental feed to GC's hydrocracker, and GC supplies us with hydrocracker bottoms as a supplemental feed to the RFCCU. The objective of the exchange is to increase yields of higher value products at both our RFCCU and GC's hydrocracker. Our facilities are located near to those of GC's refinery, and the intermediate products exchange is accomplished through use of direct pipelines.
5. The Company has implemented Crude to Customer Project which is the cross functional working team jointly sets the target and manages the whole supply chain, starting from crude selection and ending with products distribution and sale to our customers, to ensure the products meet supply commitments of product quality and on-time delivery. The Company has a Customer Index as one of the Company's KPI's. The Company conducts customer satisfaction surveys on a quarterly basis then evaluate survey results and customers' feedback to develop the action plans and monitor plan execution to ensure customer satisfaction by meeting or exceeding their expectations. The Company reports the customer satisfaction survey results, customers' feedback and action plans to the Board of Directors on a quarterly basis.

#### (b) Competition

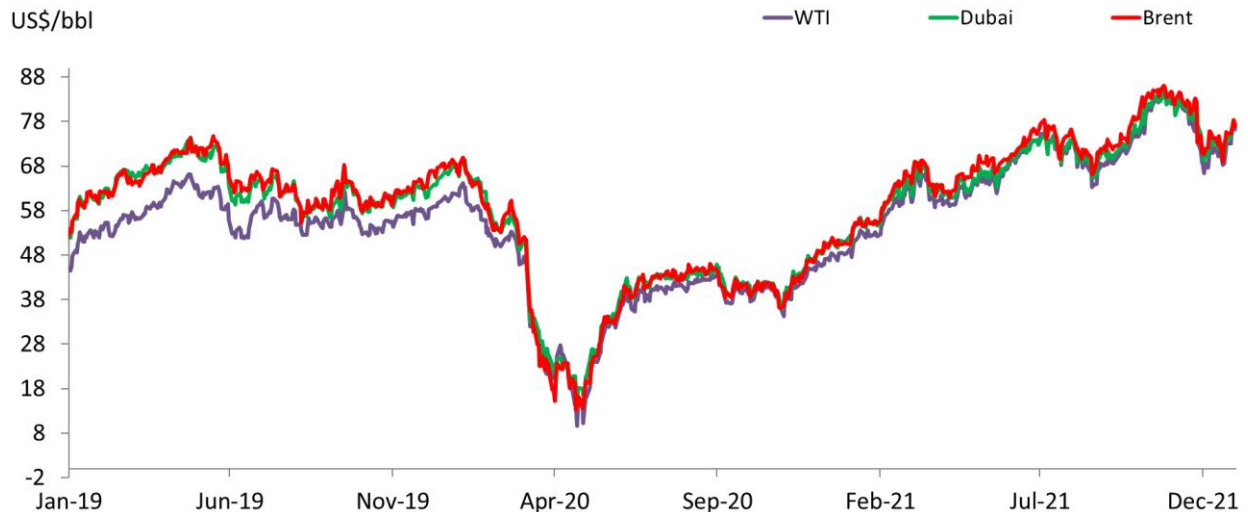
The refining industry in Thailand is highly competitive. We principally compete with five other domestic petroleum refineries in Thailand, which are Thai Oil, Esso, Bangchak Petroleum, GC, and IRPC. PTT, which is Thailand's largest oil and Gas Company, holds significant interests in three of our principal competitors: Thai Oil, GC and IRPC.



## The Oil Refining Industry

### Current Oil Price Environment

In 2021, crude prices have been volatile with Dubai crude price moving between US\$50.45/bbl and US\$84.34/bbl. The average Dubai price in 2021 of US\$69.39/bbl was higher than 2020 average of US\$42.27/bbl, as oil demand recovered due to the progressive easing of movement restrictions following a successful vaccination rollout in many regions with the rollover of OPEC+ output cuts and Saudi Arabia's supply reduction which cause the oil price rally. Meanwhile, the rebound in global trade and manufacturing activities has supported the recovery in oil demand and further boosted by higher natural gas prices which encouraged the use of oil as alternative feedstock which escalated Gas-to-oil switching.



### Oil Industry Outlook

The International Monetary Fund (IMF) has projected a global growth increased by 5.9 percent in 2021 due to economic recovery and a relaxation of pandemic-related lockdowns in many countries helped boost demand. The surge in infections in 2021 related to the Delta and Omicron variant sapped consumer demand, but to a much more limited degree than 2020 as higher vaccination progress. The growth projection for 2022 is expected to be a moderate 4.4 percent as the negative impact is expected to fade starting in the second quarter, but anticipate to confront effects of mobility restrictions, border closures, and pressures on health systems throughout 2022.

In 2021, global refined products demand rebound by 6 MMb/d from 2020 levels because of economic improvement but the demand is not yet back to pre-Covid 19 levels. In 2022, demand growth is projected to increase by 4 MMb/d. Nonetheless, additional economic disruptions from pandemic resurgence, including due to new variants, remain a key downside risk to oil demand. In addition, the global oil supply will continue to grow in line with the planned OPEC+ monthly increases in 1Q 2022.

Similar to the global market, Asian refining margins will show up with marginal improvements, but will remain stable in 2022. Despite rising oil consumption in Asia, crude oil output will also rise over the same period. It is expected that the easing of lockdowns will result in gradual recovery in oil demand over the next 2-3 years, with refined product demand surpassing 2019 levels by 2024.

Refined products demand growth will stabilize during the mid-2020s, after high volatility during the worst of the pandemic years. Pandemic will continue to influence growth through the mid-term, but post 2025, growth path will resume more stable. Moreover, mid-term demand outlook will be linked to recovery of volumes lost during the pandemic, dominated more by policies around global travel restrictions. Global refinery runs will recover to pre-COVID levels by 2022-23. Meanwhile, new refining projects have slowed



considerably given the uncertainty around future product demand and growing interest in moving away from fossil fuels towards bio and renewable fuels.

For the long-term Asian outlook, demand will continue to rise through to late 2030s, although the growth trend will shift from transport fuels toward petrochemical feedstocks. Moreover, it is expected that refinery utilization rates will rise strongly, supporting a rebound in refining margins. Consequently, high utilization and robust refining margins will support new capacity start-ups in the late 2020s and expect such additions to materialize predominantly in Asia given the stronger demand prospects.

### **(3) Supply of Crude and Feedstocks**

#### **Crude Oil Supply**

The main feedstock used in our refinery production process is crude oil. We are capable of processing a wide range of crude oil, including crude oil from the Middle East, Far East and other regions. As our refinery has upgrading and conversion units, we upgraded our facilities to be highly flexible of processing different type of crude both light or heavy, sweet or sour including but not limit to the contaminated crude i.e. high Mercury crude, high Chloride crude, acidity crude which allows SPRC to capture the crude optimization benefit, we are able to use a higher proportion of heavy sour crude from the Middle East, which has a higher sulfur content and is less costly than light sweet crude, to produce a product slate that matches customer demand. We use Chevron's global crude and feedstock procurement network, crude characterizations, and proprietary linear program to optimize the quantity and type of crude oil and other feedstocks that serve as inputs in our refinery. This allows us to more precisely source, select and blend crude oil that enhances our gross refining margins while meeting customer demand. Our crude oil slate is determined after we decide on our product slate with input from our offtakers, based on our assessment of customer demand and projected prices for the various products that we can produce, typically around three months in advance of product sales. We input pricing and product demand information into Chevron's proprietary linear software, which takes into account our production processes and constraints, to determine the optimal blend of crude oil to purchase.

We source and purchase crude oil primarily through Chevron and PTT and their affiliates on credit terms that are in line with market practice.

#### **Other Refinery Feedstocks and Raw Materials**

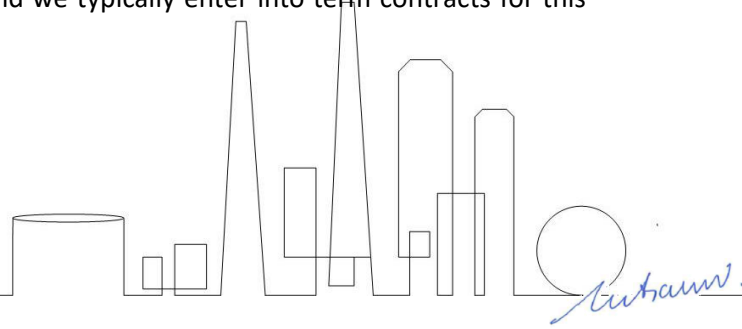
We also purchase long residues and other feedstocks for processing in our refinery. We purchase such principal feedstock for our refinery primarily from Chevron under feedstock supply agreements. We use hydrogen to remove sulfur from our petroleum products as part of the hydrotreating process. We have entered into agreements with outside suppliers to provide supplemental hydrogen to our refinery.

#### **Intermediate Products Exchange**

We have entered into a cracker feed exchange with PTTGC where we supply heavy vacuum gas oil as supplemental feed to PTTGC's hydrocracker, and PTTGC supplies us with hydrocracker bottoms as a supplemental feed to the RFCCU. The objective of the exchange is to increase yields of higher value products at both our RFCCU and PTTGC's hydrocracker. Our facilities are located near to those of PTTGC's refinery, and the intermediate products exchange is accomplished through use of direct pipelines.

#### **Catalysts**

We use various types of catalysts in many of the major units in our refinery to facilitate reactions to improve product yields and product quality. Catalysts typically last from two to six years, depending on the type of catalyst used and the unit in which it is used. We evaluate and select catalysts based on their performance and price and the needs of our refinery. We typically purchase catalysts on a spot basis, based on technical and commercial considerations at the time. However, our Residue Fluidized Catalytic Cracker Unit requires continuous catalyst make-up, and we typically enter into term contracts for this continuous supply.



## Flows and Storage

### Crude Oil

We primarily receive crude oil shipments through a single point mooring system, that we own jointly with PTTGC, that permits us to receive shipments from very large crude carriers, or VLCCs, of up to 265,000 dwt capacity. VLCCs significantly reduce crude transportation costs from the Middle East and we also take advantage of co-loading VLCCs with PTTGC in order to share these transportation costs. The co-loading also applies the Aframax size with other refineries to minimize freight cost when receiving crude in smaller shipment. We are also able to receive crude oil in smaller shipments through a pier in our marine terminal. This crude is delivered to storage tanks at the refinery through pipelines that connect directly to our refinery.

### Product Distribution

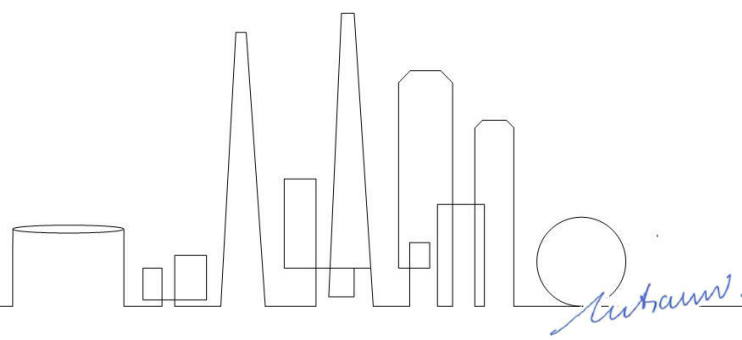
The strategic location of our refinery in the Map Ta Phut Industrial Estate in Rayong provides us access to a convenient product delivery network that allows us to distribute our products in a cost effective manner via transmission pipelines, coastal vessels via our marine terminal, and trucks via our truck loading terminal, to Thailand's main demand clusters for petroleum products. In addition, several petrochemical companies that purchase products from our refinery are also located in the vicinity of the Map Ta Phut Industrial Estate. Our refinery is connected to the Thapline pipeline and our offtakers transport gasoline, jet fuel and diesel through it to distribution networks in the Bangkok area. We operate a booster pump, which is jointly owned with GC, to deliver products to the Thapline pipeline.

We also have a marine terminal with two piers to distribute products throughout Thailand. The main pier has five berths and is able to accommodate vessels of up to 80,000 dwt and is used for the distribution of petroleum products both domestically and to export markets as well as to receive domestic crude oil and other feedstocks. We also have a second pier that has two berths for the loading and distribution of LPG.

We also operate a truck loading terminal for our offtakers to facilitate the distribution of our petroleum products to the southeast and northeast of Thailand, within Rayong province and to the Indo-China export market, including Laos, Cambodia and Myanmar. Our truck loading terminal also contains an asphalt loading rack to distribute asphalt and we charge operating costs of the truck loading terminal to offtakers. We have installed a vapor recovery unit and bottom loading capabilities in our truck terminal to reduce VOC emissions at the terminal.

### Storage

Our refinery has a total of 74 storage tanks and facilities to enable us to store feedstocks after delivery and before process, products before delivery and certain intermediate processing streams. We have an aggregate nominal crude oil storage capacity of approximately 4.9 million barrels, representing up to 29 days' supply of crude oil. Thai regulations required us to hold a legal reserve of crude oil equivalent to 6% of our annual sale of petroleum products domestically. In accordance with the current situation, Thai regulations has extended the reduction of legal reserve of crude oil from 6% to 4% due to an ongoing of Covid-19 pandemic in 2021. Our product inventory increases and decreases from time to time reflecting timing of product deliveries and operational variations.





#### (4) Operating Asset

##### The Company's Major Assets

As of 31 December 2021, the company's property, plant and equipment, which the company has the right of ownership, and its net book value after accumulated depreciation as presented in the company's financial statement are as follows:

Major assets	Book value		Obligation
	US\$ million	Baht Million	
Land	73	2,467	No
Buildings	59	1,973	No
Refinery plant & machinery	2,090	70,206	No
Furniture, fixtures and equipment	75	2,503	No
Construction in progress	2	62	No
<b>Total cost</b>	<b>2,298</b>	<b>77,210</b>	
<u>Less</u> Accumulated depreciation	(1,577)	(52,992)	
<b>Net book amount after accumulated depreciation</b>	<b>721</b>	<b>24,219</b>	

##### Land

The company's refinery is located on its own land of approximately 1,200 rai in Map Ta Phut Industrial Estate. The company also leases certain parcels of land of approximately 109 rai for the operation relating to the refinery such as the company's product piers.

##### Refinery Plant and Machinery

The company has the right of ownership in the refinery plant and all machineries used in the company's refinery operation.

##### Detail of Insurance

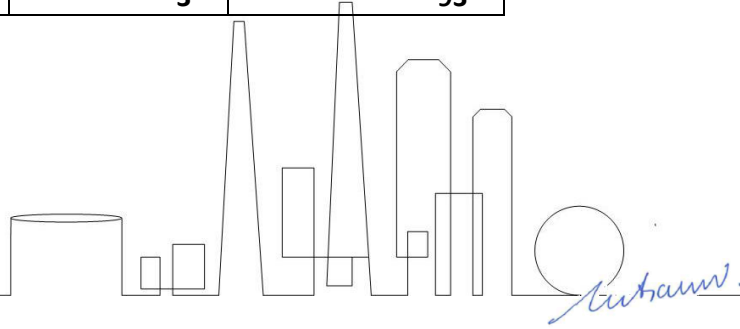
The company's significant insurance policies include a "property all risks" policy, which includes coverage of material damage, machinery breakdown and business interruption for the refinery as well as the joint ownership interest in the single point mooring system. The company also carries third-party liability, marine cargo insurance and limited business interruption insurance. The company, insurance broker and shareholders review the company's insurance coverage periodically and the terms and conditions of the insurance policies are in accordance with industry norms and maintained at adequate levels.

All of the above insurance policies are subject to deductibles and are renewed annually. Some of the insurance coverage does not extend to war or acts of terrorism, among other exclusions.

##### Intangible Assets

As of 31 December 2021, the company's intangible assets and its net book value after accumulated amortization as presented in the company's financial statement are as follows:

Intangible assets	Book value	
	US\$ million	Baht Million
Computer Programs	15	484
Work in progress	1	28
<b>Total cost</b>	<b>15</b>	<b>517</b>
<u>Less</u> Accumulated amortization	(12)	(420)
<b>Net book amount after accumulated amortization</b>	<b>3</b>	<b>93</b>



## Right for Use of Land in Map Ta Phut Industrial Estate and Long Term Lease

### Agreement for Use of Land for industrial purpose in Map Ta Phut Industrial Estate

In 1992, the Company entered into an agreement with IEAT for the use of land for a period of 30 years from 20 November 1992 to 19 November 2022. Currently, it is approximately 34.5 rai which is used for the company's marine terminal and approximately 5 rai which is used for the product pipelines.

In addition, the Company has 2 agreements for land usage for other operations relating to IEAT

- The land for approximately 15 rai for a period from 20 November 1992 to 19 November 2022 which is used for the piperack and product pipelines, and
- Executed in 2019, the land for approximately 2.5 rai for a period from 1 January 2019 to 31 December 2021 which is used for the construction of anticorrosion system for the underground crude pipeline. The agreement has been extended to 31 December 2024.

The Company has a plan to extend the agreements before they expire.

### Long Term Lease

The company entered into a land lease agreement with IEAT dated 19 June 2007 for the refinery operation and power generation with an area of approximately 52 rai in IEAT area for a period of 30 years from 6 July 1995 to 5 July 2025.

### Investment Policy in Subsidiaries and Associated Companies

As of 31 December 2021 the company has no investment in subsidiaries or associated companies so the company does not have an investment policy in subsidiaries and associated companies.

### Asset Revaluation

The company has no Asset Revaluation in 2021

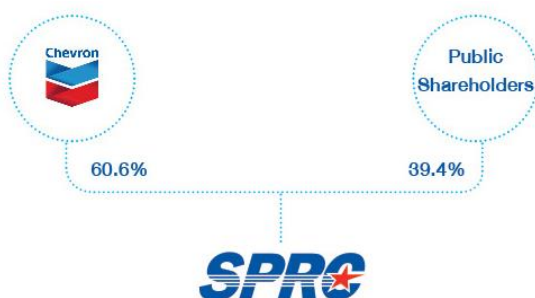
## (5) Ongoing Projects

N/A

### 1.3 Shareholding Structure

#### 1.3.1 Shareholding Structure

Chevron is our major shareholder, holding 60.6% of share in SPRC. The present shareholding structure is shown below.



#### 1.3.2 Persons who may have conflict of interests in Subsidiaries and Associated Companies holding more than 10% of total common shares

N/A

#### 1.3.3 Relationship with Major Shareholder

Chevron is one of world's leading oil and gas groups with over a century of experience worldwide. The long-standing relationship with Chevron and its connection bring SPRC the competitive advantage



through providing competitively priced crude and feedstock supply, petroleum products sale agreements and access to proprietary technologies and systems.

### 1.3.4 Shareholders

#### (1) List of major shareholders

##### (a) List of top 10 major shareholders

List of the top 10 major shareholders as of 5 March 2021

No.	List of the top 10 major shareholders	Number of shares	Shareholding Percentage
1	CHEVRON SOUTH ASIA HOLDINGS PTE LTD	2,625,888,656	60.56%
2	Thai NVDR Company Limited	272,432,333	6.28%
3	RBC INVESTOR SERVICES TRUST	78,900,500	1.82%
4	NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND CL AC	75,216,300	1.73%
5	STATE STREET EUROPE LIMITED	53,220,560	1.23%
6	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	44,117,601	1.02%
7	K MASTER POOL FUND REGISTERED	32,158,000	0.74%
8	SCB Long-Term Equity Dividend 70/30	23,163,600	0.53%
9	Provident fund EGAT Registered	21,123,100	0.49%
10	K Equity RMF (Support PVD transfers)	20,748,900	0.48%

##### (b) Major Shareholder with Significant Influence over Company's Policies or Operations

N/A

#### (2) List of major shareholders for subsidiaries of main business (in case of Holding Company)

N/A

#### (3) Major Shareholders' Agreement with Effect to Security Offering and Issuance or Management Power of the Company

N/A

### 1.4 Registered Capital and Paid-Up Capital

#### 1.4.1 Registered Capital, Paid-Up Capital and Number of shares

As of 31 December 2021, the Company's registered and paid-up capital totaled Baht 30,004,442,705 consists of 4,335,902,125 ordinary shares with a par value of Baht 6.92 each. The Company is listed on the Stock Exchange of Thailand.

#### 1.4.2 Other types of shares with different rights or conditions

N/A

#### 1.4.3 Indicate number of shares and shares reserved for conversion in case of there are convertible shares or securities as a Underlying Asset for investment unit issuance of mutual fund for foreign investors and Non - Voting Depository Receipt (NVDR)

N/A

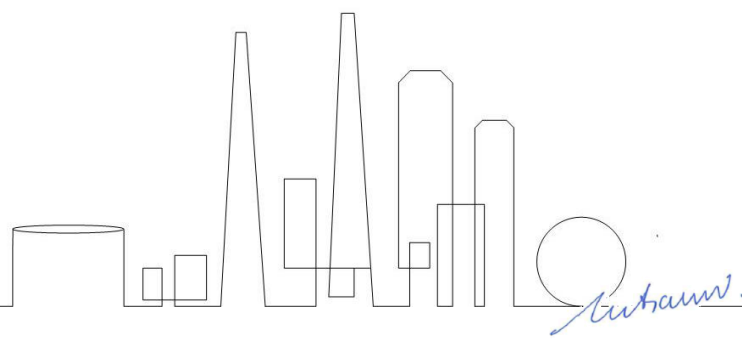
### 1.5 Other security issuance

#### 1.5.1 Convertible securities (if any)

N/A

#### 1.5.2 Bond (if any)

N/A



## 1.6 Dividend Policy

The dividend payment policy of SPRC is to pay twice per year of at least 50 percent of net profits after 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.

The dividend declaration shall be made in US Dollar and converted to Thai Baht by using the average selling exchange rate of The Bank of Thailand for 7 Banking days before the notification date of the Board of Directors for consideration on the dividend payment.

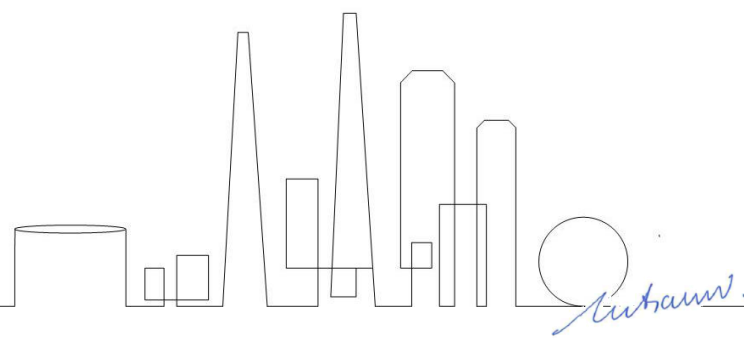
Our board of directors may recommend an annual dividend payment, subject to the approval of our shareholders at the shareholders' meeting. Our board of directors may also, by its resolution, decide to pay an interim dividend to our shareholders if the directors determine that it is justified by our profits.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

### Historical dividend payment information

Year	2018	2019	2020	First six months of 2021
Net earnings per share (US\$)	0.02	(0.02)	(0.04)	0.02
Dividend per share (US\$)	0.0177	0.0058 <sup>1</sup>	N/A	N/A
Dividend payout ratio same period (%)	104.00	N/A	N/A	N/A

Year	2018	2019	2020	First six months of 2021
Net earnings per share (Baht)	0.52	(0.65)	(1.38)	0.64
Dividend per share (Baht)	0.5928	0.1827 <sup>1</sup>	N/A	N/A
Dividend payout ratio same period (%)	114.00	N/A	N/A	N/A

<sup>1</sup> The Company paid the total annual dividend payment in 2019 Baht 0.1827 per share from Company's unappropriated retained earnings as of 31 December 2019.



## 2. Risk Management

### 2.1 Risk management policy and Mitigation plan

SPRC continuously improving our risk management process and embedding into our key business processes to make it as our continuous improving culture.

SPRC utilizes a robust work process to identify risk factors, develop risk assessments and mitigation plans to effectively manage these risks. We pay great attention to identify risk factors from both internal and external, which are aligned with our “Key Result Areas” KRA’s. We utilize a risk assessment matrix (RAM) to assess and identify risks which require mitigation plans.

SPRC systematically develops the robust mitigation plan plus verification process and keep update all key risks. All risk factors and the mitigation actions are reviewed quarterly with the Risk Management Committee which consists of the Chief Executive officer, the deputy Chief Executive Officer-Operation, the Supply Planning Manager and the Chief Financial Officer. We also review our risk mitigation plans and progress on mitigation plans with the Audit Committee on a quarterly basis.

In 2021, SPRC assessed for both internal and external risk factors including the changes on markets, economic, digitalization, regulations, business competitors and operational activities. SPRC Corporate Risk are categorized into five seven key risks comprising Strategic Risk, Market/Business risk, Operational Risk, Financial risk, Trading Risks, Project Risk and Compliance Risk. The current SPRC Corporate Risks have Four risks consist of Strategic Risk, Financial Risk, Trading Risk and Operation Risk. The mitigation plans are developed to manage, minimize consequences of those risks, and ensure that we can achieve the key result areas (KRA).

### 2.2 Risk factors

#### 2.2.1 Operational risk

##### 2.2.1.1 Strategic Risk

#### Refinery Competitiveness & Long- Term Viability

SPRC continues developing our long-term business strategy to capture and address future threat and opportunity which results from changes in energy business environment, evolving trend of the future energy by focusing on the next cycle of investment to ensure company can stay competitive and provide superior return to the shareholders.

SPRC uses Solomon Associates refinery benchmarking services to help SPRC develop aspirational targets to improve our operating efficiency and competitiveness. SPRC has demonstrated sustained performance meeting our aspirational targets in utilization, efficiency and reliability, which are the first steps in being competitive. To provide continuous improvement in financial returns, SPRC has a Bottom-Line Improvement Program (BLIP) which addresses margin improvement. We have effective work processes such as Advanced Optimization Studies (AOS) and Innovation Quests (IQ) to help identify ideas to enhance refinery optimization. SPRC also integrate sustainable development in our procedures and operational policy through management system in all area, for example, Environment, Health & Safety Management System, Hydrocarbon Management System, Asset Management System and Administration Management System to drive succession in our key result areas and be long timer competitiveness in refinery business.

##### 2.2.1.2 Operational Risk

#### Significant Interruption in The Operations

SPRC has a strong “Incident and Injury Free” (IIF) culture. We commit to be incident and injury free in all





our refinery's operation and cultivate IIF leadership in SPRC family, which is the key driver for our excellent safety and reliability performance. SPRC's strategic intent is to Set the Standard globally for Operation Excellence. We seek to continuously improve our performance, using benchmarking from Solomon Associates to set our targets.

In 2021, the pandemic of COVID-19 was still being the threat to run business as it potentially creates health impact to SPRC staff and contractors and in worst case scenario, it can shut down the refinery. Non-Essential for refinery operations personnel must work from home while Essential to refinery operations personnel, including Operations team, Maintenance crews and essential contractors continue to come to work with strictly mitigation measures to prevent COVID-19 internal infection. The complete doses of COVID-19 vaccine were prepared for all SPRC staff, their extended family at home and permanent contractors who come to work at Refinery as additional layer of mitigation plan.

SPRC continue drive an organizational efficiency through "Human performance" (HP) focus on reduce human error, the effectiveness of work process and enhance competency. This is one of the methods that support us to operate incident and injury free. The Human Performance tool helps to identify and eliminate "error traps" from human mistakes and support our family to perform tasks in procedure or skill-based modes. Additional, SPRC develop all leaders to lead effective organization by execute leadership and competency development program to world class standard.

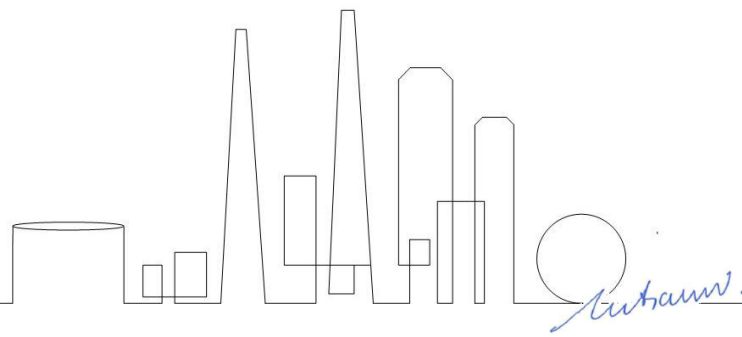
One of the key drivers to be Operational Excellence is Process Safety Management (PSM). SPRC has embedded process safety concepts into our Refinery Management System that consists of Hydrocarbon Management, Asset Management, Administrative Management, and Environmental, Health and Safety Management. These management systems provide policies, procedures and work instructions for all areas of our business to ensure we operate incident and injury free. We also have V&V (verification and validation) program to strengthen PSM processes and ensure effectiveness of process safety safeguarding. In 2021, SPRC passed the Process Safety Management (PSM) External Audit certification by certified auditors accredited by Industrial Estate Authority of Thailand (IEAT). The audit results demonstrate that SPRC fully complies with Process Safety Management (PSM) standard and regulation of IEAT.

### **Single Point Mooring (SPM) integrity and oil spill response**

Under "Incident and Injury Free" (IIF) culture in SPRC, Single Point Mooring (SPM) integrity and emergency response management is also included in the Process Safety Management (PSM) scope. SPRC has relevant policies, operating work instructions, inspection program, and maintenance plan for SPM, plus oil spill response plan, related oil spill response equipment with regular drills, to ensure that we minimize any impact to environment, sea and coastal.

### **Manage Refinery production plan**

Refinery margins are primarily impacted by global crude and products market results from supply and demand, much of which are outside of SPRC's control. Moreover, impact from COVID-19 pandemic cause to significant decrease for global product. SPRC has put a focus on those areas which we can control, to improve our performance relative to the market and improve our competitiveness. Such as Manage production plan during COVID-19. As stated above, SPRC sets aspirational targets for Operational Excellence through safe and reliable operations, allowing us to maximize utilization of our assets, and maximize profit through our Bottom Line Improvement Program (BLIP). We always set challenging targets to increase our realized margin over benchmark margins, whether in a low or high margin situation, which improves SPRC's competitiveness.



### 2.2.1.3 Financial Risk

SPRC closely monitors financial performance especially during volatile market. We have a low debt/equity ratio and we have effective systems in place to monitor our financial health, including cash flow projection, capital project expenditure and other activities. Our functional currency is US Dollars, as most of our revenues, costs and expense are based on US Dollars. This helps to reduce our exposure to interest rate and foreign exchange rate fluctuation.

### 2.2.1.4 Trading risk, Laws and regulations relating to the environment or product specification requirements

SPRC closely monitors and follow up all information that relate with regulation or product specification changes. We have the working team to participate with the Federation of Thai Industry (FTI) where we work with other refineries to understand laws and regulations that may impact our business and advocate with the government as appropriate. This helps us develop mitigation plans to minimize potential risks from the regulations. The new regulations that relate with our business, for example, EURO V fuels and future asphalt specifications are reviewed and assessed the economic feasibility to develop project opportunities or mitigation plans including follow up actions for each of these items to ensure these actions are completed as planned.

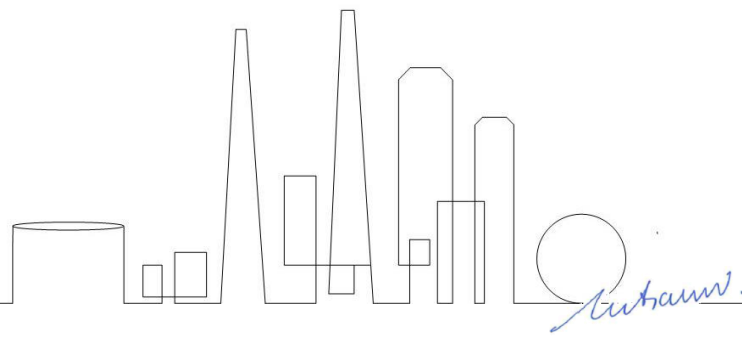
SPRC supplies products that meet or exceed customer requirements and expectations. We have a dedicated working team, the Crude to Customer Committee, to develop and implement effective work processes starting with crude buying and finishing with product delivery to the customers to meet both quality and quantity requirements. We have a robust work process to capture customers feedbacks and develop key supply performance indicator to ensure we meet both tangible and intangible requirements from the customers.

### 2.2.2 Investment risk of shareholders

N/A

### 2.2.3 Investment Risks in foreign countries

N/A



### 3. Business operation with sustainability

#### 3.1 Policy and target for sustainability management

SPRC Family committed to operating and creating sustainable business growth with care and concern under the principles of good corporate governance. Throughout our value chain taking into account of impact on stakeholders, society and environment per our sustainable development aspiration “We do everything with Care and Responsibility” the company has established sustainability practices in each dimension, including business strategies. [Additional details can be found in the 2021 Sustainability Report.](#)

#### 3.2 Impact management for stakeholders in business' value chain

SPRC family realizes the efficiency of business operations throughout our value chain start from sourcing crude oil to delivering products to customers through a rigorous selection process, overseen by feedstock buying committee considering the economic and quality factors as well as ensuring safe and reliable work processes. We aim to reduce social and environmental impacts from the process, focus on product development, delivering quality services and satisfaction to the stakeholders. In addition, the Company perform expectation's survey from stakeholders who play a role in business operations such as employees, communities, customers and partners to understand and be able to respond to their expectations appropriately. [Additional details can be found in the 2021 Sustainability Report.](#)

##### 3.2.1 Business value chain

[Additional details can be found in the 2021 Sustainability Report.](#)

##### 3.2.2 Analysis of stakeholders in business' value chain

[Additional details can be found in the 2021 Sustainability Report.](#)

#### 3.3 Sustainable management in Environmental Dimension

SPRC family has established environmental management policies and practices under the Environmental, Health and Safety Management System (EHS Management System) manual which covers Prevention and management of spills, Waste disposal, Air quality, Energy efficiency and Water management. In 2021, SPRC has initiatives to improve energy efficiency and reduce greenhouse gas emissions in the entire production process. We can reduce the amount of greenhouse gas emissions 3,720 Tons of CO<sub>2</sub> equivalent per year. [Additional details can be found in the 2021 Sustainability Report](#)

##### 3.3.1 Sustainable Environmental Management Policy and Procedure

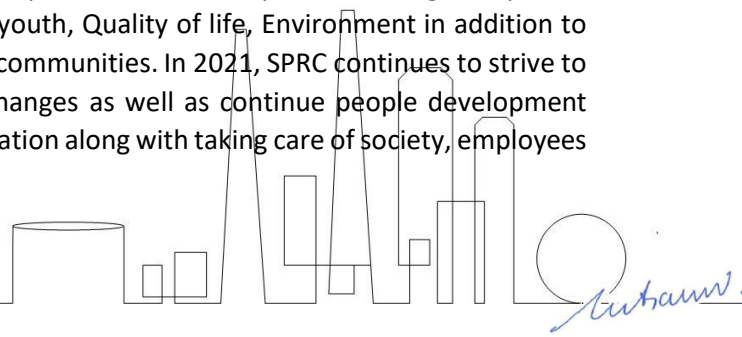
[Additional details can be found in the 2021 Sustainability Report.](#)

##### 3.3.2 Operation performance for Environmental Dimension

[Additional details can be found in the 2021 Sustainability Report.](#)

#### 3.4 Sustainable management in Social Dimension

SPRC family establishes code of conduct, human rights policies and practices including policies on the treatment of employees, business partners, communities with a clear plan and can be operated continuously. The corporate social responsibility action plan aims to improve the quality of life of the people in the community. We ensure that we do everything with care and responsibility to minimize impact to environment in the areas where the Company does business (more detail policy [www.sprc.co.th/en/sustainability](http://www.sprc.co.th/en/sustainability)) by understanding expectations and responses through corporate social responsibility activities covering education and youth, Quality of life, Environment in addition to building long-term relationships with the surrounding communities. In 2021, SPRC continues to strive to develop employees' potential in line with business changes as well as continue people development creating agility and energize culture of learning organization along with taking care of society, employees



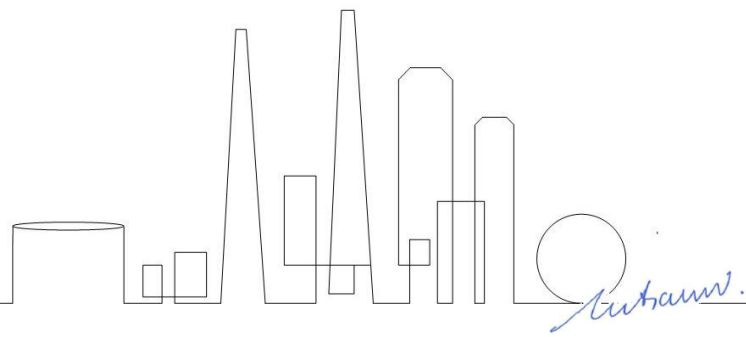
to have a better quality of life. SPRC has received continuous social responsibility awards from the Department of Industrial Works, Ministry of Industry. SPRC has set a target for 50% of employees to take part in social responsibility activities and community activities. 26% of employees participated in social responsibility activities. SPRC also received more than 90% community engagement scores better than target set, which was a success that helped SPRC recognized by the community and society. [Additional details can be found in the 2021 Sustainability Report.](#)

#### **3.4.1 Sustainable Social Management Policy and Procedure**

[Additional details can be found in the 2021 Sustainability Report.](#)

#### **3.4.2 Operation performance for Social Dimension**

[Additional details can be found in the 2021 Sustainability Report.](#)



## 4. Management Discussion and Analysis: MD&A

### Overview

The company is one of the leading petroleum product producers in Thailand and listed in Stock Exchange of Thailand. The company operates a complex refinery with a capacity of 175,000 barrels per day of crude oil.

The company's refinery produces and sells petroleum products, which include LPG, premium and regular grades of unleaded gasoline, high speed diesel, jet fuel and fuel oil, as well as petrochemical feedstocks used in the petrochemical industry. Most of the petroleum products are sold to Chevron and PTT&PTTOR pursuant to the Offtake Agreement.

In operating the refinery, the company focuses on pursuing operational excellence in an incident-and injury-free environment, growing shareholder value, pursuing environmental leadership, and social development. The strategic location of the refinery provides proximity to key transportation options (including a pipeline, trucks and coastal vessels) and major demand centers, which lowers transportation costs and provides several supply and distribution advantages.

### 4.1 Analysis of business operation and financial position

#### Financial Performance

The following table shows a summary of the company's financial performance.

	(US\$ Million)			(Baht Million)		
	2021	2020	+ / (-)	2021	2020	+ / (-)
Total Revenue	5,350	4,152	1,198	172,484	130,163	42,321
EBITDA	275	(140)	415	8,769	(4,551)	13,319
Adjusted EBITDA <sup>(1)</sup>	82	59	22	2,533	1,710	823
Exchange (loss)/gain	(2)	14	(17)	(74)	464	(538)
Net gain/(loss)	150	(187)	337	4,746	(6,005)	10,751
Net gain/(loss) (US\$ / Baht per share)	0.03	(0.04)	0.08	1.09	(1.38)	2.48
Accounting gross refining margin (US\$/barrel) <sup>(2)</sup>	7.50	(1.04)	8.55	7.50	(1.04)	8.55
Market gross refining margin (US\$ per barrel) <sup>(3)</sup>	3.66	2.79	0.87	3.66	2.79	0.87

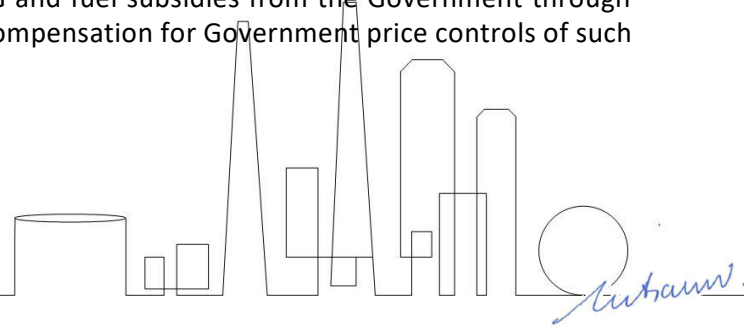
<sup>(1)</sup> Adjusted EBITDA refers EBITDA excluding Stock gain/loss, net NRV and Extra item

<sup>(2)</sup> margin includes inventory gain/loss based on weighted average inventory cost and loss from write down of inventory to net realizable value at the end of period

<sup>(3)</sup> margin is calculated based on current replacement cost

#### Total revenue

Total revenue is comprised of sales and subsidies. Sales consist primarily of sales of petroleum products, with a primary focus on gasoline, jet fuel, and diesel. Sales prices include the applicable excise taxes and oil fuel fund contribution charges, which are pass-through items, and are paid to the applicable Government authorities. The Company receives LPG and fuel subsidies from the Government through the oil fuel fund for LPG and certain other fuels as compensation for Government price controls of such petroleum products.





The following table sets forth total revenue, including LPG and fuel subsidies, for each of our petroleum products for 2020-2021.

US\$ Million		
Petroleum products <sup>(1)</sup>	2021	2020
Polymer Grade Propylene	133	103
Liquefied Petroleum Gas	132	90
Light Naphtha	226	137
Gasoline	1,790	1,319
Jet Fuel	91	95
Diesel	2,301	2,001
Fuel Oil	145	97
Asphalt	51	25
Mix C4	163	94
Crude	2	10
Others <sup>(2)</sup>	316	181
<b>Total Revenue</b>	<b>5,350</b>	<b>4,152</b>

<sup>(1)</sup> Includes Government LPG and oil subsidies.

<sup>(2)</sup> Includes sulfur, reformat and products sold pursuant to our cracker feed exchange with PTT Global Chemical (PTTGC).

SPRC had sale revenue of US\$5,350 million in 2021, increased from US\$4,152 million in 2020 or equivalent to 29%. An increased in global oil price and rose product crack spreads in 2021 led to increase sale revenue. On the contrary, sales volume of petroleum products was at 56.0 million barrels in 2021, lower than 2020 which was at 60.6 million barrels as a result of lower product demand from new wave COVID-19 spreading in Thailand.

In 2021, the company sold its petroleum products based on sale revenue to Chevron, PTT & PTTOR and other oil and petrochemical companies in the proportion of 43%, 41% and 16%, respectively.

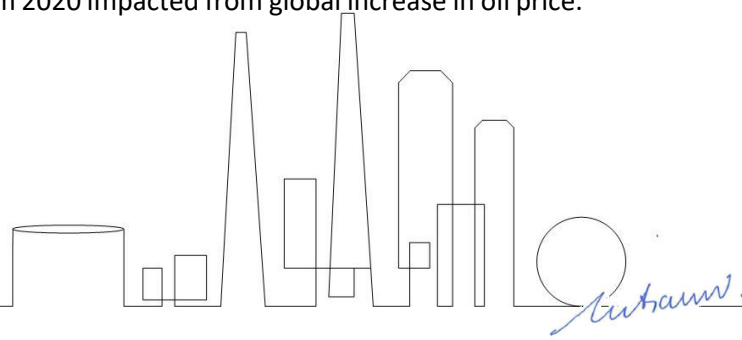
The company generally provides credit term of 19 days for domestic sale and 30 days for export sale to the customer under the Purchase and Sale Agreement. The majority of the company total sales is to related companies who have reputable and strong financial positions. Apart from these, sales are made to other customers with appropriate credit histories.

During 2019-2021 the company had average collection period from 20.8 to 22.7 days which were in line with the company credit term.

### Cost of Sales

Cost of sales consists principally of the cost of raw materials, which is the landed cost of crude oil and other feedstocks used in the refining process, and purchased natural gas and other costs. Cost of sales includes excise and local government taxes and oil fuel fund contributions that are collected on product sales and are payable to the government. Lastly, cost of sales includes repair and maintenance expenditure on property, plant and equipment, depreciation on property, plant and equipment and operating lease rental costs related to production. Cost of sales is determined on the weighted average method.

Comparing cost of sale, 2021 cost of sale increased from 2020 impacted from global increase in oil price.



## Other income

Other income mainly comprised of service income, interest income from deposit accounts, and export tax subsidy.

The decrease in 2021 was mainly from the decrease in service income compared in 2020.

## Gain (or loss) on Foreign Exchange

Gain (or loss) on foreign exchange relates to any gain (or loss) resulting from changes in the U.S. dollar value of Baht and other non-U.S. dollar denominated assets or liabilities from translation of the relevant currency into U.S. dollars due to changes in the exchange rate between the relevant currency and the U.S. dollar.

Comparing 2021 to 2020, foreign exchange loss in 2021 while exchange gain in prior year due to depreciation of Baht against US\$ in 2021 comparing to appreciation in 2020. Baht moved stronger which resulted to US\$ foreign exchange gain on net Baht denominated receivables to US\$ amount.

## Administrative Expenses

Administrative expenses include the expenses and depreciation not directly related to the refinery production process and amortization of intangible assets such as computer software.

Comparing 2021 with 2020, administrative expenses in 2021 was lower mainly due to reversal accrue expenses, SPRC received the recovery from the loss of invoice payment from the cyber-attack approximately US\$1.7 Million in 2021 and operating expense control effectively.

## Finance Costs

Finance costs include interest expense on short-term loans and long-term loans and commitment fees for the committed credit facilities. Finance costs also include fees for bank guarantees issued on company behalf.

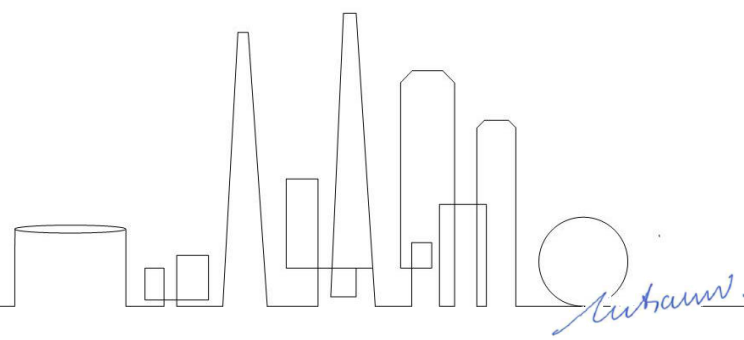
Finance cost was insignificant changed from 2020.

## Income Tax Expenses

Income tax expenses consist of current income tax payable and deferred income tax. Company statutory tax rate was 20%.

The company had net profit before tax in 2021 of US\$186 million. The income tax in 2021 was offset with the deferred income tax on operating loss carry forward.

In 2020, the company has changed its functional currency for corporate tax return from Baht to USD to align with statutory financial statements. The change has been approved by the Revenue department.



**Analysis of Financial Position**

	US\$ Million			Baht Million		
	2021	2020	+ / (-)	2021	2020	+ / (-)
Total Assets	1,748	1,541	207	58,726	46,541	12,185
Total Liabilities	725	666	59	24,355	20,114	4,241
Total Shareholders' Equity	1,023	875	148	34,371	26,427	7,944

**Assets**

Total assets as of 31 December 21 increased by US\$207 million (Baht 12,185 million) from 31 December 20.

Total current assets significantly increased US\$335 million (Baht 13,408 million) mainly due to:

- an increase in inventory of US\$191 million (Baht 7,434 million) mainly from higher inventory price due to increasing in oil price
- an increase in trade and other receivables of US\$112 million (Baht 4,705 million) due to higher product selling price in December 21 and also slightly higher sales volume comparing to December 20
- an increase in cash and cash equivalent of US\$34 million (Baht 1,310 million) due to net cash generated from operating profit, partly offset by repayment of long-term borrowings of US\$85 million (Baht 2,844 million) during the year.

On the contrary, non-current assets decreased US\$127 million (Baht 1,223 million) mainly due to a decrease in property, plant and equipment of US\$79 million (but increase Baht 63 million from currency translation) due to depreciation expenses in 2021, and a decrease in deferred tax asset of US\$36 million (Baht 950 million) from the utilization of operating loss carryforward from profit in 2021.

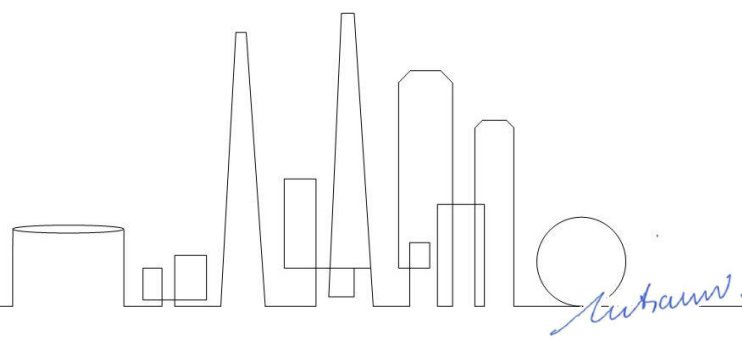
**Liabilities**

Total liabilities as of 31 December 21 increased US\$59 million (Baht 4,241 million) from 31 December 20. The increment was mainly from:

- an increase in trade and other account payables of US\$157 million (Baht 6,140 million) from an increase in crude oil price in December 21 comparing to December 20; but partly offset by
- a decrease in L-T borrowing of US\$99 million (Baht 2,183 million). The decrease was impacted from loan repayment of US\$85 million, and exchange rate impact on non-US\$ borrowing; and
- a decrease in VAT of US\$5 million (Baht 143 million) from higher VAT input in December 21 and excise tax payable of US\$4 million (Baht 8 million) from timing of product lifting in late of December 21 comparing to December 20.

**Shareholders' Equity**

Shareholders' equity as of 31 December 21 increased US\$148 million (Baht 7,944 million) from 31 December 20 resulted from the net profit in 2021.



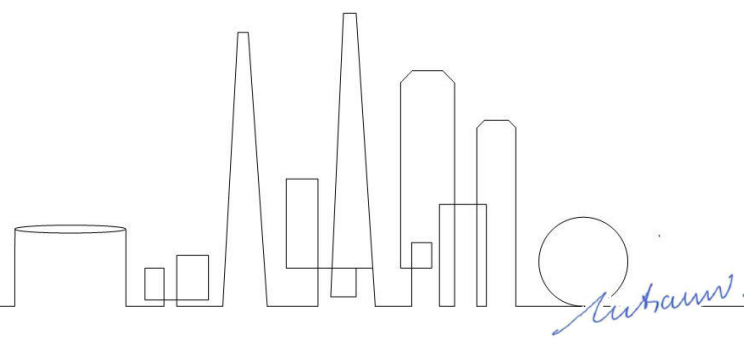
**Statement of Cash Flow**

	US\$ Million		Baht Million	
	2021	2020	2021	2020
Net cash generated (used) in operating activities	121	(42)	3,782	(1,448)
Net cash (used) in investing activities	(3)	(11)	(103)	(350)
Net cash (used) generated from financing activities	(85)	106	(2,844)	3,346
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>33</b>	<b>53</b>	<b>835</b>	<b>1,549</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>54</b>	<b>1</b>	<b>1,635</b>	<b>20</b>
Adjustments from foreign exchange translation	1	0	475	66
<b>Cash and cash equivalents at the end of the period</b>	<b>88</b>	<b>54</b>	<b>2,945</b>	<b>1,635</b>

SPRC cash and cash equivalents was US\$88 million at the end of December 2021, increased from US\$54 million at the end of December 2020.

Details of cash flow activities in 2021 are as follow.

- a) Net cash generated from operating activities of US\$121 million (Baht 3,782 million) which was primarily due to:
  - a. Cash generated from 2021 net profit of US\$150 million (Baht 4,746 million) and non-cash items of US\$124 million (Baht 3,943 million);
  - b. Cash generated from operating liabilities of US\$147 million (Baht 4,740 million) mainly from an increase in trade and other payables US\$157 million (Baht 5,043 million) due to the increase in the price of crude oil purchase in December 21 but partly offset by a decrease in other current liabilities of US\$9 million (Baht 303 million) mainly from higher VAT input in December 21 comparing to December 20. Cash generated was partly offset by
  - c. Cash used in operating assets of US\$300 million (Baht 9,647 million). The increase in oil price also gave rise to an increase in inventory US\$192 million (Baht 6,178 million) and an increase in trade and other receivables of US\$111 million (Baht 3,578 million) from higher selling price.
- b) Net cash used in investing activities of US\$3 million (Baht 103 million). An ongoing Covid-19 pandemic in 2021 led to the defer of capital expenditure and therefore a small investment in 2021.
- c) Net cash used in financing activities of US\$85 million (Baht 2,844 million) for the principal repayment of long-term borrowings in June, September and December.



## 4.2 Factors or events that may significantly impact financial position or business operation in the future (forward looking)

### Refining Margins

SPRC measures profitability from gross refining margin. The gross refining margin of the company is calculated as the difference between sale of petroleum products less landed cost of crude oil, other feedstocks and cost of energy. The company accounting gross refining margin is impacted by changes in the value of the inventory because of use of the weighted average cost method to determine the value of the inventory during the period.

Market gross refining margin is a margin calculation that excludes inventory gains or losses and stock gains or losses, and generally moves in line with movements in Singapore prices and refining margin.

Compared 2021 with 2020, SPRC's financial performance in 2021 was significantly improved from previous year, despite the lower sales volume affected by lower domestic demand from covid-19 pandemic and lockdown measures, sales revenue increased 28% due to higher oil prices. A significant stock gain due to oil prices rose led to positive EBITDA and earnings in 2021 compared to a significant loss in 2020 as a result of falling oil price. NIAT in 2021 was US\$150 million, whilst it was a net loss of US\$187 million in 2020. Excluding stock gain or loss, 2021 market gross refining margin improved to US\$3.66/bbl, compared to US\$2.79/bbl in 2020 due to the improved crack spreads, mainly in diesel and gasoline, partially offset with higher of crude premium, as the easing of restrictions had supported demand in many countries.

### Exchange rate fluctuations

The company adopted the U.S. dollar as the company functional currency. Because a substantial portion of the company revenues, costs and expenses are directly linked to, or denominated in U.S. dollars, the company's exposure to the fluctuation in exchange rate is reduced. However, the company is still exposed to fluctuations in the value of the Baht on account of employee-related and other costs denominated in Baht.

Generally, the company does not enter into any currency hedging transactions. Accordingly, significant fluctuations or volatility in the value of the Baht against the U.S. dollar could have a material effect on the results of operations.

In 2020 and 2021 the company borrowed both US dollars and foreign currencies from financial institutions to support operations. For Japanese Yen long-term borrowing, the company has entered into a cross-currency and interest rate swap contract to hedge the risks and obligations of future exchange rates.

## 4.3 Financial Highlights

### 4.3.1 Financial Statements

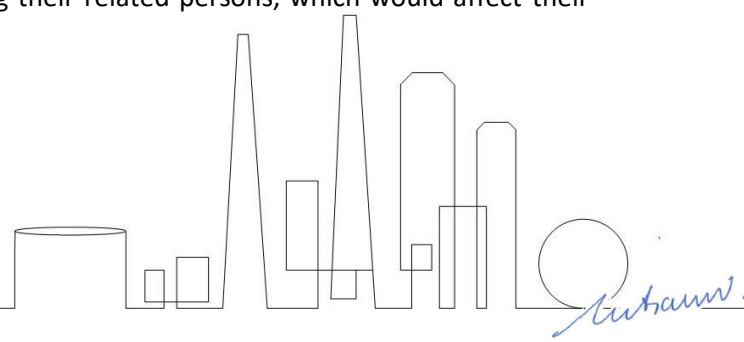
#### 4.3.1.1 Auditor

PricewaterhouseCoopers ABAS Limited (by Mr. Kan Tanthawirat Certified Public Accountant (Thailand) No. 10456) has conducted the audit in accordance with Thai Standards on Auditing (TSAs) for the accompanying financial statements of Star Petroleum Refining Public Company Limited, for the year ended 31 December 2021 and expressed that it present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

PricewaterhouseCoopers ABAS Limited and auditors have no other relationship or interests with the Company, management, major shareholders including their related persons, which would affect their independence in performing their work.

#### 4.3.1.2 Audit fee

Audit fee for the year 2021 is Baht 2,955,000.



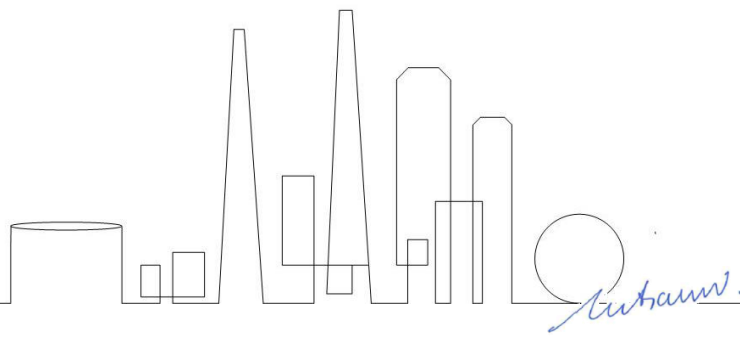
### 4.3.2 Summary of financial statement

#### Statement of Financial Positions

As at 31 December	US\$ Million			Baht Million		
	2021	2020	2019	2021	2020	2019
<b>Assets</b>						
Current assets						
Cash and cash equivalents	88	54	1	2,945	1,635	20
Trade and other receivables	394	282	237	13,219	8,515	7,192
Value added tax receivables	-	-	11	-	-	321
Inventories, net	491	300	589	16,486	9,052	17,856
Other current assets	2	4	4	81	121	135
<b>Total current assets</b>	<b>975</b>	<b>640</b>	<b>842</b>	<b>32,731</b>	<b>19,323</b>	<b>25,524</b>
Non-current assets						
Prepaid income tax	1	6	26	22	178	795
Derivative assets	-	5	-	-	139	-
Property, plant and equipment, net	721	800	880	24,219	24,156	26,686
Intangible asset, net	3	3	4	93	93	124
Deferred tax assets	44	81	30	1,488	2,438	910
Other non-current assets	5	7	8	174	215	255
<b>Total non-current assets</b>	<b>774</b>	<b>901</b>	<b>949</b>	<b>25,995</b>	<b>27,218</b>	<b>28,770</b>
<b>Total assets</b>	<b>1,748</b>	<b>1,541</b>	<b>1,790</b>	<b>58,726</b>	<b>46,541</b>	<b>54,294</b>
<b>Liabilities and shareholders' equity</b>						
Current liabilities						
Short-term borrowings from financial institutions	-	-	225	-	-	6,819
Current portion of long-term borrowings from financial institutions	139	46	-	4,680	1,380	-
Trade and other payables	416	259	447	13,961	7,821	13,567
Value added tax payable	5	11	-	180	323	-
Other current liabilities	36	40	31	1,211	1,216	949
<b>Total current liabilities</b>	<b>596</b>	<b>356</b>	<b>703</b>	<b>20,031</b>	<b>10,740</b>	<b>21,334</b>
Non-current liabilities						
Derivative liabilities	9	-	-	307	-	-
Long-term borrowings from financial institutions	100	293	-	3,374	8,857	-
Employee benefit obligations	19	17	16	644	517	484
<b>Total non-current liabilities</b>	<b>129</b>	<b>310</b>	<b>16</b>	<b>4,324</b>	<b>9,374</b>	<b>484</b>
<b>Total liabilities</b>	<b>725</b>	<b>666</b>	<b>719</b>	<b>24,355</b>	<b>20,114</b>	<b>21,818</b>
<b>Shareholders' equity</b>						
Share capital						
Authorised share capital <sup>(1)</sup>	865	865	865	30,004	30,004	30,004
Issued and paid-up share capital <sup>(2)</sup>	865	865	865	30,004	30,004	30,004
Premium on share capital	32	32	32	978	978	978
Retained earnings						
Appropriated - legal reserve	88	88	88	3,000	3,000	3,000
Unappropriated	39	(109)	86	4,596	(108)	6,167
Other component of shareholders' equity	-	-	-	(4,207)	(7,447)	(7,674)
<b>Total shareholders' equity</b>	<b>1,023</b>	<b>875</b>	<b>1,071</b>	<b>34,371</b>	<b>26,427</b>	<b>32,476</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,748</b>	<b>1,541</b>	<b>1,790</b>	<b>58,726</b>	<b>46,541</b>	<b>54,294</b>

<sup>(1)</sup> Authorised share capital and number of authorised shares : a par value of Baht 6.92 per share for 4,335,902,125 shares

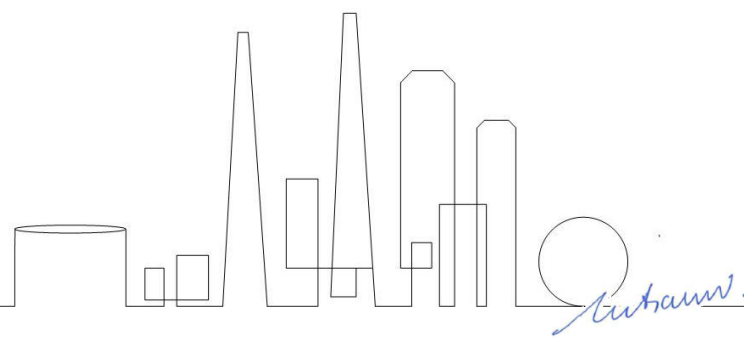
<sup>(2)</sup> Issued and paid up share capital : 4,335,902,125 shares





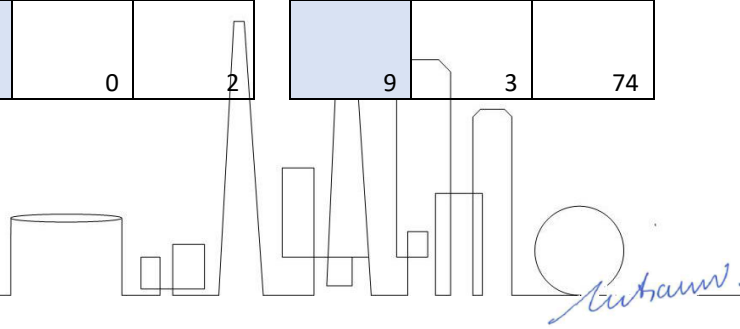
## Statement of Comprehensive Income

	US\$ Million			Baht Million		
	2021	2020	2019	2021	2020	2019
Sales	5,284	4,134	5,384	170,331	129,599	168,611
Liquefied Petroleum Gas and fuel subsidies	66	18	7	2,154	565	228
<b>Total revenue</b>	<b>5,350</b>	<b>4,152</b>	<b>5,392</b>	<b>172,484</b>	<b>130,163</b>	<b>168,840</b>
Cost of sales	(5,133)	(4,370)	(5,498)	(165,598)	(137,169)	(172,051)
<b>Gross profit (loss)</b>	<b>217</b>	<b>(218)</b>	<b>(107)</b>	<b>6,886</b>	<b>(7,006)</b>	<b>(3,211)</b>
Other income	2	2	1	62	71	36
Gain on exchange rate	11	10	39	359	320	1,225
Fair value (loss) gain on derivatives	(14)	5	-	(433)	144	-
<b>Profit (loss) before expenses</b>	<b>217</b>	<b>(201)</b>	<b>(66)</b>	<b>6,874</b>	<b>(6,471)</b>	<b>(1,950)</b>
Administrative expenses	(24)	(29)	(55)	(749)	(911)	(1,690)
Other expenses	-	(0)	(0)	-	(1)	(7)
Finance costs	(7)	(6)	(1)	(212)	(177)	(46)
<b>Profit (loss) before income tax</b>	<b>186</b>	<b>(235)</b>	<b>(123)</b>	<b>5,913</b>	<b>(7,560)</b>	<b>(3,693)</b>
Income tax	(37)	48	29	(1,166)	1,555	885
<b>Profit (loss) for the year</b>	<b>150</b>	<b>(187)</b>	<b>(94)</b>	<b>4,746</b>	<b>(6,005)</b>	<b>(2,809)</b>
Other comprehensive income						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Currency translation differences	-	-	-	3,240	227	(2,709)
Remeasurement of employee benefit obligations	(1)	-	-	(42)	-	(13)
Other comprehensive income for the year, net of tax	(1)	-	-	3,197	227	(2,723)
<b>Total comprehensive income for the year</b>	<b>148</b>	<b>(187)</b>	<b>(94)</b>	<b>7,944</b>	<b>(5,778)</b>	<b>(5,531)</b>
Basic earnings (loss) per share	0.03	(0.04)	(0.02)	1.09	(1.38)	(0.65)



## Statement of Cash Flows

	US\$ Million			Baht Million		
	2021	2020	2019	2021	2020	2019
<b>Cash flows from operating activities</b>						
Profit (loss) before income tax	186	(235)	(123)	5,913	(7,560)	(3,693)
Adjustments for:						
Finance income	(0)	(0)	(0)	(3)	(1)	(5)
Finance costs	7	6	1	212	177	46
Depreciation	81	88	81	2,602	2,783	2,518
Amortisation	1	2	2	42	49	47
Loss from disposal and write-off of fixed assets and intangible assets	-	0	0	-	1	7
Gain from foreign exchange rate	(17)	(1)	(11)	(557)	(38)	(344)
Fair value gain (loss) on derivatives	14	(5)	-	433	(144)	-
Loss (reversal) on obsolete materials and supplies	1	1	(0)	29	27	(3)
(Reversal) write down of inventory to net realizable value	-	(2)	(60)	-	(55)	(1,907)
Retirement benefit expenses	2	1	4	73	33	138
Change in operating assets and liabilities						
Trade and other receivables	(111)	(45)	146	(3,578)	(1,425)	4,556
Inventories	(192)	290	(135)	(6,178)	9,122	(4,217)
Other current and non-current assets	3	12	(20)	109	384	(628)
Trade and other payables	157	(186)	76	5,043	(5,857)	2,383
Other current and non-current liabilities	(9)	19	(77)	(303)	612	(2,415)
Cash generated (used in) from operations	122	(55)	(117)	3,836	(1,891)	(3,516)
Interest received	0	0	0	3	1	5
Interest paid	(7)	(6)	(1)	(213)	(174)	(42)
Income tax return received	6	19	-	173	621	-
Income tax paid	(1)	(0)	(6)	(17)	(5)	(173)
<b>Net cash generated (used in) from operating activities</b>	<b>121</b>	<b>(42)</b>	<b>(123)</b>	<b>3,782</b>	<b>(1,448)</b>	<b>(3,726)</b>
<b>Cash flows from investing activities</b>						
Purchases of fixed assets and intangible asset	(3)	(11)	(83)	(103)	(350)	(2,599)
<b>Net cash used in investing activities</b>	<b>(3)</b>	<b>(11)</b>	<b>(83)</b>	<b>(103)</b>	<b>(350)</b>	<b>(2,599)</b>
<b>Cash flow from financing activities</b>						
Net (repayment) proceeds from short-term borrowings from financial institutions	-	(218)	222	-	(6,892)	6,728
Proceeds from long-term borrowings from financial institutions	-	340	-	-	10,735	-
Repayment of long-term borrowings	(85)	(8)	-	(2,844)	(226)	-
Dividends paid to shareholders	-	(8)	(17)	-	(271)	(521)
<b>Net cash (used in) generated from financing activities</b>	<b>(85)</b>	<b>106</b>	<b>205</b>	<b>(2,844)</b>	<b>3,346</b>	<b>6,207</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>33</b>	<b>53</b>	<b>(2)</b>	<b>835</b>	<b>1,549</b>	<b>(118)</b>
Cash and cash equivalents at the beginning of year	54	1	2	1,635	20	74
Adjustment from foreign exchange translation	1	0	0	475	66	64
<b>Cash and cash equivalents at the ending of year</b>	<b>88</b>	<b>54</b>	<b>1</b>	<b>2,945</b>	<b>1,635</b>	<b>20</b>
Non-cash item						
Acquisitions of equipment and intangible assets which have not been paid	0	0	2	9	3	74



### 4.3.3 Financial Ratios

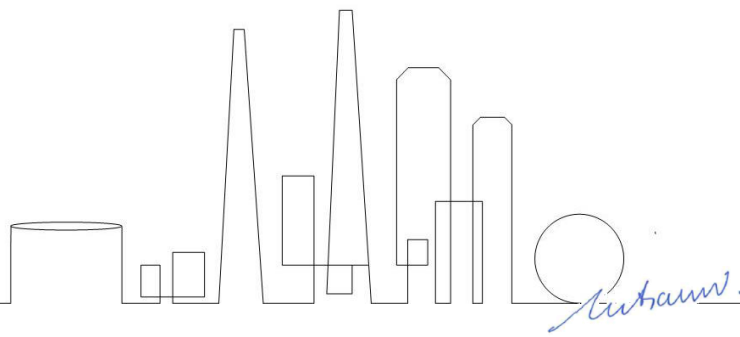
		Year Ended December 31		
		2021	2020	2019
<b>Liquidity Ratio</b>				
Current Ratio	(Time)	1.6	1.8	1.2
Quick Ratio	(Time)	0.8	0.9	0.3
Cash Flow Ratio <sup>(1)</sup>	(Time)	0.3	(0.1)	(0.2)
Account Receivable Turnover	(Time)	15.8	16.0	17.3
Average Collection Period <sup>(2)</sup>	(Day)	22.7	22.5	20.8
Inventory Turnover <sup>(3)</sup>	(Time)	13.0	9.8	11.2
Average Sales Period <sup>(2)</sup>	(Day)	27.7	36.6	32.1
Account Payable Turnover	(Time)	15.2	12.4	13.4
Payment Period <sup>(2)</sup>	(Day)	23.7	29.1	26.8
Cash Cycle	(Day)	26.8	30.0	26.1
<b>Profitability Ratio</b>				
Gross Profit Margin	(%)	4.1	(5.2)	(2.0)
Operating Profit Margin <sup>(4)</sup>	(%)	3.7	(5.9)	(3.0)
Other Profit Margin <sup>(5)(6)</sup>	(%)	(0.0)	0.3	0.7
Cash Profit Margin <sup>(1)(4)</sup>	(%)	61.9	17.1	76.9
Net Profit Margin <sup>(5)</sup>	(%)	2.8	(4.5)	(1.7)
Return on Equity	(%)	15.8	(19.2)	(8.3)
<b>Efficiency Ratio</b>				
Return on Total Assets	(%)	9.1	(11.2)	(5.4)
Return on Fixed Assets <sup>(7)</sup>	(%)	30.5	(11.6)	(1.3)
Assets Turnover <sup>(5)</sup>	(Time)	3.3	2.5	3.1
<b>Leverage Ratio</b>				
Net Debt to Equity ratio	(Time)	0.7	0.8	0.7
Interest Coverage ratio (Accrue basis)	(Time)	29.2	(40.8)	(81.5)
Debt Services Coverage ratio (cash basis) <sup>(1)</sup>	(Time)	37.7	(2.1)	(1.2)
Dividend Payout Ratio <sup>(8)</sup>	(%)	N/A**	N/A**	N/A*

**Note:**

- (1) Cash flow from operation after deduct interest income / expense and income tax return and paid
- (2) Apply 360 days to calculated average collection period, average sale period and payment period
- (3) Inventory include finish product, raw material, intermediate and goods in transit
- (4) Profit from operation calculated from Profit before interest and tax excluded gain (loss) from non-operation such as gain (loss) from exchange rate and fair value gain on derivatives
- (5) Total revenue excluded gain from non-operating income such as gain from exchange rate and fair value gain on derivatives
- (6) Other income are non-operating income such as gain from exchange rate and fair value gain on derivatives
- (7) Fixed asset calculated from net property, plant and equipment
- (8) Dividend payout ratio based on the performance of period of dividend declaration

\*Dividend for 2019 was paid from the retained earnings

\*\*No dividend for 2020 and 2021



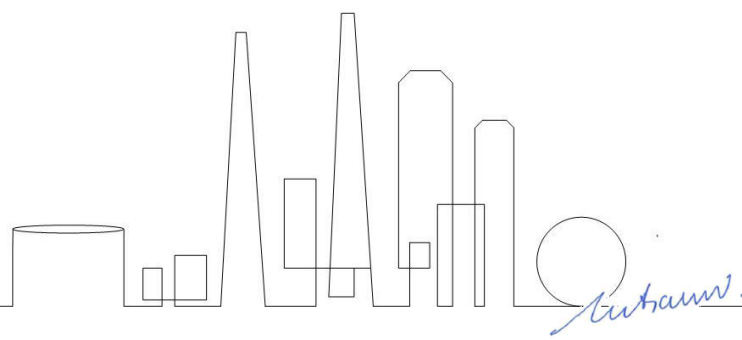
**Financial Ratio Definition**

<b>Liquidity Ratio</b>		
Current Ratio	= current assets / current liabilities	(time)
Quick Ratio	= (cash and cash equivalents + marketable securities + accounts receivables and note receivables) / current liabilities	(time)
Cash Flow Ratio	= cash flow from operating activities / average current liabilities	(time)
Account Receivable Turnover	= net sale revenue / average (account receivable before doubtful account + commercial note receivable)	(time)
Average Collection Period	= 360 / account receivable turnover	(day)
Inventory Turnover	= cost of sales / average inventory	(time)
Average Sales Period	= 360 / inventory turnover	(day)
Account Payable Turnover	= cost of sales / average (account payable + commercial note payable)	(time)
Payment Period	= 360 / account payable turnover	(day)
Cash Cycle	= average collection period + average sales period – average payment period	(day)

<b>Profitability Ratio</b>		
Gross Profit Margin	= gross profit(loss) / net sale revenue	(%)
Operating Profit Margin	= profit(loss) from operation / net sale revenue	(%)
Other Profit Margin	= income from non-operation / total revenue	(%)
Cash Profit Margin	= cash flow from operating activities / profit from operation	(%)
Net Profit Margin	= net profit/ total revenue	(%)
Return on Equity	= net profit/ average shareholders' equity	(%)

<b>Efficiency Ratio</b>		
Return on Assets	= net profit / average total assets	(%)
Return on Fixed Assets	= (net profit + depreciation and amortization) / average net fixed assets	(%)
Assets Turnover	= total revenue / average total assets	(time)

<b>Leverage Ratio</b>		
Net Debt to Equity Ratio	= total liabilities / total shareholders' equity	(time)
Interest Coverage Ratio (Accrual basis)	= earnings before interest and taxes (EBIT) / interest expenses	(time)
Debt Services Coverage Ratio (Cash basis)	= cash flow from operating activities / (loan repayment + investment payment + purchase fixed asset + dividend payment)	(time)
Dividend Payout Ratio	= dividend payment / net profit of the performance period	(%)



### 4.3.4 Analysis of Financial Ratios

#### Liquidity Ratio

Company liquidity ratios are classified into two main categories, Liquidity and Turnover ratios. Liquidity ratios include current ratio, quick ratio and cash flow ratio.

In the past 3 years (2019 - 2021), current assets were higher than current liabilities and therefore the average current ratio was over one. Current assets mostly include cash and cash equivalents, trade and other account receivables and inventories. Current liabilities mostly included trade account payables, tax payable, and the current portion of long-term borrowings. As of 31 December 2021, both current assets and current liabilities increased but current liabilities increased to a higher percentage than current assets which caused current ratio to decrease from prior year. The increase in current assets was mainly due to an increase in inventory of US\$191 million (Baht 7,434 million) and an increase in trade and other receivables of US\$112 million (Baht 4,705 million) due to an increase in crude oil and product price and also an increase in cash and cash equivalent of US\$34 million (Baht 1,310 million) due to net cash generated from operating profit with margin exceeding OPEX in 2021. Current liabilities increased to a higher extent from an increase in trade and other account payables of US\$157 million (Baht 6,140 million) from an increase in crude oil price in 2021, and an increase in current portion of long-term borrowings of US\$94 million (Baht 3,300 million) due to reclassifying from long term borrowings, but partially offset by a decrease in VAT and excise tax payables of US\$9 million (Baht 151 million).

Quick ratios during 2019 - 2021 were less than one, and lower than the current ratios due to the exclusion of inventory from the calculation. Quick ratios increased in 2020 and 2021 compared to 2019 mainly as a result of the increase in current assets from cash and cash equivalents and trade and other account receivables while current liabilities decreased from short-term borrowing and trade and other payables.

Cash flow ratio in 2021 was positive as a result of net cash generated from operating activities from net profit in 2021.

Turnover ratios include account receivables turnover, inventory turnover and account payables turnover. All turnover ratios, except account receivables turnover, increased in 2021 compared to the previous year primarily from the efficiency of inventory management, resulting in the cash cycle decreasing from 30 days in 2020 to 27 days in 2021, similar to 2019.

#### Profitability Ratio

Key profitability ratios include gross profit margin, operating profit margin, net profit margin and return on equity. All these ratios in 2021 were improved to positive which was impacted by higher refining margin than previous year and the increase in oil price reflecting from the strong demand recovery and limited supply. This included the operating expense control effectively.

#### Efficiency Ratio

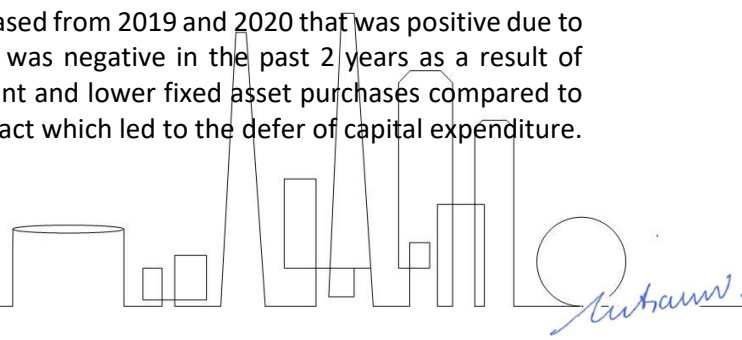
Key efficiency ratios are return on total assets and return on fixed assets. These ratios turned to positive and improved owing to net profit in 2021 compared to net loss in previous years.

#### Leverage Ratio

The debt to equity ratio from 2019 to 2021 equivalents around 0.7 to 0.8. Debt increased in 2020 due to new long-term borrowings in June to repay short-term borrowing and to support the negative operation and working capital. Equity in 2021 increased from 2020 resulted from a significant gain during the year.

The interest coverage ratio was improved to positive in 2021 due to net profit before interest and tax (EBIT) while there were negative during 2019-2020, despite higher finance cost in 2021 compared to 2019 and 2020.

Debt services coverage ratio in 2021 significantly increased from 2019 and 2020 that was positive due to a strong cash generated in operating activities while was negative in the past 2 years as a result of operating loss. In 2021, there was no dividend payment and lower fixed asset purchases compared to 2019 and 2020 because of the Covid-19 pandemic impact which led to the defer of capital expenditure.



## 5. General Information and Reference

### 5.1 General Information

#### Name

Star Petroleum Refining Public Company Limited

#### Initial

SPRC

#### Business

Founded in 1992, SPRC is one of the leading petroleum product producers and oil refiner in Thailand and the Asia Pacific region. SPRC owns and operates a complex refinery with a capacity of 175,000 barrels per day of crude oil.

SPRC strategically located in Map Ta Phut, Thailand's premier petrochemicals hub and our key products consist of LPG, premium and regular grade of gasoline, jet fuel, diesel and fuel oil.

Our unique configuration and flexibility in production enables us to produce more gasoline compared to other Thai refineries.

#### Registration number

0107555000155

#### Address

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

Tel: +66 (0) 38 699 000

Fax: +66 (0) 38 699 999

#### Website

[www.sprc.co.th](http://www.sprc.co.th)

#### Listing Date

Trading commencement on 8 December 2015

#### Capital As of 31 December 2021

##### Registered Capital

Baht 30,004,442,705

Comprising 4,335,902,125 fully paid-up common shares of Baht 6.92 per share

##### Number of Employees

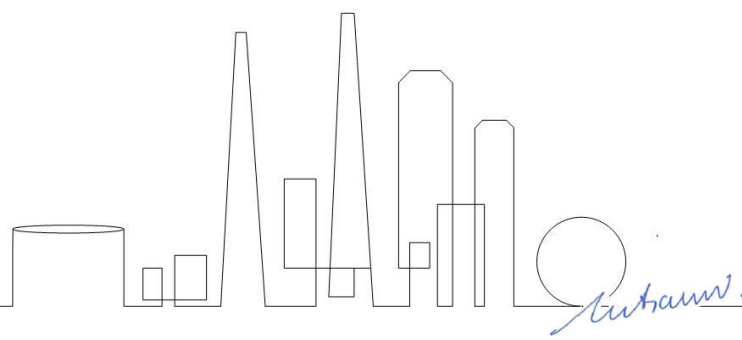
500 persons (as of 31 December 2021)

##### Investor Relations

Telephone number: +66 (0) 38 699 887

Web site: <http://investor.sprc.co.th>

Email: [ir@sprc.co.th](mailto:ir@sprc.co.th)





## Reference

### Securities Registrar

Thailand Securities Depository Co., Ltd.  
 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand  
 Tel: +66 (0) 2 009 9000,  
 +66 (0) 2 009 9999 (SET Contact Center)  
 Fax: +66 (0) 2 009 9991  
 Website: [www.set.or.th/tsd](http://www.set.or.th/tsd)  
 E-mail: [SETContactCenter@set.or.th](mailto:SETContactCenter@set.or.th)

### External Auditor

PricewaterhouseCoopers ABAS Ltd.  
 15th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand  
 Tel: +66 (0) 2 844 1000  
 Fax: +66 (0) 2 286 5050

### Legal Counsel

Ms. Nattawan Khumwiwat  
 Current Position Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

### Other Services (Loss of Share Certificate, Change of Particulars in Securities Register, and Other Services)

#### Counter Service

The Stock Exchange of Thailand Building, 1st Floor,  
 93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand  
 Tel : +66 (0) 2 009 9999 (SET Contact Center)

or

### Office of Registration Services Thailand Securities Depository Company Limited (TSD)

The Stock Exchange of Thailand Building,  
 93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand  
 Tel: +66 (0) 2 009 9000,  
 +66 (0) 2 009 9999 (SET Contact Center)  
 Fax: +66 (0) 2 009 9991

## 5.2 Other significant information

### 5.2.1 Other information that may significantly impact to shareholders decision

N/A

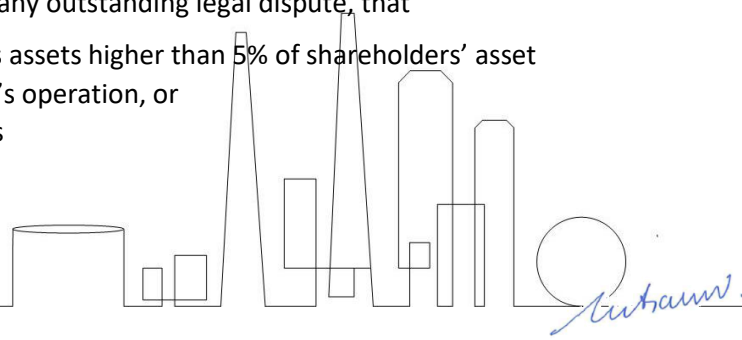
**5.2.2 Restrictions on foreign shareholders in case the company has a policy to ask for the resolution at the shareholders' meeting for the offering of newly issued shares or warrants issuance to purchase newly issued shares which are transferable (Transferable Subscription Right - TSR) to shareholders in proportion to their shareholding by not issuing and offering to shareholders that will allow the company to have duties under foreign laws.**

N/A

## 5.3 Legal dispute

As of 31 December 2021, the Company does not have any outstanding legal dispute, that

- may have an adverse impact to the Company's assets higher than 5% of shareholders' asset
- may have a significant impact to the Company's operation, or
- arising from the Company's abnormal business

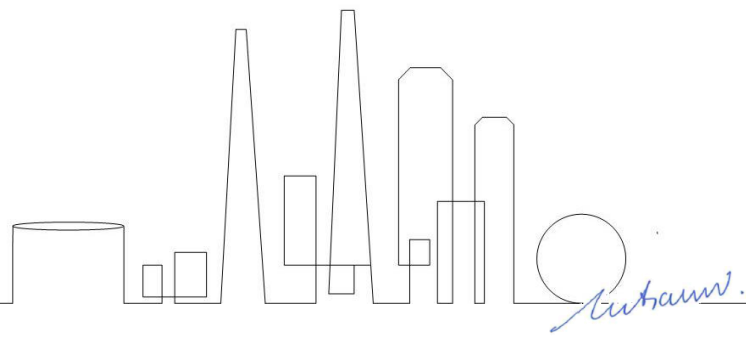


**5.4 Secondary Market**

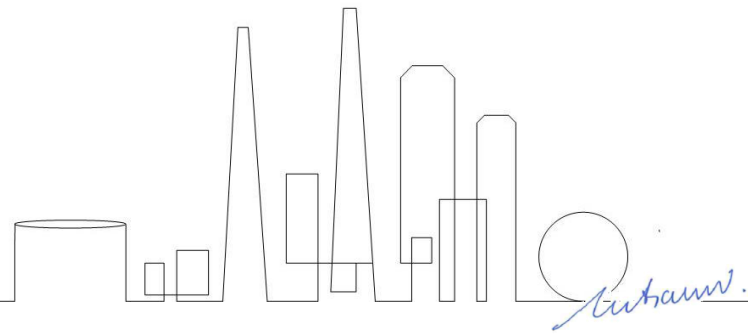
The Stock Exchange of Thailand (SET)

**5.5 Financial Institution (Frequency contact-in case of bond)**

N/A



## Part 2 Corporate Governance



## 6. Policy and measure of Corporate Governance Policy

### 6.1 Policy and measure of Corporate Governance Policy

The Board of Directors has also established the Corporate Governance Policy, which sets 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 is set out to ensure the Company conducts business ethically and treats all stakeholders responsibly, equitably, and with transparency for the goal of long term sustainability. The Corporate Governance Policy applies to the Board of Directors, Management, and all staff.

The Corporate Governance Policy is composed of:

- The rights of the shareholders
- Equitable treatment for shareholders
- Roles of stakeholders
- Disclosure and transparency
- Responsibilities of the Board of Directors

#### 6.1.1 Policy and measure for Board of Directors

##### Appointment and removal of directors

For the nomination of directors, the Board of Directors will consider the composition of the Board of Directors which must consist of directors who possess knowledge, ability, and experience in a variety of fields; can leverage their experience, knowledge, and ability to effectively develop and determine the direction, policy, and strategy of the Company with honesty, transparency, and care for the best interests of the Company and its shareholders; and monitor to ensure the Management operates business 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. The Board of Directors has also put in place an internal control process that is appropriate and consistent with good corporate governance principles.

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

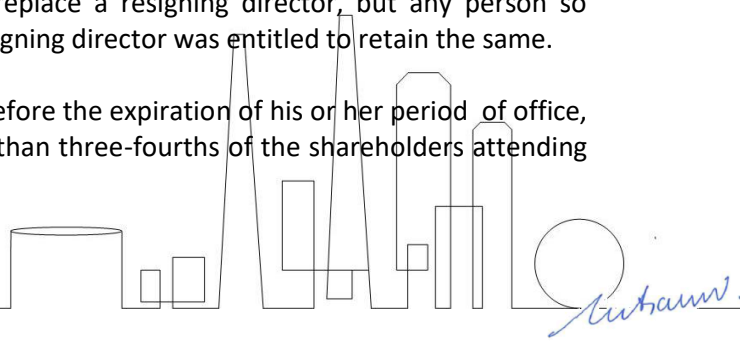
1. The shareholders meeting shall elect the Company's directors in accordance with the following rules and methods:

- a shareholder shall be entitled to one vote per share held by them;
- each shareholder may cast votes to elect one or more directors, but the votes are indivisible; and
- 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.

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 or any date specified in the resignation letter. 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.

### Compensation of Directors

Under the Company's Articles of Association, the director's remuneration will be considered and approved by the Shareholders at the Annual General Meeting of Shareholders. The directors are entitled to remuneration from the Company in form of monthly fees, meeting allowances, rewards, bonuses or any other benefits in accordance with the Articles 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.

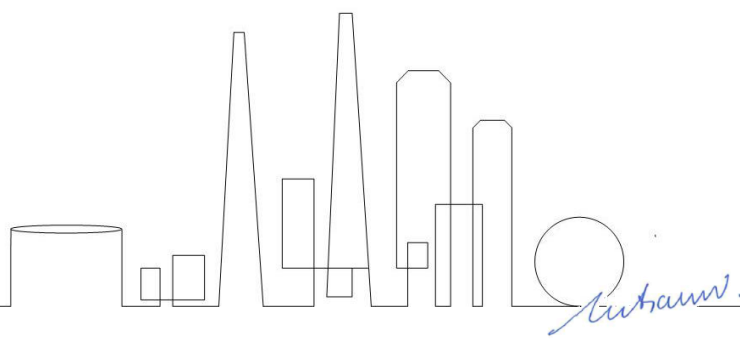
At the NRCG Committee Meeting No. 1/2021 on 19 February 2021, the NRCG considered the directors' remuneration package for year 2021 thoroughly, considering the Director Compensation Survey result conducted by the Institution of Director (IOD), taking into account the appropriateness, work performance, company performance, and comparing with other Thai refineries and other listed companies that are in the same industry.

The NRCG Committee considered that the directors' remuneration should be in a form of monthly fee and meeting allowance fee only. In order to be consistent with the ASEAN CG guidelines and the Company's practice in previous years, the NRCG Committee viewed that the directors' remuneration package should not include a bonus. Therefore, other than the monthly fee and meeting allowance fee, the directors do not have any other kinds of compensation.

The Annual General Meeting of Shareholders in 2021 approved the director's remuneration for monthly fees and meeting allowances for Board of Directors meetings and committee meetings at the same rate as in 2020 as follows;

Compensation for the Board of Directors for 2021		
Position	Monthly Fee (Baht/Month)	Meeting Allowance of Board of Directors Meeting (Only attending directors) (Baht/Meeting)
Chairman of the Board of Directors	180,000	25,000
Vice-Chairman of the Board of Directors	170,000	20,000
Director	145,000	20,000

Compensation for the Audit Committee for 2021	
Position	Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)
Chairman of the committee	40,000
Member of the committee	30,000



<b>Compensation for the Nomination, Remuneration and Corporate Governance Committee for 2021</b>	
<b>Position</b>	<b>Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)</b>
Chairman of the committee	40,000
Member of the committee	30,000

<b>Compensation for the Human Resources Committee for 2021</b>	
<b>Position</b>	<b>Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)</b>
Chairman of the committee	40,000
Member of the committee	30,000

### Compensation of Management

Total remuneration for Leadership Team includes basic salary, bonus, provident fund, welfare and benefit expense. In 2021, total remuneration for executives was Baht 165.8 million. These totals include management manpower costs paid to Chevron under the Personnel Secondment Agreement. Leadership Team also receive other benefits and compensation as employees.

The total compensation from 15 Leadership Team members who perform 14 Leadership Team positions according to the definition of management as defined by the Capital Market Supervisory Board in 2021

<b>Compensation</b>	<b>Number of executives</b>	<b>Amount (Baht)</b>
Salary	15	115,068,688
Bonus	14	27,477,545
Provident Fund	10	5,090,717
Retirement Benefit	13	18,171,170
<b>Total</b>		<b>165,808,120</b>

**Remark:** Summary 2021 leadership team movement as refer in 7.4.1 Leadership Team members section.

### Roles of Chairman of the Board of Directors

Mr. Brant Thomas Fish was elected by the Board of Directors to be a Company's director and a Chairman of the Board with effect on 14 May 2019.

The Charter of the Board of Directors provides the roles of the Chairman of the Board as follows;

- Facilitate and ensure the Board of Directors perform and carry out its activities efficiently and effectively in compliance with the good corporate governance and the Company's Business Conduct;
- Oversee and ensure the Board of Directors completely perform and carry out its activities as set out in the Company's Charter of the Board of Directors;
- Oversee and ensure the Board of Directors receive correct and appropriate information for consideration at the Board of Director's meeting;
- Approve the agenda for each Board of Director's meeting in consultation with the CEO and the Company Secretary;





- Approve the minutes for each Board of Director's meeting, recorded by the Company Secretary;
- Allocate sufficient time for each agenda item, support the directors to exercise prudent discretion, allows directors to ask questions and express opinions freely, and conclude to resolve the meetings' resolutions;
- Act as chairman of shareholders' meetings and ensure each shareholders' meeting will be effectively proceeded and compliance with all related laws and regulations;

Due to the Chairman of the Board of Directors is not an independent director, the Board of Directors had considered and elected Mr. Pliu Mangkornkanok to be a Vice Chairman of the Board of directors. The Vice Chairman has responsibility to support the Board Chairman and fulfill the Chairman's responsibilities in case of the absence of the Chairman or the Chairman is unable to play the chairman role during a meeting of the Board or a meeting of shareholders.

### **Nomination of the Audit Committee**

The Audit Committee members must be the Company's independent directors, with all qualifications required under the law governing securities and exchange, the notifications of the Capital Market Supervisory Board, and the notifications, regulations, and rules of the SET. The rules under the notifications of the Capital Market Supervisory Board and the SET require that the Audit Committee consist of at least three members, who possess sufficient knowledge and experience to act as audit committee members. At least one audit committee member possesses sufficient knowledge and experience in accounting to be able to inspect the credibility of the Company's financial statements. Each member of the Audit Committee maintains his or her qualifications as an audit committee member and title as director, which can be summarized as follows:

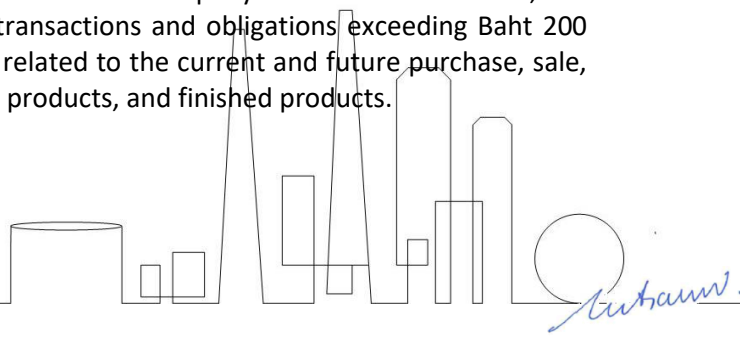
1. The member must be an independent director of the Company.
2. The member must be nominated by the Board of Directors.
3. The member must possess the qualifications specified in the notification of the Stock Exchange of Thailand concerning qualifications and scope of work of audit committees.
4. The member must not be a director assigned by the Board of Directors to make decisions on the operation of the business of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company.
5. The member is not a director of the parent company, the subsidiaries, and the same-level subsidiaries that are listed companies.

### **Chief Executive Officer**

The Chief Executive Officer (CEO) is the highest executive. The CEO must not hold this position in any other company and is elected by the Board of Directors.

The Board of Directors has authorization and is responsible for appointment or removal of the Company's Chief Executive Officer. The Company has clear authorization and responsibility between the Board of Directors and the CEO. The CEO is responsible for managing the Company's business as assigned by the Board of Directors. The Chief Executive Officer is authorized to oversee the Company's day-to-day business and operation, take any actions and make any decisions under the scope of his or her authority, including execution of agreements and obligations that are necessary or beneficial to the Company. The Chief Executive Officer has the authority to execute transactions in the name of the Company, with a limit not exceeding Baht 200 million. Transactions with a value greater than Baht 200 million are subject to the Board's approval.

However, due to the nature of Company's business and normal Company's business transaction, the Chief Executive Officer has the authority to execute transactions and obligations exceeding Baht 200 million with a term not exceeding 12 months that are related to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products.



For related party transactions, the Chief Executive Officer has the authority to execute related party transactions in the name of the Company, with a limit not exceeding Baht 10 million. The related party transactions with a value greater than Baht 10 million are subject to the Audit Committee's review and the Board's approval. For the related party transactions with regard to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products, the Chief Executive Officer has the authority to execute such related party transactions if the term does not exceed 12 months. Additionally, the Chief Executive Officer has the authority to approve overruns of approved Company's operating expense and capital expenditure budgets, which the overrun shall not exceed 10 percent of the Board approved budget.

Mr. Timothy Alan Potter was appointed by the Board of Directors Meeting No. 4A/2017 on 11 December 2017 to be the Company's director and CEO, with effective date on 6 April 2018.

Nevertheless, Mr. Timothy resigned from the Company's director and CEO, with effective date on 1 October 2021. The Board of Directors Meeting No. 2A/2021 on 1 July 2021 considered and elected Mr. Robert Joseph Dobrik to be the Company's director and CEO, with effective date on 1 October 2021.

### **Directors' Development**

The Company encourages the directors to improve themselves in the area of director roles and corporate governance by attending a training or seminar regarding to the roles and responsibilities of directors organized by the Thai Institution of Directors (IOD). The Nomination, Remuneration and Corporate Governance Committee is responsible to monitor and ensure the directors attend the training.

### **Director's Assessment**

At the end of every year, all directors are required to do self-assessment to review and look back their performances. They will discuss for further improvement in order to support the Company's strategy and achieve the Company's goals. the self-assessment are as follows:

- Board of Directors self-assessment
- Individual director self-assessment
- Audit Committee self-assessment
- Nomination, Remuneration and Corporate Governance Committee self-assessment
- Human Resources Committee self-assessment

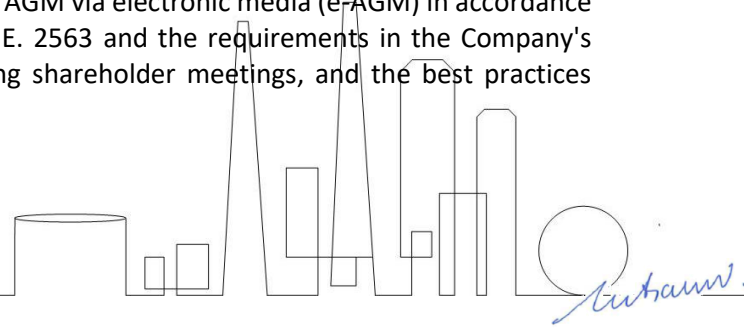
In addition, the directors are required to do CEO assessment. For a director who has been appointed to be a director or nominated to be a member of sub-committee less than 6 months is not required to do the self-assessments. The results of the self-assessments were provided in Item 8.1.1.

## **6.1.2 Policy and measure for Shareholders and Stakeholders**

### **The Rights of the Shareholders**

The Company recognizes the rights of all shareholders, which include the right to independently buy, sell, or transfer shares, and the right to attend and vote in shareholders meetings. All shareholders meetings of the Company are conducted in consideration for the rights of shareholders.

In 2021, the Company had one shareholders meeting. The Company held the 2021 Annual General Meeting of Shareholders (AGM) on 9 April 2021. Since COVID-19 pandemic continues to rise, the government had been asking the private sectors to be cautious in hosting activities that include the gathering of a large number of people. In order to prevent the spread of COVID-19 and for public safety and health, the Company decided to arrange the 2021 AGM via electronic media (e-AGM) in accordance with the Emergency Decree on Electronic Meeting B.E. 2563 and the requirements in the Company's Articles of Association, the applicable laws concerning shareholder meetings, and the best practices according the the corporate governance guidelines.



At the 2021 AGM, the shareholders considered and voted on the approval of the financial statements year-ended 31 December 2020, appointment of directors, approval of director remuneration package, appointment and remuneration for auditors, and declaration of no annual dividend payment.

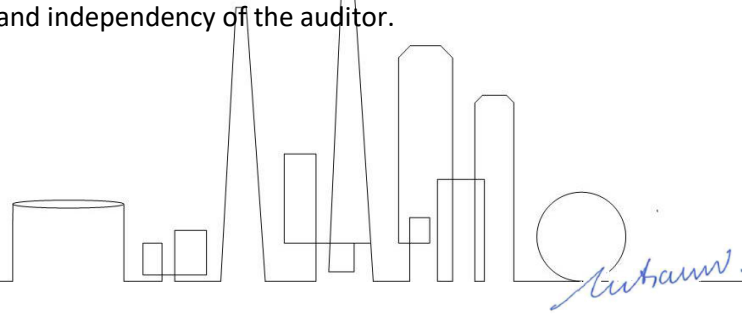
To allow shareholders to vote knowledgeably and effectively, the Company sent the notices of shareholders meetings and supporting information to the shareholders a reasonable time in advance. With the notice, the Company additionally provided proxy form, proxy's required document, Proxy's process and register and voting procedure for e-AGM. The Company prepared the notice of shareholders meetings in both Thai and English languages.

The Company posted the notice of shareholders meeting and all information on Company's website since 8 March 2021 and sent to all shareholders via registered mail on 18 March 2021. Additionally, the Company published the notice of shareholders meetings in both Thai and English language newspapers for 3 consecutive days at least 3 days prior to the meeting.

The Company also provided a channel for shareholders to send questions regarding agenda items at the meetings to the Company via e-mail ([CompanySecretary@sprc.co.th](mailto:CompanySecretary@sprc.co.th)) prior to the meetings.

The notice of shareholders meetings contains details on;

- date, time, venue and map of the meeting
  - The 2021 Annual General Meeting of Shareholders was held on 9 April 2021 at 9:30 a.m. via electronic media
- the meeting procedure specifying details on required documents and method for registration and voting via electronic media to verify the shareholders and proxies, independent directors who the shareholder can proxy to, vote requirements and counting procedures:
  - 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 B sent with the notice to the shareholders meeting by the Company.
  - To ensure the shareholders are able to prepare all required documents for the proxy, the Company explains the process and required document for the proxy in the notice. The Company does not require unnecessary documents nor provide complicated process for the proxy. There is no requirement for government officials to certify documents.
  - The shareholders can register to attend the meeting via e-registration system since 17 March 2021 by follow the link or QR Code as provided in the meeting invitation.
- agenda items 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, nomination procedure, type of proposed director, background and suitability of the nominated persons, including education, experience, other titles held, attendance record for Board meetings (in case of reappointment of an existing director) and conflict of interests, if any;
  - with respect to the consideration of remuneration for directors, components and amount of remuneration proposed to be approved by the shareholders; and
  - with respect to appointment of the auditor and determination of their remuneration, name and auditing office of the proposed auditor, the proposed remuneration, the years for which the auditor has performed their duty for the Company in the event of reappointment of an existing auditor, and independency of the auditor.



At the shareholder meetings, the Company had a legal advisor from Chandler MHM Ltd. to monitor the registration and the vote counting. Since it was the e-AGM, the Company did not invite the shareholders to witness the vote counting. Additionally, the Chairman assigned the Company Secretary to inform the electronic voting and counting procedure to the shareholders prior to considering each item. For election of directors, the Company requires to vote for each individual on an individual basis. The voting result was announced for each individual director.

The Chairman provided opportunities for all shareholders to ask questions, and give opinions and suggestions. The Board of Directors, the CEO and senior leadership attended the meetings to answer questions and listen to the opinions and suggestions of shareholders. When the meetings ended, the Company prepared accurate and complete minutes of the meetings, including questions and responses during the meetings.

After finish the meeting, the Company published the voting results with scores of approve, disapprove and abstain of all resolutions on the Company's website on the same day, and published the meeting minutes on 23 April 2021 (within 14 days from the date of the meeting).

For preparation of the 2021 AGM, the Company has provided the opportunity to the shareholders to propose qualified candidates for election as directors and suggest items for consideration at the shareholder meeting. The Company has notified and posted the details on timeline and criteria on its corporate website since 23 September 2021.

### **Equitable Treatment for Shareholders**

The Board of Directors has set a policy that the Company must conduct business with transparency. The Company shall treat all shareholders fairly and equally. The Company respects minority shareholders' rights and provides equal opportunity to all shareholders, such as equal rights on voting, the opportunity to propose agenda items for consideration at shareholders meeting, opportunity to propose qualified candidates for director election, and the opportunity to access company information or receive communication from the company.

Since 23 September 2021, the Board has announced criteria for shareholders to propose agenda items for discussion and to nominate qualified director candidates for election at the annual general meeting of shareholders in 2022.

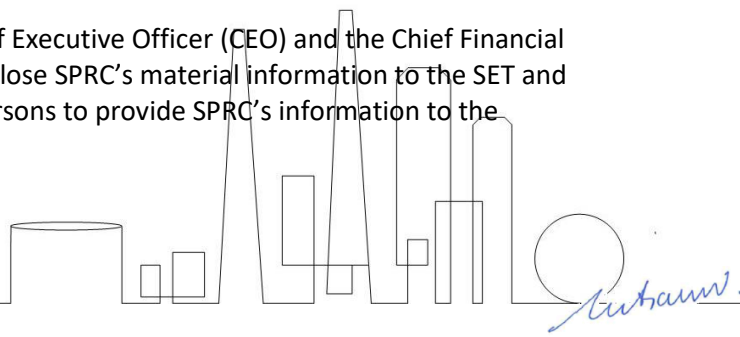
Shareholders who wish to propose an agenda item and/or nominate director candidates must possess qualifications according to the criteria as follows:

- Be a shareholder or a group of shareholders of the Company;
- Hold minimum shares of not less than 1 percent of the total paid up shares of the Company (or not less than 43,359,022 shares); and
- Hold those shares continuously for at least one year prior to the date of proposing agenda items or nominating director candidates.

The shareholders must submit documents to the Company with required information according to the details posted on the Company's website.

To ensure equal access to Company's information, the Board of Director has established a Public Disclosure Policy to ensure communications to all shareholders are accurate, adequate, timely and equally accessible in accordance with the principles of good corporate governance as well as regulations of the SET and SEC.

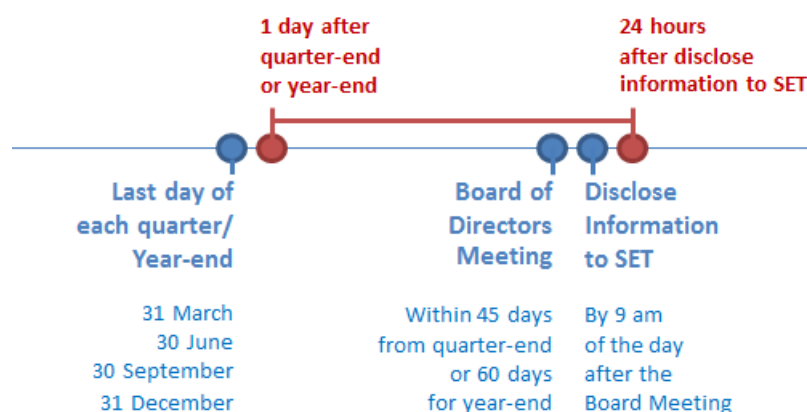
- The Board of Directors appointed the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) as authorized persons to disclose SPRC's material information to the SET and to the public, and be authorized spokespersons to provide SPRC's information to the media, analysts and investors.



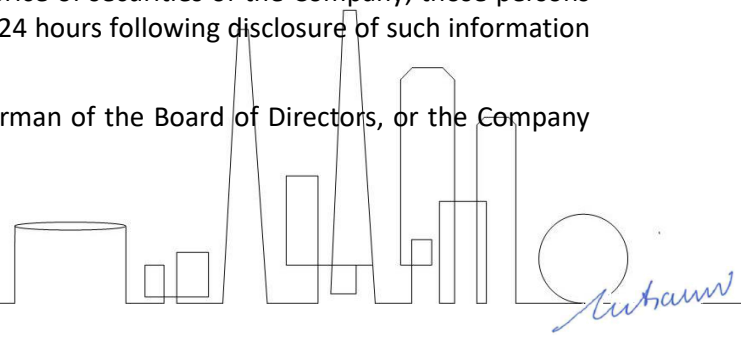
- The CEO may delegate other management to disclose or speak on his/her behalf, but any comments must be limited to that delegate's area of expertise.
- The Company should not publicly disclose material information until it has notified the SET and received an acknowledgment that the information has been released to the SET.
- After disclosure to the SET, the information disclosed should be promptly posted on the Company's website ([www.sprc.co.th](http://www.sprc.co.th)) as a public forum for presenting information in compliance with this policy.

The Board of Directors has established an Insider Trading Policy to prevent 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 (24 hours) 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.
- The directors and executives shall 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 (1 January), at the end of the year (31 December), and any trading during the year by the directors and executives shall be disclosed in the annual report.

In addition, the Business Conduct Policy requires that the Company's directors, executives, and employees refrain from having any conflict, potential conflict or perceived 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, 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 meetings 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.
- For consideration on related party transactions (RPT), the Audit Committee will review the transaction to ensure that it is executed on the arm's length basis and for the best benefits of the Company. Additionally, the Internal Auditor and the External Auditor will review the RPT executed in each quarter and report to the Audit Committee at the Audit Committee meeting on the quarterly basis.

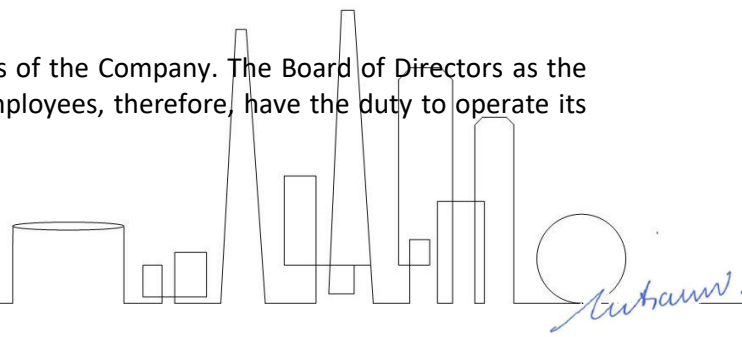
### **Roles of Stakeholders**

The Company takes into account the benefits of all stakeholders. The Company's Corporate Governance Policy provides that the Company shall value the rights of stakeholders, build relationships and promote cooperation between the Company and all stakeholders in order to balance benefits and create sustainability of our business.

The Company's stakeholders include shareholders, investors, analysts, employees, customers, business partners, contractors, creditors, business competitors, communities and government agencies. The Company has put in place policies and practice guidelines with respect to the treatment of stakeholders, as follows:

- **Shareholders, Investors and Analysts**

The Company regards shareholders as the owners of the Company. The Board of Directors as the shareholders' representatives, executives, and employees, therefore, have the duty to operate its





business in accordance with good corporate governance principles for the best and sustainable interest of all shareholders.

The Company respects the rights of shareholders and treats shareholders on the basis of fairness and equality, e.g. right to attend the shareholders meeting, right to propose agenda items and director candidates, right to ask questions regarding agenda items both prior to the meeting and during the meeting, arranging the meeting at a place convenient for transportation, encourage shareholders to attend the shareholders meeting, facilitate the shareholders who cannot attend the shareholders meeting by enclosing a proxy into the notice of meeting, disclosure of the Company's information with equal opportunity to access, and establish the Insider Trading Policy to prevent the improper use of non-disclosure information for personal benefit.

## • Employees

The Company believes that its employees are its most important resource and key for the Company's success. The Company commits to take care, develop and create the best quality of life for our employees.

- **Human Rights:** The Company respects human rights and values diversity. The Company treats all employees equally according to international standards of the United Nations Universal Declaration of Human Rights, and does not discriminate based on race, religion, color, origin, age, gender, disability, soldier status or political beliefs.

The Company has policy on no discrimination to employee with HIV infection/AIDS (AIDS Policy). The Company is not discriminate against employees on ground of health as long as medical fit for available and be able to perform appropriate work. For new recruitment, HIV/AIDS screening as part of the assessment of fitness to work is not required. HIV infection is not a cause of termination of employment. The Company arranged a communication session on this Company's policy and invited the guest speaker to share knowledge and understanding on HIV/AIDS to employees.

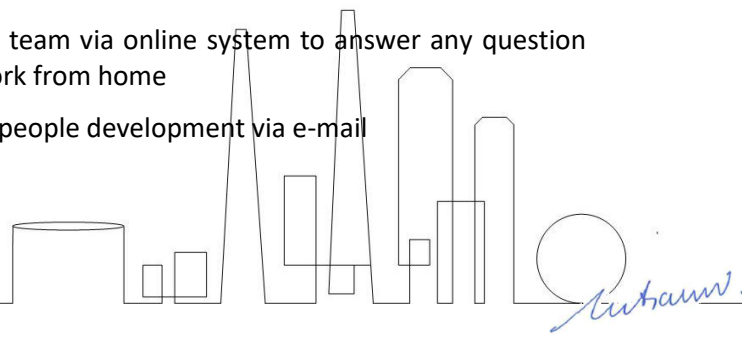
Concerning on the personal data protection, the Company has reviewed the job application form by requiring only the information necessary for the recruitment. In addition, the selection was processed by compliance with the Human Rights principle. No discrimination on any difference.

Employees and contractors are well treated with the highest standard on safety. The Company provided them the safety trainings, policies and procedures on safety, as well as the personal protection equipment for performing the work with safe.

- **Corporate Culture:** The Company cultivates "One Family" to continuously improve our working environment. All staff work together, and support and care for each other like family members.

In 2021, it was the challenging year due to the COVID-19 pandemic. The Company was committed the employee's safety is the highest priority. To ensure the Company had no interruption on the operation under the pandemic, only the staff relating to the production process was allowed to enter into the Company. Staff who was not involving with the production process was allowed to work from home. However, the Company continuously arranged activities to connect with the staff. The activities were adjusted appropriately as follows;

- Employee Engagement Survey: Survey to all SPRC family and the survey result will be used as guidance for development of the company action to enhance Employee Engagement, Organization Capability and Workforce Culture.
- Virtual Town Hall and Together We Talk: Staff Meetings via online system to communicate about the Company's situations on quarterly basis.
- CE Message: Communication on News and announcements from the CEO via e-mail
- Virtual HR Visit: Meeting with staff by HR team via online system to answer any question they may have or need any help due to work from home
- HR News: Communication on welfare and people development via e-mail



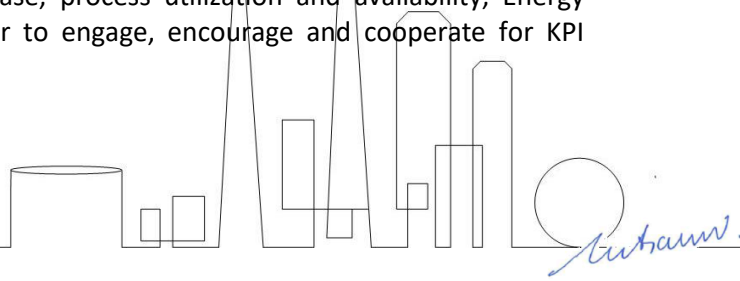
- Kho Hai Box: a communication channel to receive feedback and questions from staff. The Management response to those feedback via helpdesk e-mail.
  - Welfare Committee: Continue Meeting Virtually as required by the law. Together work with company representation on employee's welfare and benefit, also improve employee communication through Welfare Committee.
  - During the COVID-19 restricted period, the Company provided foods and fruits for the staff who was required to work at the office.
  - Change the classroom training to be online or virtual training
  - Online seminar on "Happy Money – Happy Retirement" by the speaker from the SET and internal expert
  - Organize "Train the Trainer program" with SET for employee to be internal financial mentor.
  - Online seminar on "Taking care your Health and your Heart" by Employee Assistant Program (EAP) counselors.
  - Happy Body and Happy Health team promoted health and exercise while remain self-distancing through Virtual activities such as s such as Friday afternoon exercise and Virtual run.etc.
  - Continue engage SPRC family throughout the year through virtually digitalized platform activities such as IIF Scholarship for employee's children who has outstanding in academic and sport, Long Service Awards , Management and Employee Farewell, New Year Party etc.
- **Safety:** The safety of all employees, contractors, business partners, and other stakeholders is always Company's top value. The Company expects everyone to "Go Home Safely Every Day". New employees and contractors receive full day safety training, scheduled on every Monday and Thursday, on their first day starting work at the Company. In 2020, we conducted 37 classes with approximate 1,800 participants.

We have "Safety Moments" that we share and discuss on safety awareness before starting all meetings. Everyone working at the Company, including contractors has "Stop Work Authority", where they can stop doing any activity that they are involved with, or request that others stop any activity if it looks unsafe. The Company has set up working teams with responsibility to implement various programs and activities to encourage safety awareness of all stakeholders both during work and at home.

The Company realized that incidents or injuries more likely occur outside the office and during off-working hours. Therefore, we set Off the Job Safety team to promote and raise awareness on safety 24 hours through a variety of activities, especially on safety driving during the long weekend.

In 2021, the Company promoted Incident, Injury and Infection Free (IIIF). The Company had preparedness to control and mitigate the COVID-19 and ensure ongoing safe and reliable operations of the Company. Many preventives measurements were implemented such as body temperature screening, social distancing and canteen and meeting room, online self-declaration, travel restriction, on site restriction, work from home, utilize technology to support online meeting and training, conduct COVID-19 emergency exercise, etc.

- **Remuneration and Benefits:** The Company has put in place appropriate remuneration policies for employees at all levels.
- For the short term, the remuneration package, including bonuses are made in according to the Company's financial and non-financial performance, as set out in Key Performance Indicator (KPI); i.e. recordable injury case, process utilization and availability, Energy efficiency, operating expenses. In order to engage, encourage and cooperate for KPI



achievement, the staff will be communicated and updated on the KPI status on monthly basis through the Company's digital dashboard.

The Company has developed a Flexible Benefits program that allows the employees to match their benefits package with their individual needs, such as medical and dental expense for himself/herself and for his/her family members, child's tuition fee, insurance premiums, etc.

The Company considers a special bonus in each year by taking into account the Company's performance and benchmarking with remuneration packages of other Thai companies in the same business.

- For the Long term, the Company has a target to ensure competitive total remuneration. In each year, the Company evaluate and assess remuneration surveys and benchmarking with other lead petrochemical and refinery companies in Thailand who participate in the survey in order to consider the adjustment of salary ratio increase.

Furthermore, 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.

- **Knowledge and Competency Development:** The Company fully encourages and supports employees to improve their skill, knowledge and competency. The Company supports internal and external training, including overseas, in both functional skills and general soft skills, together with on the job training and coaching program by the supervisor or experienced colleague.

Performance charters are developed and actual performance reviewed with all employees on a continuing basis. Training plans, career goals, and potential career opportunities are developed to ensure continued career growth for all employees. In addition, the succession plan and the talent management program were annually reviewed.

The Company promotes development of personnel through various learning methods, included online platform that company provide for employee in all levels. The flexible learning method allow employee to access learning anywhere anytime any device to suite with individual needs. The Company also provides first-hand experience and on the job training 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 additionally supports various programs and activities that support employees to have happier lives both at home and at the workplace.

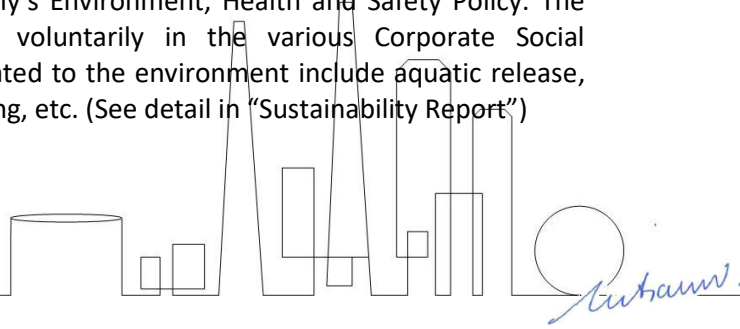
In 2021, the average employee training was 25 hours/person.

- **Health:** The Company has a medical clinic with a doctor and nurses on duty every day. The Company provides an annual Health check program to all employees.

In 2021, company set up vaccination center and arrange professional medical personnel from private hospital to provide 2 doses of alternative vaccinate (Sinopharm) for all SPRC employee and family, included contractor on-site to reduce risk of COVID-19 infection with free of charge.

Additionally, the Company provides Employee Assistance Program that employees can consult any issue with a psychologist from outsource.

- **Environment and Employee's CSR participation:** The Company is committed to operate its business in compliance with the environmental standard ISO 14001. All employees were communicated to, and understand the Company's Environment, Health and Safety Policy. The Company engages employees to participate voluntarily in the various Corporate Social Responsibility (CSR) activities. CSR activities related to the environment include aquatic release, tree planting, building check dams, beach cleaning, etc. (See detail in "Sustainability Report")



- **Energy:** The Company has established the Energy Management Policy to commit to the effective and efficient energy usage for the business, limited energy resources and caring for environment.

The Company established the Energy Management Policy as follows;

- To promote the compliance with regard to the applicable laws and regulations as well as state policies in connection with energy conservation and management
- To determine an appropriate guideline for energy conservation and management in considering the view of technology, economics and practices
- To provide guideline for effective resource allocation to support the execution of energy conservation and management program
- To encourage a continual and sustainable development and improvement of program and/or campaign in relation with energy conservation and management
- To establish objectives and plans to support the Energy Conservation Policy and communicate to staff. Conduct energy monitoring and report the Energy Management working team.
- To routinely review energy conservation policy, objectives and management plans, making corrective actions where required
- To implement continual improvement and sustainable development in energy management.

The Company has set up the Energy Management Team to be responsible for implementation of energy management according to the Energy Conservation Policy, develop and coordinate energy efficiency improvements, monitor performance of energy management systems and report to top management.

The Company prepare the Energy Management System Report, signed by authorized third party and report to Energy Department to comply with the Management of Energy in Designated Factories and Buildings B.E. 2552 announced by Minister of the Ministry of Energy.

In 2021, SPRC had 4 projects on electrical energy and 2 projects on thermal energy saving. These projects had objective to save energy usage and reduce environment impact.

Energy Management Team join the training on energy conservation and also provided energy promotion to encourage all staff for energy saving and efficient energy utilization.

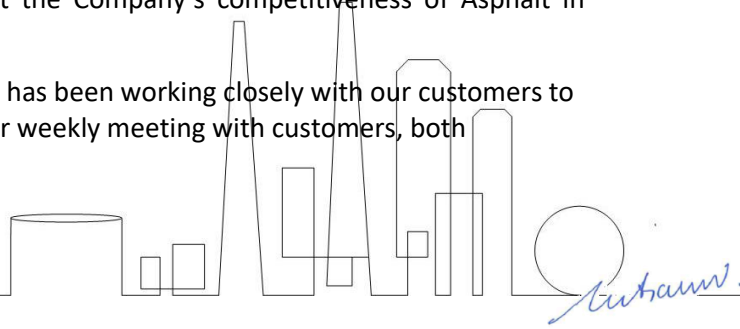
- **Customers:**

It is the Company's policy to build and maintain our customer base by developing, producing, and selling quality products through a safe, efficient and reliable production and distribution process, and to meet or exceed customers' expectations. The Company continuously improves its safety and reliability practices in operations and all business processes to ensure the Company always has available quality products for customers as commitment.

The Company is an ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environment Management) and ISO 45001:2018 (occupational health and safety) certificated company, this ensures we have robust work process with continuous improvement to enhance the systems we use to serve customers and ensure the sustainability of the work process.

In 2021, the Company has acquired "Made in Thailand" certificate for the Asphalt product from the Federation Industrial of Thailand (FTI) to support the Company's competitiveness of Asphalt in domestic market.

In 2021 with the Covid-19 Pandemic, the Company has been working closely with our customers to address the demand fluctuation by having a regular weekly meeting with customers, both



commercial and scheduling team, to update the market conditions and provide flexibility to produce Mogas, Jet A1 and Diesel for helping the customers to capture the market opportunity during the Covid-19 crisis.

Crude to Customer Project is the cross functional working team jointly sets the target and manages the whole supply chain, starting from crude selection and ending with products distribution and sale to our customers, to ensure the products meet supply commitments of product quality and on-time delivery.

The Company has a Customer Index as one of the Company's KPI's. The Company conducts customer satisfaction surveys on a quarterly basis. The Crude to Customer committee and working team is responsible to evaluate survey results and customers' feedback, set up the action plans and monitor plan execution to ensure customer satisfaction by meeting or exceeding their expectations. The Company reports the Customer Index scores, customers' feedback and action plans to the Board of Directors on a quarterly basis.

Customer Index, in total of 30 scores, is comprised of customer satisfaction survey and key supply performance indicators. In 2020, the Customer Index was average of 29.6, which higher than the target. Overall, the customers recognized that the Company had good cooperative on flexible adjustment of the production plan to meet the customers' expectation and no supply interruption.

- **Business Partners and Contractors:**

It is the Company's policy to treat all our business partners fairly and transparently. The Company conducts business by entering into contracts and agreements that are fair to all parties, complies to the terms and conditions of the agreements, refrains from demanding from or accepting improper benefits, and maintains confidentiality of our business partners' confidential information.

The Company does not do business with any company that violates labor laws, environmental laws, human rights, intellectual property laws, or trade restriction laws.

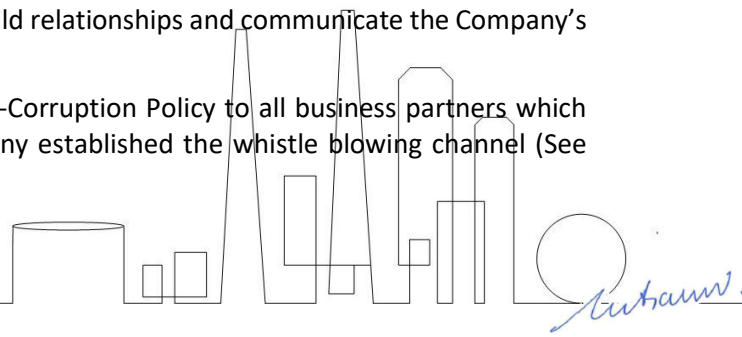
The Company has put in place a fair and transparent procurement process with clear segregation of duty and authorization to prevent conflict of interests. Our business partners must be qualified to be on our Approved Vendor List (AVL) to ensure reliable and high-quality provision of services and supplies. To qualify for the AVL, the vendors and suppliers must meet the following criteria;

- 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.
- 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.
- To ensure they can be our sustained business partner, they must demonstrate a good financial status, such as good cash flow, reasonable debt, etc.

The Company builds relationships with our business partners that benefit all involved which we believe creates the best performance for both the Company and its partners. The Company extends our safety culture and encourages our business partner to have safety awareness and apply best practices, e.g.

- Organizing the Safety 24 Hours workshops to exchange knowledge and experiences about safety both at working and at home.
- Organizing Toolbox Talks every Tuesday morning for the Company's Management and supervisors to meet and discuss with the contractors about a safe workplace.
- Organizing the Ship Owners Workshop to build relationships and communicate the Company's policy on safety.

The Company communicated the Company's Anti-Corruption Policy to all business partners which also available on Company's website. The Company established the whistle blowing channel (See



detail in item “Whistle Blowing Channel”) for business partners and contractors who suspect violations of the law and Company Policies, non-transparent behaviors, or unfair treatment at or by the Company. Additionally, we had Business Conduct Re-enforcement sessions with business partner to sharing policy and best practices on good corporate governance.

In addition, the Company applies trusted e-signature system for procurement works for the convenience of both the Company and our business partners in execution of the documents. This is to support the safety at work and adhere with COVID-19 preventive measurements on social distancing and reducing exposure from touching, as well as to support the work efficiency while working from home.

- **Creditors**

The Company strictly adheres and complies with the contractual and financial obligations as provided in credit agreements. The Company maintains good financial discipline and management to ensure repayment will be made on time. In the event that one of the terms cannot be fulfilled, the Company works with integrity and transparently with its creditors to resolve any issues that may come up.

- **Business Competitors**

The Company has a policy to treat business competitors ethically and fairly, not violate competition law, not fraudulently infringe on their business, or improperly seek confidential information of any business competitors, and not discredit business competitors’ image and reputation.

The Company cooperates with other refineries and industry groups and exchanges information appropriately, such as sharing best practice on safety operation and technology, building safety culture, cooperation on emergency response, and liaise with the government sectors to ensure compliance with related regulations.

- **Communities**

The Company has in place safety standards and production process controls, as well as operational best practices and advanced technologies to ensure the safety of all our stakeholders, 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.

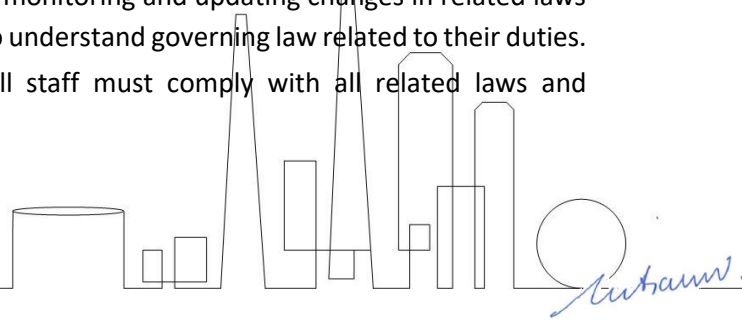
As part of our commitment to Sustainable Development, the Company supports the communities’ better quality of life. To show our responsibility and caring to the communities, the Company’s management and staff jointly organize various activities in 4 key areas;

- education and youth,
- quality of life,
- environment, and
- community relationship.

In addition, the Company engages communities in various activities or projects and provides a variety of communication channels for the communities to provide feedback or suggestion with regard to the impact from the Company’s operation. The Company takes those feedbacks and suggestions seriously to enhance our operation and performance in order to meet the Communities’ expectations for our sustainable business. (See detail in "Sustainable Development Report")

- **Government Agencies**

The Company conducts business with strict compliance with all related laws and regulations. The Company regularly assesses compliance, including monitoring and updating changes in related laws and regulations. All staff have the responsibility to understand governing law related to their duties. During the execution of their work activities, all staff must comply with all related laws and regulations.





The Company maintains transparent relations with government agencies. To build relationships, the Company cooperates and supports government activities and projects, as long as such support is appropriate and does not conflict with the Company's Anti-Corruption Policy. (See detail in item "Anti-Corruption Policy")

### Disclosure

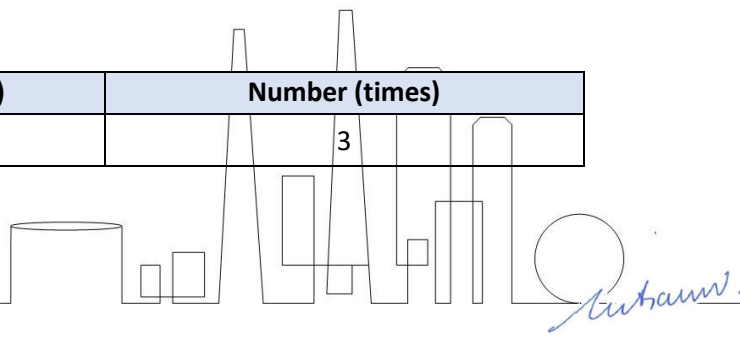
The Board of Directors oversees disclosure of financial statements, important information and any other information which is important for investment decisions to ensure that the information is disclosed in an accurate, complete, adequate and timely manner. In addition, the information must reflect the Company's operational performance and its true financial status in accordance with the corporate information disclosure Policy and the supervision of using inside Information Policy which has been communicated to the directors, management and employees. The Company strictly complies with the laws, rules and regulations relating to information disclosure of both the SEC and the SET. Furthermore, the company regularly appraises the efficiency of information disclosure process and monitors the issuance of any new regulations and adjusts the Company's guidelines in accordance with such regulations.

Apart from disclosure of information as required by law and regulations of the SET and the SEC, the Investor Relations Division has developed and established yearly investor relations plan to ensure efficient communication process and channels to communicate information including the Company's vision, mission, strategies, financial and operational performance to shareholders, investors, analysts, fund managers and bankers both domestically and abroad in accordance with SEC and SET regulations. Also, in order to avoid the appearance of insider information and to ensure the fairness and equality in information access, the Company has applied the Silent period to not conduct any meeting or reply to questions related to the performance with investor or analyst 14 days prior to the announcement of the Company's quarterly and annual performance.

In 2021, According to the continued Coronavirus 2019 (COVID-19) pandemic, the Company has still cancelled Shareholders' Company Site Visit at Rayong province. And the Company had to maintain the activities through virtual format in order to comply with the measures enforced by the government. However, the Company successfully delivered the 56-1 One Report (Early adopt), Investor Relations document and Company's information through various channels including the Company's website – IR section and the virtual formats for conference, performance presentation for shareholders, investors, analysts, fund managers, bankers by holding analyst meetings on quarterly basis, roadshows with investors. The Company also participates in quarterly Opportunity day activities organized by SET for retail investors. Moreover, the Company has Corporate Affairs Department to disseminate corporate information to media through local and international press releases when there is an important business activity.

Details of Investor Relations activities to disclose information to international and local investors, institutional investors, retail investors, analysts, fund manager and press in 2021 are as listed in the table:

Activities (Normal and Virtual format)	Number (times)
One on One Conference	3



Analyst Meetings	4
Opportunity Day (organized by the SET)	4
Domestic roadshows or information sessions <ul style="list-style-type: none"> <li>○ Organized by the Company</li> <li>○ Organized by SET</li> <li>○ Organized by others</li> </ul>	1 3 8
Overseas roadshows	-
Answering Inquiries by E-mail/telephone	Approx. 2-3 times/day
Press Release on the Company's performance	4

The Company provides information and news to the Stock Exchange of Thailand (SET). Interested persons may look up this information on the SET website [www.set.or.th](http://www.set.or.th) and the Company's website at [www.sprc.co.th](http://www.sprc.co.th). For further information, investors and interested persons may contact the Company's Investor relations division at Tel. +66 (0) 38 699 887 or Fax. +66 (0) 38 699 999 ext. 7887 or send email to [ir@sprc.co.th](mailto:ir@sprc.co.th).

In addition, the Company provides a central point of investor contact as follow:-

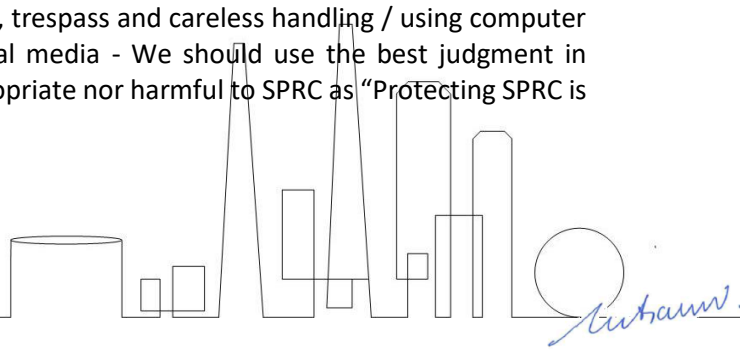
- Ms. Suttanuch Kittipongvises      Investor Relations Manager
- Ms. Chutathip Pachyanukul      Assistant investor Relations Manager
- Ms. Apasara Benner      Investor Relations Officer

## 6.2 Business Conduct Policy

The Board of Directors has established the Company's Business Conduct Policy as the guideline on how to conduct our business, recognizing the importance of honest, fair, and transparent business operations, as well as ensuring operations are in compliance with all applicable laws, rules, and regulations.

The Business Conduct Policy is regularly reviewed by Management and the Board of Directors. The Board of Directors, Management, and all staffs are required to comply with the Business Conduct Policy at all times. The Business Conduct provides 10 principles for conducting business as follows;

- **Our Employees** – Diversify and Inclusion / equal opportunity / pay-for-performance to attract and retain high-caliber person / zero drugs and alcohol / zero tolerance for workplace violence and harassment.
- **Human Rights** – SPRC is committed to respecting fundamental human rights in our operations, our value chain, and in the communities where we operate.
- **Company Records and Internal Controls** – Accurate books and records / internal control/ audit
- **Conflicts of Interest** – SPRC expects SPRC's Personnel to act in the best interest of SPRC. Business decision should be made free from any conflict of interest. Avoid accepting or giving gift or other advantage / Related Party Transaction / Insider Trading
- **Operational Excellence** – SPRC is committed to working in a way that places the highest priority not only on Personnel and Process Safety, but also on the safety and health of its workforce and members of the communities, including protection of assets and the environment. SPRC is also committed to efficient use of resources and to prevent and/or mitigate the environmental impact due to our operations.
- **Protection of Information and Intellectual Property** – Safeguard information against theft, unauthorized disclosure, misuse, trespass and careless handling / using computer systems and email / (add) using social media - We should use the best judgment in posting material that is neither inappropriate nor harmful to SPRC as "Protecting SPRC is part of our job."



- **Data privacy** – Compliance with the requirement of the Personal Data Protection Act
- **Antitrust/Competition Law** – Compliance with Trade Competition Act. A general discussion or exchanging any information with a competitor could be enough to give rise a concern or show the existence of an illegal agreement.
- **Government Affairs and Political Involvement** – Bribery is always prohibited / the US Foreign Corrupt Practice Act / making political contribution / engaging in political activities on our own - participation political activities during working hours or when using company resources or even when wearing the clothes with SPRC's logo may be considered a prohibited.
- **Multinational Operations** – Trade restrictions / sanctioned countries / the US Antiboycott law

(See detail of Business Conduct Policy at [www.sprc.co.th](http://www.sprc.co.th))

All new staff are trained on the Business Conduct Policy when they start working at the Company.

In addition, in 2021, the Company implemented the online training and required all staffs to attend on following topics:

- Our Employee
- Human Rights
- Company Records and Internal Controls
- Operational Excellence
- Antitrust/Competition Law
- Multinational Operations

### **6.3 Development and Significant Changes of Policy, Measures and Corporate Governance system in the year**

#### **6.3.1 Development and Significant Changes regarding the review of Policy, Measures and Corporate Governance system in the year or the Board of Directors' charter**

The Board of Directors assigns the NRCG Committee to review the Company's practices to ensure the compliance with the guideline on good Corporate Governance (CG Code) and make recommendation to the Board of Directors for improvement. The NRCG reviews the CG assessment result annually by considering and taking the CG Code and ASEAN CG Score Card into account.

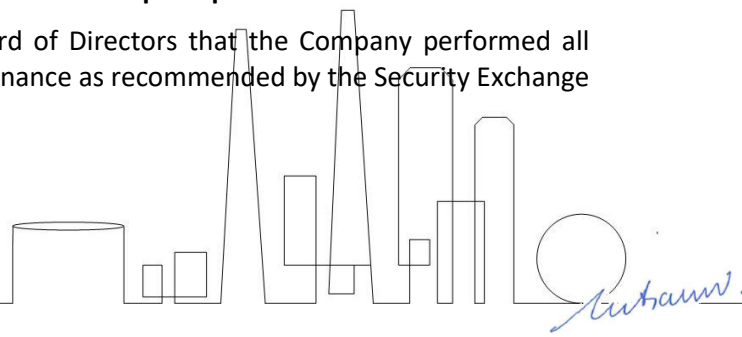
The Company continuously improved its CG as recommended by the NRCG Committee, such as encouraged for director training, nominated a female independent director, and changing the qualification of an independent director that an independent director shall not hold the Company's share more than 1% to 0.1%.

In 2021, the NRCG discussed on the ASEAN CG Score Card that recommend an appointment of Lead Independent Director in case the Company's Chairman is not an independent director. The NRCG Committee viewed that with the board size, number of independent directors, and independent directors' performance, the Company did not need a Lead Independent Director.

In addition, as at present, the Company has 3 committees; Audit Committee, NRCG Committee and Human Resources Committee, the NRCG had reviewed and consider whether the Company should establish additional committee such as Sustainability Committee and Risk Committee. The NRCG Committee viewed that it was not required to have additional committee at this moment. However, it will be reviewed for appropriately from time to time.

#### **6.3.2 Other measures regarding the good Corporate Governance principle**

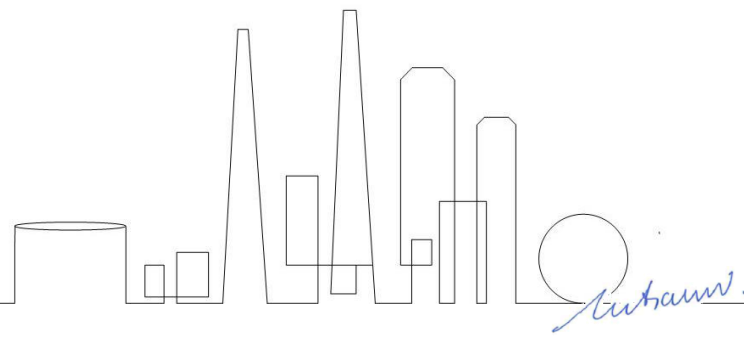
For 2021, the NRCG provided its opinion to the Board of Directors that the Company performed all practices in compliance with the good corporate governance as recommended by the Security Exchange of Thailand, except following items;



- The quorum of the Board of Directors for the voting at the Board of Directors meeting shall be the presence in person of at least two-thirds of all directors on the board.
  - The Company's Article of Association provides that the quorum of the Board meeting requires the presence in person of at least one-half of all directors on the board. With the Board's size, the Board of Directors considered the current practice is appropriate.
- Chairman of the Board is an independent director.
  - The Chairman of the Board is elected by the Board of Directors. The Board of Directors elected Mr. Brant Thomas Fish, a non-executive director, to be a Chairman of the Board and elected Mr. Pliu Mangkornkanok, an independent director, to be a Vice Chairman of the Board.
- The Nomination and Remuneration Committee shall comprise of independent directors more than 50%.
  - There are 4 members in the Company's Nomination, Remuneration and Corporate Governance Committee and 2 out of 4 directors (equal to 50%) are independent directors.
- The Board of Directors shall comprise of independent directors more than 50%.
  - There are 8 directors in the Board and 4 out of 8 directors (equal to 50%) are independent directors.

### 6.3.3 Evaluation of Corporate Governance and AGM Arrangement

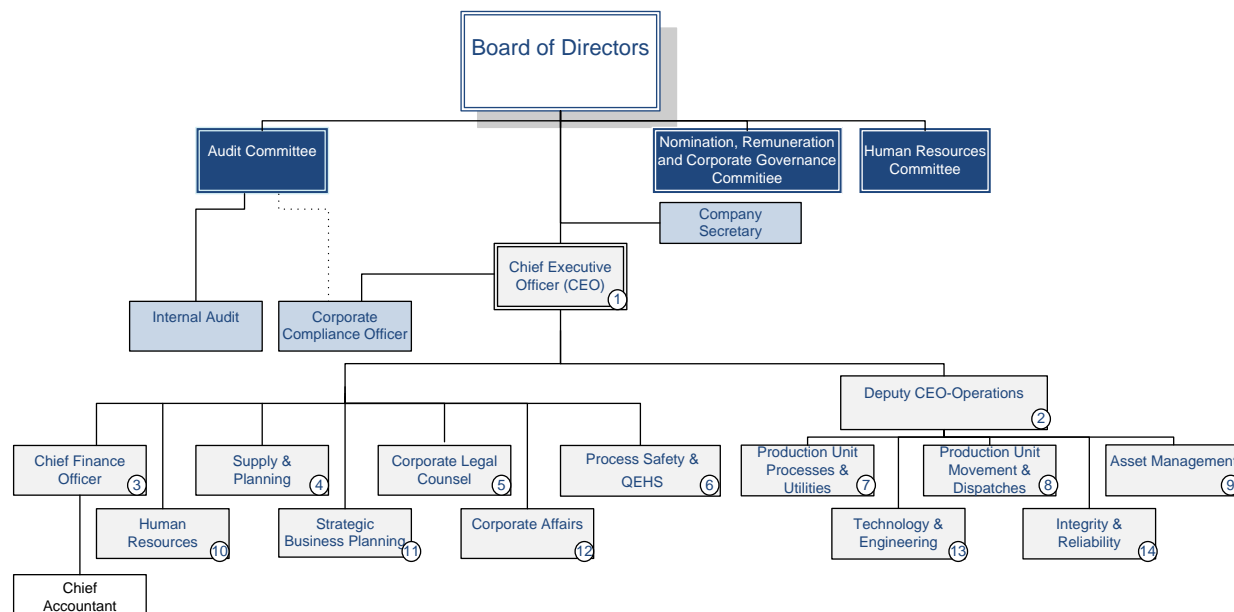
In 2021, the Company received Excellence (5 star) for CG evaluation assessed by the Stock Exchange of Thailand and the Thai Institution of Directors and received 100 score for AGM Arrangement assessed by the Thai Investor Association.



## 7. Structure of Corporate Governance and significant information regarding the Board of Committee, Subcommittee, Management, Employees and others

### 7.1 Structure of Corporate Governance

As of 31 December 2021



No.1-14 are the leadership team according to the definition of management as defined by the Capital Market Supervisory Board. Chief Executive Officer, No. 1 is the highest position in leadership team.

### 7.2 Information of the Board of Committee

#### 7.2.1 Composition 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. At least three of the Company's Board of Directors shall be independent directors. The directors shall possess qualifications, and shall not possess any prohibited characteristics, as specified by law.

In 2021, the Board of Directors comprises of 8 directors. 7 out of 8 are Non-executive directors (87.5% of total Board members), 4 out of 8 are independent directors (50.0% of total Board members), and 1 Executive director, who is the CEO (12.5% of total Board members).

Director's name (As of 31 December 2021)		Executive Director	Non-Executive Director	Independent Director
1.	Mr. Brant Thomas Fish	-	✓	-
2.	Mr. Pliu Mangkornkanok	-	✓	✓
3.	Ms. Kamonwan Wipulakorn	-	✓	✓
4.	Mr. Robert Stair Guthrie	-	✓	✓
5.	Dr. Verapong Chaiperm <sup>1</sup>	-	✓	✓
6.	Mr. Brian Monaco Sutton <sup>2</sup>	-	✓	-
7.	Mr. Robert Joseph Dobrik <sup>3</sup>	✓	-	-
8.	Mr. Ranga Rama Kumar Sreeramagiri <sup>4</sup>	-	✓	-

- <sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.
- <sup>2</sup> In replacement of Mr. Nicolas Michel Bossut, who resigned from the Company's director, the Board of Directors Meeting No. 1A/2021 appointed **Mr. Brian Monaco Sutton** to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.
- <sup>3</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.
- <sup>4</sup> In replacement of Mrs. Barbara Frances Harrison, who resigned from the Company's director, the Board of Directors Meeting No. 4/2021 appointed **Mr. Ranga Rama Kumar Sreeramagiri** to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.

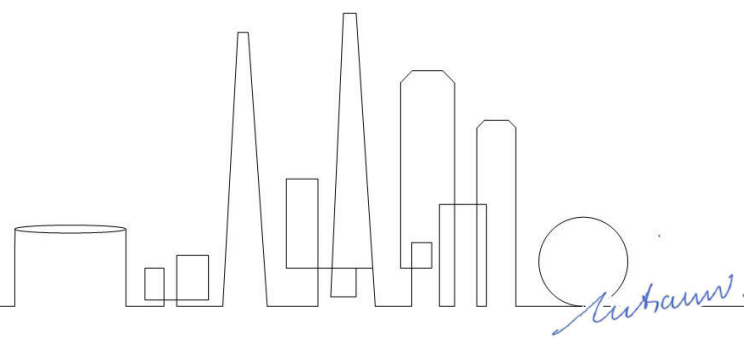
Ms. Kamonwan Wipulakorn, Mr. Pliu Mangkornkanok, Dr. Verapong Chaiperm and Mr. Robert Stair Guthrie are independent directors who are qualified and have qualifications in accordance to the requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Board of Directors' charter.

The Charter of the Board provides that the Board shall have diversity of perspectives and talents to ensure that an appropriate mix of skills, experience and expertise is maintained on the Board. The election of directors followed the resolutions of the annual shareholders meetings, resolutions of the Board of Directors meetings, the laws and regulations, as well as the Company's Articles of Association. The number of directors is appropriate for the Company's business operations.

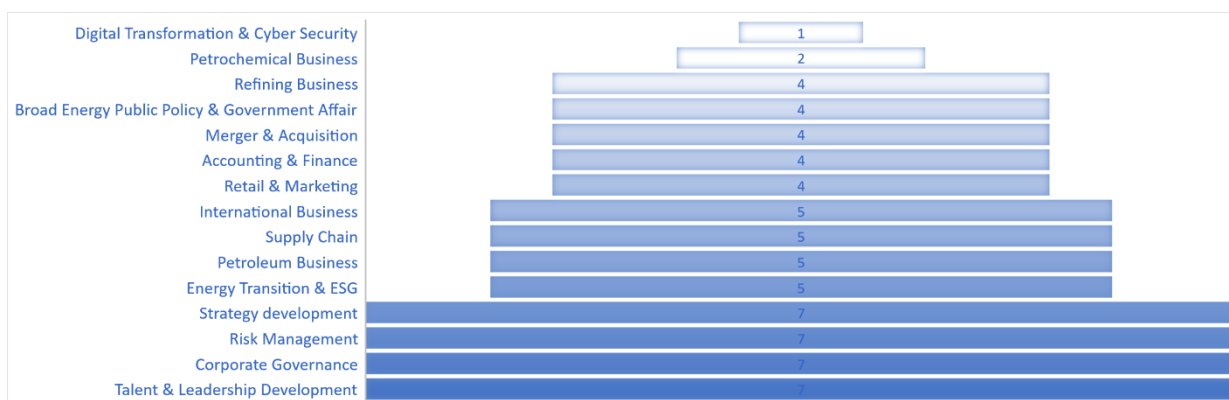
The Board aims to maintain a diversity of skill, experience, expertise and is committed to pursuing diversity in terms of gender, age and other distinction across the group for the perspectives and talents, resulting all aspects of consideration for decision making.

The Company has a policy of non-discrimination. Therefore, there is no discrimination against the directors based on gender, age or race. The directors shall possess qualifications according to the Public Limited Company Act, the Securities and Exchange Act, regulations of the Securities and Exchange Commission, regulations of the Capital Market Supervisory Board and the Company's Articles of Association. The directors shall have knowledge, skills, and expertise in fields related to the Company's business, or have experiences that are beneficial to the Company's business operations, be trustworthy, have leadership skills, vision, ethics, integrity and be able to perform director's duties with care and diligence. Additionally, the directors must not serve as a director of more than 3 listed companies in the Stock Exchange of Thailand.

The Board of Directors evaluates 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 Company's vision, mission, strategy and policies as well as monitor the Company's business and operations. The Nomination, remuneration and Corporate Governance Committee develops and reviews the required skill sets for the skill matrix assessment. From the skill matrix assessment result in 2021, the Board considered the composition of the Board and viewed that the Board has an appropriate mix of skills, experience, and expertise as follows:



## 56-1 One Report 2021



Graph presents the number of directors with moderate and high skill and experience in each area.

## 7.2.2 Information of the Board of Committee and Company Controlling Person

The Board of Director as of 31 December 2021

### 1. Mr. Brant Thomas Fish

- Chairman of the Board of Directors

### 2. Mr. Pliu Mangkornkanok

- Independent Director
- Vice-Chairman of the Board of Directors
- Member of the Audit Committee
- Member of the Human Resources Committee

### 3. Ms. Kamonwan Wipulakorn

- Independent Director
- Chairperson of the Audit Committee
- Member of the Human Resources Committee

### 4. Mr. Robert Stair Guthrie

- Independent Director
- Chairman of the Nomination, Remuneration and Corporate Governance Committee
- Member of the Audit Committee

### 5. Dr. Verapong Chaiperm <sup>1</sup>

- Independent Director
- Member of the Audit Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee

### 6. Mr. Brian Monaco Sutton <sup>2</sup>

- Director
- Member of the Human Resources Committee

### 7. Mr. Robert Joseph Dobrik <sup>3</sup>

- Director
- Chairman of the Human Resources Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee
- Chief Executive Officer

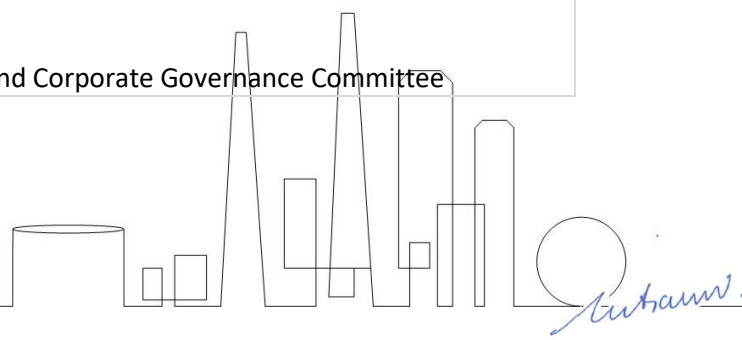
### 8. Mr. Ranga Rama Kumar Sreeramagiri <sup>4</sup>

- Director
- Member of the Nomination, Remuneration and Corporate Governance Committee

Director who resigned in 2021

### 1. Mr. Nicolas Michel Bossut <sup>2</sup>

- Director
- Member of the Nomination, Remuneration and Corporate Governance Committee





- |  |
|--|
| <p><b>2. Mr. Timothy Alan Potter</b><sup>3</sup></p> <ul style="list-style-type: none"> <li>○ Director</li> <li>○ Chairman of the Human Resources Committee</li> <li>○ Member of the Nomination, Remuneration and Corporate Governance Committee</li> <li>○ Chief Executive Officer</li> </ul> |
| <p><b>3. Mrs. Barbara Frances Harrison</b><sup>4</sup></p> <ul style="list-style-type: none"> <li>○ Director</li> <li>○ Member of the Nomination, Remuneration and Corporate Governance Committee</li> </ul>   |

<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

<sup>2</sup> In replacement of Mr. Nicolas Michel Bossut, who resigned from the Company's director, the Board of Directors Meeting No. 1A/2021 appointed **Mr. Brian Monaco Sutton** to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.

<sup>3</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.

<sup>4</sup> In replacement of Mrs. Barbara Frances Harrison, who resigned from the Company's director, the Board of Directors Meeting No. 4/2021 appointed **Mr. Ranga Rama Kumar Sreeramagiri** to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.

See profile of each director in Attachment 1.

### 7.2.3 Roles of the Board of Directors

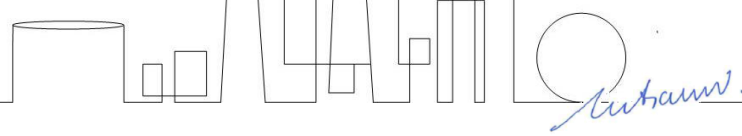
The Company's Board of Directors has a number of duties and responsibilities as set out in the Public Limited Company Act, Securities and Exchange Act, rules and guidelines of the SET, the Company's Articles of Association, and the Charter of the Board of Directors.

It is the primary responsibility of the Board of Directors to manage the Company's business within the scope of the law, the Company's objectives, Articles of Association, and resolutions of the shareholders meeting. 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 with transparency, and prevent any occurrence of conflict of interest. The Board of Directors shall determine the standard practice for the operation of the Company's business and ensure the adequacy of the Company's internal control and risk management systems.

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 Management.

The key responsibilities of the Board include:

- Reviewing, evaluating, approving and modeling vision, mission, culture, core values and commitment to maximize financial, operational, health, safety and environmental performance;
- Reviewing, evaluating and approving the business plan and budget each year;
- Reviewing, evaluating and approving strategies with guidance to implement objectives and goals of the Company;
- Monitoring business performance and reviewing the implementation of strategies;
- Enhancing and protecting the Company's reputation and corporate integrity;
- Reviewing, evaluating, and approving the policies, standards of corporate governance and legal and regulatory compliance; such as the Business Conduct Policy, Corporate Governance Policy, Anti-Corruption Policy, Insider Trading Policy, Risk Management Policy and Dividend Policy; as well as follow up and monitor the internal control and practice to be compliance with such policies;



- Reviewing, evaluating and approving overall direction and financial, operational, health, safety and environmental objectives and goals each year;
- Reviewing and approving full year and interim financial reports;
- Reviewing and approving the payment of any interim dividends;
- Reviewing, evaluating and approving the charters of the Board's committees;
- Reviewing and approving the appointment of a new director to replace a vacancy due to resignation;
- Reviewing and approving terms of appointment, including the remuneration package of the CEO, based on the recommendation of the Human Resources Committee;
- Reviewing, evaluating and approving the termination of the CEO's appointment;
- Providing input to the CEO's annual performance review with the Chairman;
- Monitoring the progress of major capital projects and business acquisitions or divestitures, and reviewing returns from these investments;
- The Board of Directors has authorization on capital expenditure up to Baht 1.5 billion. Any capital expenditure that exceeds Baht 1.5 billion shall be proposed for shareholders' approval.
- Reviewing and approving such authority to execute transactions or obligations which do not fall within the scope of authorities delegated to the CEO;
  - The CEO has the authority to execute transactions in the name of the Company, with a limit of not exceeding Baht 200 million. Transactions with a value greater than Baht 200 million are subject to the Board's approval.
  - However, due to the nature of Company's business and normal Company's business transaction, the CEO has the authority to execute transactions and obligations with a term not exceeding 12 months (regardless of the amount of these transactions) that are related to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products.
  - For related party transactions, the CEO has the authority to execute related party transactions in the name of the Company, with a limit of not exceeding Baht 10 million. Related party transactions with a value greater than Baht 10 million are subject to the Audit Committee's review and the Board's approval. For related party transactions with regard to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products, the CEO has the authority to execute such related party transactions with a term not exceeding 12 months (regardless the amount of those transactions).

### Authorized Directors

The authorized directors of the Company are any two of Mr. Brant Thomas Fish, Mr. Brian Monaco Sutton, Mr. Robert Joseph Dobrik and Mr. Ranga Rama Kumar Sreeramagiri, to jointly sign and affix the Company's seal.

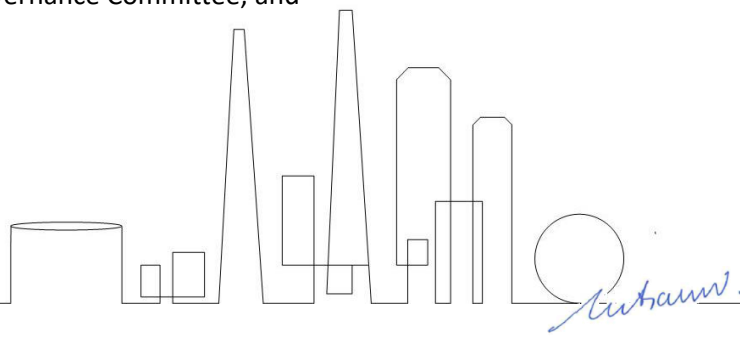
## 7.3 Information of Subcommittee

### 7.3.1 Structure of the Board of Directors

The Board of Directors has established committees to support and provide recommendations to the Board of Directors in each aspect for effective operations of the Company's business.

The Company has 3 committees as follows:

- Audit Committee
- Nomination, Remuneration and Corporate Governance Committee; and
- Human Resources Committee



### 7.3.2 List of Subcommittee by each committee

#### 7.3.2.1 Audit Committee

The Audit Committee comprises 4 members as follows:

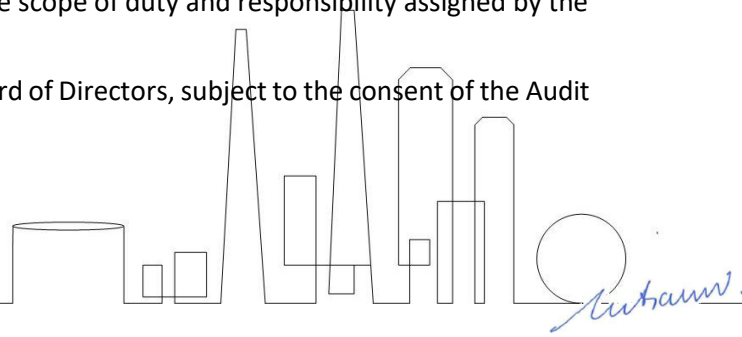
1. Ms. Kamonwan Wipulakorn	Chairperson	(Independent Director)
2. Mr. Pliu Mangkornkanok	Member	(Independent Director)
3. Dr. Verapong Chaiperm <sup>1</sup>	Member	(Independent Director)
4. Mr. Robert stair Guthrie	Member	(Independent Director)

<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

Mr. Pliu has knowledge and experience to review the financial statements.

The Audit Committee has scope of authority, duties, and responsibilities as follows:

- 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.
- 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 external auditor of the Company, propose the remuneration of the external auditor, termination of the external auditor, and attend meetings with the external auditor and internal auditor without the management's presence at least once a quarter.
- 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 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. 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 executed on a commercial arm's length basis and always take into consideration, on balance, the best interest of 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.



### 7.3.2.2 Nomination, Remuneration and Corporate Governance Committee (NRCG Committee)

The NRCG Committee comprises 4 members as follows:

1. Mr. Robert Stair Guthrie	Chairman	(Independent Director)
2. Dr. Verapong Chaiperm <sup>1</sup>	Member	(Independent Director)
3. Mr. Robert Joseph Dobrik <sup>2</sup>	Member	
4. Mr. Ranga Rama Kumar Sreeramagiri <sup>3</sup>	Member	

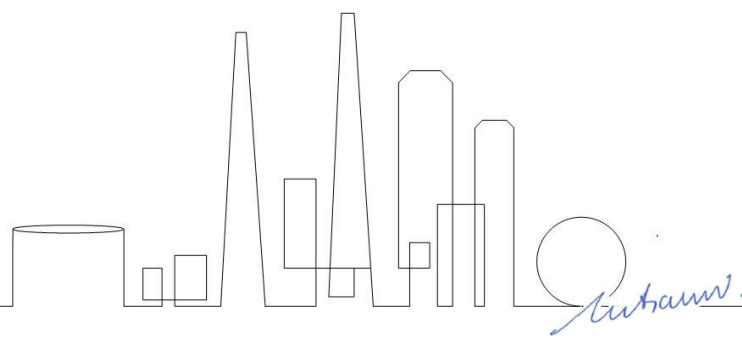
<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

<sup>2</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.

<sup>3</sup> In replacement of Mrs. Barbara Frances Harrison, who resigned from the Company's director, the Board of Directors Meeting No. 4/2021 appointed **Mr. Ranga Rama Kumar Sreeramagiri** to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.

The Nomination, Remuneration and Corporate Governance Committee has scope of authority, duties, and responsibilities as follows:

- 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.
- Assisting the Board of Directors with respect to the nomination process for directors, determining the terms of appointment.
- Providing consultancy service to assist the Board of Directors in evaluating the performance and nomination of directors.
- The Nomination, Remuneration and Corporate Governance Committee shall ensure that the Board of Directors possesses the appropriate mix of 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.
- Reviewing and overseeing the process for evaluation of the performance of the Board, its standing committees and individual directors.
- Assisting the Board of Directors to consider a fair and reasonable remuneration structure for the Board of Directors and other committees.
- Reviewing the adequacy of the Company's practices with respect to corporate governance, and provide advice and recommendations to the Board to ensure the Company's policies, practices, and standards of corporate governance are consistent with SET's best practice guidelines for listed companies, international best practices and recommendations made by related institutions.
- Monitoring and overseeing the performance of the Board and Management to ensure their compliance with the Company's Corporate Governance policy.



### 7.3.2.3 Human Resources Committee

The Human Resources Committee comprises 4 members as follows:

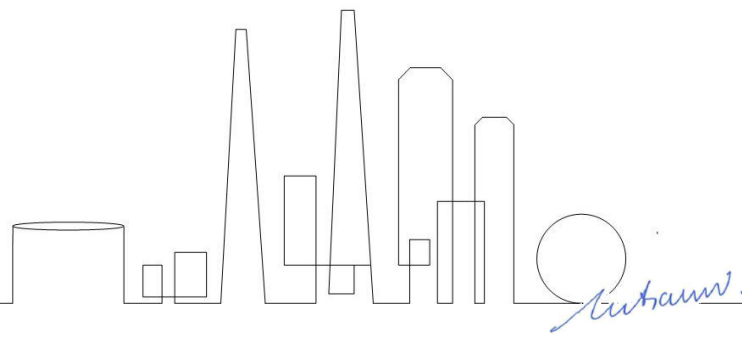
1. Mr. Robert Joseph Dobrik <sup>1</sup>	Chairman	
2. Ms. Kamonwan Wipulakorn	Member	(Independent Director)
3. Mr. Pliu Mangkornkanok	Member	(Independent Director)
4. Mr. Brian Monaco Sutton <sup>2</sup>	Member	

<sup>1</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.

<sup>2</sup> In replacement of Mr. Nicolas Michel Bossut, who resigned from the Company's director, the Board of Directors Meeting No. 1A/2021 appointed **Mr. Brian Monaco Sutton** to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.

The Human Resources Committee has scope of authority, duties, and responsibilities as follows:

- 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 for staff.
- 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.
- The Human Resources Committee is responsible for provide the advice on the appointment of senior leaders, and review a succession planning of the CEO and senior leadership team.



## 7.4 Information of Management

### 7.4.1 List of Management and position

There are 14 executives on the SPRC Leadership Team. The Leadership Team is responsible for executing the strategies, objectives and business plans approved by the Board of Directors, and managing the day to day activities at SPRC. Members of the Leadership Team all bring significant industry and company specific experience and knowledge to SPRC providing the required skills and competencies to lead SPRC to “Set the Standard” in the refining industry.

**Leadership Team members as of 31 December 2021 are:**

Name	Position
1. Mr. Robert Joseph Dobrik	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 Process Safety and QEHS
7. Mr. Wisit Sukprasert	Manager of Asset Management
8. Mr. Paul Andrew Rushworth	Manager of Production Unit-Processes & Utilities
9. Ms. Chaowasri Luengratanakorn	Manager of Production Unit-Movement & Dispatches
10. Mr. Kittipong Nokdara	Manager of Integrity & Reliability
11. Mr. Konlayuth Chotepatana	Manager of Technology & Engineering
12. Ms. Nattawan Khumwiwat	Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer
13. Mrs. Pornthip Viraphand	Manager of Corporate Affairs
14. Mr. Akasit Rumpagaporn	Manager of Strategic Business Planning

Remarks:

- Leadership Team No.1-14 is according to the definition of management as defined by the Capital Market Supervisory Board.
- There is Management transition as following.
  - Mr. Timothy Alan Potter completed the assignment and replaced by Mr. Robert Joseph Dobrik the position of Director and Chief Executive Officer, effective on 1 October 2021.
  - Mr. Konlayuth Chotepatana promoted to Manager of Technology & Engineering, effective on 1 February 2021

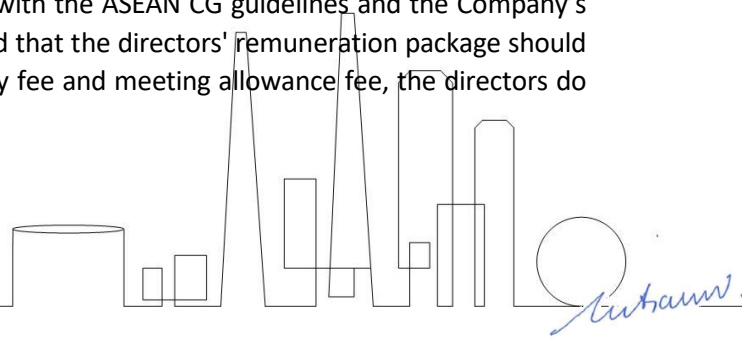
### 7.4.2 Directors and Management's Remuneration Policy

#### Directors' Remuneration

Under the Company's Articles of Association, the director's remuneration will be considered and approved by the Shareholders at the Annual General Meeting of Shareholders. The directors are entitled to remuneration from the Company in form of monthly fees, meeting allowances, rewards, bonuses or any other benefits in accordance with the Articles 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.

At the NRCG Committee Meeting No. 1/2021 on 19 February 2021, the NRCG considered the directors' remuneration package for year 2021 thoroughly, considering the Director Compensation Survey result conducted by the Institution of Director (IOD), taking into account the appropriateness, work performance, company performance, and comparing with other Thai refineries and other listed companies that are in the same industry.

The NRCG Committee considered that the directors' remuneration should be in a form of monthly fee and meeting allowance fee only. In order to be consistent with the ASEAN CG guidelines and the Company's practice in previous years, the NRCG Committee viewed that the directors' remuneration package should not include a bonus. Therefore, other than the monthly fee and meeting allowance fee, the directors do not have any other kinds of compensation.



The Annual General Meeting of Shareholders in 2021 approved the director's remuneration for monthly fees and meeting allowances for Board of Directors meetings and committee meetings at the same rate as in 2020 as follows;

<b>Compensation for the Board of Directors for 2021</b>		
<b>Position</b>	<b>Monthly Fee (Baht/Month)</b>	<b>Meeting Allowance of Board of Directors Meeting (Only attending directors) (Baht/Meeting)</b>
Chairman of the Board of Directors	180,000	25,000
Vice-Chairman of the Board of Directors	170,000	20,000
Director	145,000	20,000

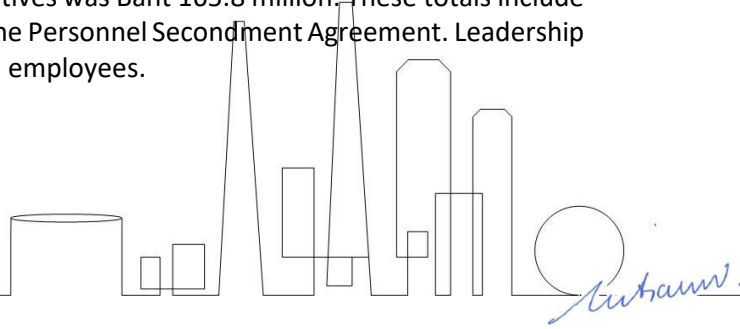
<b>Compensation for the Audit Committee for 2021</b>	
<b>Position</b>	<b>Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)</b>
Chairman of the committee	40,000
Member of the committee	30,000

<b>Compensation for the Nomination, Remuneration and Corporate Governance Committee for 2021</b>	
<b>Position</b>	<b>Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)</b>
Chairman of the committee	40,000
Member of the committee	30,000

<b>Compensation for the Human Resources Committee for 2021</b>	
<b>Position</b>	<b>Meeting Allowance of Committee Meeting (Only attending members) (Baht/Meeting)</b>
Chairman of the committee	40,000
Member of the committee	30,000

### **Management's Remuneration**

Total remuneration for Leadership Team includes basic salary, bonus, provident fund, welfare and benefit expense. In 2021, total remuneration for executives was Baht 165.8 million. These totals include management manpower costs paid to Chevron under the Personnel Secondment Agreement. Leadership Team also receive other benefits and compensation as employees.





### 7.4.3 The Compensation of Directors and Management

#### Compensation of Directors

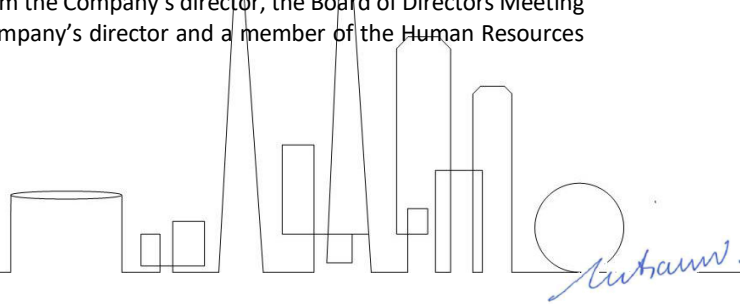
In 2021, the Company paid the compensation to 11 directors which include the directors who held the directorship position for 12 months ending on 31 December 2021, the directors who completed their directorship term and resigned during the year, and the director who started their directorship during the year. The director compensation was made in accordance with the resolution of the 2021 Annual General Meeting of Shareholders. Total director compensation in 2021 was 16,846,500 baht, comprising of monthly fees in total of 14,161,500 baht and the meeting allowances for the Board of Directors meetings and sub-committee meetings in total of 2,520,000 baht.

Other than the monthly fee and meeting allowance fee, the directors did not receive bonuses, rewards, nor other benefits such as position cars or club memberships provided to directors. Nevertheless, the Company has the Directors and Officers Liability Insurance for directors and employees who act on behalf of the Company. The Director and Officer insurance premium is approximate 700,000 baht per year.

The compensation that each director received in 2021						
Name	Monthly fee for total 12 months	Total Meeting Allowances received in 2021				Grand total compensation each director received in 2021
		Board of Directors Meetings	Audit Committee Meetings	Nomination, Remuneration and Corporate Governance Committee Meetings	Human Resources Committee Meetings	
1. Mr. Brant Thomas Fish	2,160,000	125,000	-	-	-	2,285,000
2. Mr. Pliu Mangkornkanok	2,040,000	120,000	120,000	-	180,000	2,460,000
3. Ms. Kamonwan Wipulakorn	1,740,000	120,000	160,000	-	180,000	2,200,000
4. Mr. Robert Stair Guthrie	1,740,000	120,000	120,000	160,000	-	2,140,000
5. Dr. Verapong Chaiperm <sup>1</sup>	1,261,500	80,000	90,000	90,000	-	1,521,500
6. Mr. Brian Monaco Sutton <sup>2</sup>	1,261,500	80,000	-	-	120,000	1,461,500
7. Mr. Robert Joseph Dobrik <sup>3</sup>	435,000	20,000	-	30,000	40,000	525,000
8. Mr. Ranga Rama Kumar Sreeramagiri <sup>4</sup>	232,000	-	-	-	-	232,000
Director who resigned in 2021						
1. Mr. Nicolas Michel Bossut <sup>2</sup>	478,500	40,000	-	-	60,000	578,500
2. Mr. Timothy Alan Potter <sup>3</sup>	1,305,000	100,000	-	90,000	200,000	1,695,000
3. Mrs. Barbara Frances Harrison <sup>4</sup>	1,508,000	120,000	-	120,000	-	1,748,000

<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

<sup>2</sup> In replacement of Mr. Nicolas Michel Bossut, who resigned from the Company's director, the Board of Directors Meeting No. 1A/2021 appointed **Mr. Brian Monaco Sutton** to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.



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- <sup>3</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.
- <sup>4</sup> In replacement of Mrs. Barbara Frances Harrison, who resigned from the Company's director, the Board of Directors Meeting No. 4/2021 appointed **Mr. Ranga Rama Kumar Sreeramagiri** to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.

Mr. Brant Thomas Fish, Mr. Brian Monaco Sutton, Mr. Robert Joseph Dobrik, Mr. Ranga Rama Kumar Sreeramagiri, Mr. Nicolas Michel Bossut, Mr. Timothy Alan Potter and Ms. Barbara Frances Harrison are directors nominated by Chevron. They have declined to receive director compensation, both monthly fees and meeting allowance fees. Total declined fees were 8,525,000 baht, comprising of the monthly fee of 7,380,000 baht and the meeting allowance fee of 1,145,000 baht. This director compensation is not covered under the Personnel Secondment Agreement made between the Company and Chevron.

### Compensation of Management

The total compensation from 15 Leadership Team members who perform 14 Leadership Team positions according to the definition of management as defined by the Capital Market Supervisory Board in 2021

Compensation	Number of executives	Amount (Baht)
Salary	15	115,068,688
Bonus	14	27,477,545
Provident Fund	10	5,090,717
Retirement Benefit	13	18,171,170
<b>Total</b>		<b>165,808,120</b>

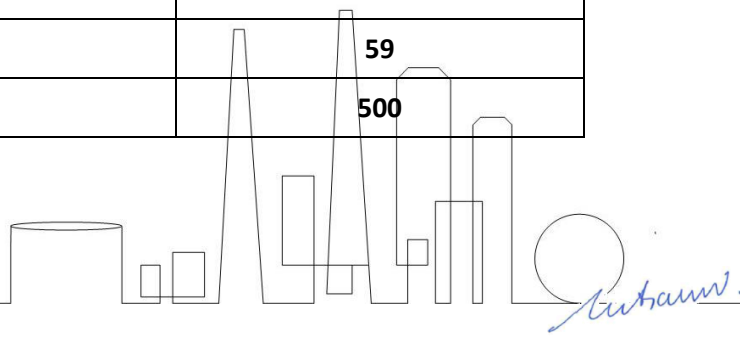
**Remark:** Summary 2021 leadership team movement as refer in 7.4.1 Leadership Team members section.

### 7.5 Information regarding Employees

#### Number of Employees

The company has 500 total employees as of 31 December 2021. The number of employees includes direct hires and secondees from Chevron.

Department	Number of Employees
Production Unit - Processes and Utilities	145
Production Unit - Movement and Dispatches	97
Asset Management	74
Technology and Engineering	54
Process Safety and QEHS	20
Corporate Service	21
Integrity & Reliability	25
Strategic Business Planning	5
Others	59
<b>Total</b>	<b>500</b>



## 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 2021, total compensation, including salary, bonus, overtime pay, provident fund, welfare and benefit paid to the employees and executives was Baht 1,255.3 million. Annual merit increase for each employee is determined based on the individual's annual performance result and market competitiveness.

## Other Compensation and Benefits

The Company provides benefits to the employees including Housing Allowance, Housing and Automobile Interest Subsidy, Annual Holidays, Maternity Leave, Paternity Leave and Compassionate Leave, Life Insurance and Disability, Medical Coverage. We also provide the Flexible Benefit program that allows individual employees to make selections of benefits to fit with their lifestyle and family's needs.

The Company also provides employees' retirement package which complies with Thai Labor Law. We recognize employees with "Top Up with Gold" at their retirement. The Company has recorded retirement benefits of Baht 94.4 million in 2021.

## Provident Fund

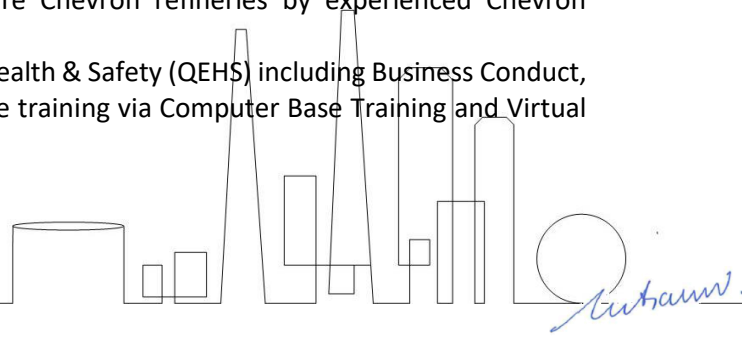
The Company provides a provident fund, registered as a juristic person under the Provident Fund Act, B.E. 2530 (1987) for the Company's employees. Participating employees pay a contribution of 3 to 15 percent of the monthly wage to the fund, and the Company contributes 3 to 15 percent of the employee's wage, depending on the employee's years of service. Provident Fund contributions by the Company were Baht 68.7 million in 2021.

## Training & Development

Our people development is to develop and improve the quality and efficiency of people by ensuring that our employee has right skill, values, roles and behavior. We encourage our employee to contribute to the achievement of superior business results.

Our employee's skill and competencies are developed through training and various work experience in a wide range of assignment. We provide education and skills development through training need analysis, customized to our business environment, our employee is provided:

1. Established Agile way of work to strengthen caring and reliability culture via implemented 9 company action plans.
2. Leadership, Successor and Talent development program through various assigned Agile Project e.g. Coaching & Mentoring, Leadership and Specialist Program, Desirable Accountability Behavior, etc.
3. Revised Knowledge Management structure and encourage employee to promote learning organization and transfer knowledge from various areas both functional and general knowledge.
4. Special assignments both in local and overseas.
5. Promote Coaching & Mentoring Program in Agile working approach to enhance performance appraisals.
6. Joint Venture Chevron Technical University (JVCTU): A set of engineering and technical courses provided to young engineers of joint venture Chevron refineries by experienced Chevron engineers from around the world.
7. Mandatory training in Quality, Environment, Health & Safety (QEHS) including Business Conduct, In 2021, we conducted these courses by online training via Computer Base Training and Virtual training.



8. On-the-job learning provided by different assignments over a career.
9. Implemented online external training course with selected group to assess as new training approach which plan to implement to both functional and general knowledge.
10. Enhanced learning organization through actual implement from online training platform both general and leadership competencies development.
11. Improved Succession Plan and Talent Management work process and developed selection criteria to support retirement wave in next 5 years, T&I 2025.
12. Developed rotation program for talent staff and long year in position upskill and reskill preparing for more resilience.

All training activities are evaluated, and feedback is continually reviewed to ensure that our development is fit for purpose. This helps us develop competent and committed employees who are fully prepared to meet future business needs.

### **Labor disputes**

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

## **7.6 Other significant information**

### **7.6.1 Indicate the name of persons who are assigned to be responsible as follow**

- **Company Secretary**

The Board of Directors has authorization and is responsible for appointment of the Company Secretary. At the Board of Directors meeting No. 4/2013, on 27 November 2013, the Board of Directors reviewed the qualifications of, and appointed, Ms. Nattawan Khumwiwat, who has skills, knowledge, experiences, and graduated in law, to act in the position of Company Secretary.

The Company Secretary has roles and responsibilities to ensure compliance with, and advise the Board of Directors and management on, relevant laws and regulations, and guidelines to practice 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 be responsible and 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.

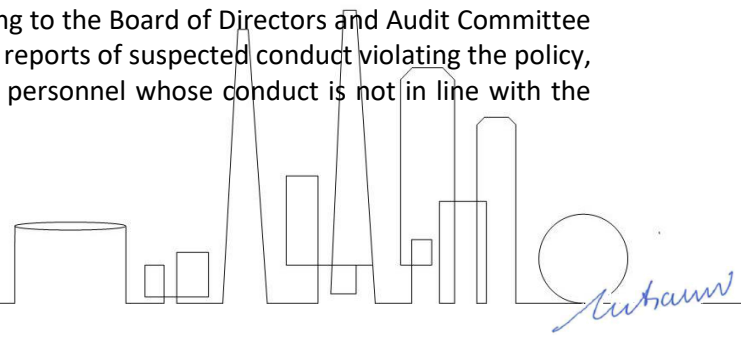
The Company Secretary additionally takes responsibilities on the secretarial tasks of the Audit Committee and the Nomination, Remuneration and Corporate Governance Committee.

See profile of the Company Secretary in Attachment 1.

- **Corporate Compliance Officer**

The Board of Directors established the Business Conduct Policy in 2010 and appoints the Corporate Compliance Officer to have primary oversight responsibility to ensure the Company operates the business in accordance with guidelines and policies provided in the Business Conduct Policy.

Ms. Nattawan Khumwiwat has been appointed to take the role of the Corporate Compliance Officer since 1 July 2015. The Corporate Compliance Officer is responsible for implementation and monitoring the compliance program consistent with the Business Conduct Policy, communication policies and practices, reporting to the Board of Directors and Audit Committee on related matters, handling investigations on reports of suspected conduct violating the policy, and recommend disciplinary action(s) against personnel whose conduct is not in line with the



principles provided in the Business Conduct Policy. All reports of suspected violations of policy, and sources of those reports, are treated confidentially.

The Corporate Compliance Officer reports quarterly to the Audit Committee on the implementation program and compliance to the Anti-Corruption Policy and Business Conduct Policy.

See profile of the Corporate Compliance Officer in Attachment 3.

- **Internal Audit Manager** (Head of the internal audit function)

The Audit Committee has authority in appointment and removal of the head of internal audit functions. At the Audit Committee meeting no. 4/2012, on 20 June 2012, the Audit Committee appointed, Ms. Sukhumal Tonpitak as the Company's Internal Audit Manager. The Audit Committee reviewed and considered that she has knowledge, ability and work experience in refinery for more than 15 years. She has attended internal audit course and understand the company's operations

The roles and responsibilities of Internal Auditor are to provide independent and reasonable assurance to ensure the effectiveness of risk management, internal control and good corporate governance. This also includes examine on fraud and Anti-Corruption. The Internal Auditor follows the Professional Standard guideline and applies innovative approaches for internal audit process.

At the Audit Committee Meeting No. 4/2021 on 11 November 2021, the Audit Committee reviewed the Charter of the Internal Auditor and made some revisions on the scope of audit to cover and be consistent with the current practice of internal audit functions.

See profile of the Internal Audit Manager in Attachment 3.

## 7.6.2 Investor relations manager

### List of Investor Relations Manager and working team

- |                                |                                      |
|--------------------------------|--------------------------------------|
| • Ms. Suttanuch Kittipongvises | Investor Relations Manager           |
| • Ms. Chutathip Pachiyankul    | Assistant Investor Relations Manager |
| • Ms. Apasara Benner           | Investor Relations Officer           |

### Contact details

The Company's information and news are also made available and equally accessible to all stakeholders on the Company's website at [www.sprc.co.th](http://www.sprc.co.th). Investors and interested parties may contact or make inquiries to the Company's Investor relations division at

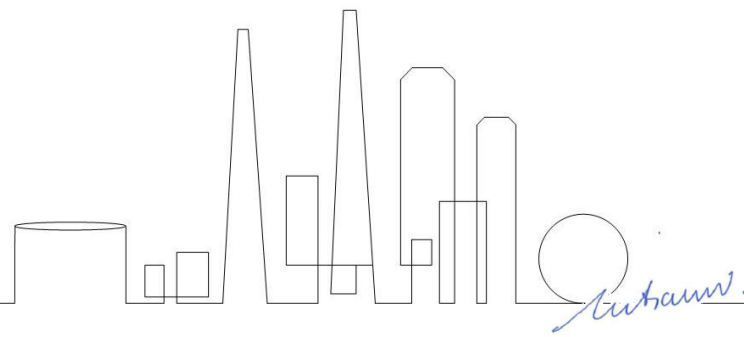
Telephone +66 (0) 38 699 887 or  
 Fax. +66 (0) 38 699 999 ext. 7887 or  
 Email [ir@sprc.co.th](mailto:ir@sprc.co.th)

## 7.6.3 Auditor fee

Audit fee for the year 2021 is Baht 2,955,000 and there was no non-audit fee in 2021.

## 7.6.4 Indicate representative person and contact detail (in case of Holding Company)

N/A



## 8. Corporate Governance Report

### 8.1 Summary of the Board of Committee's performance for the year

#### 8.1.1 Nomination, Development and assessment of the Board of Directors

Under the Company's Article of Association, 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. There were 2 directors, Mr. Robert Stair Guthrie and Mrs. Barbara Frances Harrison, retired at the 2021 Annual General Meeting. They were re-elected by the the 2021 Annual General Meeting of Shareholders held on 9 April 2021 to hold a directorship for another term.

In additon, there was one vacancy of independent director position due to one independent director passed away in December 2020. The 2021 Annual General Meeting of Shareholders passed resolution to elect Dr. Verapong Chaiperm to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

In 2021, the following 3 directors resigned from the Company's director:

- Mr. Nicolas Michel Bossut resigned from the Company's director, effective on 10 April 2021.
  - The Board of Directors Meeting No. 1A/2021 appointed Mr. Brian Monaco Sutton to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.
- Mr. Timothy Alan Potter resigned from the Company's director, effective on 1 October 2021.
  - The Board of Directors Meeting No. 2A/2021 appointed Mr. Robert Joseph Dobrik to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer, effective on 1 October 2021.
- Mrs. Barbara Frances Harrison resigned from the Company's director, effective on 13 November 2021.
  - The Board of Directors Meeting No. 4/2021 appointed Mr. Ranga Rama Kumar Sreeramagiri to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.

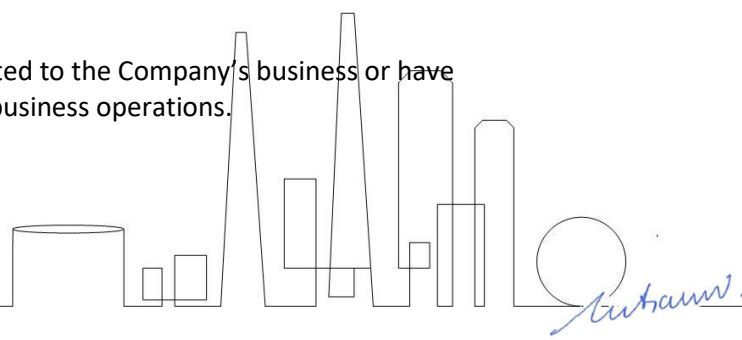
A new director replacing any vacant position due to resigned director will be in position for the remaining term of such resigned director.

#### Nomination of directors

The Board of Directors has established procedures for nomination of directors by the Nomination, Remuneration and Corporate Governance Committee to ensure compliance with good corporate governance guidelines of the SET for listed companies. The Nomination, Remuneration and Corporate Governance Committee has the duty to review policies and the process for nominating new directors, and determine necessary and desirable qualifications of new directors. Additionally, the Company looks for qualified candidates from the list of Chartered Directors of the Thai Institute of Directors (IOD).

Persons nominated as directors shall possess the following qualifications:

1. Be fully qualified and not be prohibited from being a director according to:
  - The Public Limited Company Act
  - The Securities and Exchange Act
  - Regulations of the Securities and Exchange Commission
  - Regulations of the Capital Market Supervisory Board
  - The Company's Articles of Association
2. Have knowledge, skills, and expertise in fields related to the Company's business or have experiences that are beneficial to the Company's business operations.





3. Be trustworthy, have leadership skills, vision, ethics, integrity and be able to perform director's duties with care and diligence.
4. Not serve as a director of more than 3 listed companies in the Stock Exchange of Thailand.

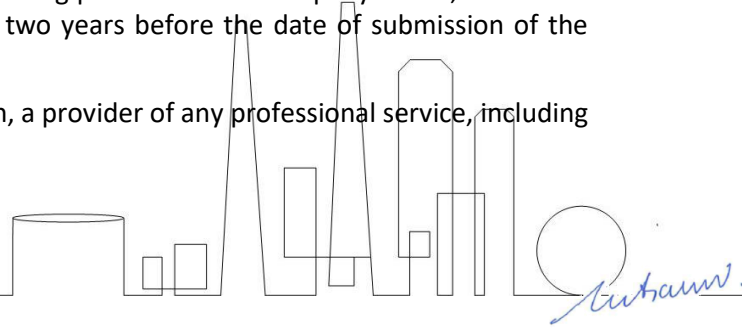
### **Nomination of independent directors**

Persons nominated as independent directors shall possess the following qualifications:

1. The independent director should not hold more than 3 consecutive terms directorship. (3 years for each term)
2. An independent director must not hold shares exceeding 0.1 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. (This required qualification is more stringent than the requirement of the law.)
3. 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 2 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.
4. 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.
5. 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.

6. 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.
7. 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.

8. 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.
9. 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.
10. An independent director shall not possess any other characteristics that prevents him or her from freely giving an opinion regarding the Company's operation.

At the NRCG Committee Meeting No. 3/2021 on 6 August 2021, the NRCG had discussion on the succession plan of independent directors, by taking the CG guideline into consideration. The CG provides that the Company should not have an independent director who takes an independent director position longer than 9 years, counting from the Stock Exchange of Thailand listing date. SPRC became a listed company in the Stock Exchange of Thailand on 8 December 2015. therefore, 9-year period will complete in 2024. Moreover, the NRCG reviewed skill Matrix for the directors' self-assessment and will take it into consideration for director's succession plan.

### Training for directors

In 2021, the Company arranged the director orientation in May for Mrs. Barbara Frances Harrison, Mr. Brian Monaco Sutton and Dr. Verapong Chaiperm and in September for Mr. Robert Joseph Dobrik to introduce them the overview of the Company's structure and business, the Company's performance in operation, supply and financial including performance benchmarking with the peers in Thailand and international industry, Company's culture, Business Conduct Policy, and policies regarding to the good governance.

Additionally, the Company encourages the directors to improve themselves in the area of director roles and corporate governance by attending a training or seminar regarding to the roles and responsibilities of directors organized by the Thai Institution of Directors (IOD). The Nomination, Remuneration and Corporate Governance Committee is responsible to monitor and ensure the directors attend the training, as well as recommend the interesting training IOD courses to the directors. In 2021, 5 directors attended the following courses with IOD:

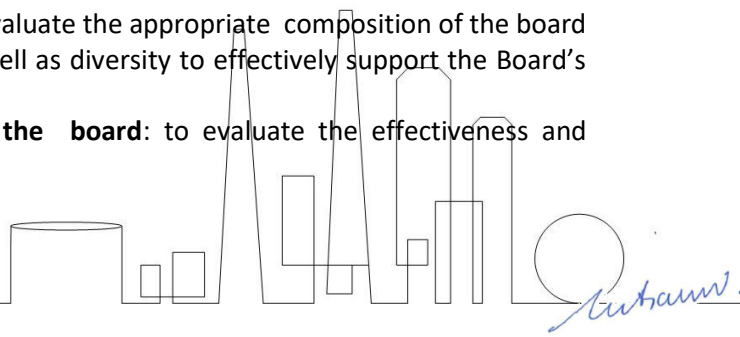
Mr. Brant Thomas Fish	Director Accredited Program 183/2021
Mrs. Barbara Frances Harrison	Director Accredited Program 183/2021
Mr. Pliu Mangkornkanok	Director Leadership Certificate Program 0/2021
Ms. Kamonwan Wipulakorn	Director Leadership Certificate Program 2/2021
Mr. Robert Joseph Dobrik	Director Certificate Program 313/2021

### Board of Directors Self-Assessment

- **Criteria**

The Board of Directors assessed its 2021 performance. The self-assessment form consists of 55 questions covering 6 areas:

- **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



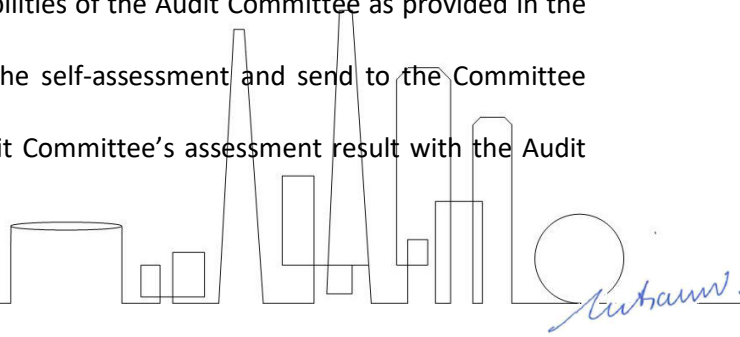
- contribution of the Board of Directors to achieve the goals of the Company
- **Duties of directors:** to evaluate the neutrality and independence of directors performing their roles
- **The board meeting:** to evaluate the effectiveness and environment of the meetings, and the quality of information 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
- **Director's self-improvement and training:** to evaluate the Directors' understanding of their roles, and responsibilities, and the company's nature of business.
- **Process**
  - The Company Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the Board of Directors as provided in the Charter of the Board of Directors.
  - All directors shall complete the self-assessment and send to the Company Secretary to consolidate the result.
  - The Company Secretary shares the Board of Directors' assessment result with the Nomination, Remuneration and Corporate Governance Committee to review and discuss.
  - The Chairman of the Nomination, Remuneration and Corporate Governance Committee shares the Board of Directors' assessment result with the Board of Directors and provides recommendations for effective performance and compliance with corporate governance.
- **Assessment Result**
  - 5 out of 8 directors completed the self-assessment for the Board of Directors. The overall result of the 2021 Board of Directors' self-assessment indicates 96%
  - 2 directors, Mr. Robert Joseph Dobrik and Mr. Ranga Rama Kumar Sreeramagiri, were not required to execute the self-assessment because they have joined the Board of directors shorter than 6 months.
  - 1 director was unable to conduct the self-assessment.

#### Audit Committee Self-Assessment

- **Criteria**

The Audit Committee assessed its 2021 performance. The self-assessment form consists of 30 questions covering 3 areas:

  - **Committee structure and qualifications:** to evaluate the appropriate composition of the committee on diversity of skills and experiences to support committee to perform its roles, as well as the demonstration on integrity, credibility and trustworthiness
  - **Committee meeting:** to evaluate the effectiveness and environment of the meetings, and the quality of information provided for committee consideration at the meetings
  - **Roles, duties and responsibilities of the Committee:** to evaluate the effectiveness and contribution of the committee members to carry out all responsibilities as outlined in the Audit Committee Charter in the following areas;
    - Financial Reports
    - Internal Control and legal compliance
    - Risk Management
    - External Audit
    - Internal Audit
- **Process**
  - The Committee Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the Audit Committee as provided in the Charter of the Audit Committee.
  - All committee members shall complete the self-assessment and send to the Committee Secretary to consolidate the result.
  - The Committee Secretary shares the Audit Committee's assessment result with the Audit



Committee to review and discuss for effectiveness improvement.

- The Chairman of the Audit Committee shares the Audit Committee assessment result with the Board of Directors for the Board to discuss and provide recommendation (if any) to the Audit Committee.

- **Assessment Result**

- 3 out of 4 members of the Audit Committee completed the self-assessment for the Audit Committee. The overall result of the 2021 Audit Committee self-assessment indicates 98%
- 1 director was unable to conduct the self-assessment

### **Nomination, Remuneration and Corporate Governance, Committee Self-Assessment**

- **Criteria**

The Nomination, Remuneration and Corporate Governance (NRCG) Committee has assessed its 2021 performance. The self-assessment form consists of 20 questions covering 3 areas:

- **Committee structure and qualifications:** to evaluate the appropriate composition of the committee on diversity of skills and experiences to support committee to perform its roles
- **Committee meeting:** to evaluate the effectiveness and environment of the meetings, and the quality of information provided for committee consideration at the meetings
- **Roles, duties and responsibilities of the Committee:** to evaluate the effectiveness and contribution of the committee members to carry out all responsibilities as outlined in the NRCG Charter in the following areas;
  - Review the Board's composition and Board's performance
  - Review the director candidate's qualification
  - Review the director remuneration
  - Monitor and ensure the company's practices are compliance with the good corporate governance

- **Process**

- The Committee Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the NRCG Committee as provided in the Charter of the NRCG Committee.
- All committee members shall complete the self-assessment and send to the Committee Secretary to consolidate the result.
- The Committee Secretary shares the NRCG Committee's assessment result with the NRCG Committee to review and discuss for effectiveness improvement.
- The Chairman of the NRCG Committee shares the NRCG Committee assessment result with the Board of Directors for the Board to discuss and provide recommendation (if any) to the NRCG Committee.

- **Assessment Result**

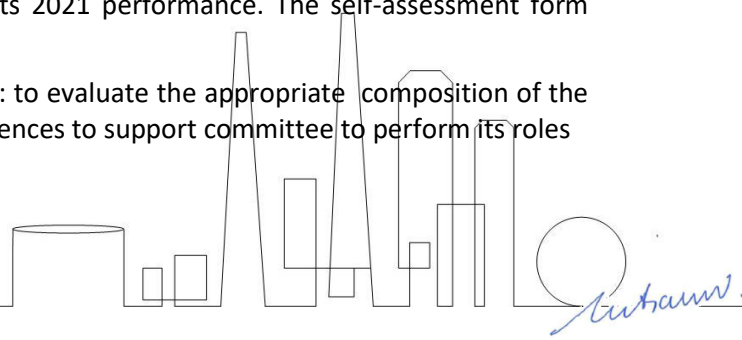
- 1 out of 4 members of the NRCG Committee completed the self-assessment for the NRCG Committee. Due to only 1 member conducted the self-assessment, the self-assessment result is not disclosed.
- 2 directors, Mr. Robert Joseph Dobrik and Mr. Ranga Rama Kumar Sreeramagiri, were not required to execute the self-assessment because they have joined the NRCG Committee shorter than 6 months.
- 1 director was unable to conduct the self-assessment.

### **Human Resources Committee Self Assessment**

- **Criteria**

The Human Resources Committee assessed its 2021 performance. The self-assessment form consists of 13 questions covering 3 areas:

- **Committee structure and qualifications:** to evaluate the appropriate composition of the committee on diversity of skills and experiences to support committee to perform its roles



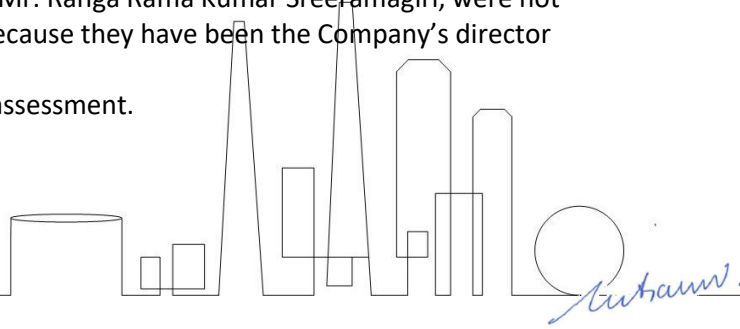
- **Committee meeting:** to evaluate the effectiveness and environment of the meetings, and the quality of information provided for committee consideration at the meetings
- **Roles, duties and responsibilities of the Committee:** to evaluate the effectiveness and contribution of the committee members to carry out all responsibilities as outlined in the Human Resources Committee Charter in the following areas;
  - Review the qualifications and appointments of senior executives
  - Review the human resources plan
  - Review the remuneration system for employees
- **Process**
  - The Committee Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the Human Resources Committee as provided in the Charter of the Human Resources Committee.
  - All committee members shall complete the self-assessment and send to the Committee Secretary to consolidate the result.
  - The Committee Secretary shares the Human Resources Committee's assessment result with the Human Resources Committee to review and discuss for effectiveness improvement.
  - The Chairman of the Human Resources Committee shares the Human Resources Committee assessment result with the Board of Directors for the Board to discuss and provide recommendation (if any) to the Human Resources Committee.
- **Assessment Result**
  - 3 out of 4 members of the Human Resources Committee completed the self-assessment for the Human Resources Committee. The overall result of the 2021 Human Resources Committee self-assessment indicates 100%.
  - 1 director, Mr. Robert Joseph Dobrik was not required to execute the self-assessment because he has joined the Human Resources Committee shorter than 6 months.

#### Individual Director Self-Assessment

- **Criteria**

Each director assessed himself/herself as a director for his/her 2021 performance. The individual director self-assessment form consists of 30 questions on 3 areas:

  - understanding on the Board's role and constructively performing his director role
  - understanding on the Company's business, strategy and policy
  - independence and relationship with other directors and management
- **Process**
  - The Company Secretary is responsible to review the self-assessment form and apply it to be consistent with the roles and responsibilities of the Board of Directors as provided in the Charter of the Board of Directors.
  - All directors shall complete the self-assessment and send to the Company Secretary to consolidate the result.
  - The Company Secretary shares the individual director assessment result with the Nomination, Remuneration and Corporate Governance Committee to review and discuss.
  - The Chairman of the Nomination, Remuneration and Corporate Governance Committee shares the individual director assessment result with the Board of Directors and provides recommendation for effective performance and compliance with corporate governance.
- **Assessment Result**
  - 5 out of 8 directors completed the individual director self-assessment. The overall result of the 2021 individual director self-assessment indicates 94%
  - 2 directors, Mr. Robert Joseph Dobrik and Mr. Ranga Rama Kumar Sreeramagiri, were not required to execute the self-assessment because they have been the Company's director shorter than 6 months.
  - 1 director was unable to conduct the self-assessment.



## CEO Assessment

- **Criteria**

The Chairman of the Board of Director and the directors assessed and discussed the CEO's achievement of business results and strategies, as well as evaluated the CEO's performance through the assessment, consisting of 40 questions in 8 areas:

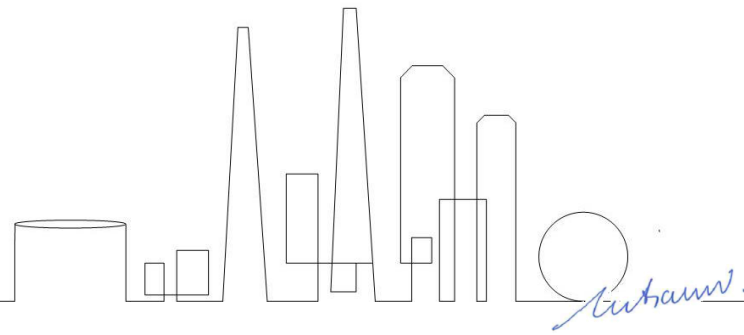
- Leadership
- Strategy and Execution
- Financial Planning and Performance
- Relationship with the Board
- External Relations
- Human Resources and Management relationship
- Skills and Attitudes
- Problem Solving

- **Process**

- The Company Secretary is responsible to review the assessment form and apply it to be consistent with the roles and responsibilities of the CEO as delegated by the Board of Directors.
- All directors (except the director who holds the CEO position) shall complete the assessment and send back to the Company Secretary to consolidate the result.
- The Company Secretary shares the CEO assessment result with the Chairman of the Board of Directors for consideration.
- The Chairman of the Board of Directors discusses the evaluation and assessment result with the directors at the Board of Directors meeting and without the attendance of an executive director at the first Board of Directors meeting of every year.
- The Chairman shares the assessment result and the director's feedback to the CEO.

- **Assessment Result**

- 2021 CEO assessment was conducted for the performance of Mr. Timothy Alan Potter who was the Company's CEO until 30 September 2021. The results of the CEO assessment is privacy and will be shared with the CEO.
- 5 out of 7 directors completed the CEO assessment
- 1 director, Mr. Ranga Rama Kumar Sreeramagiri, was not required to execute the CEO assessment because he has just the Board of directors less than 6 months.
- 1 director was unable to conduct the CEO assessment.



### 8.1.2 Meeting attendance and Compensation for the Board of Committees

#### 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.

In 2021, meetings of the Board of Directors were held 6 times, including 4 regular quarterly meetings, and 2 special meetings.

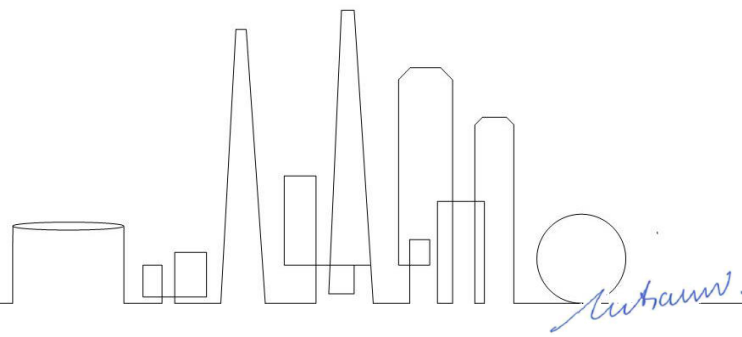
Attendance of the Board of Directors Meetings in 2021									
Name of Directors		No. 1 (19 Feb)	No. 2 (9 Apr)	No. 3 (11 May)	No. 4 (1 July)	No. 5 (6 Aug)	No. 6 (12 Nov)	Total	Percentage
1	Mr. Brant Thomas Fish	✓	✓	✓	✓	-	✓	5/6	83%
2	Mr. Pliu Mangkornkanok	✓	✓	✓	✓	✓	✓	6/6	100%
3	Ms. Kamonwan Wipulakorn	✓	✓	✓	✓	✓	✓	6/6	100%
4	Mr. Robert Stair Guthrie	✓	✓	✓	✓	✓	✓	6/6	100%
5	Dr. Verapong Chaiperm <sup>1</sup>	n/a	n/a	✓	✓	✓	✓	4/4	100%
6	Mr. Brian Monaco Sutton <sup>2</sup>	n/a	n/a	✓	✓	✓	✓	4/4	100%
7	Mr. Robert Joseph Dobrik <sup>3</sup>	n/a	n/a	n/a	n/a	n/a	✓	1/1	100%
8	Mr. Ranga Rama Kumar Sreeramagiri <sup>4</sup>	n/a	n/a	n/a	n/a	n/a	n/a	0/0	-
Director who resigned in 2021									
1	Mr. Nicolas Michel Bossut <sup>2</sup>	✓	✓	n/a	n/a	n/a	n/a	2/2	100%
2	Mr. Timothy Alan Potter <sup>3</sup>	✓	✓	✓	✓	✓	n/a	5/5	100%
3	Mrs. Barbara Frances Harrison <sup>4</sup>	✓	✓	✓	✓	✓	✓	6/6	100%
The attendance of all directors									98%

<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

<sup>2</sup> In replacement of Mr. Nicolas Michel Bossut, who resigned from the Company's director, the Board of Directors Meeting No. 1A/2021 appointed **Mr. Brian Monaco Sutton** to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.

<sup>3</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.

<sup>4</sup> In replacement of Mrs. Barbara Frances Harrison, who resigned from the Company's director, the Board of Directors Meeting No. 4/2021 appointed **Mr. Ranga Rama Kumar Sreeramagiri** to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.





For the Board of Director Meeting, the Company arranged the online meetings via the Microsoft Teams application because some directors cannot travel into Thailand due to the COVID-19 pandemic and Thailand cross border travelling restriction. The online meetings were arranged in compliance with the Emergency Decree on Electronic Meetings B.E. 2563, the Notification of the Ministry of Information and Communication Technology on Standards for Electronic Conferencing Security B.E. 2563, and the guideline provided by the Department of Business Development, Ministry of Commerce.

The Company Secretary is responsible to develop meeting schedule and inform the directors of the meeting schedule for the whole year in advance. In the 3<sup>rd</sup> quarter of the year, the Company Secretary will notify each director on the following year schedule of the Board of Director meetings and committee meetings, so that each director is aware of the meeting schedule in advance, and is able to attend the meeting.

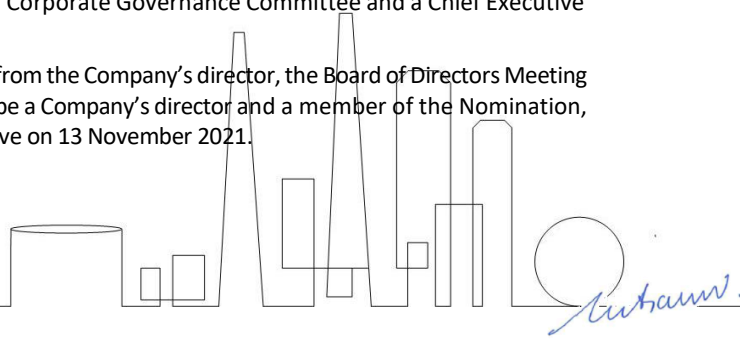
Attendance of the Board of Directors Meetings and Committee Meetings in 2021					
Director's Name		Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Human Resources Committee
		Total Meetings in 2021			
		6 Meeting	4 Meetings	4 Meetings	6 Meetings
1	Mr. Brant Thomas Fish	5/6	-	-	-
2	Mr. Pliu Mangkornkanok	6/6	4/4	-	6/6
3	Ms. Kamonwan Wipulakorn	6/6	4/4	-	6/6
4	Mr. Robert Stair Guthrie	6/6	4/4	4/4	-
5	Dr. Verapong Chaiperm <sup>1</sup>	4/4	3/3	3/3	-
6	Mr. Brian Monaco Sutton <sup>2</sup>	4/4	-	-	4/4
7	Mr. Robert Joseph Dobrik <sup>3</sup>	1/1	-	1/1	1/1
8	Mr. Ranga Rama Kumar Sreeramagiri <sup>4</sup>	0/0	-	0/0	-
Director who resigned in 2021					
1	Mr. Nicolas Michel Bossut <sup>2</sup>	2/2	-	-	2/2
2	Mr. Timothy Alan Potter <sup>3</sup>	5/5	-	3/3	5/5
3	Mrs. Barbara Frances Harrison <sup>4</sup>	6/6	-	4/4	-

<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

<sup>2</sup> In replacement of Mr. Nicolas Michel Bossut, who resigned from the Company's director, the Board of Directors Meeting No. 1A/2021 appointed **Mr. Brian Monaco Sutton** to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.

<sup>3</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.

<sup>4</sup> In replacement of Mrs. Barbara Frances Harrison, who resigned from the Company's director, the Board of Directors Meeting No. 4/2021 appointed **Mr. Ranga Rama Kumar Sreeramagiri** to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.





Each quarterly meeting will be held during a period of after 30 – 45 days after the end of quarter, except for the year-end, the meeting will be held during a period of after 40 – 60 days after the end of calendar year. Each meeting takes approximately 4 hours. The quorum for the Board meeting requires at least one-half of all directors on the Board.

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, approximately 8 - 10 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. 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 matter, for transparency and the best interest of the Company.

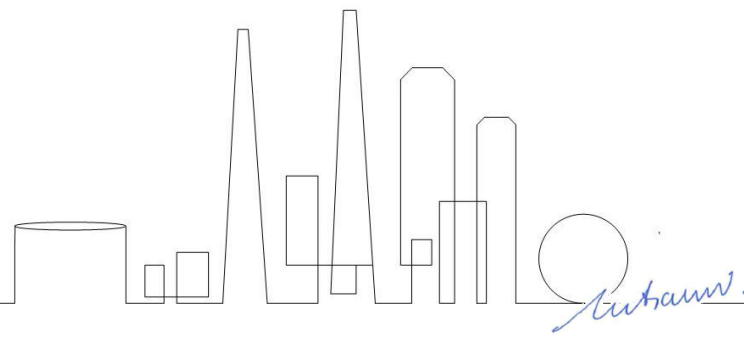
The Company's executives attend the Board of Directors meeting in order to directly provide beneficial information and acknowledge policies from the Board of Directors, to ensure efficient implementation. The executives report implementation results in the following Board of Directors meeting.

Upon conclusion of the meeting, the Company Secretary prepares the minutes of the meeting, containing important matters considered, resolution, as well as the opinions expressed in the meeting, proposes the draft minutes to the directors for their preliminary review, proposes the minutes in the next Board of Directors meeting for Board's approval, and certification by the Chairman of the Board of Directors. 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.

#### **Director's Remuneration**

In 2021, the Company paid the compensation to 11 directors which include the directors who held the directorship position for 12 months ending on 31 December 2021, the directors who completed their directorship term and resigned during the year, and the director who started their directorship during the year. The director compensation was made in accordance with the resolution of the 2021 Annual General Meeting of Shareholders. Total director compensation in 2021 was 16,846,500 baht, comprising of monthly fees in total of 14,161,500 baht and the meeting allowances for the Board of Directors meetings and sub-committee meetings in total of 2,520,000 baht.

Other than the monthly fee and meeting allowance fee, the directors did not receive bonuses, rewards, nor other benefits such as position cars or club memberships provided to directors. Nevertheless, the Company has the Directors and Officers Liability Insurance for directors and employees who act on behalf of the Company. The Director and Officer insurance premium is approximate 700,000 baht per year.



The compensation that each director received in 2021						
Name	Monthly fee for total 12 months	Total Meeting Allowances received in 2021				Grand total compensation each director received in 2021
		Board of Directors Meetings	Audit Committee Meetings	Nomination, Remuneration and Corporate Governance Committee Meetings	Human Resources Committee Meetings	
1. Mr. Brant Thomas Fish	2,160,000	125,000	-	-	-	2,285,000
2. Mr. Pliu Mangkornkanok	2,040,000	120,000	120,000	-	180,000	2,460,000
3. Ms. Kamonwan Wipulakorn	1,740,000	120,000	160,000	-	180,000	2,200,000
4. Mr. Robert Stair Guthrie	1,740,000	120,000	120,000	160,000	-	2,140,000
5. Dr. Verapong Chaiperm <sup>1</sup>	1,261,500	80,000	90,000	90,000	-	1,521,500
6. Mr. Brian Monaco Sutton <sup>2</sup>	1,261,500	80,000	-	-	120,000	1,461,500
7. Mr. Robert Joseph Dobrik <sup>3</sup>	435,000	20,000	-	30,000	40,000	525,000
8. Mr. Ranga Rama Kumar Sreeramagiri <sup>4</sup>	232,000	-	-	-	-	232,000
Director who resigned in 2021						
4. Mr. Nicolas Michel Bossut <sup>2</sup>	478,500	40,000	-	-	60,000	578,500
5. Mr. Timothy Alan Potter <sup>3</sup>	1,305,000	100,000	-	90,000	200,000	1,695,000
6. Mrs. Barbara Frances Harrison <sup>4</sup>	1,508,000	120,000	-	120,000	-	1,748,000

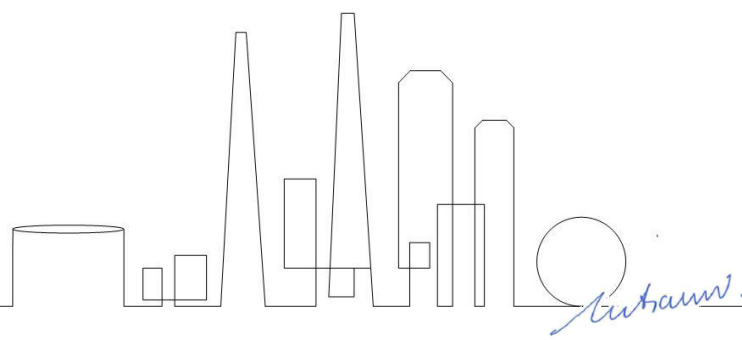
<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

<sup>2</sup> In replacement of Mr. Nicolas Michel Bossut, who resigned from the Company's director, the Board of Directors Meeting No. 1A/2021 appointed **Mr. Brian Monaco Sutton** to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.

<sup>3</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.

<sup>4</sup> In replacement of Mrs. Barbara Frances Harrison, who resigned from the Company's director, the Board of Directors Meeting No. 4/2021 appointed **Mr. Ranga Rama Kumar Sreeramagiri** to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.

Mr. Brant Thomas Fish, Mr. Brian Monaco Sutton, Mr. Robert Joseph Dobrik, Mr. Ranga Rama Kumar Sreeramagiri, Mr. Nicolas Michel Bossut, Mr. Timothy Alan Potter and Ms. Barbara Frances Harrison are directors nominated by Chevron. They have declined to receive director compensation, both monthly fees and meeting allowance fees. Total declined fees were 8,525,000 baht, comprising of the monthly fee of 7,380,000 baht and the meeting allowance fee of 1,145,000 baht. This director compensation is not covered under the Personnel Secondment Agreement made between the Company and Chevron.



### 8.1.3 Corporate Governance of subsidiaries and Associated Companies

(1) Mechanisms for Corporate Governance and operation responsibility in Subsidiaries and Associated Companies which approved by the Board of Committee

(2) Disclosure of Shareholders' Agreement regarding the management of Subsidiaries and Associated Companies (if any)

The Company does not have subsidiaries and Associated Companies.

### 8.1.4 Monitoring the Implementation of Corporate Governance policy and measures

#### (1) The prevention of Conflict of interest

The Business Conduct Policy requires that the Company's directors, executives, and employees refrain from having any conflict, potential conflict or perceived conflict, between personal interest and the interest of the Company, or the duties of the directors, executives, and employees toward the Company.

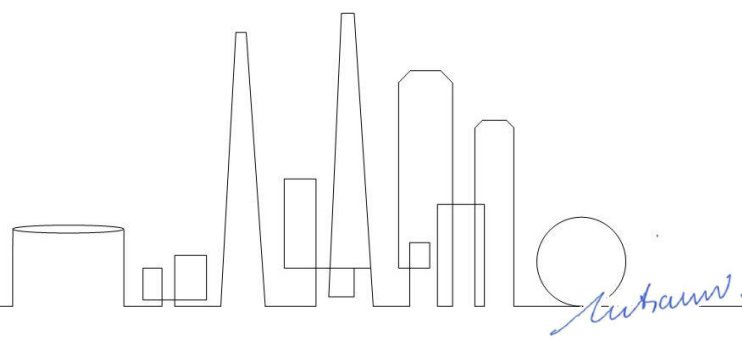
The Company had a conflict of interest, summarized as follows;

- Mr. Timothy Alan Potter, the CEO and director, declared to the Board of Directors that his wife, Ms. Alice Potter was appointed to be a Country Chairman of Chevron (Thailand) Limited (CTL). The Company normally has business transactions on sale and purchase of products with CTL and the Board of Director previously gave authorization to Mr. Timothy to execute such transactions.
- In order for managing the conflict of interest and for the transparence, the Board of Director meeting considered and resolved by pulling back Mr. Timothy's authorization on any transaction with CTL and gave authorization to the Deputy CEO – Operations, Mr. Steve Lewis Gibson, while the conflict was existing, to have the authorization to execute any transactions with CTL.
- The Corporate Compliance Office informed the working team and related persons on the managing of this conflict and the change of authorized person on the transactions with CTL.
- The Internal Auditor reviewed the transactions between the Company and CTL and found they were executed according to the authorization provided by the Board and they were the Company's normal business transactions.
- Such conflict of interest was away when Mr. Timothy Alan Potter resigned from the Company's director and CEO, effective on 30 September 2021.

#### (2) The prevention of Insider-Trading

The Board of Directors has established an Insider Trading Policy to prevent 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.

- If the company's directors and executives elect to trade in the Company's securities, they shall 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 report on any changes in securities holding are reported to the Audit Committee on the quarterly basis.
- The 2021 report are as follow:



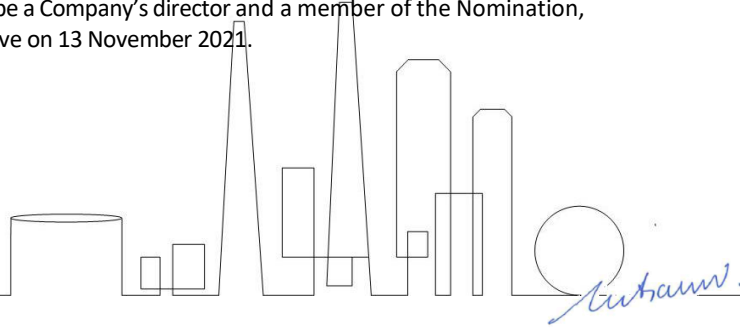
Report of the Company's securities held by directors in 2021 (including spouse and minor children) As of 31 December 2021				
Name		Number of Shares		Changing Number of Shares Increase (Decrease)
		As of 31 December 2020	As of 31 December 2021	
1	Mr. Brant Thomas Fish Spouse and minor children	- -	- -	- -
2	Mr. Pliu Mangkornkanok Spouse and minor children	- -	- -	- -
3	Ms. Kamonwan Wipulakorn Spouse and minor children	- -	- -	- -
4	Mr. Robert Stair Guthrie Spouse and minor children	- -	- -	- -
5	Dr. Verapong Chaiperm <sup>1</sup> Spouse and minor children	- -	- -	- -
6	Mr. Brian Monaco Sutton <sup>2</sup> Spouse and minor children	- -	- -	- -
7	Mr. Robert Joseph Dobrik <sup>3</sup> Spouse and minor children	- -	- -	- -
8	Mr. Ranga Rama Kumar Sreeramagiri <sup>4</sup> Spouse and minor children	- -	- -	- -
<b>Director who resigned in 2021</b>				
1	Mr. Nicolas Michel Bossut <sup>2</sup> Spouse and minor children	- -	- -	- -
2	Mr. Timothy Alan Potter <sup>3</sup> Spouse and minor children	- -	- -	- -
3	Mrs. Barbara Frances Harrison <sup>4</sup> Spouse and minor children	- -	- -	- -

<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

<sup>2</sup> In replacement of Mr. Nicolas Michel Bossut, who resigned from the Company's director, the Board of Directors Meeting No. 1A/2021 appointed **Mr. Brian Monaco Sutton** to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.

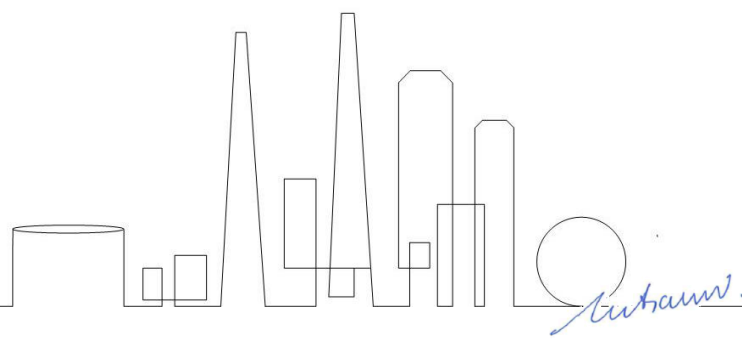
<sup>3</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.

<sup>4</sup> In replacement of Mrs. Barbara Frances Harrison, who resigned from the Company's director, the Board of Directors Meeting No. 4/2021 appointed **Mr. Ranga Rama Kumar Sreeramagiri** to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.



**Report of the Company's securities held by Leadership Team according to the definition of management as defined by the Capital Market Supervisory Board in 2020 (including spouse and minor children)  
As of 31 December 2021**

	Name	Number of Shares		Changing Number of Shares Increase (Decrease)
		As of 31 <sup>st</sup> December 2020	As of 31 <sup>st</sup> December 2021	
1	Mr. Robert Joseph Dobrik	-	-	
	Spouse and minor children	-	-	
2	Mr. Steven Lewis Gibson	35,000	35,000	
	Spouse and minor children	-	-	
3	Mr. Wichai Chunhasomboon	-	-	
	Spouse and minor children	-	-	
4	Mr. Sakchai Thamsuruk	267,100	267,100	
	Spouse and minor children	78,500	78,500	
5	Mr. Chirasak Mhasuconda	267,100	267,100	
	Spouse and minor children	-	-	
6	Mr. Pongkorn Chochuwong	347,300	347,300	
	Spouse and minor children	-	-	
7	Mr. Wisit Sukprasert	258,800	258,800	
	Spouse and minor children	-	-	
8	Mr. Paul Andrew Rushworth	267,100	267,100	
	Spouse and minor children	-	-	
9	Ms. Chaowasri Luengratanakorn Spouse and minor children	40,000	40,000	
		-	-	
10	Mr. Kittipong Nokdara	142,600	142,600	
	Spouse and minor children	-	-	
11	Mr. Konlayuth Chotepatana	35,000	35,000	
	Spouse and minor children	-	-	
12	Ms. Nattawan Khumwiwat	205,500	205,500	
	Spouse and minor children	-	-	
13	Mrs. Pornthip Viraphand	167,600	167,600	
	Spouse and minor children	-	-	
14	Mr. Akasit Rumpagaporn	205,500	205,500	
	Spouse and minor children	-	-	



### (3) Anti-Corruption

As provided in the Company's Business Conduct Policy, the Company is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) and other laws that prohibit corruption to obtain an improper business advantage. In 2021, there were no report or suspect.

- **Anti-Corruption Policy**

The Board of Directors has established an Anti-Corruption Policy to ensure that the directors, management and all staff will conduct business transparently to prevent and act against corruption. The Anti-Corruption Policy applies to all Company personnel, including directors, management, employees, as well as the Company's representatives, agents, contractors and other intermediates or associates, who act on behalf of the Company. They are prohibited from engaging in acts of corruption such as paying bribes, accepting bribes, or other forms of undue or improper influence from all sectors, both government and private, where the Company does business. (Please find details in [www.sprc.co.th](http://www.sprc.co.th))

Furthermore, the Company encourages all of our business partners, vendors, suppliers and contractors to implement anti-corruption policies and practices in line with our Anti-Corruption Policy and conduct the business ethically and in a manner that counters corruption.

- **Roles and Responsibilities on corruption risk assessment, oversee and monitoring**

- The Board of Directors has delegated responsibility to the Audit Committee for overseeing and monitoring SPRC's internal controls and practices to ensure the effectiveness of this Anti-Corruption Policy.
- All management are responsible for assessing corruption risk exposure in their responsible areas, reviewing mitigation measures and ensuring adequacy of internal control processes to prevent corruption.
- All supervisors are responsible for monitoring and ensuring their staff are aware of and understand this policy, and follow the policies, procedures and internal controls to ensure SPRC maintains a corruption free business.
- The Corporate Compliance Officer (CCO) is responsible to implement adequate training and compliance programs for anti-corruption, handling any queries regarding this Policy and maintaining the records of sensitive transactions as required by applicable law and the US Foreign Corrupt Practice Act (FCPA).
- The Internal Auditor is responsible to review internal controls to ensure they are effective in countering corruption.

- **Procedures**

The Company's Business Conduct Policy and Anti-Corruption Policy are introduced to all new employees at orientation sessions. The Company always communicates its policies to all staff to ensure they realize the Company has zero tolerance for corruption. The Company is committed to implementing and enforcing effective systems to counter corruption as well as to cultivate and promote ethical and responsible business values in our organizational culture.

All expenditures related to all Government Officials are considered as "sensitive transactions". All sensitive transactions must obtain advance approval from the CCO and must be supported by appropriate documents and receipts. No accounts may be recorded or not recorded to conceal improper payments. False, misleading, incomplete, inaccurate, or artificial entries in the Company's books, records or accounts are prohibited.

The Company provides guideline on expenditures regarding to gifts, meals, travel, lodging or entertainment for any government official as follows;

1. No expenditure of gifts, meals, travel, lodging or entertainment for any Government Official may be made for the purpose of improperly influencing any official action or to procure any improper advantage.



2. Upon advance approval from the CCO, SPRC may make payments on gifts, meals, travel, lodging or entertainment for any Government Official to secure performance of routine government actions by a Government Official (e.g. documents or administrative process), provided that such payment
  - a) is confirmed to be legal under all applicable laws,
  - b) is not made to a Government Official who holds decision making capability for approval, and
  - c) neither influences nor impacts the decision making that will be made by the Government Official.
3. Payments on gifts, meals, travel, lodging or entertainment for any Government Official may be made based on following justification;
  - a) Meals & Entertainment that
    - Conform to normal amenities
    - Are not Extravagant
    - Conform to customary practices, and
    - Are not improper or inappropriate entertainment e.g. adult entertainment at massage parlor, karaoke with hostess
  - b) Gifts or anything of value that
    - Conforms to normal amenities
    - No cash or other monetary instruments
    - Modest value
    - Be given publicly whenever possible
  - c) Transportation & travelling expenses, that are
    - Actual and reasonable travel expenses
    - No per-diem allowance
    - No unusual travel related activities e.g. recreational side trip
    - Not extended to relatives, friends or associates of officer
  - d) Hotel & Accommodations that are
    - Limited to reasonable business necessity
    - Not extended to relatives, friends or associates of officer
4. The following types of payments shall NOT be made:
  - a) Expenditures for family members or guests accompanying the Government Official.
  - b) Expenditures for additional days of travel to tourist destinations or visits to family or friends.

Furthermore, to maintain the highest ethical integrity, the Company's personnel are prohibited to request, and not allowed to accept, gifts and entertainment from our business partners, vendors, suppliers, contractors, and agents which may interfere or appear to interfere with personnel's ability to perform their duties and responsibilities in an ethical manner. However, only for special occasions and through approval of the supervisor, the Company's personnel may accept gifts and entertainment of modest value. Cash or any other monetary gifts are strictly prohibited.

In addition to internal communications, the Company has communicated its Anti-Corruption Policy to the Company's business partners, not only to declare the Company's commitment to conduct the business transparency without corruption, but also to encourage and support our business partners to do business without corruption. The Company uses this collaboration to build a corruption free business community.

The Company communicated Anti-Corruption Policy to all business partners. For 2021 New Year greeting season, the Company communicated to all vendors, contractors, and customers on a No Gift Policy with practice guidelines as follows:





- SPRC expressed a desire not to request and accept gifts or any favors of any value from our Business Partners;
- Business Entertainment is considered inappropriate unless SPRC shares in the cost of these events;
- Any form of cash or cash equivalence is strictly prohibited;
- In case any gifts cannot be refused or are unable to be returned, the gifts will be donated.



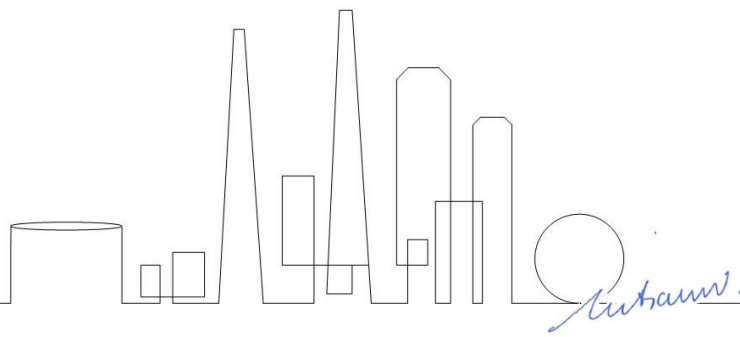
In 2021, the Company provide the training to all employees on the Anti-Corruption Policy and Government Affair in compliance with the Anti-Corruption Policy and the FCPA. All employees were required to attend this training. The Company had develop a interactive video media in both Thai and English for the training on these topics. By on-line training, the employee can learn it any time they are convenience and can refresh it unlimit of time as they want

Moreover, the Company communicated to all employees via e-mail about anti-corruption to raise the employees' awareness about the Company's Anti-Corruption Policy, practice guideline, and penalty in case of violation of the Policy.

In every quarter at the Audit Committee Meeting, the Corporate Compliance Officer reported to the Audit Committee on the practices in compliance with the Anti-Corruption Policy.

- **Protection of Employees who act in good faith**

The Company undertakes that the Company will protect our employees who refuse to pay bribes or other forms of undue or improper influence in good faith. The Company will ensure they are not liable to any penalty or other adverse consequence, even if such refusal may result in the Company losing business.



## ...Do you know...





**9 December is an International Anti-Corruption Day**

In 2003, the General Assembly adopted the United Nations Convention against Corruption and designated 9 December every year as “**International Anti-Corruption Day**”.

**SPRC has obtained an Anti-Corruption Certification from CAC**

SPRC has declared its intent to participate in the “Thailand’s Private Sector Collective Action Coalition Against Corruption” (CAC) since 28 April 2016 and committed to involve all public and private sector partners, the oversight agencies and all parts of Thai society to foster cleaner business practices. **SPRC was certified by the CAC’s committee in November 2017 and December 2020 (re-certify every 3 years).**

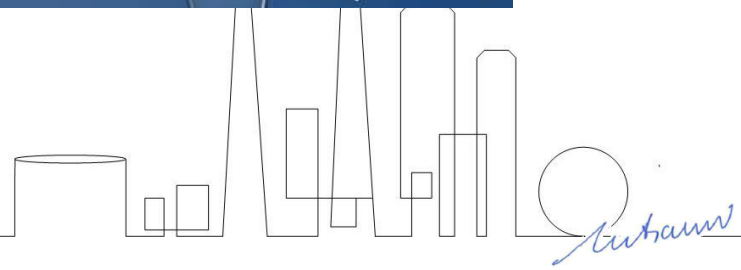
**SPRC has Anti-Corruption Policy**

The Board of Directors has established the “**Anti-Corruption Policy**” to ensure that SPRC will conduct business with transparency and against all kinds of corruptions.

**SPRC Anti-Corruption Policy Key Message**

- ❖ SPRC prohibits from engaging in acts of corruption, including paying and accepting bribes. SPRC complies with all applicable laws relevant to countering bribery and Corruption including FCPA.
- ❖ This Policy applies to all SPRC’s personnel in all levels and all processes of our business operation including our stakeholders who we deal with.
- ❖ All expenditures related to all government officials must be in line with FCPA guidelines according to Anti-Corruption Policy and must obtain advance approval from the CCO.
- ❖ SPRC’s business partners must comply with our Anti-Corruption Policy. Any business partner fail to do so, will be subject to contract termination.
- ❖ SPRC will protect employees who refuse to bribe or make improper payment in good faith. SPRC will ensure they are not penalty if such refusal may result in the company losing business.
- ❖ Anyone who suspect violation of Anti-Corruption Policy must report potential violations to the Whistle-blowing Channel. All reports will be taken seriously.
- ❖ Violation is subjected to disciplinary action.

**Anti-Corruption Team**



- **Certified company by the Thailand Private Sector Collective Action Coalition Against Corruption (CAC)**

To reinforce the Company's commitment to conduct business with transparency, the Company has joined the CAC and be certified by the CAC in November 2017 that the Company has policies and practices against corruption conforming with the CAC's principles.

In 2020, the Company processed on the CAC re-certification. The Company conducted the CAC's self-assessment and reported the progress to the Audit Committee on quarterly basis. After completion of the self-assessment, the Internal Auditor reviews to ensure the Company's policy and implementation are in compliance with CAC's requirements and reviewed with the Audit Committee for their approval.

The CAC Council reviewed and approved the Company for the re-certification in December 2020. The Company attended the Thailand National Conference on Collective Action Against Corruption and certificate ceremony on 22 December 2021.



#### (4) Whistle-Blowing

The Company has set up multiple whistle-blowing communication channels for anyone to report if they discover or suspect bribes or violation of the Anti-Corruption Policy or Business Conduct Policy by others. They can report to the Board of Directors, the Audit Committee or the Corporate Compliance Officer:

a) By E-Mail

- To the Board of Directors at: [CompanySecretary@sprc.co.th](mailto:CompanySecretary@sprc.co.th) ,
- To the Audit Committee at: [AuditCommittee@sprc.co.th](mailto:AuditCommittee@sprc.co.th) , or
- To the CCO at: [CorporateCompliance@sprc.co.th](mailto:CorporateCompliance@sprc.co.th)

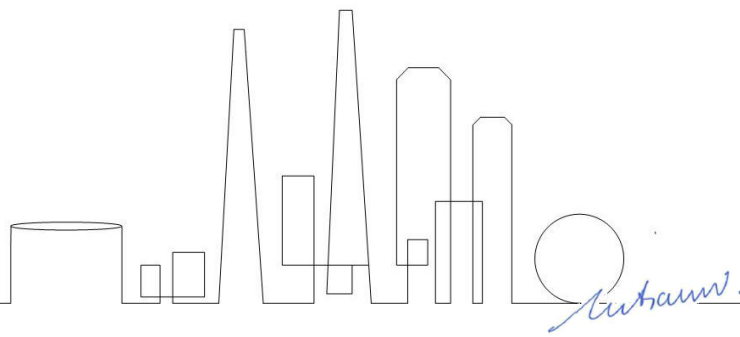
b) By sending the letter to the following address:

Attention to: Corporate Compliance Officer  
Star Petroleum Refining Public Company Limited  
No. 1 I-3B Road, Map Ta Phut,  
Amphur Muang Rayong, Rayong Province, 21150

The whistleblower is not required to disclose their name. If the whistleblower provides their name, SPRC undertakes that SPRC shall not disclose the whistleblower's name or any information that can be used to identify the whistleblower and shall keep such information as confidential. All reports will be taken seriously and no one will be discriminated against in any form as a result of reporting a violation or potential violation in good faith.

The Corporate Compliance Officer is responsible to ensure a proper investigation is held on any complaints and report any findings, and report results and corrective actions to the Audit Committee and the Board of Directors. If the whistleblower discloses his or her name, the Company will also respond on the investigation result to the whistleblower.

In 2021, the Company did not receive any complaints of corruption related to the Company's business.





## (5) IT Governance

The Company has established the IT Steering Committee with the following roles and responsibilities:

- Review the IT strategic plan to align with Company's strategic plan
- Review IT security policies, risk management and information protection
- Review IT strategic decisions relating to Organizational Capabilities and Resource and Asset Management.

- IT Risk Management and Compliance

With increasing disruptions on unavailability or inaccessibility of IT systems and information, along with the rising of cybercrimes due to the anywhere and anytime cloud technology, the IT risks stem up continuously. The Company's IT systems and its underlying infrastructure comprising of critical business process.

The IT systems and information are categorized for its criticality, and measurable security and access controls implemented accordingly based on IT international standards and best practices, together with the roles and responsibilities of the Company's employees in Information Protection.

The IT Security narrates all IT procedures and business process essentials to protect against IT security breaches, and the cyber security training to all ensures that staff understand the importance of business impact related to information access and protection.

In addition, the Company has reviews and audits of IT Policies and Procedures and Systems/Applications controls for compliances regularly by external certified body of accreditation.

- IT Security Policy

The IT Security Policy is designed to ensure the information confidentiality, integrity, and availability including overall security of computers, data networks, services and other computer-related resources based on the overall risks in operation.

The Company's IT Security Policy covers all aspects of business process and activities, for examples:

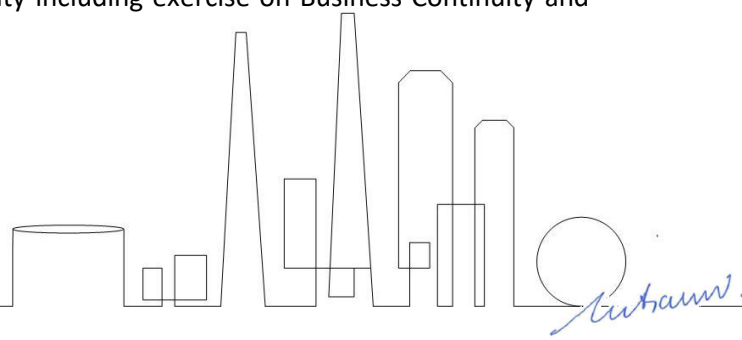
- Roles and responsibilities of the Management and staff
- Computer usage policies on the Internet network provided by the Company including using social media and external Wi-Fi
- IT Asset Management and Information Protection
- Security and Access Control
- Laws & Ethics requirement and compliance
- Operation Management including Change and Cyber Incident Management

- IT Infrastructure and Evergreen Process

The Company's network and infrastructure consists of standardized security systems to prevent data and information against virus/malware from external networks and computer crimes.

To strengthen on cybersecurity, the Company has Managed Security Operations Center around-the-clock service to prevent, detect, respond, and recover on security breaches.

The Company has a number of processes to ensure the Company's IT systems sustainably robust, reliable and secure, such as regular patching of system and end points, execution of a number of tests and self-audits to maximize cybers security including exercise on Business Continuity and Disaster Recovery Plan.



In 2021, the Company provided the employees the training on cybersecurity 2 sessions in July and December. All employees and contractors who have access to the Company network were required to attend both sessions.

## 8.2 Audit Committee Report

### 8.2.1 Meeting Attendance

In 2021, the Audit Committee held 4 meetings. The committee members attended the meetings as follow:

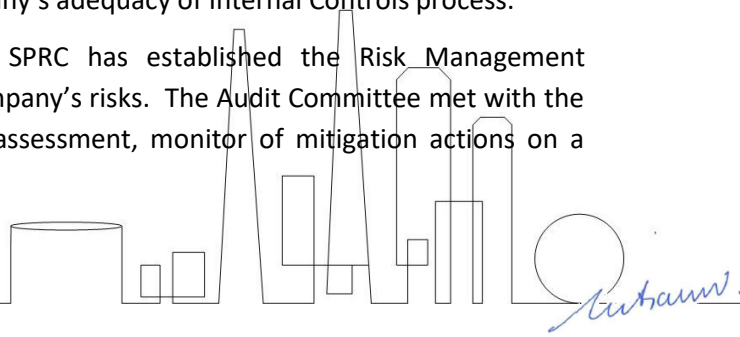
Attendance of the Audit Committee Meetings in 2021						
	Name of Audit Committee members	No.1 (18 Feb)	No.2 (10 May)	No.3 (5 Aug)	No.4 (11 Nov)	Total
1	Ms. Kamonwan Wipulakorn	✓	✓	✓	✓	4/4
2	Mr. Pliu Mangkornkanok	✓	✓	✓	✓	4/4
3	Mr. Robert Stair Guthrie	✓	✓	✓	✓	4/4
4	Dr. Verapong Chaiperm <sup>1</sup>	n/a	✓	✓	✓	3/3

<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

### 8.2.2 The Performance of Audit Committee

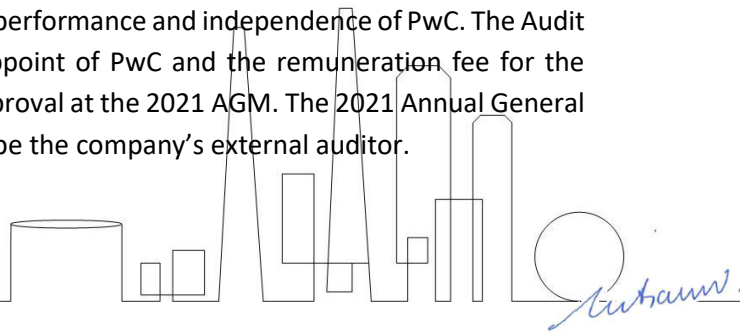
In 2021, the Audit Committee held 4 electronic meetings with full attendance by the members. The Audit Committee performed activities according to its duties and responsibilities identified in the Audit Committee Charter, which can be summarized as follows:

1. Review Company's Financial Reports: The Audit Committee performed the review of quarterly and year ended 2021 financial statements and discussed with the Chief Financial Officer and the external auditor (PriceWaterhouseCooper). The review included the accounting policies and practices, key audit matters and compliance with Thai Financial Reporting Standards and requirement of the Securities and Exchange Commission, Thailand (SEC). The external auditor presented their independent and opinion of the financial statements. The Audit Committee was satisfied that the Financial Report of year ended 2021 was fair, balanced and understandable. The Audit Committee recommended the Audited Financial Reports for the year ended 31 December 2021 be endorsed by the Board of Directors for further approval at the Annual General Meeting of Shareholders.
2. Review the Company's Internal Control System: The Audit Committee reviewed and endorsed the result of the assessment on the sufficiency of internal control performed by management and internal auditor. The assessment based on the COSO's framework with 17 principles, categorized into 5 components (Control Environment, Risk Assessment, Control Activities, Information and communication, and Monitoring Activities). The details of the assessment were described in the Internal Control Section. Furthermore, the Company follows the requirement of the U.S. Sarbanes-Oxley Act 2020, Section 404 Management Assessment of Internal Control. The Audit Committee satisfied with the Company's adequacy of Internal Controls process.
3. Review the Company's Risk Management: SPRC has established the Risk Management Committee to regular review and monitor company's risks. The Audit Committee met with the management and reviewed the annual risk assessment, monitor of mitigation actions on a



quarterly basis. The Audit Committee was satisfied and found the risk management process is effective and the mitigated action plans were taken.

4. Review the Company's Corporate Governance: The Board of Directors has established Company Business Conduct Policy. The Corporate Compliance Office (CCO) had been appointed by the Board of Directors to responsible for developing and promoting Business Conduct to ensure all staff were aware, understand and strictly adhere to the Business Conduct Policy. The CCO reported the compliance program to the Audit Committee on quarterly basis. The report included compliance activities and transactions on the Anti-Corruption Policy and U.S. Foreign Corrupt Practice Act (FCPA). The Audit Committee, via AuditCommittee@sprc.co.th, is one of the whistle-blowing channels for anyone who discovers or suspects violation or potential violations to Business Conduct Policy. The Audit Committee reviewed and noted the company has sufficient process for good corporate governance, comply with applicable law and regulation, comply with Business Conduct Policy and Anti-Corruption Policy.
5. Review of Company's Related Party Transactions (RPT): The Audit Committee consider related party transactions with likely conflict of interest and ensure that they are in accordance with the laws and regulations of the SET. The Company's Related Party Transaction mainly are the purchase of crude and feedstock, product sales and technical service transactions with Chevron. The Internal Audit has examined the Related Party Transaction and report to the Audit Committee on quarterly basis. The Audit Committee has acknowledged that the Related Party Transactions were entered into the ordinary and usual course of business. They were made under normal commercial terms on an arm's length basis and in the best interest of the Company. The Related Party Transactions were executed and complied with the terms and conditions in the agreement. The details were described in the Related Party Transactions section of this annual report.
6. Review of Internal Audit Functions: The Audit Committee has reviewed Internal Audit Charter annually to ensure the roles and responsibilities of internal audit functions are appropriate. In addition, the Audit Committee has annually reviewed and approved the annual audit plan and audit's Key Performance Indicators (KPI). The Internal Auditor reported and discussed the audit finding, audit's KPI and the follow up on Management's actions of the recommendations to the Audit Committee on quarterly basis. The Audit Committee has evaluated and satisfied that the internal audit functions were performed independently, effectively and follow Standards of the Institute of Internal Auditor.
7. Review of Company's External Auditor: The Audit Committee has discussed and reviewed the financial statements provided by PriceWaterhouse Coopers ABAS Ltd (PwC). PwC reported on the scope and result of financial statements for the interim quarterly and year ended 31 December 2021. On quarterly, the Audit Committee held private meeting with the Internal Auditor and PwC to discuss any areas of concern regarding independence and Management's interaction. In year 2021, PwC does not provide any non-audit services to the Company. The Audit Committee satisfied with PwC's professional, perform the work comply with the regulatory requirements and best practices designed to ensure their independence.
8. Appointment of the External Auditor and Remuneration of year 2021: The Audit Committee has considered the objectivity, qualifications, skill, performance and independence of PwC. The Audit Committee is satisfied and proposed to re-appoint of PwC and the remuneration fee for the Board's concurrence and the shareholder's approval at the 2021 AGM. The 2021 Annual General Meeting of Shareholder has approved PwC to be the company's external auditor.



9. **Audit Committee Self- Assessment:** The Audit Committee completed a self-assessment annually in the areas of a) committee structure and qualification, b) committee meeting, c) roles and responsibilities on financial report, internal control, risk management, governance, internal and external audit functions. The self-assessment result of year 2021 validated the committee's effectiveness in fulfilling the Audit Committee Charter as delegated by the Board of Directors, applicable to legal and regulatory requirements and in accordance with good corporate governance codes.

### 8.3 Nomination, Remuneration and Corporate Governance Committee Report

#### 8.3.1 Meeting Attendance

In 2021, the Nomination, Remuneration and Corporate Governance Committee held 4 meetings. The committee members attended the meetings as follow:

Attendance of the Nomination, Remuneration and Corporate Governance Committee Meetings in 2021						
	Name of NRCG Committee members	No. 1 (19 Feb)	No. 2 (25 May)	No. 3 (6 Aug)	No. 4 (28 Oct)	Total
1	Mr. Robert Stair Guthrie	✓	✓	✓	✓	4/4
2	Dr. Verapong Chaiperm <sup>1</sup>	n/a	✓	✓	✓	3/3
3	Mr. Robert Joseph Dobrik <sup>2</sup>	n/a	n/a	n/a	✓	1/1
4	Mr. Ranga Rama Kumar Sreeramagiri <sup>3</sup>	n/a	n/a	n/a	n/a	n/a
Director who resigned in 2021						
1	Mr. Timothy Alan Potter <sup>2</sup>	✓	✓	✓	n/a	3/3
2	Ms. Barbara Frances Harrison <sup>3</sup>	✓	✓	✓	✓	4/4

<sup>1</sup> The 2021 Annual General Meeting of Shareholders passed resolution to elect **Dr. Verapong Chaiperm** to be the Company's independent directors in replacement of the vacancy with effective date on 10 April 2021. In addition, the Board of Directors Meeting No. 1A/2021 appointed Dr. Verapong Chaiperm to be a member of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 10 April 2021.

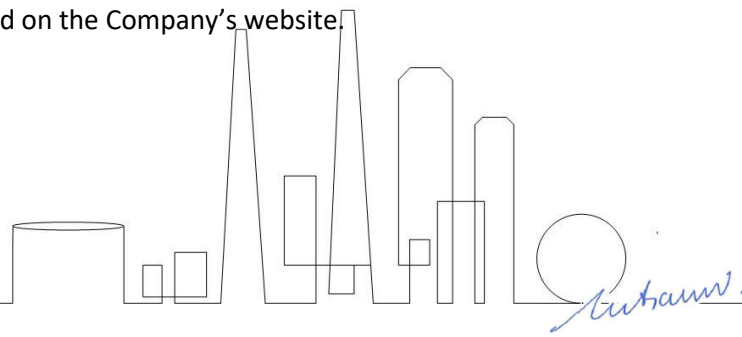
<sup>2</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.

<sup>3</sup> In replacement of Mrs. Barbara Frances Harrison, who resigned from the Company's director, the Board of Directors Meeting No. 4/2021 appointed **Mr. Ranga Rama Kumar Sreeramagiri** to be a Company's director and a member of the Nomination, Remuneration and Corporate Governance Committee, effective on 13 November 2021.

#### 8.3.2 The Performance of the Nomination, Remuneration and Corporate Governance Committee

In 2021, the NRCG Committee held 4 meetings on various matters in accordance with the duties mandated by the Board of Directors specified in the NRCG Committee Charter. Below is a summary of key activities undertaken in 2021:

1. The NRCG Committee reviewed the criteria for shareholders to propose qualified candidate(s) for a directorship and to propose agenda items for consideration at the 2022 Annual General Meeting of Shareholders. The criteria have been published on the Company's website.





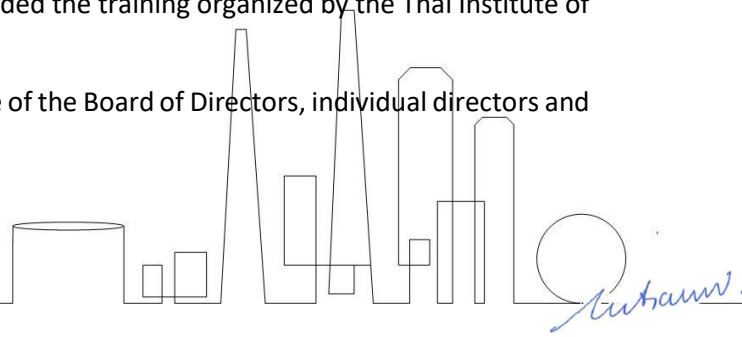
2. The NRCG Committee considered the Board composition by assessing the skill matrix and opined that the Board has diversity and appropriate mix of skills, experience, and expertise that benefit to the Company's operation, strategy and governance.
3. The NRCG Committee reviewed director candidates' qualifications and nominated candidates for director positions to fill vacancies resulting from those that had completed their terms, resigned and passed away in 2021.

Mrs. Barbara Frances Harrison and Mr. Robert Stair Guthrie completed their directorship term in 2021. The NRCG Committee recommended re-election of Mrs. Barbara Frances Harrison and Mr. Robert Stair Guthrie to be the Company's director for another term. They were re-elected to be the Company's directors at the 2021 Annual General Meeting of Shareholders.

In 2021, Mr. Nicolas Michel Bossut, Mr. Timothy Alan Potter and Mrs. Barbara Frances Harrison resigned from the Company's director with the effective date on 10 April 2021, 1 October 2021 and 13 November 2021, respectively. The NRCG Committee reviewed and considered nomination of Mr. Brian Monaco Sutton, Mr. Robert Joseph Dobrik and Mr. Ranga Rama Kumar Sreeramagiri to be a director of the Company with effective date on 10 April 2021, 1 October 2021 and 13 November 2021, respectively. The NRCG Committee reviewed and considered the nomination from the candidates' knowledge, expertise and experience in relation to and that will benefit the Company's business.

In addition, one independent director position was vacant due to an independent director passed away in December 2020. The NRCG Committee searched the qualified candidates from the director pool of the Thai Institute of Director and also searched from the independent directors of the listed companies, by considering the qualifications, knowledge, expertise and experience, and proposed Dr. Verapong Chaiperm, who is qualified to be an independent director pursuant to the definition specified by the SET and the Company and able to independently raise her opinions in compliance with the relevant rules and regulations, to the Board of Directors for consideration and further propose for the election at the 2021 Annual General Meeting of Shareholders. The 2021 Annual General Meeting of Shareholders on 9 April 2021 passed the resolution to elect Dr. Verapong Chaiperm to be a Company's independent director, effective on 10 April 2021.

4. The NRCG Committee reviewed and recommended remuneration packages and compensation structures for the Board of Directors and its committees by reviewing the responsibilities and liabilities of the directors of a listed company; reviewing the director remuneration survey results of Thai listed companies; and considering the Company's director remuneration package by benchmarking with other Thai listed companies and companies in the same industry. The NRCG Committee viewed that the director remuneration shall be in form of monthly fee and meeting allowance only. For the Good Corporate Governance, the NRCG Committee considered that the directors should not get the bonus relative to the company's performance. Therefore, the NRCG Committee proposed the monthly fee and meeting allowance for 2021 director's remuneration package by maintaining the same rate as in 2020. The 2021 Annual General Meeting of Shareholders approved the remuneration packages for the Board of Directors and its committees as the NRCG Committee's proposal. The compensation that each director received in 2021 was disclosed in item 8.1.2.
5. The NRCG Committee monitored and encouraged directors to participate in training and seminars related to director's roles and good corporate governance, to develop knowledge and ability in performing their duties as directors and to support the Company to conduct the business with good corporate governance. In 2021, 5 directors attended the training organized by the Thai Institute of Directors (IOD).
6. The NRCG Committee reviewed the performance of the Board of Directors, individual directors and NRCG Committee through self-assessments.



7. The NRCG Committee reviewed the Corporate Governance assessment result which in 2021 the Company was ranked Excellent (5 stars) for the 5<sup>th</sup> consecutive year. The NRCG Committee reviewed and identified opportunities for improvement to meet the best practices.
8. In the discharge of duties and responsibilities specified in the NRCG Committee Charter, the NRCG Committee is confident that it has completely performed duties with prudence, transparency, and in the best interests of the Company and shareholders.

#### 8.4 Human Resources Committee Report

##### 8.4.1 Meeting Attendance

In 2021, the Human Resources Committee held 6 meetings. The committee members attended the meetings as follow:

Attendance of the Human Resources Committee Meetings in 2021								
Name of Human Resources Committee members		No. 1 (18 Feb)	No. 2 (9 Mar)	No. 3 (10 May)	No. 4 (25 May)	No. 5 (5 Aug)	No. 6 (11 Nov)	Total
1	Mr. Robert Joseph Dobrik <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	✓	1/1
2	Ms. Kamonwan Wipulakorn	✓	✓	✓	✓	✓	✓	6/6
3	Mr. Pliu Mangkornkanok	✓	✓	✓	✓	✓	✓	6/6
4	Mr. Brian Monaco Sutton <sup>2</sup>	n/a	n/a	✓	✓	✓	✓	4/4
Director who resigned in 2021								
1	Mr. Timothy Alan Potter <sup>1</sup>	✓	✓	✓	✓	✓	n/a	5/5
2	Mr. Nicolas Michel Bossut <sup>2</sup>	✓	✓	n/a	n/a	n/a	n/a	2/2

<sup>1</sup> In replacement of Mr. Timothy Alan Potter, who resigned from the Company's director, the Board of Directors Meeting No. 2A/2021 appointed **Mr. Robert Joseph Dobrik** to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer effective on 1 October 2021.

<sup>2</sup> In replacement of Mr. Nicolas Michel Bossut, who resigned from the Company's director, the Board of Directors Meeting No. 1A/2021 appointed **Mr. Brian Monaco Sutton** to be a Company's director and a member of the Human Resources Committee, effective on 10 April 2021.

##### 8.4.2 The Performance of Human Resources Committee

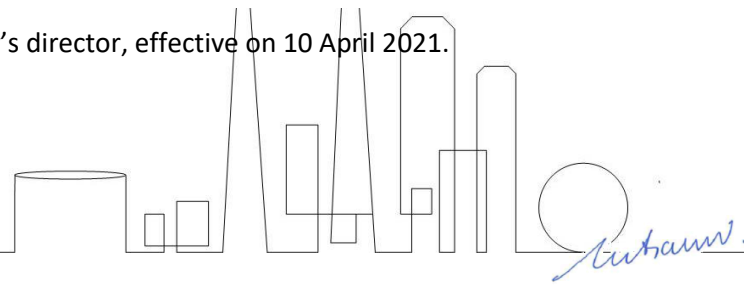
The Board of Directors of Star Petroleum Refining Public Company Limited (SPRC) has appointed the Human Resources Committee, which is comprised of three non-executive Directors, who are appointed by the Board, and the CEO. The SPRC Human Resources Manager has been appointed to be the Committee Secretary.

The committee members were Mr. Timothy Alan Potter, CEO as the Chairman, Mr. Nicolas Michel Bossut (non-executive director), and Mr. Pliu Mangkornkanok and Mrs. Kamonwan Wipulakorn (independent director). The Committee will meet as required but will typically meet at least four times a year. During the year, there were transition of the committee member as following:

Mr. Timothy Alan Potter resigned from the Company's director, effective on 1 October 2021.

- The Board of Directors Meeting No. 2A/2021 appointed Mr. Robert Joseph Dobrik to be a Company's director, a Chairman of the Human Resources Committee, a member of the Nomination, Remuneration and Corporate Governance Committee and a Chief Executive Officer, effective on 1<sup>st</sup> October 2021.

Mr. Nicolas Michel Bossut resigned from the Company's director, effective on 10 April 2021.



- The Board of Directors Meeting No. 1A/2021 appointed Mr. Brian Monaco Sutton to be a Company's director and a member of the Human Resources Committee, effective on 10<sup>th</sup> April 2021

The committee assists the Board in relation to SPRC's human resources strategy, workforce development, and salary & bonus program including approving SPRC's annual remuneration program and aspects of its incentive programs to support SPRC's business objectives of superior performance and long-term growth in shareholder value. Also, the committee reviews the appointment of SPRC's senior leadership positions, succession planning for the senior leadership team, and the SPRC Human Resources Master Plan.

In 2021, the Committee held 5 meetings on various matters. Below is a summary of key activities undertaken in 2021:

**1. Remuneration program:** The committee reviewed the management of the Total Remuneration program and annual Merit Increase. The program is benchmarked against leading Oil & Gas companies in Thailand and other selected markets to ensure remaining a competitive Total Remuneration package and to be seen as a leader in Map Ta Phut that will attract, retain and motivate a talented workforce.

The committee approved a special bonus to recognize the achievements and business performance of SPRC, which were made possible by SPRC family in 2021.

**2. Human Resources Strategy:** The Committee reviewed lookback People Strategy and action plans 2020 and endorsed People Strategy Master Plan 2021. The plan to be Employer of Choice for enhancement SPRC pride, highly engaged family, strengthen organization capability and workforce culture to be the best place to work. The review was included SPRC's diversity policy and diversity strategies to ensure that SPRC complied with Human Right direction. The 2021 specific strategic objectives are:

- Be an Employer of Choice with highly engagement family members.
- Create competitive advantage through robust transition and organization capability development plan.
- Strong workforce culture with one passionate and caring family with Agile way of work and highly reliable spirit.

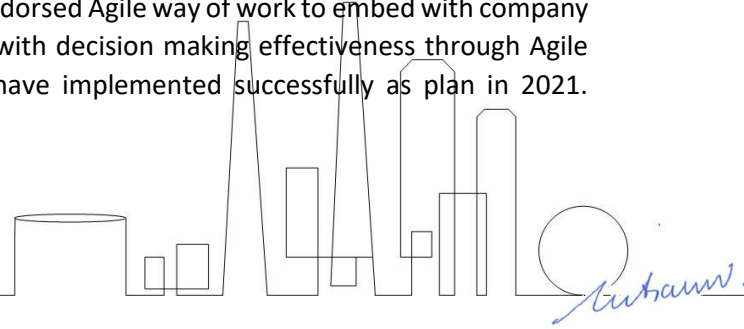
**3. Succession Planning and talent management program:** The Committee has reviewed and endorsed the revision Succession and Talent management program, and list of identified successor and talent in all position levels across organization. Also, reviewed Job Rotation program with lists of talent movement to support the success of the plan. Included senior leadership team members, which includes current assignment abroad in Chevron to enhance leadership capability.

In achieving of SPRC leadership development program, the Committee had reviewed and endorsed Chief Financial Officer (CFO) successor for CEO endorsement on the replacement.

**4. Effective Capability and Learning Organization:** The committee reviewed and endorsed result and action plan of Employee Engagement plan that roll out in June 2021. Way forwards to integrate result to companywide action plans. Action result will be monitor through company intranet dashboard to enhance engagement with SPRC family when implementation.

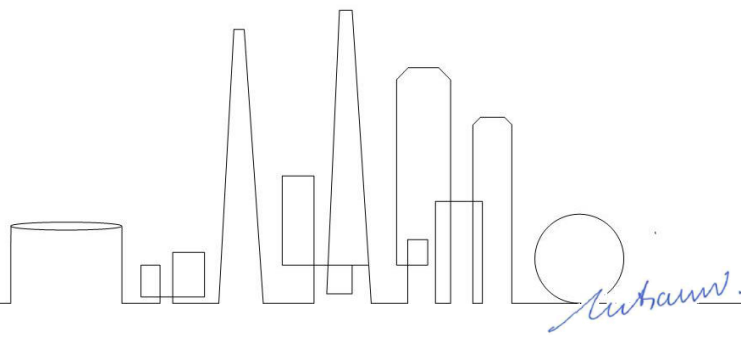
Talents movement from "Sapphire Project" back to organization which created job promotion and opportunity to employee enhance their competency in new role while improve organization capability. In addition, Online Learning methods that provided to employee in every position level and regular effectiveness progress are also reviewed and endorsed by committee.

**5. Workforce Culture:** The committee reviewed and endorsed Agile way of work to embed with company culture to strengthen reliability and growth mindset with decision making effectiveness through Agile approach. There are 9 Agile company actions that have implemented successfully as plan in 2021.



Employee has highly engaged to Agile way of work and SPRC plan to continue enhance employee's competency to utilize Agile concept creating value on their work while promoting organization capability.

For 2021, the Human Resources Committee is confident that with SPRC's strong Culture, Core Values and the Human Resources management will continue to support SPRC's pursuit of Operational Excellence and future growth. Our goal is to be the Best Place to work and the Employer of Choice, which creates the most benefit for the community, environment, and value for our shareholders.



## 9. Internal Controls and Related Party Transactions

### 9.1 Internal Controls

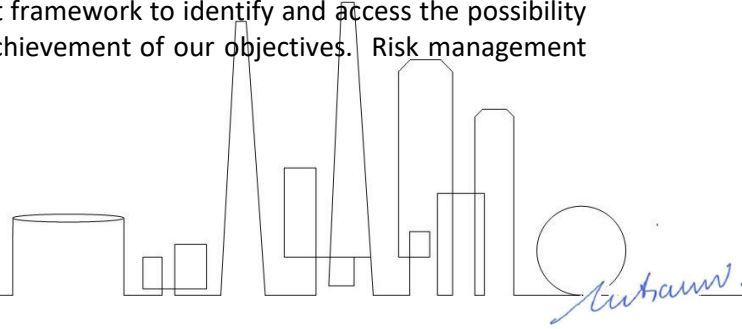
SPRC implements Internal Controls as the mechanisms, rules, and procedures to identify reasonable assurance on the integrity of operations, reliability of financial reporting, promote accountability, prevent fraud, and compliance with applicable laws and regulations. SPRC's Board of Directors assigns the Independent Audit Committee to evaluate the adequacy of internal control system to ensure effectiveness and efficiency operations. SPRC required to follow U.S. Sarbanes-Oxley Act of 2002 to increase the reliability of financial reporting and protect investors from corporate fraud.

#### 9.1.1 The sufficiency of Internal Control system

Management and Internal Auditor use the Assessment Form of Sufficiency of Internal Control following the Securities and Exchange Commission, Thailand (SEC) as a tool to evaluate the adequacy of the Internal Control System. At the Audit Committee Meeting No. 4/2021, held on 11 November 2021, the Audit Committee discussed with management, evaluated SPRC's Internal Control System and observed that SPRC followed 5 components of COSO internal controls framework with appropriately designed, operating effectively and consistent with good corporate governance. The Audit Committee communicate the result on Sufficiency of Internal Control to the Board of Director meeting held on 12 November 2021 and the Directors acknowledged and satisfied with the Company's adequacy of Internal Controls policy and procedures.

The five components of a good internal control system include:

1. **Control Environments:** SPRC established the standards, processes, and structures as the basis for carrying out internal controls and making decisions. The Board of Directors and Management provide the following activities to meet the principle relating to Control Environment.
  - The Board of Directors and management lead by example and demonstrate through their actions and behavior of integrity and ethical values to support the functioning of internal control system.
  - The Board of Directors charter clearly sets out the framework of responsibilities.
  - The Board of Directors delegates authority and assigns day-to-day responsibilities and decision-making to Chief Executive Officer (CEO). CEO delegates appropriate authority assigns responsibilities and segregation of duties at the varies level of the organization.
  - The Board of Directors has regularly reviewed and approved the Corporate Governance Policy, Business Conducts Policy, and Anti-Corruption Policy.
  - The Business Conduct Policy clearly sets forth the Company's expectation of its management, employees, agents, and representatives in the way to conduct its business. Corporate Compliance Officer (CCO) has been appointed by the Board of Directors and has responsible to maintain and promote compliance program.
  - SPRC has developed procedures of each work process to ensure all staff responsible for internal control and process improvement. Job Description of each position is clearly defined to force all staff to hold responsibility of the internal control of each work process.
  - SPRC provides the mentoring and training needed to develop and retain sufficient and competent personnel. SPRC also has performance evaluation mechanism to evaluate employees on demonstrating personnel commitment to achieve SPRC Core values, personal contributions to achieving Company's Key Result Area. The performance evaluation rewarding, and penalizing are clearly communicated to individual employees.
2. **Risk Assessment:** SPRC develop Risk Management framework to identify and assess the possibility of an event will occur and adversely affect the achievement of our objectives. Risk management program and system include of the following:

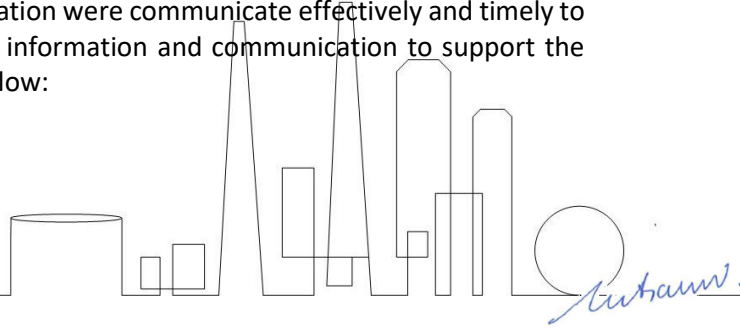


- Risk Management Policy has been established, regular reviewed and approved by the Board of Directors and communicated throughout the company.
- SPRC set up the Risk Management Committee comprised of Leadership team level and responsible for overseeing the risk management program, annual risk assessments, and following up on the mitigation plans.
- SPRC assesses both internal and external risk factors covering with market or economic changing, digitization, regulation changing, business competitors and operational activities.
- The risk assessment includes the fraud risk and corruption risk, the possibility of fraud occurrence such as fraudulent financial reporting, loss of assets, corruption management override of internal controls, material misstatements of financial statements and misappropriation of assets. The preventive actions of those risk are implemented.
- Following the risk assessment, the action plans have been identified to manage risk. The develop a set of actions aligned with the company's objectives. The output of risk management is reported to the Audit Committee and the Board of Directors on quarterly basis.

**3. Control Activities:** SPRC implements Internal Controls to ensure the integrity of financial information and prevent fraud. The Control Activities include:

- SPRC design internal control by developing the system procedure, responsibilities, and accountability of each business work process to protect assets from any loss and ensure compliance with laws and regulations.
- SPRC has developed the Manual of Delegated Authorities (MODA) for authorization of transactions by an appropriate person.
- SPRC develop control activities by segregating among different people to reduce the risk of inappropriate or fraudulent actions.
- Account Reconciliations are regularly performed for accuracy and completeness of processing transactions.
- SPRC retain records by maintaining documentation to substantiate transactions and compliance with the regulations.
- The physical controls overs cash, equipment, inventories, and other assets are safeguard by using of cameras, locks, physical barriers and periodically counted to protect property.
- IT general controls are created over technology infrastructure, security management, and maintenance process. A network security architecture review was regularly conducted. Security management include access to the system and data is restricted to authorized personnel. Software patching and vulnerability scanning were regularly performed.
- SAP Application is used to process the transactions. The controls are designed to restrict access rights to authorized users with their job responsibilities. This is also included controls over information processing such as edit check to validate data entry.
- Policies and Procedures are communicated to all employees. Each policy and procedure are set for frequency review for continued relevance and effectiveness.
- The Board of Directors has approved procedures on considering and approval of Related Party Transactions. All related party transactions are carefully considered to ensure that the terms are appropriated and executed on a commercial arm's length basis and always take into consideration, on balance, the best interest of Company.

**4. Information and Communication:** SPRC develops the communication policy as a guideline framework to ensure relevant and reliable information were communicate effectively and timely to all key stakeholders. SPRC obtains the quality of information and communication to support the functioning of the internal controls as detailed below:





- SPRC provides sufficient material information to support the consideration of the Board of Directors and are supplied to the Board of Directors in a timely manner at least 7 days in advance.
  - Internal communication is disseminated throughout the company with clear message from management. The internal communication channel includes Operational Excellent dashboards, staff presentation, e-mail communication, bulletin board and social media posting (Yammer).
  - New Employee are being trained through on-boarding program which include SPRC vision, mission, acceptable work behaviors, employment regulation, safety, and management system.
  - Information is communicated with external parties through SPRC's website ([www.sprc.co.th](http://www.sprc.co.th)), which contains information on SPRC, Corporate Governance, Financial Statement, and any relevant information. The communication channel to external parties includes news releases, opportunity day, annual reports, and other channels.
  - Whistle-blowing channel is established in SPRC's website where the employee and anyone communicate concerns, instances of perceived misconduct, matters relating to financial reporting, other significant matters that may impact internal controls. They can report by sending letter to Company's address or e-mails to [CompanySecretary@sprc.co.th](mailto:CompanySecretary@sprc.co.th), and/or [AuditComittee@sprc.co.th](mailto:AuditComittee@sprc.co.th), and/or [CorporateCompliance@sprc.co.th](mailto:CorporateCompliance@sprc.co.th)
- 5. Monitoring Activities:** SPRC continuously monitored and evaluated the internal control system to ascertain its present and functioning. The monitoring activities include of the following:
- Management verify and fix the process to prevent future errors.
  - Internal auditor develops an internal audit plan based on risk-based approach and has been reviewed and approved by the Audit Committee.
  - The annual audit plan includes the areas of compliance with law and regulation, control of financial and operation activities.
  - The audit reports are distributed to Audit Committee, Leadership team and other parties positioned to take action on the recommendation in the report.
  - Audit findings, recommendations and corrective actions are identified. The verification and validation process have been performed to ensure the actions have been implemented and effective in elimination of risk.

In year 2021, our internal audit work was carried out in accordance with the internal audit plan approved by the Audit Committee. We have reviewed the control policies and procedures of selected business processes and found the controls are present and functioning. There is not any issues related to conflict of interest or fraudulent activities. The implementation of recommendations has been performed within timely manner.

#### **9.1.2 Issues related to Internal Control system**

N/A

#### **9.1.3 The Audit Committee's opinion in case it is different to the Board of Committee's opinion**

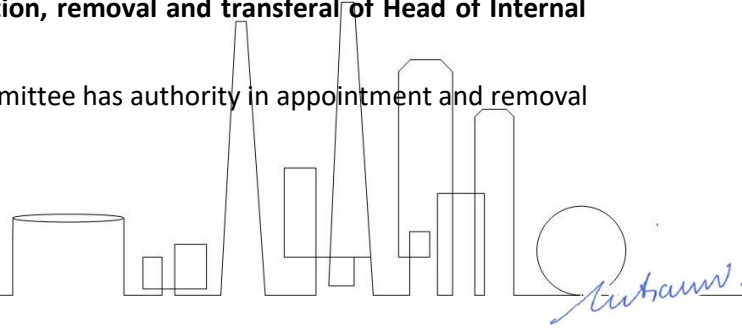
N/A

#### **9.1.4 The Audit Committee's opinion regarding the qualification of Internal Auditor**

At the Audit Committee meeting No. 4/2012, on 20 June 2012, the Audit Committee appointed, Ms. Sukhumal Tonpitak as the Company's Internal Audit Manager. The Audit Committee reviewed and considered that she has knowledge, ability and work experience in refinery for more than 15 years. She has attended internal audit course and understand the company's operations.

#### **9.1.5 The Company's practice regarding the nomination, removal and transfer of Head of Internal control**

According to Audit Committee Charter, the Audit Committee has authority in appointment and removal of the head of internal audit functions.





## 9.2 Related Party Transactions

Company's Related Party Transactions are Chevron and its affiliates. Chevron is company's major shareholders of 60.56%. The related party transactions are the Feedstock Supply agreement, Product sale agreement, and service contracts to utilize the knowledge and expertise on technology and operations of Chevron and its affiliates.

All related party transactions are carefully considered to ensure that the transactions are reasonable, entered in the ordinary and usual course of business, in the best interest of the Company, on the arm's length's basis and comply with relevant law and regulations. The Audit Committee reviewed the terms of all relevant related party transactions and proposed to the Board of Directors for approval. All RPT transactions are reported to the Audit Committee on quarterly basis.

### 9.2.1 Related Party Transactions Potentially Leading to Conflicts of Interest and

### 9.2.2 Necessity and Reasons for Related Party Transactions

#### Related Party Transactions with Chevron and its affiliates for three-year 2021, 2020, and 2019

The Board of Directors approved with the review by the Audit Committee on the related party transactions in order to ensure such transactions are reasonable and in the best interest of the Company.

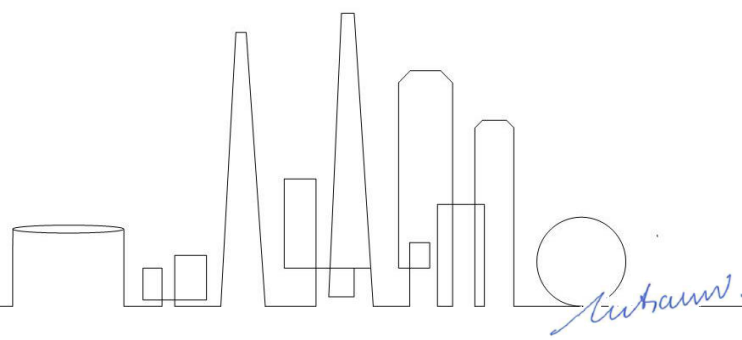
#### 1. Transaction with Chevron U.S.A. Inc. (Singapore Branch) - Affiliate of Chevron which directly or indirectly hold 100% of shares.

- Ms. Barbara Frances Harrison (Director) is an executive of Chevron U.S.A. Inc. (Singapore Branch) As the General Manager, Value Chain Optimization, she has management oversight of Supply optimization activities conducted by Chevron in the Asia Pacific region. ( 01 January 2021 – 12 November 2021)

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	2,180.4	1,241.6	1,972.3
Purchase of High Speed Diesel Fuel	0.0	0.0	83.2
Purchase of Mogas Base Fuel 95	0.0	8.7	130.6
Sales of Product (Purchase and Sale Agreement)	71.4	68.1	13.4

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.
- The offtake agreement guarantees offtake of most of SPRC's domestic and export sales. Company sells products in accordance with Product Supply Agreement with competitively negotiated prices and the same terms and conditions to other offtaker that is party to the agreement.



**2. Transactions with Chevron Singapore Pte Ltd** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Purchase of LSWR/HSSR (Feedstock Supply Agreement)	8.7	0.0	19.7
Sales of Product (Purchase and Sale Agreement)	104.2	54.1	0.0
Profit Sharing on IMO Fuel Oil - Sale HSFO	<0.1	2.5	0.4

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.
- The offtake agreement guarantees offtake of most of SPRC's domestic and export sales. Company sale products in accordance with Product Supply Agreement with competitively negotiated prices and the same terms and conditions to other offtaker that is party to the agreement.

**3. Transaction with Chevron Block B8/32 (Thailand) Ltd.** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	2.1	2.5	3.7

Rationale for transactions:

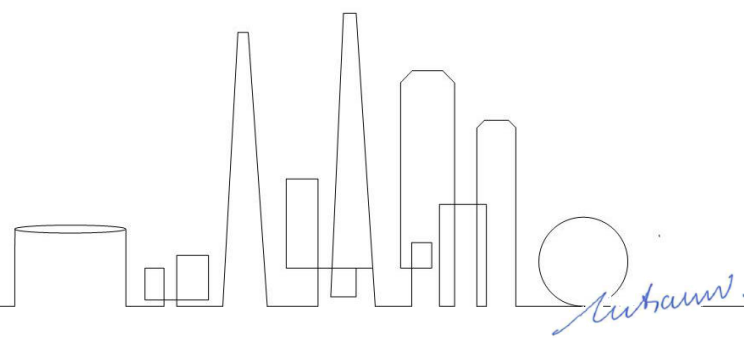
- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.

**4. Transaction with Chevron Offshore (Thailand) Ltd.** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	14.4	22.0	25.6

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.



**5. Transaction with Chevron (Thailand) Exploration and Production Ltd.** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	162.0	217.2	341.2

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.

**6. Transaction with Chevron Asia Pacific Shipping Pte.** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	15.5	46.6	21.7
Marine Services Transportation Agreement	0.7	0.7	0.6

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction.

**7. Transaction with Chevron Pattani Ltd.** - Affiliate of Chevron which directly or indirectly hold 100% of shares

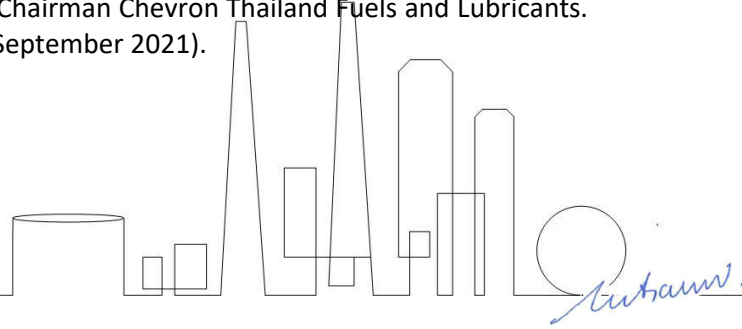
Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Purchase of Crude and Feedstock (Feedstock Supply Agreement)	1.1	0.7	4.4

Rationale for transactions:

- Chevron purchases, sells and trades globally. Utilizing this experience enables SPRC to purchase the optimum crudes for best economic returns. Company purchase Crude and Feedstock in accordance with Feedstock Supply Agreement – the transactions are validated with market price prior to execute each transaction

**8. Transaction with Chevron Thailand Limited (CTL).** Affiliate of Chevron which directly or indirectly hold 100% of shares

- Mr. Brant Thomas Fish is an executive of CTL. As the President of International Fuels and Lubricants, Chevron International Pte., Ltd., he has management oversight of CTL.
- Mr. Timothy A Potter, (Director and CEO), His spouse is a Chevron employee and employed by CTL. She holds the position of Country Chairman Chevron Thailand Fuels and Lubricants. (For the period from 1 January 2021 – 30 September 2021).



Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Sales of Products (Purchase and Sale Agreement)	2,126.3	2,038.4	2,906.6
Purchase, Sale and Storage Products Agreement (Fixed Reserve)	0.0	0.0	<0.1
Purchase of Lubricants Oil	0.1	0.1	0.1

Rationale for transactions:

- The offtake agreement guarantees offtake of most of SPRC's domestic and export sales. Company sells products in accordance with Product Supply Agreement with competitively negotiated prices and the same terms and conditions to other offtaker that is party to the agreement.

**9. Transaction with Advanced Refining Technology (ART).** - Joint Venture 50/50 between Chevron Products Company and Grace Company.

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Purchase of HVGO Catalyst	0.0	0.0	1.1

Rationale for transaction:

- Company entered to this transaction as a result of a competitive bid process with several suppliers.

**10. Transaction with Chevron Oversea Services Corporation (COSC).** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Technical Service Agreement	0.7	0.7	1.1
Technical Service License Agreement	1.7	1.6	1.5
Secondment Agreement Personnel	0.4	0.9	1.6
Memorandum of Understanding – Procedures for a coordinated response to incidents	No cost incurred		

Rationale for transactions:

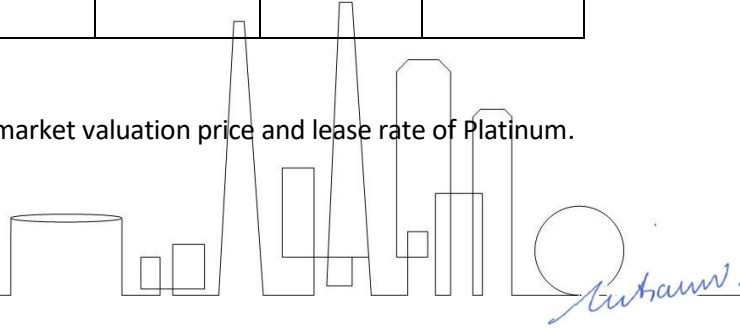
- Company is able to learn from and utilize Chevron's global knowledge and expertise on technology and operations. The service fees are competitively priced.

**11. Transaction with Chevron Products Company (A Division of Chevron U.S.A. Inc)** – Affiliate of Chevron which directly or indirectly hold 100% of Shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Lease of Platinum	0.8	0.1	0.0

Rationale for transaction:

- Company entered to this transaction based on market valuation price and lease rate of Platinum.



**12. Transaction with Singapore Refinery Company (SRC)** - Jointly owned by Chevron Singapore Pte Ltd. and Singapore Petroleum Company

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
SRC borrow E catalyst as the RFCCU unit tripped and some catalyst losses	0.0	<0.1	0.0

Rationale for transaction:

- Company supports peer refinery for urgent' s transaction and vis versa.

**13. Transaction with Chevron Research and Technology Company** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
HVGO License Agreement	No Cost incurred		

Rationale for transaction:

- Chevron is a global leader in hydrotreating technology and Licensing. Licenses were entered into in the 1990's.

**14. Transaction with Chevron Lummus Global LLC** - Affiliate of Chevron which directly or indirectly hold 50% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
DHTU License Agreement	No Cost incurred		

Rationale for transaction:

- Chevron is a global leader in hydrotreating technology and Licensing. Licenses were entered into in the 1990's

**15. Transaction with Caltex Service Corporation.** - Affiliate of Chevron which directly or indirectly hold 100% of shares

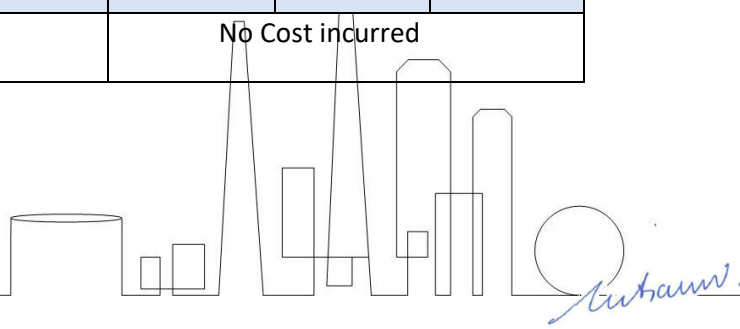
Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
VDU License Agreement	No Cost incurred		

Rationale for transaction:

- Chevron is a global leader in hydrotreating technology and Licensing. Licenses were entered into in the 1990's

**16. Transaction with Chevron South Asia Holding Pte Ltd.** - Affiliate of Chevron which directly or indirectly hold 100% of shares

Natural of Transactions	Total Amount (US\$ Million)		
	2021	2020	2019
Support Agreement	No Cost incurred		



Rationale for transaction:

- Chevron and SPRC continue to work together to ensure that SPRC operates in such a way to maximize benefits for all of its shareholders. Chevron will make its expertise available to SPRC and provide SPRC such support as may be requested and recommended to improve and strengthen SPRC's business practices and performance.

**9.2.3 Policy for and Future possibility of Related Party Transactions and the compliance with the obligations the company has made in the prospectus**

**Approval for Future Related Party Transactions**

The Board of Directors approves Related Party Transactions (RPT) that are above the authority delegated to the Chief Executive Officer (CEO). The Audit Committee reviews the future RPT to ensure the transactions are fair and reasonable, on normal commercial terms and usual course of business. The Audit Committee endorses the future RPT to the Board of Directors for approval.

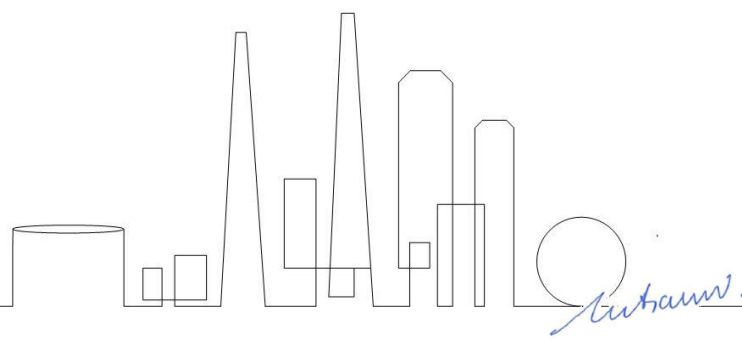
In a meeting of the Board of Directors, if any director has a conflict of interest in the matter being considered, that director shall not take part in the consideration and decision regarding that matter, by refraining from participating in that portion of the meeting and voting, in order to ensure fairness and transparency in the decision of the Board of Directors and to protect the best interests of all shareholders.

The Board of Directors delegated the authority to the Chief Executive Officer (CEO) to execute related party transactions in the name of the Company, with a limit of not exceeding Baht 10 million, and/or for related party transactions with regard to the current and future purchase, sale, and exchange of crude oil, raw materials, intermediate products, and finished products, with a term not exceeding 12 months (regardless of the amount of those transactions).

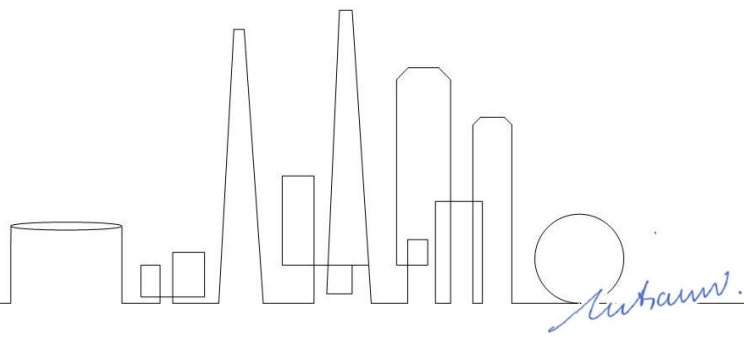
For the period from 1 January 2021 – 30 September 2021, Mr. Timothy Alan Potter, the CEO and director, declared to the Board of Directors that his wife, Ms. Alice Potter was appointed to be a Country Chairman of Chevron (Thailand) Limited (CTL). In order for managing the conflict of interest and for the transparency, The Board of Directors delegated authority to the Deputy CEO – Operations to have the authorization to execute any transactions with Chevron Thailand Limited (CTL). And the delegation resumes back to Mr. Robert Joseph Dobrik, the CEO, effective on 01 October 2021.

**9.2.4 The reason in case of Persons who may have conflict of interests holding more than 10% in Subsidiaries and Associated Companies of shares instead of holding the shares in the Company**

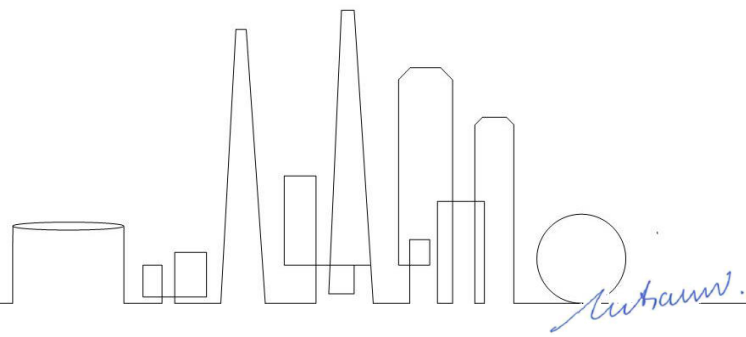
N/A



## Part 3 Financial Statement





**STAR PETROLEUM REFINING PUBLIC COMPANY LIMITED****FINANCIAL STATEMENTS****31 DECEMBER 2021**

## Independent Auditor's Report

To the Shareholders and the Board of Directors of Star Petroleum Refining Public Company Limited

### My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Star Petroleum Refining Public Company Limited (the Company) as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### My audit approach - overview



#### Materiality

The overall materiality: US Dollar 9.30 million which represents 5% of Company's profit before tax.

The overall materiality is determined from profit before tax in US Dollar which is the Company's functional currency as described in the accounting policy in Note 3.3.1.

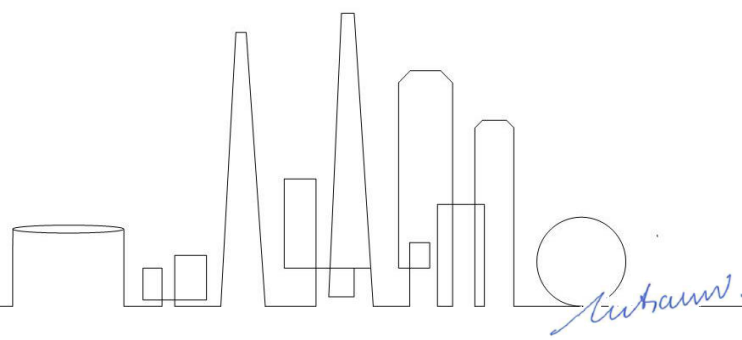
#### Audit scope

I conducted a full scope audit work of the Company which is engaged in the operation of a petroleum refinery in Thailand.

#### Key audit matters

I identified the following key audit matters:

- Revenue recognition
- Recognition of deferred tax assets on tax losses carried forward



### Materiality

The scope of my audit was influenced by my application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on my professional judgement, I determined certain quantitative thresholds for overall materiality for the financial statements as set out in the table below. These, together with qualitative considerations, helped me to determine the scope of my audit and the nature, timing and extent of my audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

<b>Overall materiality</b>	US Dollar 9.30 million (2020: US Dollar 11.76 million)
<b>How I determined it</b>	5% of profit before tax (2020: 5% of loss before tax)
<b>Rationale for the materiality benchmark applied</b>	I chose profit before tax as the critical measure because, in my view, it is the measure against which the performance of the Company is most commonly assessed. The 5% benchmark is a generally accepted auditing practice and there were no significant unusual elements that merited adjustments to this benchmark.

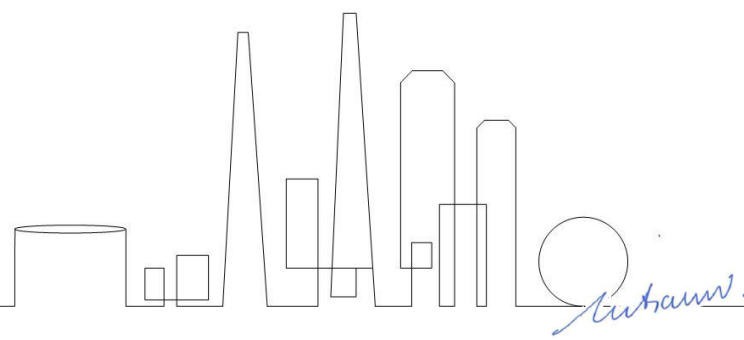
I agreed with the audit committee that I would report to them misstatements identified during my audit.

### How I tailored my audit scope

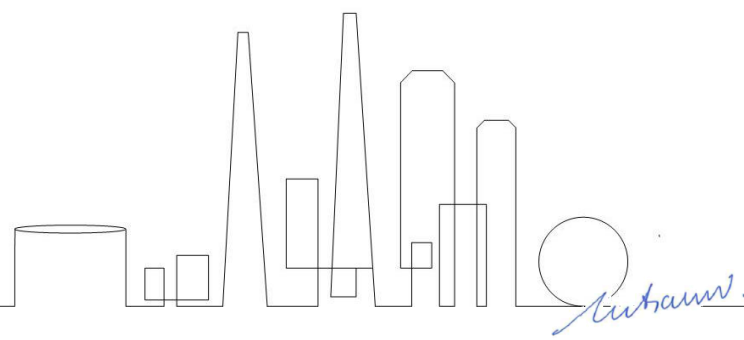
I tailored the scope of my audit in order to perform sufficient work to enable me to provide an opinion on the financial statements, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Key audit matter	How my audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>In 2021, the Company recognized US Dollar 5,283.72 million in revenue under a purchase and sale agreement as described in Note 22 and short-term product sale agreements, most was generated under the purchase and sale agreement with two customers.</p> <p>The revenue is determined based on the contractual price and volume of petroleum products delivered. The sale price is calculated based on market price with a premium or discount adjusted by a number of factors following the individual agreement for each product. The volume sold is measured using the metre at the refinery when the petroleum products are delivered to customers via pipeline, truck, or vessel.</p> <p>I identified the accuracy of the revenue as an area of focus for my audit work because the amount is material. Because of the various factors applied to the selling prices per agreements, this required a detailed understanding of the contractual arrangements to ensure that the terms of agreements were correctly applied to determine the amount of revenue, and the source data for the price factors and price adjustment used in the invoice and volumes measured were complete and accurate.</p>	<p>I tested the design and operating effectiveness of key controls for the recognition of revenue, particularly focussing on controls over the invoicing process. I determined that testing of these controls provided me with audit evidence that revenue had been recorded appropriately and in the correct period, and the amounts billed to customers were accurate.</p> <p>I sample tested the revenue recognized against amounts invoiced to customers and the subsequent cash receipts from those customers. I obtained and read the purchase and sale agreement including amendment to agreement and checked it against customer invoices to ensure that the price factors and adjustment were applied in the invoices accurately and completely. This includes assessment for the appropriateness of the revenue recognition in accordance with the financial reporting standards.</p> <p>I also selected a sample of shipment documents before and after year end to test to the revenue recorded to ensure that the revenue is recognized in the correct period.</p> <p>In addition, I sent debtor confirmations to the customers to confirm the amount due to the Company at the end of the year.</p> <p>I found no material issues arising from my work.</p>
<p><b>Recognition of deferred tax assets on tax losses carried forward</b></p> <p>As of 31 December 2021, the Company has deferred tax assets mainly from tax losses carried forward in amount of US Dollar 44.28 million. The Company recognizes deferred tax assets on tax losses carried forward only to the extent that it is probable that future taxable profit will be available which the temporary differences can be utilized.</p> <p>Management has performed a financial performance projection which includes the expected future taxable profit to support recoverability of such deferred tax assets. The projection is prepared based on historical data and expected future outcomes. The significant assumptions in the projection include refinery margin, production volumes and crude prices.</p> <p>I identified the recognition the deferred tax assets on tax losses carried forward as a key audit matter because the assumptions used in the estimates of the Company's financial performance projection involve management's judgement in assessing the Company's future taxable profit. In addition, the balance of the deferred tax assets from loss carried forward is significant to the Company's financial statements.</p>	<p>I evaluated evidence supporting the recoverability of the deferred tax assets from loss carried forward which is management's projected future taxable income by evaluating and challenging management's judgement and assumptions used in forming its five-year financial performance projection, which includes the assumptions for future growth of refinery margin, production volumes and crude prices. The reasonableness of these underlying assumptions was verified against the historical information, external sources and industry benchmarks.</p> <p>In addition, I tested the reasonableness of the past profit estimates and whether using the tax loss benefits is in line with the actual profit.</p> <p>Based on procedures I have carried out, I consider that management's key assumptions underlying the projection of future taxable profit to be within a reasonable range.</p>



### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

### Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

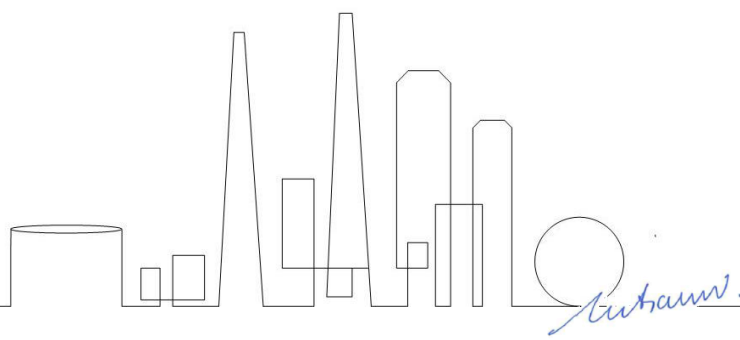
The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## 56-1 One Report 2021

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

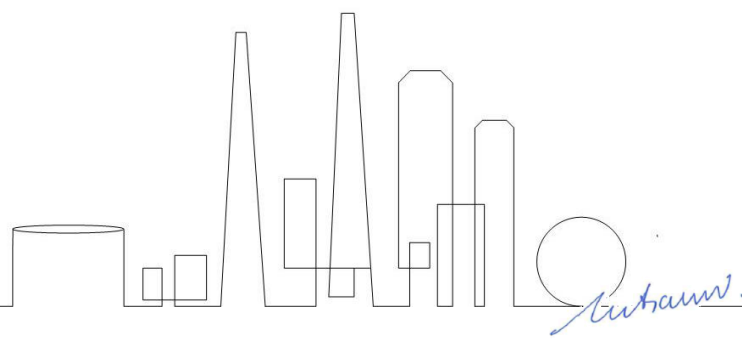
*Kan Tanthawirat*

**Kan Tanthawirat**

Certified Public Accountant (Thailand) No. 10456

Bangkok

22 February 2022





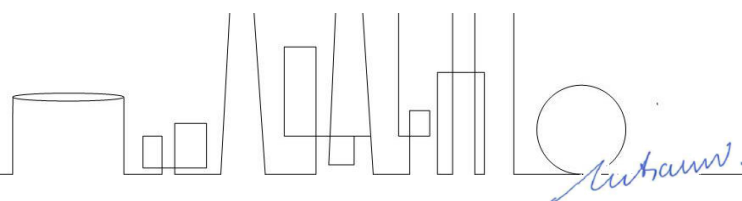
**Star Petroleum Refining Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2021**

		Unit: US Dollar		Unit: Baht	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Notes					
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	87,660,208	54,122,578	2,944,760,616	1,634,869,479
Trade and other receivables	9	393,839,471	282,190,905	13,219,212,310	8,514,604,793
Inventories	10	490,759,457	299,657,559	16,486,033,359	9,051,695,940
Other current assets		2,407,812	4,037,251	80,864,925	121,486,110
<b>Total current assets</b>		<b>974,666,948</b>	<b>640,008,293</b>	<b>32,730,871,210</b>	<b>19,322,656,322</b>
<b>Non-current assets</b>					
Prepaid income tax		651,414	5,886,063	21,882,877	177,799,123
Derivative assets	5	-	4,595,786	-	138,838,484
Property, plant and equipment	11	720,951,014	799,694,980	24,218,835,325	24,156,226,332
Intangible assets		2,764,266	3,077,237	92,859,696	92,953,474
Deferred tax assets	14	44,284,150	80,702,869	1,487,633,007	2,437,775,411
Other non-current assets		5,173,868	7,111,890	173,805,190	214,827,453
<b>Total non-current assets</b>		<b>773,824,712</b>	<b>901,068,825</b>	<b>25,995,016,095</b>	<b>27,218,420,277</b>
<b>Total assets</b>		<b>1,748,491,660</b>	<b>1,541,077,118</b>	<b>58,725,887,305</b>	<b>46,541,076,599</b>

Director \_\_\_\_\_  
(Mr. Nicolas Michel Bossut)

Director \_\_\_\_\_  
(Mr. Robert Joseph Dobrik)

The notes to the financial statements are an integral part of these financial statements.



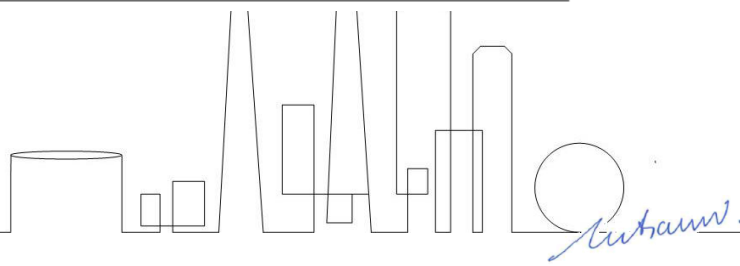


## 56-1 One Report 2021

**Star Petroleum Refining Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2021**

		Unit: US Dollar		Unit: Baht	
		31 December	31 December	31 December	31 December
	Notes	2021	2020	2021	2020
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Current portion of long-term borrowings					
from financial institutions	12	139,307,275	45,673,307	4,679,743,764	1,379,645,927
Trade and other payables	13	415,584,080	258,910,182	13,960,674,449	7,820,848,078
Excise tax payable		35,681,309	39,940,949	1,198,638,651	1,206,488,249
Value added tax payable		5,345,381	10,677,254	179,566,846	322,525,677
Other current liabilities		363,214	343,635	12,201,412	10,380,125
<b>Total current liabilities</b>		<b>596,281,259</b>	<b>355,545,327</b>	<b>20,030,825,122</b>	<b>10,739,888,056</b>
<b>Non-current liabilities</b>					
Derivative liabilities	5	9,125,341	-	306,546,651	-
Long-term borrowings from					
financial institutions	12	100,438,964	293,223,106	3,374,048,091	8,857,344,378
Employee benefit obligations	15	19,163,003	17,107,340	643,740,829	516,757,997
<b>Total non-current liabilities</b>		<b>128,727,308</b>	<b>310,330,446</b>	<b>4,324,335,571</b>	<b>9,374,102,375</b>
<b>Total liabilities</b>		<b>725,008,567</b>	<b>665,875,773</b>	<b>24,355,160,693</b>	<b>20,113,990,431</b>
<b>Equity</b>					
Share capital					
Authorized share capital	16				
Ordinary shares					
4,335,902,125 shares at					
par value of Baht 6.92 each		864,713,808	864,713,808	30,004,442,705	30,004,442,705
Issued and paid-up share capital					
Ordinary shares					
4,335,902,125 shares paid-up					
at Baht 6.92 each		864,713,808	864,713,808	30,004,442,705	30,004,442,705
Premium on share capital		31,917,416	31,917,416	977,711,111	977,711,111
Retained earnings					
Appropriated - legal reserve	17	87,865,911	87,865,911	3,000,444,271	3,000,444,271
Unappropriated		38,985,958	(109,295,790)	4,595,530,147	(108,482,479)
Other components of equity		-	-	(4,207,401,622)	(7,447,029,440)
<b>Total equity</b>		<b>1,023,483,093</b>	<b>875,201,345</b>	<b>34,370,726,612</b>	<b>26,427,086,168</b>
<b>Total liabilities and equity</b>		<b>1,748,491,660</b>	<b>1,541,077,118</b>	<b>58,725,887,305</b>	<b>46,541,076,599</b>

The notes to the financial statements are an integral part of these financial statements.

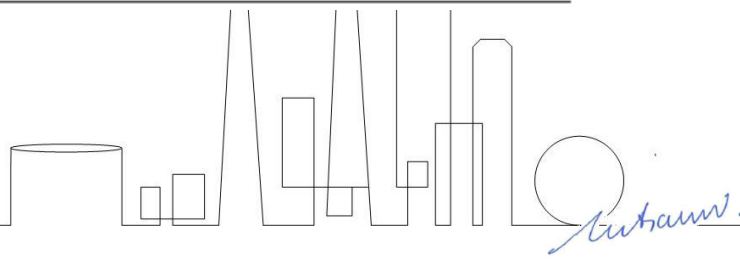


## 56-1 One Report 2021

**Star Petroleum Refining Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2021**

		Unit: US Dollar		Unit: Baht	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Sales	7	5,283,719,416	4,133,813,730	170,330,857,757	129,598,693,006
Liquefied Petroleum Gas and fuel subsidies		66,261,976	18,143,115	2,153,537,031	564,702,865
<b>Total revenue</b>		<b>5,349,981,392</b>	<b>4,151,956,845</b>	<b>172,484,394,788</b>	<b>130,163,395,871</b>
Cost of sales	18	(5,132,897,959)	(4,369,639,121)	(165,598,311,928)	(137,168,953,725)
<b>Gross profit (loss)</b>		<b>217,083,433</b>	<b>(217,682,276)</b>	<b>6,886,082,860</b>	<b>(7,005,557,854)</b>
Other income		1,911,344	2,280,777	61,763,349	70,789,763
Gain on exchange rate		11,255,166	9,848,106	358,743,463	319,753,567
Fair value (loss) gain on derivatives		(13,721,127)	4,595,786	(432,882,467)	143,901,982
<b>Profit (loss) before expenses</b>		<b>216,528,816</b>	<b>(200,957,607)</b>	<b>6,873,707,205</b>	<b>(6,471,112,542)</b>
Administrative expenses	18	(23,581,965)	(28,783,315)	(748,975,451)	(910,800,842)
Other expenses		-	(20,522)	-	(628,066)
Finance costs		(6,599,587)	(5,634,548)	(211,825,905)	(177,330,906)
<b>Profit (loss) before income tax</b>		<b>186,347,264</b>	<b>(235,395,992)</b>	<b>5,912,905,849</b>	<b>(7,559,872,356)</b>
Income tax	19	(36,748,078)	48,380,591	(1,166,442,880)	1,555,031,831
<b>Profit (loss) for the year</b>		<b>149,599,186</b>	<b>(187,015,401)</b>	<b>4,746,462,969</b>	<b>(6,004,840,525)</b>
<b>Other comprehensive income:</b> <i>Items that will not be reclassified subsequently to profit or loss</i>					
Currency translation differences		-	-	3,239,627,818	226,889,034
Remeasurement of employee benefit obligations, net of tax		(1,317,438)	-	(42,450,343)	-
Other comprehensive income for the year, net of tax		(1,317,438)	-	3,197,177,475	226,889,034
<b>Total comprehensive income for the year</b>		<b>148,281,748</b>	<b>(187,015,401)</b>	<b>7,943,640,444</b>	<b>(5,777,951,491)</b>
<b>Earnings (loss) per share</b>	20				
Basic earnings (loss) per share		0.03	(0.04)	1.09	(1.38)

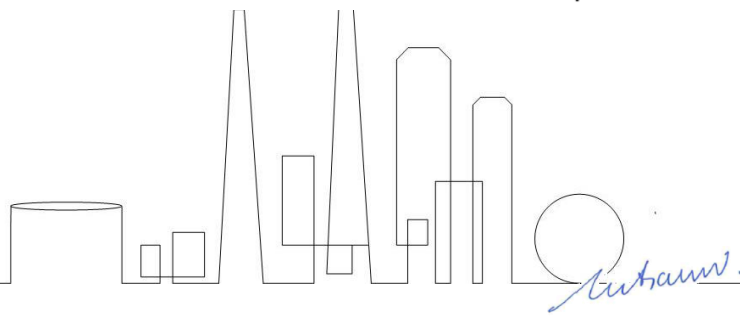
The notes to the financial statements are an integral part of these financial statements.



**Star Petroleum Refining Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2021**

	Unit: US Dollar				
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
			Appropriated legal reserve	Unappropriated	
<b>Beginning balance 1 January 2020</b>	864,713,808	31,917,416	87,865,911	86,238,523	1,070,735,658
Dividends	-	-	-	(8,518,912)	(8,518,912)
Total comprehensive income for the year	-	-	-	(187,015,401)	(187,015,401)
<b>Ending balance 31 December 2020</b>	864,713,808	31,917,416	87,865,911	(109,295,790)	875,201,345
<b>Beginning balance 1 January 2021</b>	864,713,808	31,917,416	87,865,911	(109,295,790)	875,201,345
Total comprehensive income for the year	-	-	-	148,281,748	148,281,748
<b>Ending balance 31 December 2021</b>	864,713,808	31,917,416	87,865,911	38,985,958	1,023,483,093

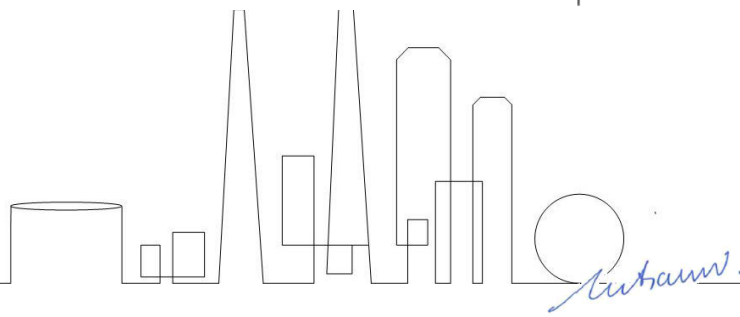
The notes to the financial statements are an integral part of these financial statements.



Star Petroleum Refining Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2021

	Unit Baht					
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	Total equity
			Appropriated legal reserve	Unappropriated		
<b>Beginning balance 1 January 2020</b>	30,004,442,705	977,711,111	3,000,444,271	6,167,351,929	(7,673,918,474)	32,476,031,542
Dividends	-	-	-	(270,993,883)	-	(270,993,883)
Total comprehensive income for the year	-	-	-	(6,004,840,525)	226,889,034	(5,777,951,491)
<b>Ending balance 31 December 2020</b>	30,004,442,705	977,711,111	3,000,444,271	(108,482,479)	(7,447,029,440)	26,427,086,168
<b>Beginning balance 1 January 2021</b>	30,004,442,705	977,711,111	3,000,444,271	(108,482,479)	(7,447,029,440)	26,427,086,168
Total comprehensive income for the year	-	-	-	4,704,012,626	3,239,627,818	7,943,640,444
<b>Ending balance 31 December 2021</b>	30,004,442,705	977,711,111	3,000,444,271	4,595,530,147	(4,207,401,622)	34,370,726,612

The notes to the financial statements are an integral part of these financial statements.

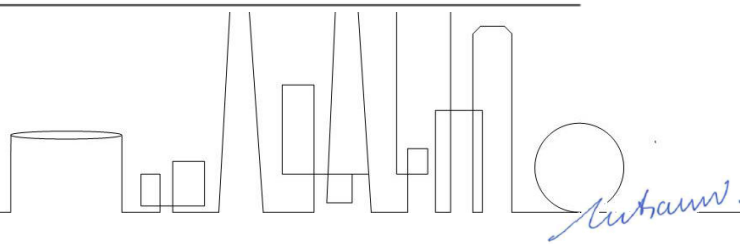


## 56-1 One Report 2021

**Star Petroleum Refining Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2021**

	Notes	Unit: US Dollar		Unit: Baht	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax		186,347,264	(235,395,992)	5,912,905,849	(7,559,872,356)
<b>Adjustments for:</b>					
Finance income		(104,742)	(25,966)	(3,363,082)	(815,767)
Finance costs		6,599,587	5,634,548	211,825,905	177,330,906
Depreciation	11	81,222,506	88,427,294	2,602,249,083	2,782,632,959
Amortization		1,302,937	1,565,069	41,818,153	49,272,369
Loss from disposal and write-off of fixed assets and intangible assets		-	20,522	-	628,066
Gain from foreign exchange rate		(17,318,760)	(1,203,578)	(557,161,827)	(37,866,248)
Fair value loss (gain) on derivatives		13,721,127	(4,595,786)	432,882,467	(143,901,982)
Loss on obsolete materials and supplies	10	928,367	856,765	29,359,226	27,092,384
Reversal of write down of inventory to net realizable value	10	-	(1,755,173)	-	(55,220,188)
Retirement benefit expenses		2,323,860	1,044,012	72,839,539	32,822,196
<b>Change in operating assets and liabilities</b>					
Trade and other receivables		(111,219,810)	(45,280,854)	(3,578,052,518)	(1,424,599,045)
Inventories		(192,030,265)	289,955,889	(6,177,805,658)	9,122,418,191
Other current and non-current assets		3,383,506	12,205,349	108,850,776	383,997,352
Trade and other payables		156,760,818	(186,151,416)	5,043,152,287	(5,856,584,149)
Other current and non-current liabilities		(9,432,042)	19,440,506	(303,438,217)	611,625,536
Cash generated (used in) from operations		122,484,353	(55,258,811)	3,836,061,983	(1,891,039,776)
Interest received		104,074	25,369	3,338,545	797,761
Interest paid		(6,674,183)	(5,519,150)	(213,462,008)	(173,862,718)
Income tax return received		5,611,664	19,172,882	173,254,945	621,360,485
Income tax paid		(534,847)	(152,885)	(17,338,699)	(4,778,651)
<b>Net cash generated (used in) from operating activities</b>		120,991,061	(41,732,595)	3,781,854,766	(1,447,522,899)

The notes to the financial statements are an integral part of these financial statements.

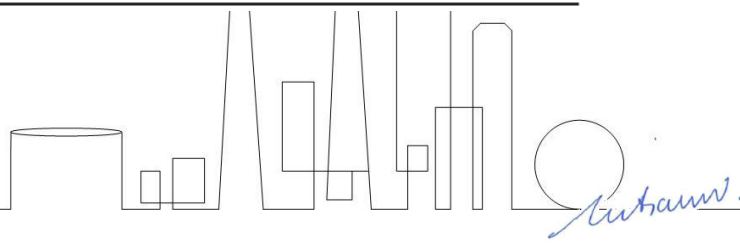


## 56-1 One Report 2021

Star Petroleum Refining Public Company Limited  
Statement of Cash Flows  
For the year ended 31 December 2021

	Notes	Unit: US Dollar		Unit: Baht	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Cash flows from investing activities</b>					
Purchases of fixed assets and intangible assets		(3,211,910)	(11,111,157)	(103,330,367)	(349,572,554)
<b>Net cash used in investing activities</b>		(3,211,910)	(11,111,157)	(103,330,367)	(349,572,554)
<b>Cash flows from financing activities</b>					
Net repayments from short-term borrowings from financial institutions	12	-	(217,884,012)	-	(6,891,921,285)
Proceeds from long-term borrowings from financial institutions	12	-	340,000,000	-	10,735,327,000
Repayments of long-term borrowings	12	(85,000,000)	(7,500,000)	(2,843,965,000)	(226,395,000)
Dividends paid to shareholders		-	(8,327,311)	-	(270,993,883)
<b>Net cash (used in) generated from financing activities</b>		(85,000,000)	106,288,677	(2,843,965,000)	3,346,016,832
<b>Net increase in cash and cash equivalents</b>		32,779,151	53,444,925	834,559,399	1,548,921,379
Cash and cash equivalents at the beginning of year		54,122,578	665,301	1,634,869,479	20,179,037
Adjustment from foreign exchange translation		758,479	12,352	475,331,738	65,769,063
<b>Cash and cash equivalents at the ending of year</b>	8	87,660,208	54,122,578	2,944,760,616	1,634,869,479
<b>Non-cash item</b>					
Acquisitions of fixed assets and intangible assets which have not been paid		266,131	114,155	8,940,121	3,448,252

The notes to the financial statements are an integral part of these financial statements.





**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

## 1 General information

Star Petroleum Refining Public Company Limited (the Company) is a public limited Company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

No.1, I-3B Road, Tambol Map Ta Phut (Subdistrict), Amphur Muang Rayong (District), Rayong Province 21150.

The Company operates a petroleum refinery in the Rayong Province of Thailand.

These financial statements were authorized for issue by the Board of Directors on 22 February 2022.

## 2 Significant events during the current period

### Coronavirus outbreak 2019

The Coronavirus outbreak ("COVID-19 Disease") has resulted in lower global and local energy demand impacting the Company's operating results for year ended 31 December 2021.

The spread of the COVID-19 Disease which still carries over to 2021, has resulted in the demand for petroleum products in 2021 to be at low level which is similar to that of 2020. However, the oil price has recovered since beginning of 2021 and resulted to the increase in revenue from sales in 2021 by US Dollar 1,150 million or Baht 40,732 million, equivalent to 28% compared with that of 2020.

In response to the unprecedented global impacts of the COVID-19 Disease, the Company has developed and executed robust Business Continuity Plans that comply to all regulations. The Company continues to assess the impact to the operation and to take proactive remediation to minimize any impacts.

## 3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

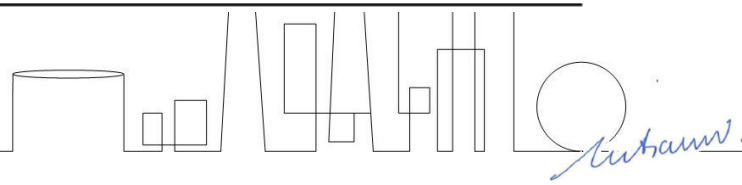
### 3.1 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) and the financial reporting requirements issued under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except for certain accounts as disclosed in the accounting policies below.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 6.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.



**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

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### 3.2 Amended financial reporting standards

3.2.1 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 which are relevant to the Company and the management has assessed that the impacts to the Company were not significant.

a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance.

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity, or comprise of more than one entity which do not have to be a legal entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability and basis of netting assets and liabilities in the financial statements and clarification to the prominence of management's stewardship, prudence and uncertainty of measurement in financial reporting.

b) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified the usage of materiality incorporates in TAS 1.

3.2.2 Amended financial reporting standard that are effective for accounting period beginning on or after 1 January 2022. The Company has not yet adopted this standard.

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- when changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.

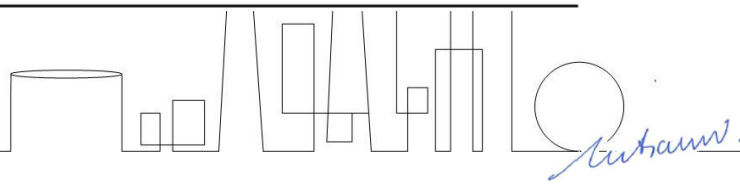
TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

### 3.3 Foreign currency translation

#### 3.3.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Company's management has determined that US Dollar is the Company's functional currency. However, the Company is required to present its financial statements in Baht (the presentation currency) to comply with the regulation of the Department of Business Development, the Company's financial statements are presented by translating from US Dollar to Baht using the method described in Note 3.3.3.



**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

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### 3.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in the other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit and loss, any exchange component of that gain or loss is recognized in the profit and loss.

### 3.3.3 Translation to presentation currency

The results and financial position that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities in statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- Income and expenses in statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognized as a separate component of equity.

## 3.4 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and short-term highly liquid investments with maturities of three months or less from the date of acquisition.

## 3.5 Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost.

The impairment consideration of trade receivables is disclosed in Note 3.7.4.

## 3.6 Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost of inventories is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials costs, direct labour costs, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

## 3.7 Financial assets

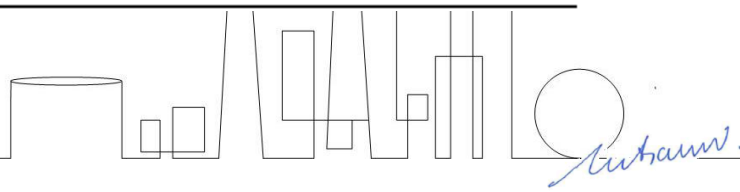
### 3.7.1 Classification

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI), as follows:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
- those to be measured at amortized cost.

The Company reclassifies debt investments only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.



**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

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### 3.7.2 Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

### 3.7.3 Measurement

On initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

### 3.7.4 Impairment

The Company assesses the expected credit loss associated with its debt instruments carried at amortized cost on a forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach to recognize impairment loss from expected credit loss, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

To measure the expected credit losses, the Company grouped trade receivables and contract assets based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The management has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

## 3.8 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that the capitalized cost has future economic benefit. The carrying amount of the replaced part is derecognized.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Buildings	20 - 50 years
Refinery plant and machinery	5 - 33 years
Furniture, fixtures and equipment	5 - 25 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

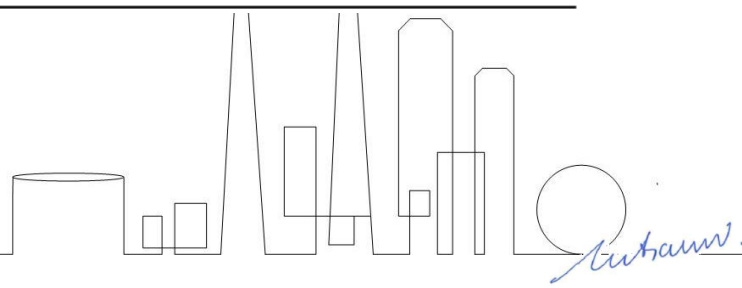
Gains or losses on property, plant, and equipment disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

## 3.9 Intangible asset - Computer software

### *Acquisition of Computer software*

The acquired computer software is stated at cost and amortized over their useful lives, which does not exceed 10 years.

Cost associated with maintaining computer software are recognized as an expense as incurred.



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### 3.10 Impairment of assets

The Company assesses the impairment of assets whenever there are events or situation which are the impairment indication. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

### 3.11 Leases - where the Company is a lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be paid by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that termination.

Lease payments to be made under extension period are also included in the measurement of the liability if the Company has reasonable certainty on extension option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

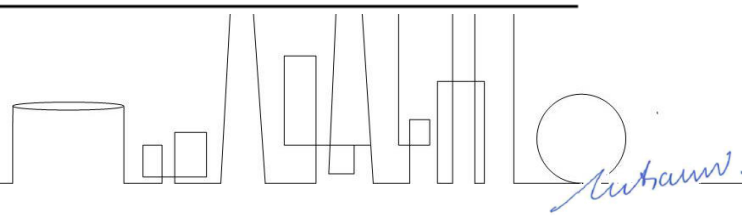
### 3.12 Financial liabilities

#### 3.12.1 Classification

Borrowings are classified as current liabilities if the Company has no unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### 3.12.2 Measurement

Financial liabilities are initially recognized at fair value and are subsequently measured at amortized cost.





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### 3.12.3 Derecognition and modification

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are modified, the Company assesses whether the results are in the derecognition of that financial liability. Where the results in an extinguishment, the new financial liability is recognized based on fair value of its obligation. The remaining carrying amount of financial liability is derecognized. The difference is recognized in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the modified contractual cash flows discounted at its original effective interest rate. The difference is recognized in profit or loss.

### 3.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take time to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

### 3.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

#### 3.14.1 Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### 3.14.2 Deferred income tax

Deferred income tax is recognized on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognized for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognized
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is calculated using tax rates that currently have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### 3.15 Accounting for employee benefit

#### 3.15.1 Defined contribution plan - provident fund

The Company pays contributions to provident fund in accordance with the Provident Fund Act B.E. 2530. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.



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### 3.15.2 Defined benefit plan - retirement benefit

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds at the same currency of the expected cash flow and term of maturity approximating the terms of payment from the retirement benefit plan.

Remeasurement gains and losses are recognized directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity.

Past-service costs are recognized immediately in profit or loss.

### 3.16 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognized as finance costs.

### 3.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of petroleum products and service in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, return, rebates and discounts. Revenue from sale of petroleum products is recognized when customers have physical possession of products which usually coincides with the title passing to the customers. The Company satisfied its performance obligation at a point in time, which is generally at the time of ship loading, truck loading, or on the products entering the pipeline (meter reading).

Other income and interest received are recognized as income on the accrual basis unless collectability is in doubt.

### 3.18 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the compensation of costs are deferred and recognized in profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grant amount is separately presented from revenue from sales.

### 3.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

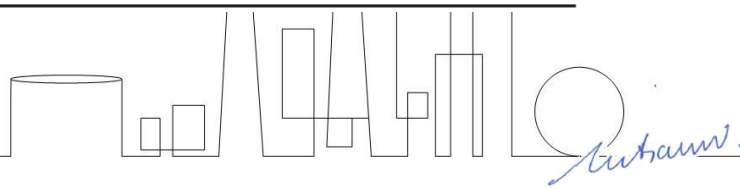
### 3.20 Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

### 3.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.



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### 3.22 Derivatives

Derivatives that do not qualify for hedge accounting is initially recognized at fair value. Changes in the fair value are included in profit or loss.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

## 4 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

### 4.1 Financial risk factor

#### 4.1.1 Market risk

##### a) Foreign exchange risk

The Company's major business comprises of certain revenue and expenditures which are mostly denominated in US dollars. Considering this, the Company has determined the US dollar as its functional currency. Foreign exchange risks occur when the Company has transactions in currencies other than its functional currency.

Generally, to cover this exchange risk, the Company doesn't enter into any foreign currency forward contract because a substantial portion of the Company's costs and expenses are directly linked to or denominated in US dollars. However, the Company is exposed to value fluctuations of the US dollar against Baht on account of cash received from product sales, employee-related expenses and other costs denominated in Baht. US dollar depreciation against Baht causes the Baht-denominated costs to increase in US dollars, which has a negative effect on US dollar-denominated results of operations. Also, an increase in the US dollar value against Baht may also impact the Company's incurred cost when converting the Baht from petroleum product sales into the US dollars required to pay for crude oil and imported feedstock.

The Company borrows both US dollars and foreign currencies from financial institutions to support operations. For Japanese Yen long-term borrowing, which is equivalent to 50% of total borrowings as at 31 December 2021 (as at 31 December 2020: 44% of total borrowings), the Company has entered into a cross-currency and interest rate swap contract to hedge the risks and obligations of future exchange rates.

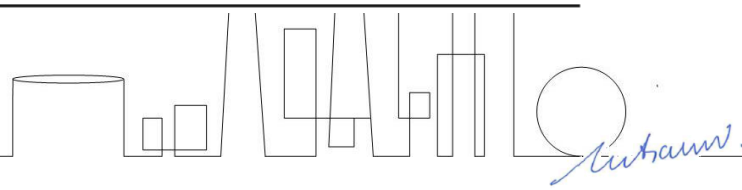
The Company manages foreign exchange risk on financial assets and liabilities denominated in currencies other than its functional currency by structuring and balancing the nature of assets, liabilities and shareholders' equity. In addition, the Company considers using financial instruments for hedging to manage foreign exchange risk, also considering the appropriate costs, outcomes and risks at each timeframe.

The Company has not adopted hedge accounting.

#### Exposure

The Company's exposure to foreign currencies other than the functional currency at 31 December:

	Unit: US Dollar		Unit: Baht	
	2021	2020	2021	2020
<b>Financial assets</b>				
Cash and cash equivalents	87,660,208	54,121,386	2,944,760,616	1,634,833,897
Trade and other receivables	361,722,581	254,221,029	12,151,309,333	7,679,203,793
<b>Financial liabilities</b>				
Trade and other payables	135,577,957	72,557,500	4,554,456,752	2,191,729,882



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*Sensitivity*

The Company is primarily exposed to changes in exchange rates from US dollars to Baht. These changes cause monetary assets and liabilities denominated in currencies other than the functional currency to fluctuate along with the Company's net profit before tax. Given the change in the foreign exchange rate at 31 December, the impact to the Company's net profit before tax will be as follows:

	Impact to net profit before tax			
	2021		2020	
	Unit: US Dollar	Unit: Baht	Unit: US Dollar	Unit: Baht
US Dollar 5% appreciation against Baht	(14,943,120)	(501,982,724)	(11,227,852)	(339,157,477)
US Dollar 5% depreciation against Baht	16,516,008	554,820,604	12,409,734	374,858,343

**b) Interest rate risk**

*Exposure*

The Company is exposed to variable interest rate risks on its borrowings and on its cross-currency and interest rate swap contract.

As at 31 December 2021, all the Company's borrowings bear variable interest rates and are presented at amortized cost. The Company entered into a cross-currency and interest rate swap contract for 50% of total borrowings (as at 31 December 2020: 44% of total borrowings). The maturity analysis of these borrowings is disclosed in Note 4.1.3.

The Company has not adopted hedge accounting.

*Sensitivity*

Profit or loss is sensitive to higher or lower interest expenses from borrowings as a result of interest rates changes. These interest rate changes are referred from the market interest rate forecast for the next 3 years and aligned with the maturity periods of the Company's borrowings and its cross-currency and interest rate swap contract.

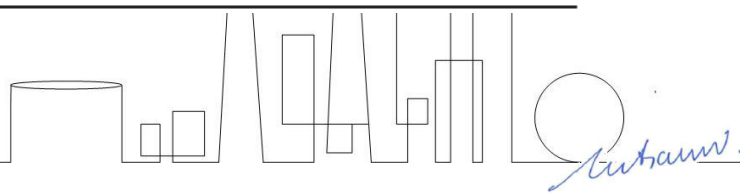
	Impact to net profit before tax			
	Unit: US Dollar		Unit: Baht	
	2021	2020	2021	2020
Interest rate - increase 1.49% (2020: increase 0.44%)*	3,030,566	2,534,948	101,805,494	76,572,680
Interest rate - decrease 0.10% (2020: decrease 0.02%)*	(199,640)	(132,439)	(6,706,502)	(4,000,554)

\* Holding all other variables constant

**c) Price risk**

The changes in crude oil and petroleum products' market prices have directly impacted the Company's raw material costs and petroleum products' selling prices, including the refinery's margins. These changes primarily result from supply and demand, which are outside of the Company's control. The Company focusses on what it can control, which are the refinery's reliability and production efficiency and the efficiency of its crude oil sourcing from various areas.

At the end of the reporting period, the Company's raw material costs and petroleum products' selling price were firm at the final price. Thus, the Company has relatively low risk resulting from changes in crude price that could impact the outstanding balance of trade receivables and trade payables related to the raw material cost and petroleum product's selling price.



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#### 4.1.2 Credit risk

The Company has no significant credit risk because the majority of its total sales is to related companies who have reputable and strong financial positions. Apart from these, sales are made to other customers with appropriate credit histories. Financial transactions are limited to high credit quality financial institutions.

##### a) Risk management

The Company manages risk by performing risk control assessments. It assesses customers' credit quality, taking into account their financial position, past experience and other factors. The Company also regularly monitors the customers' compliance with credit limits.

##### b) Impairment of financial assets

The Company's financial assets comprise cash and cash equivalents, trade and other receivables and other current assets. These are subject to the expected credit loss model, which is done by applying the TFRS 9 simplified approach to measure expected credit losses using a lifetime-expected loss allowance for those financial assets. The result of the assessment shows that the identified impairment loss was immaterial.

#### 4.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period, the Company held deposits at call (refer to Note 8) and trade and other receivables within 12 months (refer to Note 9) which are expected to readily generate cash inflows to manage liquidity risk. The Company maintains funding flexibility by maintaining availability under committed credit lines.

##### Maturity of financial liabilities

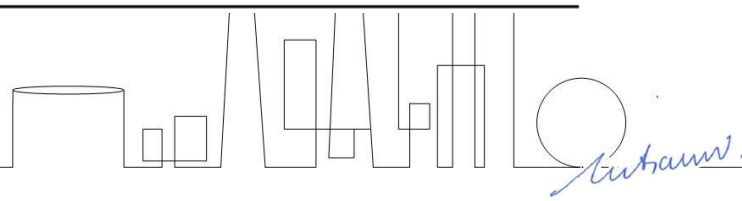
The tables below analyze the maturity of financial liability groupings based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances because the impact of discounting is insignificant. For the cross-currency and interest rate swap contract, cash flows have been estimated using the forward interest rates applicable at the end of the reporting period.

Most of the gross settled balance of the cross-currency and interest rate swap contract is due within 2 years, with cash inflows of US Dollar 121,284,450, equivalent to Baht 4,074,296,397 and cash outflows of US Dollar 130,409,791, equivalent to Baht 4,380,843,048 (as at 31 December 2020: Most of the gross settled balance of the cross-currency and interest rate swap contract is due within 3 years, with cash inflows of US Dollar 152,382,658, equivalent to Baht 4,603,006,973 and cash outflows of US Dollar 147,786,872, equivalent to Baht 4,464,168,489).

Contractual maturities of financial liabilities As at 31 December 2021	Unit: US Dollar		
	Within 1 year	1 - 3 years	Total
Trade and other payables	414,424,826	-	414,424,826
Other current liabilities	180,944	-	180,944
Borrowings from financial institutions floating rate			
- Principal	139,307,275	100,438,964	239,746,239
- Interest expense	4,037,242	900,777	4,938,019

Contractual maturities of financial liabilities As at 31 December 2020	Unit: US Dollar		
	Within 1 year	1 - 3 years	Total
Trade and other payables	251,494,633	-	251,494,633
Other current liabilities	86,770	-	86,770
Borrowings from financial institutions floating rate			
- Principal	45,673,307	293,223,106	338,896,413
- Interest expense	6,284,562	6,009,594	12,294,156



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Contractual maturities of financial liabilities As at 31 December 2021	Unit: Baht		
	Within 1 year	1 - 3 years	Total
Trade and other payables	13,921,731,745	-	13,921,731,745
Other current liabilities	6,078,420	-	6,078,420
Borrowings from financial institutions floating rate			
- Principal	4,679,743,764	3,374,048,091	8,053,791,855
- Interest expense	135,622,667	30,259,712	165,882,379

Contractual maturities of financial liabilities As at 31 December 2020	Unit: Baht		
	Within 1 year	1 - 3 years	Total
Trade and other payables	7,596,848,078	-	7,596,848,078
Other current liabilities	2,621,031	-	2,621,031
Borrowings from financial institutions floating rate			
- Principal	1,379,645,927	8,857,344,378	10,236,990,305
- Interest expense	189,836,507	181,530,604	371,367,111

Management monitors rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

#### *Financing arrangements*

The Company has access to the following undrawn credit facilities as at 31 December:

	Unit: US Dollar		Unit: Baht	
	2021	2020	2021	2020
<b>Floating rate</b>				
Expiring within one year				
- Bank loan	190,000,000	150,000,000	6,382,651,000	4,531,020,000

## 4.2 Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

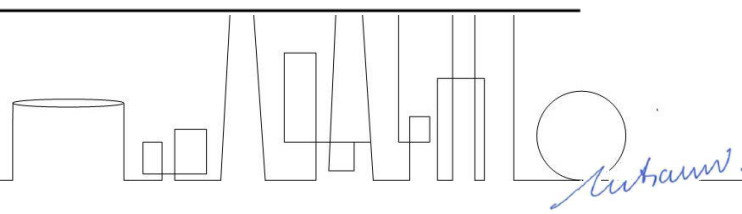
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### *Loan covenants*

Under the terms of certain borrowing facilities, the Company must comply with the following financial covenants:

- maintain a debt to equity ratio of not more than 100%, and
- maintain Chevron Corporation's ownership of the Company, directly and indirectly, with at least 50% of the Company's shares when the ratio of debt to equity is more than 50%.

The Company has complied with these covenants throughout the reporting period. As at 31 December 2021, the ratio of debt to equity was 71% (as at 31 December 2020: 76%). The major shareholder of the Company is Chevron South Asia Holding Pte., Ltd., which owns 60.56% (as at 31 December 2020: 60.56%) of the Company's shares.





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## 5 Financial assets and liabilities

Financial assets which comprise cash and cash equivalents and trade and other receivables and financial liabilities which comprise borrowings from financial institutions and other current liabilities are presented at amortized costs. The fair values of such financial assets and liabilities is not significantly different from the carrying amount.

As at 31 December 2021, the Company has derivative liabilities measured at fair value through profit or loss which comprise cross-currency and interest rate swap contract in amount of US Dollar 9,125,341 or equivalent to Baht 306,546,651 (as at 31 December 2020: derivative assets of US Dollar 4,595,786 or Baht 138,838,484). The valuation technique used to measure fair value is at level 2 which is determined using forward exchange rates that are quoted in an active market and forward interests extracted from observable yield curves.

The fair values of long-term borrowings from financial institutions is based on the discounted future cash flows using a discount rate based on the current lending rate as the reporting date and classified as fair value level 2.

## 6 Critical accounting estimates and assumptions

Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The result of accounting estimates will not necessarily equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follow:

### Recognition of deferred tax assets associated with tax losses carried forward

A deferred tax asset is recognized to the extent it is probable that the tax losses carried forward will be utilized. Such an assessment is based upon management's review of the forecasted financial income.

### Asset retirement obligations

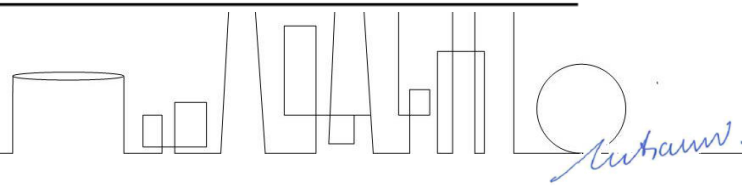
It is recognized that the Company may incur asset retirement obligations for the dismantling and site restoration costs of its manufacturing facilities. The timing and amount of cash flows is difficult to estimate as the Company has no intention to decommission the sites in the near future. Accordingly, and consistent with industry practice, no provision is recorded for asset retirement obligations as the amount cannot be measured with sufficient reliability due to the significant uncertainties involved.

## 7 Segment information

The Company produces petroleum products in Thailand for both domestic and export markets, utilizing the same assets. The Company has one reportable segment which is the refinery. The chief operating decision maker reviews the internal management report which reported the performance of the Company as a whole in order to assess performance and allocate resources. The chief operating decision maker assesses the performance of the reportable segment based on a measure of revenue, cost of goods sold, gross margin and earnings before interest income and expense, tax, depreciation and amortization which are the same information as these financial statements.

The majority of the Company's revenue came from sale of petroleum products to customers by lifting the petroleum products, which includes LPG, gasoline, jet fuel, diesel, fuel oil, asphalt, and other products to customers via vessel, truck, or pipeline and the Company satisfied its performance obligation at a point in time.

The Company derived 43% of its revenue (2020: 52%) from sales to its related parties. Refer to Note 24 for the amount of revenue from related parties.





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### Geographical information

Revenues are presented by the entity's country of domicile and foreign countries which the entity derives revenues as shown in table below.

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Sales:				
- Local Sales	4,713,180,375	3,778,034,795	151,792,555,669	118,434,747,039
- Export Sales	570,539,041	355,778,935	18,538,302,088	11,163,945,967
Total Sales	5,283,719,416	4,133,813,730	170,330,857,757	129,598,693,006

The Company only operated in Thailand, therefore geographical information of non-current asset has not been presented.

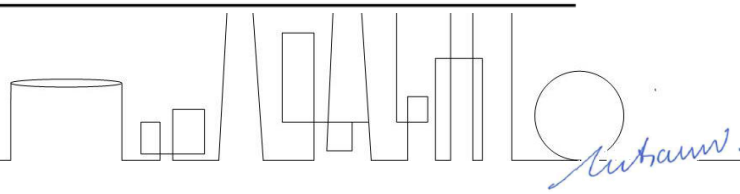
### 8 Cash and cash equivalents

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Cash on hands	1,488	1,655	50,000	50,000
Deposits held at call with banks	87,658,720	54,120,923	2,944,710,616	1,634,819,479
	87,660,208	54,122,578	2,944,760,616	1,634,869,479

During 2021, the interest rates of cash at bank ranged between 0.11% and 0.30% per annum (2020: 0.13% and 0.40% per annum).

### 9 Trade and other receivables

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Trade receivables				
- related parties	131,543,695	120,276,543	4,410,415,093	3,631,569,667
- third parties	233,375,476	148,456,789	7,837,415,455	4,476,722,502
	364,919,171	268,733,332	12,247,830,548	8,108,292,169
Other receivables				
- related parties	410,297	603,316	13,648,058	18,026,641
- Liquefied Petroleum Gas (LPG) subsidy	20,496,417	5,321,204	688,534,097	160,736,553
- fuel subsidy	6,722,185	6,440,414	225,817,686	194,544,288
- third parties	1,291,401	1,092,639	43,381,921	33,005,142
	28,920,300	13,457,573	971,381,762	406,312,624
Trade and other receivables	393,839,471	282,190,905	13,219,212,310	8,514,604,793



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Outstanding trade receivables can be analyzed as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Up to 3 months	364,919,171	268,733,332	12,247,830,548	8,108,292,169
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables	364,919,171	268,733,332	12,247,830,548	8,108,292,169
<u>Less</u> Loss allowance TFRS 9	-	-	-	-
	364,919,171	268,733,332	12,247,830,548	8,108,292,169

Liquefied Petroleum Gas (LPG) subsidy and fuel subsidy are the liabilities of Thai government to the Company set by the Ministry of Energy through the Oil Fuel Fund.

As at 31 December 2021 and 2020, LPG subsidy and fuel subsidy were outstanding subsidies that the Company was compensated for the difference between the Government's controlled price and the market reference price.

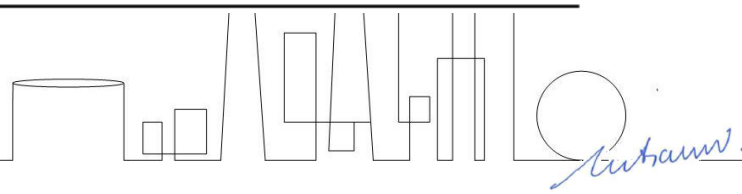
## 10 Inventories

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Crude oil	189,629,880	119,506,945	6,370,217,592	3,609,922,381
Petroleum products (net with allowance)	123,182,805	71,918,935	4,138,067,649	2,172,440,875
Materials and supplies (net with allowance)	23,903,115	22,874,170	802,974,945	690,955,494
	336,715,800	214,300,050	11,311,260,186	6,473,318,750
Crude oil in transit	154,043,657	85,357,509	5,174,773,173	2,578,377,190
Inventories, net	490,759,457	299,657,559	16,486,033,359	9,051,695,940

According to the Ministry of Energy, the Company is required to maintain a minimum oil reserve of 4% of total finished products produced for domestic sales (2020: 4%) and maintain a minimum finished products reserve of 5% of total imported finished products (2020: 5%). The reserve fluctuates upon production plan and volume produced. As at 31 December 2021, the above inventories include US Dollar 127,550,265 or Baht 4,284,783,282 of crude oil and finished products set aside as minimum reserve (2020: US Dollar 83,664,552 or Baht 2,527,238,377).

During 2021, the Company has no debit to the statement of comprehensive income with respect of loss on write-down of inventory to net realizable value (2020: credited US Dollar 1,755,173 or Baht 55,220,188).

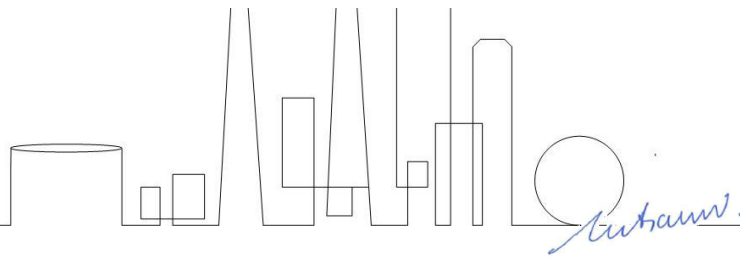
During 2021, US Dollar 928,367 or Baht 29,359,226 was debited to the statement of comprehensive income with respect to loss on obsolete materials and supplies (2020: debited US Dollar 856,765 or Baht 27,092,384).



Star Petroleum Refining Public Company Limited  
Notes to the Financial Statements  
For the year ended 31 December 2021

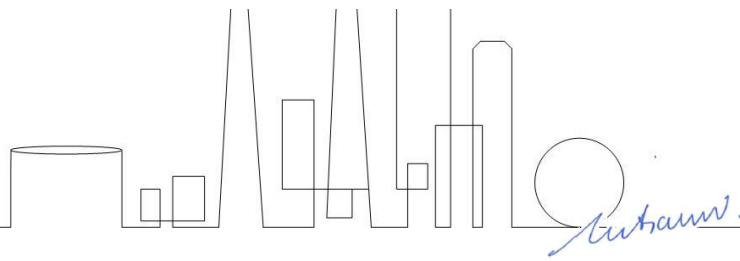
11 Property, plant and equipment

	Unit: US Dollar				
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress
<b>At 1 January 2020</b>					
Cost	73,442,578	58,116,001	2,062,051,578	73,883,871	20,281,498
Less: Accumulated depreciation	-	(27,004,544)	(1,319,089,096)	(61,867,486)	-
Net book amount	73,442,578	31,111,457	742,962,482	12,016,385	20,281,498
<b>Year ended 31 December 2020</b>					
Opening net book amount	73,442,578	31,111,457	742,962,482	12,016,385	20,281,498
Additions	-	268,283	26,223,864	454,464	8,328,396
Assets transferred from construction in progress	-	-	(118,608)	(46,840)	(26,946,611)
Disposal and write-off - Cost	-	-	98,086	46,840	-
Disposal and write-off - Depreciation	-	-	(84,828,789)	(1,902,240)	-
Depreciation charge	-	(1,696,265)	-	-	-
Closing net book amount	73,442,578	29,683,475	684,337,035	10,568,609	1,663,283
<b>At 31 December 2020</b>					
Cost	73,442,578	58,384,284	2,088,156,834	74,291,495	1,663,283
Less: Accumulated depreciation	-	(28,700,809)	(1,403,819,799)	(63,722,886)	-
Net book amount	73,442,578	29,683,475	684,337,035	10,568,609	1,663,283



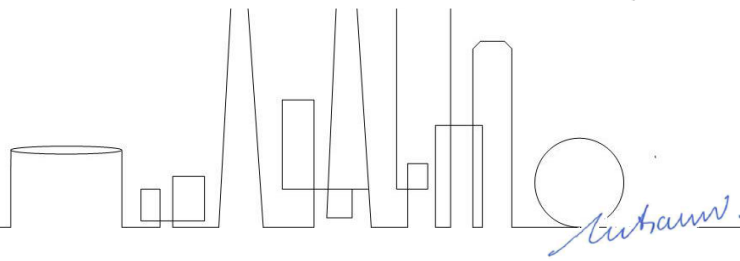
**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

	Unit: US Dollar				
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress
<b>At 1 January 2021</b>					
Cost	73,442,578	58,384,284	2,088,156,834	74,291,495	1,663,283
Less: Accumulated depreciation	-	(28,700,809)	(1,403,819,799)	(63,722,886)	-
Net book amount	73,442,578	29,683,475	684,337,035	10,568,609	1,663,283
<b>Year ended 31 December 2021</b>					
Opening net book amount	73,442,578	29,683,475	684,337,035	10,568,609	1,663,283
Additions	-	-	-	-	2,478,540
Assets transferred from construction in progress	-	334,438	1,752,616	221,303	(2,308,357)
Depreciation charge	-	(1,707,538)	(77,812,819)	(1,702,149)	-
Closing net book amount	73,442,578	28,310,375	608,276,832	9,087,763	1,833,466
<b>At 31 December 2021</b>					
Cost	73,442,578	58,718,722	2,089,909,450	74,512,798	1,833,466
Less: Accumulated depreciation	-	(30,408,347)	(1,481,632,618)	(65,425,035)	-
Net book amount	73,442,578	28,310,375	608,276,832	9,087,763	1,833,466



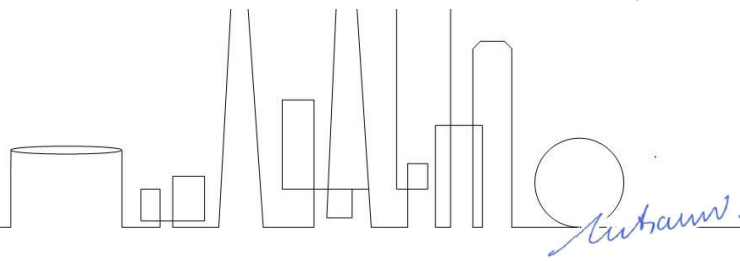
**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
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	Unit: Baht					
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress	Total
<b>At 1 January 2020</b>						
Cost	2,227,608,860	1,762,733,860	62,544,705,049	2,240,993,840	615,164,233	69,391,205,842
Less: Accumulated depreciation	-	(819,082,929)	(40,009,687,142)	(1,876,521,262)	-	(42,705,291,333)
Net book amount	2,227,608,860	943,650,931	22,535,017,907	364,472,578	615,164,233	26,685,914,509
<b>Year ended 31 December 2020</b>						
Opening net book amount	2,227,608,860	943,650,931	22,535,017,907	364,472,578	615,164,233	26,685,914,509
Additions	-	-	-	-	264,547,301	264,547,301
Assets transferred from construction in progress	-	8,392,964	786,083,689	13,503,753	(807,980,406)	-
Disposal and write-off - Cost	-	-	(3,730,330)	(1,442,173)	-	(5,172,503)
Disposal and write-off - Depreciation	-	-	3,084,906	1,442,173	-	4,527,079
Depreciation charge	-	(53,374,083)	(2,669,369,972)	(59,888,904)	-	(2,782,632,959)
Exchange differences on translation	(9,143,601)	(2,027,018)	20,545,715	1,156,443	(21,488,634)	(10,957,095)
Closing net book amount	2,218,465,259	896,642,794	20,671,631,915	319,243,870	50,242,494	24,156,226,332
<b>At 31 December 2020</b>						
Cost	2,218,465,259	1,763,602,394	63,076,535,872	2,244,108,311	50,242,494	69,352,954,330
Less: Accumulated depreciation	-	(866,959,600)	(42,404,903,957)	(1,924,864,441)	-	(45,196,727,998)
Net book amount	2,218,465,259	896,642,794	20,671,631,915	319,243,870	50,242,494	24,156,226,332



**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

	Unit: Baht				
	Land	Buildings	Refinery plant & machinery	Furniture, fixtures and equipment	Construction in progress
<b>At 1 January 2021</b>					
Cost	2,218,465,259	1,763,602,394	63,076,535,872	2,244,108,311	69,352,954,330
Less: Accumulated depreciation	-	(866,959,600)	(42,404,903,957)	(1,924,864,441)	(45,196,727,998)
Net book amount	2,218,465,259	896,642,794	20,671,631,915	319,243,870	24,156,226,332
<b>Year ended 31 December 2021</b>					
Opening net book amount	2,218,465,259	896,642,794	20,671,631,915	319,243,870	24,156,226,332
Additions	-	-	-	-	70,431,999
Assets transferred from construction in progress	-	10,271,551	56,658,628	7,308,554	(74,238,733)
Depreciation charge	-	(54,884,284)	(2,492,778,250)	(54,586,549)	-
Exchange differences on translation	248,683,913	98,997,554	2,198,270,468	33,318,442	(2,602,249,083)
Closing net book amount	2,467,149,172	951,027,615	20,433,782,761	305,284,317	25,944,265,077
<b>At 31 December 2021</b>					
Cost	2,467,149,172	1,972,532,149	70,206,119,198	2,503,100,955	77,210,492,934
Less: Accumulated depreciation	-	(1,021,504,534)	(49,772,336,437)	(2,197,816,638)	(52,991,657,609)
Net book amount	2,467,149,172	951,027,615	20,433,782,761	305,284,317	24,218,835,325





**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

**12 Borrowings**

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Current</b>				
Current portion of long-term borrowings from financial institutions	139,307,275	45,673,307	4,679,743,764	1,379,645,927
Short-term Borrowings from financial institutions	-	-	-	-
<b>Non-Current</b>				
Long-term borrowings from financial institutions	100,438,964	293,223,106	3,374,048,091	8,857,344,378
<b>Total borrowings</b>	<b>239,746,239</b>	<b>338,896,413</b>	<b>8,053,791,855</b>	<b>10,236,990,305</b>

The movement of short-term borrowings are as follows:

	Unit: US Dollar		Unit: Baht	
	2021	2020	2021	2020
At 1 January	-	224,813,821	-	6,818,895,460
Cash items:				
Net repayment	-	(217,884,012)	-	(6,891,921,285)
Non-cash item:				
Exchange differences on foreign currency	-	(6,929,809)	-	(218,021,493)
Exchange differences on translation	-	-	-	291,047,318
At 31 December	-	-	-	-

The movement of long-term borrowings from financial institutions are as follows:

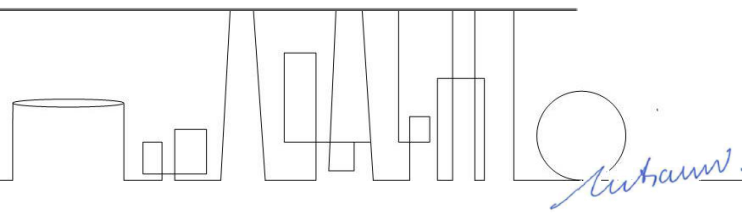
	Unit: US Dollar		Unit: Baht	
	2021	2020	2021	2020
At 1 January	338,896,413	-	10,236,990,305	-
Cash items:				
Addition	-	340,000,000	-	10,736,327,000
Repayment	(85,000,000)	(7,500,000)	(2,843,965,000)	(226,395,000)
Non-cash item:				
Exchange differences on foreign currency	(14,150,174)	6,396,413	(455,225,248)	201,240,108
Exchange differences on translation	-	-	1,115,991,798	(473,181,803)
At 31 December	<b>239,746,239</b>	<b>338,896,413</b>	<b>8,053,791,855</b>	<b>10,236,990,305</b>

During 2021 and 2020, the long-term borrowing agreements with financial institutions denominated in US Dollar at interest rate of 3-month LIBOR plus margin from 1.30% to 1.75% and denominated in Japanese Yen at interest rate of 3-month LIBOR plus margin 0.73%.

During 2021, weighted average effective interest rates of long-term borrowings from financial institutions were stated from 1.91% to 2.04% per annum (2020: 2.04% to 2.08% per annum).

The fair values of current portion of long-term borrowings is equal to their carrying amount, as the impact of discounting is not significant and the fair values of non-current portion of long-term borrowings from financial institutions is not significantly different from the carrying amount, which the fair value method was disclosed in Note 5.

Maturity of long-term borrowings was described in Note 4.1.3.



**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

**13 Trade and other payables**

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Trade payables				
- related parties	221,602,977	133,236,157	7,444,286,640	4,024,637,942
- third parties	180,103,199	105,920,740	6,050,188,774	3,199,526,623
	401,706,176	239,156,897	13,494,475,414	7,224,164,565
Other payables				
- related parties	415,556	832,128	13,959,739	25,135,920
- third parties	13,462,348	18,921,157	452,239,296	571,547,593
	13,877,904	19,753,285	466,199,035	596,683,513
Trade and other payables	415,584,080	258,910,182	13,960,674,449	7,820,848,078

**14 Deferred income taxes**

The analysis of deferred tax assets (liabilities) is as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deferred tax assets	44,284,150	80,702,869	1,487,633,007	2,437,775,411
Deferred tax liabilities	-	-	-	-
Deferred tax assets net	44,284,150	80,702,869	1,487,633,007	2,437,775,411

The movement in the deferred tax assets (liabilities) account is as follows:

	Unit: US Dollar		Unit: Baht	
	2021	2020	2021	2020
At 1 January	80,702,869	29,990,562	2,437,775,411	909,652,721
(Increased) decreased to profit or loss (Note 19)	(36,748,078)	48,400,326	(1,166,442,880)	1,555,662,827
Increase to other comprehensive income	329,359	-	10,612,586	-
Exchange differences on foreign currency	-	2,311,981	-	72,714,114
Exchange differences on translation	-	-	205,687,890	(100,254,251)
At 31 December	44,284,150	80,702,869	1,487,633,007	2,437,775,411

**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

The movement in deferred tax assets and liabilities during the year is as follows:

	Unit: US Dollar				
	1 January 2020	Charge to profit or loss	31 December 2020	Charge to profit or loss	Charge to other comprehensive income
<b>Deferred tax assets</b>					
Operating loss	28,137,744	47,138,752	75,276,496	(39,380,439)	-
Retirement benefit obligation	3,190,946	(31,478)	3,159,468	464,772	329,359
Loss on obsolete materials and supplies	1,221,435	171,353	1,392,788	185,674	-
Depreciation	-	874,117	874,117	156,847	-
Derivative	-	-	-	1,825,068	-
<b>Total</b>	<b>32,550,125</b>	<b>48,152,744</b>	<b>80,702,869</b>	<b>(36,748,078)</b>	<b>329,359</b>
<b>Deferred tax liabilities</b>					
Depreciation	(247,582)	247,582	-	-	-
Tax effect of currency translation on tax base	(2,311,981)	2,311,981	-	-	-
<b>Total</b>	<b>(2,559,563)</b>	<b>2,559,563</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Unit: Baht				
	1 January 2020	Charge to profit or loss	31 December 2020	Charge to profit or loss	Charge to other comprehensive income
<b>Deferred tax assets</b>					
Operating loss	853,454,362	1,517,039,097	2,273,862,071	(1,251,014,553)	-
Retirement benefit obligation	96,785,528	(987,668)	95,437,401	14,567,909	183,005,141
Loss on obsolete materials and supplies	37,047,719	5,418,477	42,071,676	5,871,845	12,194,958
Depreciation	-	26,645,841	26,404,263	5,291,363	10,612,586
Derivative	-	-	-	58,840,556	-
<b>Total</b>	<b>987,287,609</b>	<b>1,548,115,747</b>	<b>2,437,775,411</b>	<b>(1,166,442,880)</b>	<b>205,687,890</b>
<b>Deferred tax liabilities</b>					
Depreciation	(7,509,498)	7,547,080	-	-	-
Tax effect of currency translation on tax base	(70,125,390)	72,714,114	-	-	-
<b>Total</b>	<b>(77,634,888)</b>	<b>80,261,194</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

### 15 Employee benefit obligations

Net liabilities recognized in the statement of financial position are determined as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Present value of unfunded obligation	19,163,003	17,107,340	643,740,829	516,757,997

The movement in the defined benefit obligation over the year is as follows:

	Unit: US Dollar		Unit: Baht	
	2021	2020	2021	2020
At 1 January	17,107,340	15,954,728	516,757,997	483,927,639
Current service cost	1,986,162	643,315	63,178,041	20,229,916
Interest cost	337,698	400,697	10,741,862	12,600,442
Loss from change in financial assumptions	1,646,798	-	53,062,929	-
	3,970,658	1,044,012	126,982,832	32,830,358
Exchange differences on foreign currency	(1,914,995)	108,600	-	-
At 31 December	19,163,003	17,107,340	643,740,829	516,757,997

#### Major Actuarial Assumptions

##### The Company's financial assumptions

For the year ended 31 December:

	% per annum	
	2021	2020
Discount rate	1.77	2.65
Salary growth rate	5.00	5.00

##### The Company's demographic assumptions

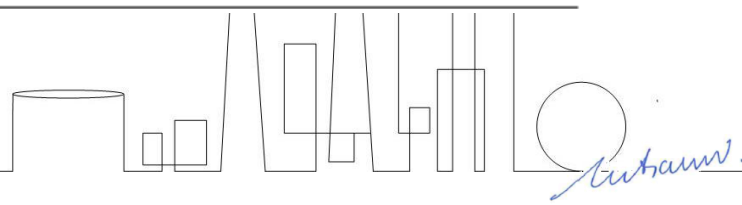
- Mortality assumption: The mortality rate is from the Thailand Mortality Ordinary 2017 (TMO17) issued by the Office of the Insurance Commission. The TMO17 contains the results of the most recent mortality investigation of policy holders of life insurance companies in Thailand. It is reasonable to assume that these rates would reflect of the mortality rate of the population in Thailand.

- Turnover rate assumption

For the year ended 31 December:

Age	% per annum	
	2021	2020
Below 21	3.00	3.00
21 - 24	3.00	3.00
25 - 30	3.00	3.00
31 - 34	5.00	5.00
35 - 40	5.00	5.00
41 - 44	1.00	1.00
45 - 50	1.00	1.00
Above 50	0.00	0.00

The turnover rate above reflects the rate at which employees voluntarily resign from service. It does not include death, disability, and early retirement. The calculation for the employee benefits is based on these assumptions.



**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

Sensitivity analysis for each significant assumption disclosed:

	Change in assumption		Impact on defined benefit obligation			
	2021	2020	Increase in assumption		Decrease in assumption	
			2021	2020	2021	2020
Discount rate	1.00%	1.00%	Decrease by 8.98%	Decrease by 8.91%	Increase by 10.43%	Increase by 10.30%
Salary growth rate	1.00%	1.00%	Increase by 9.15%	Increase by 11.14%	Decrease by 8.02%	Decrease by 9.69%
Turnover rate	1.00%	1.00%	Decrease by 9.27%	Decrease by 9.27%	Increase by 3.19%	Increase by 3.04%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit cost method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 16 years. (2020: 16 years)

Expected maturity analysis of undiscounted retirement benefits:

	Unit: US Dollar			
	Within 1 year	1 - 5 years	Over 5 years	Total
At 31 December 2021	682,113	5,150,226	46,208,974	52,041,313
At 31 December 2020	671,726	3,881,724	44,414,639	48,968,089

	Unit: Baht			
	Within 1 year	1 - 5 years	Over 5 years	Total
At 31 December 2021	22,914,142	173,011,015	1,552,293,433	1,748,218,590
At 31 December 2020	20,290,701	117,254,472	1,341,624,111	1,479,169,284

## 16 Share capital

The total number of authorized ordinary shares with a par value of Baht 6.92 per share (2020: Baht 6.92 per share) is 4,335,902,125 shares (2020: 4,335,902,125 shares). The number of issued and paid-up ordinary shares is 4,335,902,125 shares (2020: 4,335,902,125 shares).

## 17 Legal reserve

Under the Public Limited Company Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable. Currently, the Company has set aside legal reserve at 10% of registered capital.

**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

### 18 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at profit for the year:

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Changes in inventories of finished goods	(51,088,707)	74,929,570	(1,643,574,783)	2,357,389,197
Raw materials and consumables used	5,054,197,268	4,159,558,784	163,068,186,829	130,558,502,055
Staff costs	39,931,905	42,780,883	1,284,649,331	1,345,946,470
Repair and maintenance expenditure on property, plant and equipment	32,549,810	33,658,406	1,047,159,936	1,058,940,566
Depreciation on property, plant and equipment (Note 11)	81,222,506	88,427,294	2,602,249,083	2,782,632,959
Amortization	1,302,937	1,565,069	41,818,153	49,272,369
Recovery from payment to an incorrect account	(1,635,795)	(2,497,570)	(53,201,170)	(72,929,049)
Total cost of sales and administrative expenses	5,156,479,924	4,398,422,436	166,347,287,379	138,079,754,567

Depreciation and amortization:

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Recognized as cost of sales	75,316,078	81,008,213	2,412,134,746	2,549,251,391
Recognized as administration expenses	7,209,365	8,984,150	231,932,490	282,653,937
	82,525,443	89,992,363	2,644,067,236	2,831,905,328

### 19 Income tax expenses

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Current tax	-	-	-	-
Deferred income tax (Note 14)	36,748,078	(48,400,326)	1,166,442,880	(1,555,662,827)
Prior year tax adjustment	-	19,735	-	630,996
	36,748,078	(48,380,591)	1,166,442,880	(1,555,031,831)
	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Profit (loss) before tax	186,347,264	(235,395,992)	5,912,905,849	(7,559,872,356)
Tax calculated at a tax rate of 20% (2020: 20%)	37,269,452	(47,079,198)	1,182,581,170	(1,480,112,565)
Expenses more deductible for tax purposes	(81,860)	(185,970)	(2,633,511)	(5,850,870)
Expenses not deductible for tax purposes	749,520	65,885	24,112,801	2,072,823
Reversal of expense not subject to tax	(1,189,034)	-	(38,252,419)	-
Tax effect from translation of tax base	-	(1,201,043)	-	(37,786,542)
Prior year tax adjustment	-	19,735	-	630,996
Exchange differences on translation	-	-	634,839	(33,985,673)
Tax charge	36,748,078	(48,380,591)	1,166,442,880	(1,555,031,831)



**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

## 20 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Profit (loss) attributable to shareholders	149,599,186	(187,015,401)	4,746,462,969	(6,004,840,525)
Weighted average number of ordinary shares in issue (Shares)	4,335,902,125	4,335,902,125	4,335,902,125	4,335,902,125
Basic earnings (loss) per share	0.03	(0.04)	1.09	(1.38)

## 21 Significant contractual agreements

The significant contractual agreements can be summarized as follows:

### Land Lease Agreement

On 20 November 1992, the Company entered into a lease agreement for certain parcels of land with the IEAT. The agreement is for a period of thirty years beginning 20 November 1992. The Company's total fee, including interests from the date of the lease to the date of payment, was approximately Baht 302 million.

### Natural Gas Sales Agreement - Cogeneration

On 30 January 2019, the Company entered into a natural gas sales agreement with PTT Public Company Limited (PTT) whereby the Company is committed to purchase natural gas based on the term stipulated in the agreement to be supplied for an electricity generating system called "Cogeneration". The agreement is effective from 17 March 2019 to 31 March 2029.

### Natural Gas Sales Agreement - Petroleum Product Manufacturing Process

On 30 January 2019, the Company entered into a natural gas agreement with PTT whereby the Company is committed to purchase natural gas based on the terms stipulated in the agreement to be supplied for its Petroleum product manufacturing process. The agreement is effective from 1 January 2019 to on 31 December 2028.

### Feedstock Supply Agreement

On 5 June 2012, the Company entered into a new feedstock supply agreement with Chevron U.S.A. Inc. whereby the Company is committed to purchase feedstock from Chevron U.S.A. Inc. which is based on the term stipulated in the agreement effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

On 5 June 2012, the Company entered into a new feedstock supply agreement with PTT whereby PTT will be granted certain rights to offer a supply crude oil to the Company which is based on the term stipulated in the agreement effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

### Purchase and Sale Agreement

On 10 August 1993, the Company entered into a purchase and sale agreement with PTT and Chevron (Thailand) Limited (CTL). According to this agreement, the Company has committed to sell a portion of the refined petroleum products it produces to PTT and CTL starting on the date commercial operations commenced, 1 July 1996, based on the terms of the agreement.

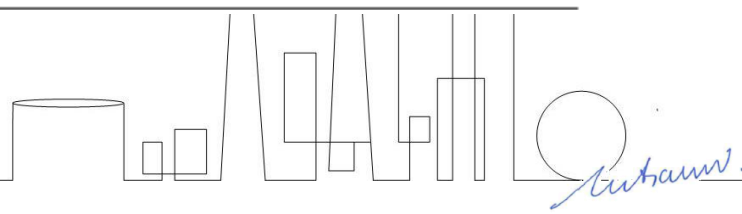
On 5 June 2012, the agreement was amended which is effective upon the first day of trading of the Company shares on the SET which is on 8 December 2015.

On 15 March 2016, the agreement was amended on its duration, price and dispute mechanism.

On 29 December 2017, the agreement was amended on its duration, minimum offtake volumes, price and type and qualities of products which become effective on 1 January 2019.

On 1 December 2018, the agreement was amended to add one of PTT's affiliate as a buyer and to adjust minimum offtake volumes and price adjustment.

On 14 December 2020, the agreement was amended on its duration, quantity and price of products which become effective on 1 January 2021.



**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
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## 22 Bank guarantees

As at 31 December 2021 and 2020, the Company has bank guarantees issued on the Company's behalf relating to land use in Map Ta Phut Industrial Estate, electricity, value-added tax and others amounting to US Dollar 3.02 million or Baht 101.59 million and US Dollar 3.35 million or Baht 101.09 million, respectively.

## 23 Commitments

As at 31 December 2021 and 2020, the Company had commitment as follows:

- Purchase of machinery, equipment and installations in progress of approximately US Dollar 7.83 million or Baht 262.91 million (2020: US Dollar 3.80 million or Baht 114.70 million).
- Purchase of raw materials and utilities which include crude oil, hydrogen, natural gas and back-up electricity of approximately US Dollar 736.59 million or Baht 24,744.07 million (2020: US Dollar 472.34 million or Baht 14,267.94 million).

## 24 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and affiliates are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholder of the Company is Chevron South Asia Holding Pte., Ltd. registered in Singapore, which owns 60.56% of the Company's shares. The remaining 39.44% of the shares are widely held. The ultimate parent Company is Chevron Corporation registered in the United States of America.

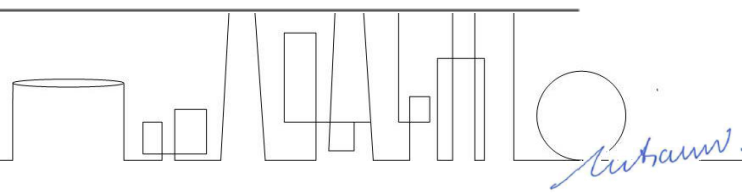
Related parties	Relationship	Main transactions relating to the Company
Chevron South Asia Holding Pte Ltd.	Major shareholder	Holding the Company's shares
Affiliates	Related parties of the ultimate parent Company	Supplying of crude oil and raw materials to the Company and purchasing of products from the Company

The following transactions were carried out with related parties:

### i) Sales of goods and services

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Sales of goods with affiliates:				
- Chevron (Thailand) Limited	2,126,343,613	2,038,428,674	68,324,013,078	64,051,721,509
- Other affiliates	175,533,819	122,246,484	5,714,037,513	3,864,603,115
	2,301,877,432	2,160,675,158	74,038,050,591	67,916,324,624
Sales of services with affiliates:	1,090,067	694,003	35,286,604	21,367,785

The above transactions were carried out on commercial terms and conditions which is reference from market prices.



**Star Petroleum Refining Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

**ii) Purchases of goods and services**

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Purchases of goods with affiliates:	2,384,784,861	1,541,879,495	76,931,711,199	48,404,243,604
Purchases of services with affiliates:	5,479,098	5,155,347	175,815,562	162,284,326

The above transactions were carried out on commercial terms and conditions which is reference from market prices.

**iii) Outstanding balances arising from sales/purchases of goods and services**

The outstanding balances at the end of the reporting period in relation to transactions with affiliates are as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Account receivables	131,953,992	120,879,859	4,424,063,151	3,649,596,308
Account payables	222,018,533	134,068,285	7,458,246,379	4,049,773,862

**iv) Management remuneration**

Key management includes directors (executives and non-executive). The compensations paid or payable to management for employment services are as follows:

	Unit: US Dollar		Unit: Baht	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
- Salaries and other short-term employee benefits	5,009,539	5,622,369	160,186,476	177,012,667
- Retirement benefits	573,501	185,754	18,171,170	5,843,190
	5,583,040	5,808,123	178,357,646	182,855,857

**25 Oil spill incident**

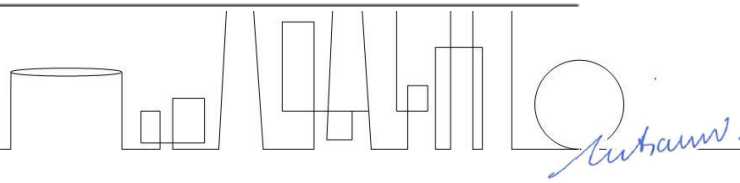
On 25 January 2022, an oil spill incident occurred at the Single Point Mooring (SPM) operated by SPRC. The combined response efforts of the Company and Government agency- which focused on minimizing impact to the shoreline and sensitive areas - are substantially complete. The assessment of long-term impacts or any required rehabilitation actions to the impacted areas are ongoing and will have to be assessed by the Government authorities, external experts and communities. To date, the refinery operations are continuing normally.

The Company has established a short-term and long-term recovery plan to assist those who have been affected and is currently working with its insurer on claims as appropriate.

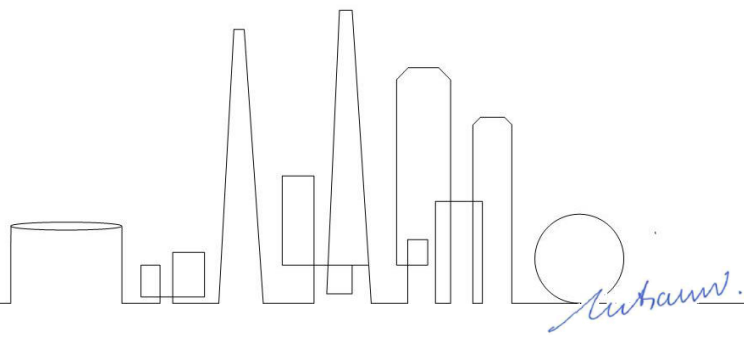
In 2022, the Company has recognized the related expenditure from this incident in the amount of US Dollar 5 million or equivalent to Baht 162 million and the Company might incur the additional future expenditures.

**26 Event after reporting date**

At the Board of Director Meeting No. 1 held on 22 February 2022, the Board approved a resolution of submission to shareholders for approval of annual dividend payment from the 2021 net profit in the amount of USD 23.39 million or Baht 774 million which is equivalent of Baht 0.1785 per share. The dividend is subjected to the approval of the Company's shareholders at the annual general meeting to be held on 8 April 2022 and will be paid to shareholders on 6 May 2022.



## Part 4 Information Certification



## Part 4

## Information Certification

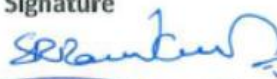


The Company has reviewed this Annual Registration Statement / Annual Report with caution and certified that the information disclosed herewith is complete, accurate, and truthful and not cause any misunderstanding and does not omit any important information that needs to be disclosed. Moreover, the Company also certifies that:

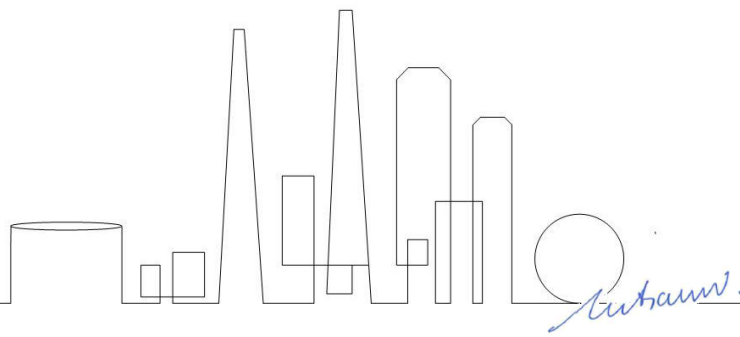
(1) The Financial Statement and other financial details that are summarized in this Annual Registration Statement / Annual Report represent complete and accurate information regarding the performance and the cash flow of the Company and its subsidiaries.

(2) The Company maintains an effective disclosure system that will assure the Company discloses all true and important information of the Company and its subsidiaries and for ensuring compliance.

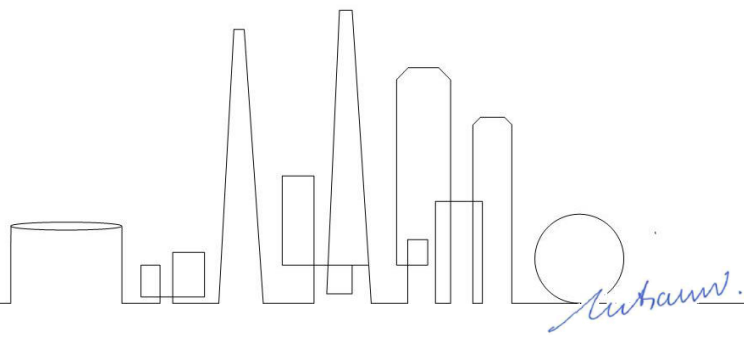
(3) The Company maintains an effective internal control system and for ensuring compliance. The Company has communicated our internal control assessment as of the latest date available to the external auditor and the Audit Committee; this assessment included any default, change and misconduct which may affect the reporting of the Company and its subsidiaries' financial statements.

Therefore, as evidence that these documents constitute the entire set that the Company has certified; the Company has authorized Mrs. Nutsara Somkiatweera initial all pages. If any page is without Mrs. Nutsara Somkiatweera initials, the Company does not certify that the information given is the true copy.

Name	Position	Signature
1. Mr. Ranga Rama Kumar Sreeramagiri	Director	
2. Mr. Robert Joseph Dobrik	Director and Chief Executive Officer	
Name	Position	Signature
Authorized Person:		
Mrs. Nutsara Somkiatweera	Chief Financial Officer	



## Attachment





**Attachment 1: Profiles of directors, managements, controllers, the person taking the highest responsibility in finance and accounting and Company Secretary**

**Profiles of directors**

**1. Mr. Brant Thomas Fish**

**Age 58 years**

**SPRC's Current Position**

- Chairman of the Board of Directors

**Appointment date**

- Effective on 14 May 2019
- 25 September 2020 (re-elected)

**Education**

Bachelor Degree      Mechanical Engineering  
University of Florida, USA

**Working experience in past 5 years**

Oct 2020 - Present	President - International Fuels & Lubricants Chevron Singapore Pte. Ltd., Singapore
2019 - Sept 2020	President - International Products Chevron International Pte. Ltd., Singapore
2019 - Present	Chairman of the Board of Directors Star Petroleum Refining Public Company Limited
2019 - Present	Director GS Caltex Corporation, South Korea
2012 - 2019	Vice President, Americas Products Chevron USA, Inc., USA
2017 - 2019	Chairman of the Board California Business Roundtable
2013 - 2019	Director Silicon Valley Leadership Group

**Training records with IOD : Director Accredited Program (DAP183/2021)**

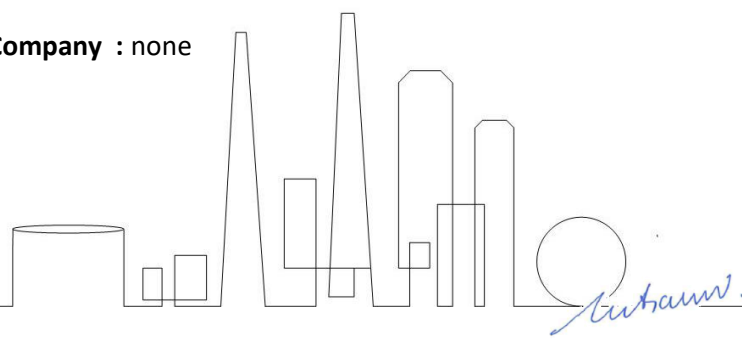
**Current director position in other Thai listed company(s) : none**

**Other current positions**

- President of International Fuels & Lubricants, Chevron Singapore Pte. Ltd., Singapore
- Director of GS Caltex Corporation, South Korea
- Director of Fish Enterprise LCC, USA
- Director of Malolo Dynasty LLC, USA

**Number of Shares held in the Company : none**

**Relationship to other Directors or executives in the Company : none**



**2. Mr. Pliu Mangkornkanok****Age 73 years****SPRC's Current Position**

- Independent Director
- Vice-Chairman of the Board of Directors
- Member of the Audit Committee
- Member of the Human Resources Committee

**Appointment date**

Mr. Pliu Mangkornkanok has been an independent director of the Company since 28 May 2012, and the Company has been listed in the Stock Exchange of Thailand since 8 December 2015.

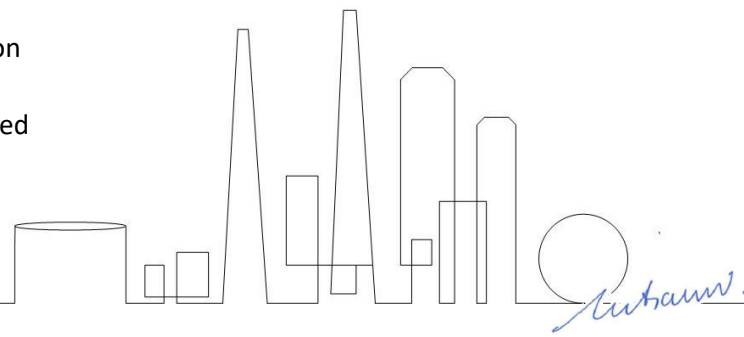
- 26 April 2016
- 10 April 2019 (re-elected)

**Education**

Master Degree	Business Administration (Finance) University of California at Los Angeles, USA
Master Degree	Industrial Engineering Stanford University, USA
Bachelor Degree	Industrial Engineering Chulalongkorn University

**Working experience in past 5 years**

2020 – Present	Independent Director, Vice-Chairman of the Board of Directors, Member of the Audit Committee and Member of Human Resources Committee Star Petroleum Refining Public Company Limited
2019 – Present	Advisor Design 103 International Limited
2019 – Present	Advisor Sem Pringpuangkeo Foundation
2016 – Present	Director Amata Spring Development Company Limited
2015 – 2018	Advisor Thai Institute Of Directors Association
2012 – 2020	Independent Director, Vice-Chairman of the Board of Directors, Chairman of the Audit Committee and Member of Human Resources Committee Star Petroleum Refining Public Company Limited
2010 – Present	Independent Director and Chairman of the Board of Directors TISCO Financial Group Public Company Limited
2009 – Present	Independent Director and Chairman of the Board of Directors TISCO Bank Public Company Limited
2011 – Present	Director Chuchawal Royal-Haskoning Limited
2011 – Present	Vice Chairman TISCO Foundation
2011 – 2019	Director Sem Pringpuangkeo Foundation
2010 – 2019	Director Design 103 International Limited



**Training records with IOD**

- Director Certification Program (DCP 11/2001)
- The Role of Chairman 2000 Program (RCP 3/2001)
- Audit Committee Program (ACP 43/2012)
- Anti-Corruption for Executive Program (ACEP 2/2012)
- Strategic Board Master (SBM 1/2017)
- Board Matters and Trends (BMT 6/2018)
- Director Leadership Certification Program (DLCP 0/2021)

**Other Training**

- Capital Market Academy Leadership Program (Batch 10), Capital Market Academy
- Executive Program in Energy Literacy for a Sustainable Future (Batch 5), Thailand Energy Academy

**Current director position in other Thai listed company(s) :**

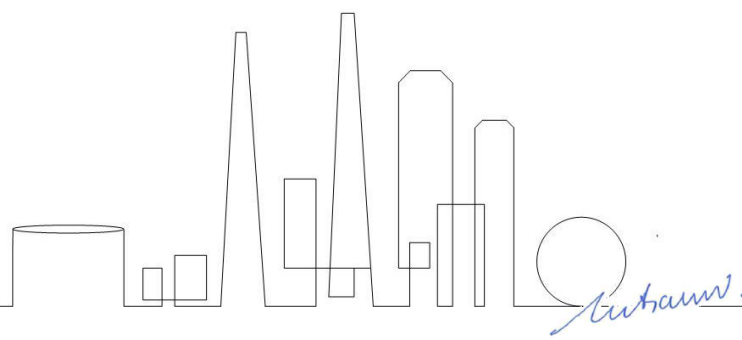
- Chairman of the Board of Directors and Independent Director, TISCO Financial Group Public Company Limited
- Chairman of the Board of Directors and Independent Director, TISCO Bank Public Company Limited

**Other current positions**

- Director of Chuchawal-Royal Haskoning Limited
- Director of Amata Spring Development Company Limited
- Advisor of Design 103 International Limited
- Advisor of Sem Pringpuangkeo Foundation
- Vice Chairman of TISCO Foundation

**Number of Shares held in the Company : none**

**Relationship to other Directors or executives in the Company : none**



### 3. Mr. Verapong Chaiperm

**Age 56 years**

#### SPRC's Current Position

- Independent Director
- Member of the Audit Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee

#### Appointment date

- Effective on 10 April 2021

#### Education

Ph.D.:	Environment Engineering (Water & Wastewater Engineer) Asian Institute of Technology
Master Degree	Civil Engineering (Environment) University of Missouri-Rolla, USA
Bachelor Degree	Civil Engineering Chulalongkorn University

#### Working experience in past 5 years

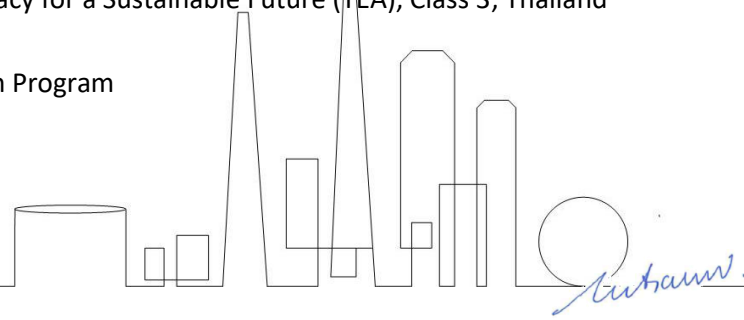
2021- Present	Independent Director, Member of the Audit Committee and Member of the Nomination, Remuneration and Corporate Governance Committee Star Petroleum Refining Public Company Limited
2021- Present	Chairman of Executive Board Digital Government Development Agency (Public Organization)
2020 – Present	Independent Director and Chairman of the Group Risk Supervision and Internal Control Committee Industrial and Commercial Bank of China (Thai) Public Company Limited
2019 – 2020	Independent Director and Member of the Audit Committee Industrial and Commercial Bank of China (Thai) Public Company Limited
2019 – Present	Director, Vice Chairman of the Board of Director and Chairman of Executive Committee Proud Real Estate Public Company Limited
2018 – Present	Special Advisor, Industrial Development Eastern Economic Corridor Office of Thailand
2017 – 2018	Assistant Secretary Eastern Economic Corridor Development, Policy Committee
2012 – 2018	Governor Industrial Estate Authority of Thailand

#### Training records with IOD

- Director Certification Program (DCP 161/2012)
- Director Accredited Program (DAP 163/2019)

#### Other Training

- Top Executive in Industrial Development and Investment, Class 1, Institute of Business and Industrial Development
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 3, Thailand Energy Academy
- Executive Program, Batch 1, Poompalungpadin Program



- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 15, The College of Politics and Governance, King Prajadhipok's
- Advance Senior Executive Program, Northwestern University, USA
- Management Development Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University

**Current director position in other Thai listed company(s) :**

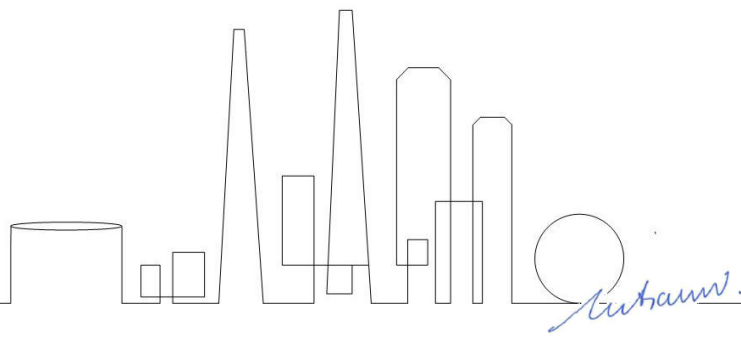
- Independent Director and Chairman of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited
- Director, Vice Chairman of the Board of Director and Chairman of Executive Committee, Proud Real Estate Public Company Limited

**Other current positions**

- Special Advisor, Industrial Development (Eastern Economic Corridor Office of Thailand)
- Chairman of Executive Board, Digital Government Development Agency (Public Organization)

**Number of Shares held in the Company :** none

**Relationship to other Directors or executives in the Company :** none



**4. Mr. Robert Stair Guthrie****Age 75 years****SPRC's Current Position**

- Independent Director
- Chairman of the Nomination, Remuneration and Corporate Governance Committee
- Member of the Audit Committee

**Appointment date**

Mr. Robert Stair Guthrie has been an independent director of the Company since 28 May 2012, and the Company has been listed in the Stock Exchange of Thailand since 8 December 2015.

- 5 April 2018 (re-elected)
- 9 April 2021 (re-elected)

**Education**

Bachelor Degree      Civil Engineering  
University of Cape Town, South Africa

**Working experience in past 5 years**

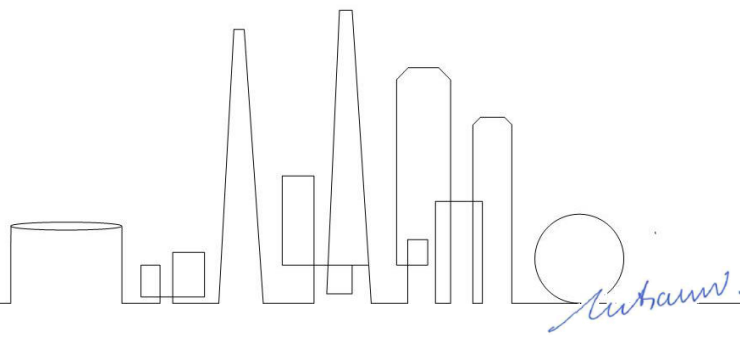
2012 - Present      Independent Director, Chairman of the Nomination, Remuneration and Corporate Governance Committee and Member of the Audit Committee  
Star Petroleum Refining Public Company Limited

**Training records with IOD**

- Audit Committee Program (ACP 43/2013)
- Director Accreditation Program (DAP 101/2013)
- Director Certification Program (DCP 182/2013)
- Strategic Board Master (SBM 1/2017)

**Other training**

- Executive Management Program, The Aspen Institute, USA

**Current director position in other Thai listed company(s) : none****Other current positions : none****Number of Shares held in the Company : none****Relationship to other Directors or executives in the Company : none**



**5. Mr. Brian Monaco Sutton****Age 43 years****SPRC's Current Position**

- Director
- Member of the Human Resources Committee

**Appointment date**

- Effective on 10 April 2021

**Education**

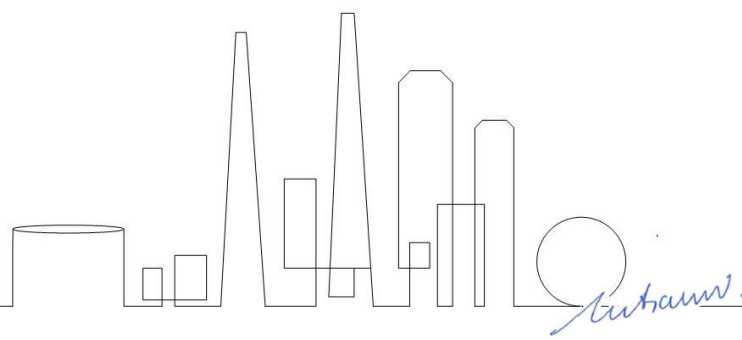
Master Degree	Business Administration (General Management) Darden Graduate School of Business, University of Virginia, USA
Bachelor Degree	Arts, English Language and Literature University of Virginia, USA

**Working experience in past 5 years**

2021 – Present	Director and Member of the Human Resources Committee Star Petroleum Refining Public Company Limited
2019 – 2021	General Manager, Finance, International Fuels & Lubricants Chevron Singapore Pte., Ltd., Singapore
2016 – 2019	Manager, Financial Reporting & Analysis – Corporation Controllers Chevron Corporation, USA
2014 – 2016	Manager, Finance, Deepwater Gulf of Mexico Exploration and Projects Chevron USA Inc., USA

**Training records with IOD : none****Current director position in other Thai listed company(s) : none****Other current positions**

- General Manager, Finance, International Fuels & Lubricants, Chevron Singapore Pre., Ltd., Singapore

**Number of Shares held in the Company : none****Relationship to other Directors or executives in the Company : none**

**6. Mr. Robert Joseph Dobrik****Age 60 years****SPRC's Current Position**

- Director
- Chairman of the Human Resources Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee
- Chief Executive Officer

**Appointment date**

- 1 October 2021

**Education**

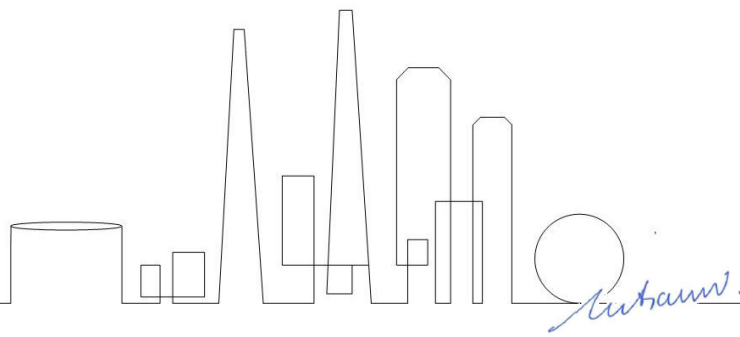
Bachelor Degree      Chemical Engineering  
University of Waterloo, Canada

**Working experience in past 5 years**

2021 – Present	Director, Chairman of the Human Resources Committee, Member of the Nomination, Remuneration and Corporate Governance Committee and Chief Executive Officer Star Petroleum Refining Public Company Limited
2020 – 2021	President and Director Chevron Canada Limited, Canada
2018 – 2020	Production Operations Manager Chevron Australia Pty Ltd., Australia
2015 – 2018	Asset Manager Chevron Australia Pty Ltd., Australia
2012 – 2015	General Manager Operations Chevron Corporation, USA

**Training records with IOD :**

- Director Certification Program (DCP 313/2021)

**Current director position in other Thai listed company(s) : none****Other current positions: none****Number of Shares held in the Company : none****Relationship to other Directors or executives in the Company : none**

**7. Mr. Ranga Rama Kumar Sreeramagiri****Age 60 years****SPRC's Current Position**

- Director
- Member of the Nomination, Remuneration and Corporate Governance Committee

**Appointment date**

- Effective on 13 November 2021

**Education**

Master Degree	Business Administration Rutgers, The State University of New Jersey, USA
Bachelor Degree	Mechanical Engineering S.V. University, India

**Working experience in past 5 years**

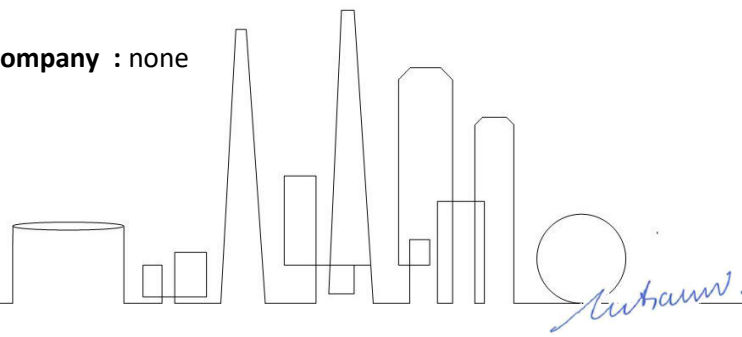
2021 – Present	Director and Member of the Nomination, Remuneration and Corporate Governance Committee Star Petroleum Refining Public Company Limited
2020 – Present	Vice President - Joint Ventures Management and Growth, International Fuels & Lubricants Chevron Singapore Pte. Ltd., Singapore
2018 – 2020	Vice President - Joint Ventures and Affiliates Chevron Singapore Pte. Ltd., Singapore
2017 – Present	Director Chevron South Asia Holding Pte. Ltd., Singapore
2017 – Present	Director Chevron Singapore Pte. Ltd., Singapore
2017 – Present	Director Singapore Refinery Company, Singapore
2016 – 2018	General Manager - Product Supply & Trading Chevron Singapore Pte. Ltd., Singapore

**Training records with IOD**

- Director Accreditation Program (DAP 101/2013)

**Current director position in other Thai listed company(s) : none****Other current positions**

- Director, Singapore Refinery Company, Singapore
- Director, Chevron South Asia Holding Pte. Ltd., Singapore
- Vice President and Director, Chevron Singapore Pte. Ltd., Singapore

**Number of Shares held in the Company : none****Relationship to other Directors or executives in the Company : none**

## 8. Ms. Kamonwan Wipulakorn

**Age 59 years**

### SPRC's Current Position

- Independent Director
- Chairperson of Audit Committee
- Member of the Human Resources Committee

### Appointment date

- Effective on 11 April 2019

### Education

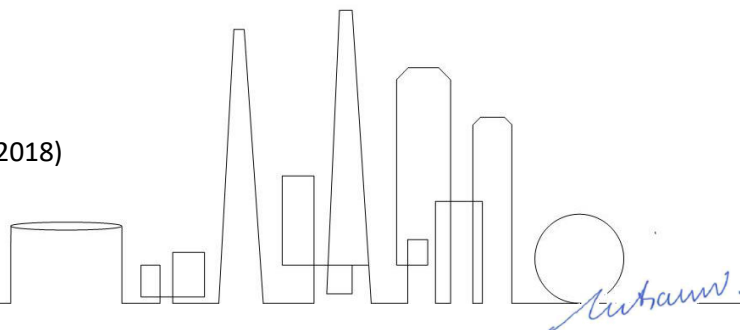
Master Degree	Business Administration (Finance) Western Illinois University, USA
Bachelor Degree	Political Sciences, International Relations Chulalongkorn University
Certificate	Executive Program Stanford University, USA
Certificate	Executive Program Harvard University, USA

### Working experience in past 5 years

2021 – Present	Director, Member of the Executive Committee and Member of the Risk Management Committee Bound and Beyond Public Company Limited
2020 – Present	Chairperson of the Board of Directors Dtac TriNet Co., Ltd.
2020 – Present	Independent Director, Chairperson of the Audit Committee and Member of the Human Resources Committee Star Petroleum Refining Public Company Limited
2019 – 2020	Independent Director, Member of the Audit Committee and Member of the Human Resources Committee Star Petroleum Refining Public Company Limited
2018 – 2020	Director Origin Property Public Company Limited
2017 – Present	Independent Director, Chairperson of the Audit Committee and Member of Corporate Governance Committee Total Access Communication Public Company Limited
2011 – 2017	Director and President The Erawan Group Public Company Limited

### Training records with IOD

- Director Accreditation Program (DAP 26/2009)
- Director Certification Program (DCP 122/2009)
- Strategic Board Master (SBM 2/2017)
- Advance Audit Committee Program (AACP 29/2018)



- Board that Make a Difference(BMD 8/2018)
- Director Leadership Certification Program (DLCP2/2021)

**Other training**

- Capital Market Academy Leadership Program (Batch 19/2014),
- Tourism Management Program for Executives by TAT Academy (2/2018)
- Executive Program by the University of the Thai Chamber of Commerce (1/2019)

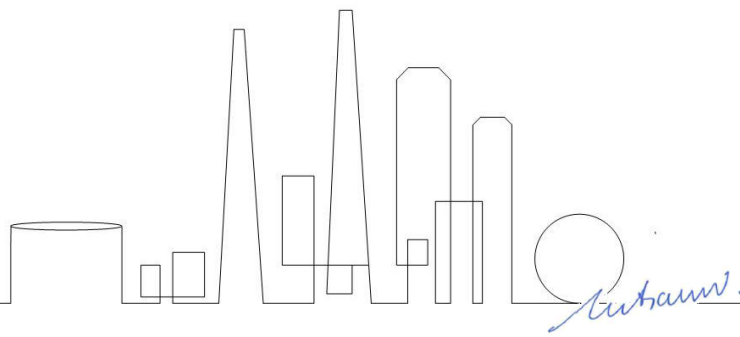
**Current director position in other Thai listed company(s)**

- Independent Director, Chairperson of the Audit Committee and Member of Corporate Governance Committee, Total Access Communication Public Company Limited
- Director Member of the Executive Committee and Member of the Risk Management Committee, Bound and Beyond Public Company Limited

**Other current positions :** Chairperson of the Board of Directors, Dtac TriNet Co., Ltd.

**Number of Shares held in the Company :** none

**Relationship to other Directors or executives in the Company :** none



## Profiles of Management

### 1. Mr. Robert Joseph Dobrik

**Age 60 years**

#### SPRC's Current Position

- Director
- Chairman of the Human Resources Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee
- Chief Executive Officer

#### Appointment date

- 1 October 2021

#### Education

Bachelor Degree      Chemical Engineering  
University of Waterloo, Canada

#### Working experience in past 5 years

2021 – Present	Director, Chairman of the Human Resources Committee, Member of the Nomination, Remuneration and Corporate Governance Committee and Chief Executive Officer Star Petroleum Refining Public Company Limited
2020 – 2021	President and Director Chevron Canada Limited, Canada
2018 – 2020	Production Operations Manager Chevron Australia Pty Ltd., Australia
2015 – 2018	Asset Manager Chevron Australia Pty Ltd., Australia
2012 – 2015	General Manager Operations Chevron Corporation, USA

#### Training records with IOD :

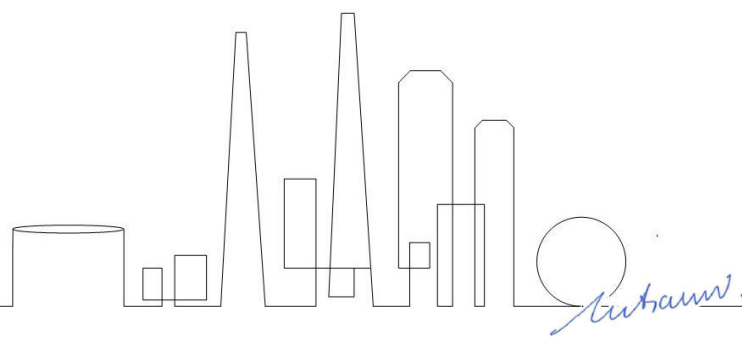
- Director Certification Program (DCP 313/2021)

**Current director position in other Thai listed company(s) : none**

**Other current positions: none**

**Number of Shares held in the Company : none**

**Relationship to other Directors or executives in the Company : none**





**2. Mr. Steven Lewis Gibson****Age 58 years****Current Position in SPRC**

- Deputy Chief Executive Officer – Operations

**Appointment date**

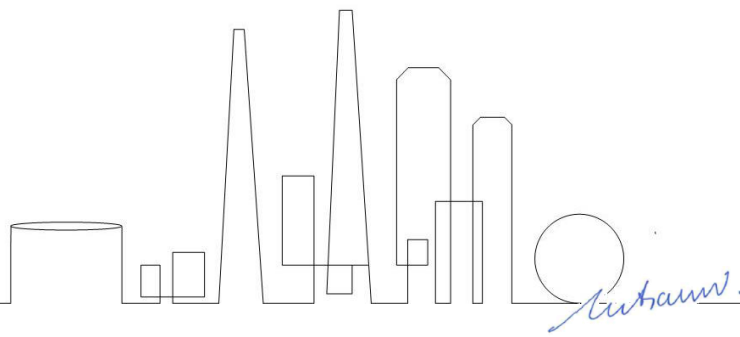
- 17 June 2013

**Education**

Bachelor Degree      Chemical Engineering  
University of Sydney, Australia

**Working experience in past 5 years**

2013 - Present      Deputy Chief Executive Officer - Operations, SPRC  
2009 - 2013      Manager of Asset Management, SPRC

**Number of Shares held in the Company : 0.001 %****Relationship to other Directors or executives in the Company : none**

**3. Mr. Wichai Chunhasomboon****Age 64 years****Current Position in SPRC**

- Chief Financial Officer

**Appointment date**

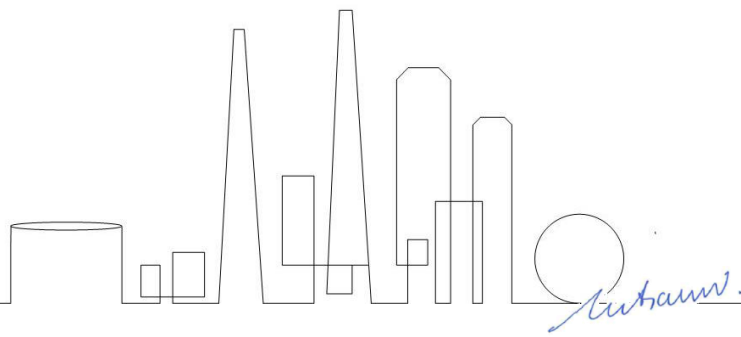
- 21 April 2009

**Education**

Master Degree	Business Administration in Accounting Thammasat University
Bachelor Degree	Business Administration in Accounting Bangkok University

**Working experience in past 5 years**

2009 - Present              Chief Financial Officer, SPRC

**Number of Shares held in the Company : none****Relationship to other Directors or executives in the Company : none**

**4. Mr. Sakchai Thamsuruk****Age 54 years****Current Position in SPRC**

- Manager of Supply & Planning

**Appointment date**

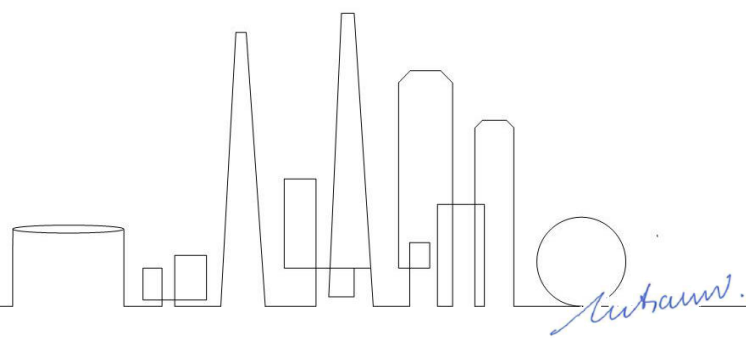
- 1 March 2009

**Education**

Bachelor Degree      Science in Chemistry  
King Mongkut's University of Technology Thonburi

**Working experience in past 5 years**

2009 - Present      Manager of Supply & Planning, SPRC

**Number of Shares held in the Company : 0.008%****Relationship to other Directors or executives in the Company : none**

**5. Mr. Chirasak Mhasuconda****Age 59 years****Current Position in SPRC**

- Manager of Human Resources

**Appointment date**

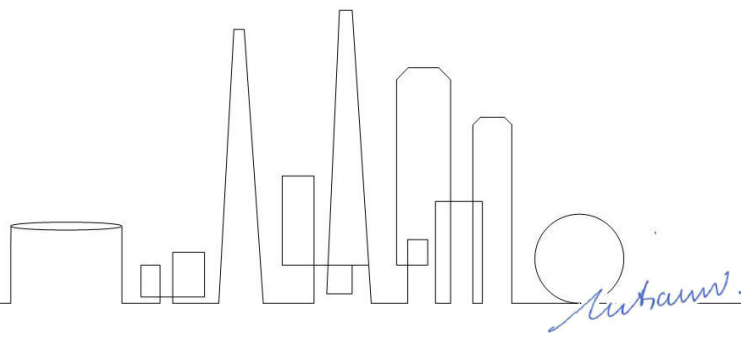
- 15 March 2011

**Education**

Master Degree	Public Administration National Institute of Development Administration (NIDA)
Bachelor Degree	Law Ramkhamhaeng University

**Working experience in past 5 years**

2011 - Present	Manager of Human Resources, SPRC
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**Number of Shares held in the Company : 0.006%****Relationship to other Directors or executives in the Company : none**

**6. Mr. Pongkorn Chochuwong****Age 53 years****Current Position in SPRC**

- Manager Process Safety and QEHS

**Appointment date**

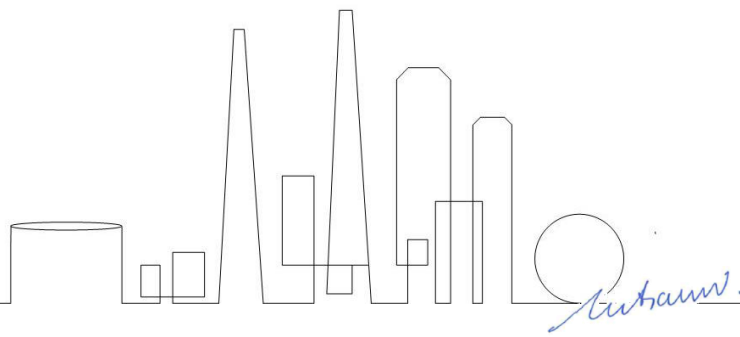
- 1 June 2014

**Education**

Bachelor Degree      Science in Chemistry  
Chiang Mai University

**Working experience in past 5 years**

2020 – Present	Manager Process Safety and QEHS, SPRC
2014 – 2019	Manager of Asset Management, SPRC
2009 - 2014	Manager of Production Unit-Processes & Utilities, SPRC

**Number of Shares held in the Company:** 0.008%**Relationship to other Directors or executives in the Company :** none

**7. Mr. Wisit Sukprasert****Age 50 years****Current Position in SPRC**

- Manager of Asset Management

**Appointment date**

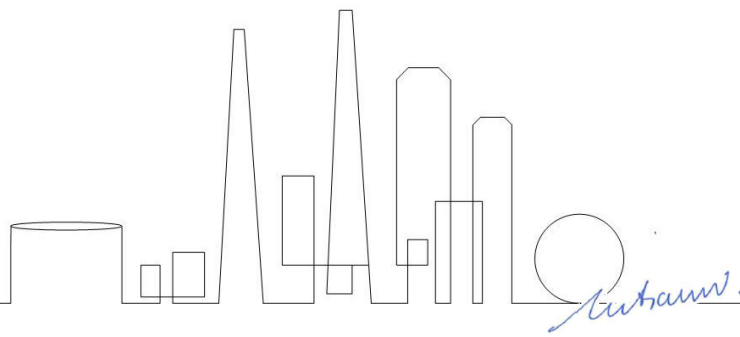
- 1 January 2020

**Education**

Master Degree	Business Administration Asian University
Bachelor Degree	Electrical Engineering Khon Kean University

**Working experiences in past 5 years**

2020 – Present	Manager of Asset Management, SPRC
2017 - 2019	Event Manager, SPRC
2012 - 2017	Maintenance Manager, SPRC

**Number of Shares held in the Company : 0.006%****Relationship to other Directors or executives in the Company : none**



**8. Mr. Paul Andrew Rushworth****Age 52 years****Current Position in SPRC**

- Manager of Production Unit-Processes & Utilities

**Appointment date**

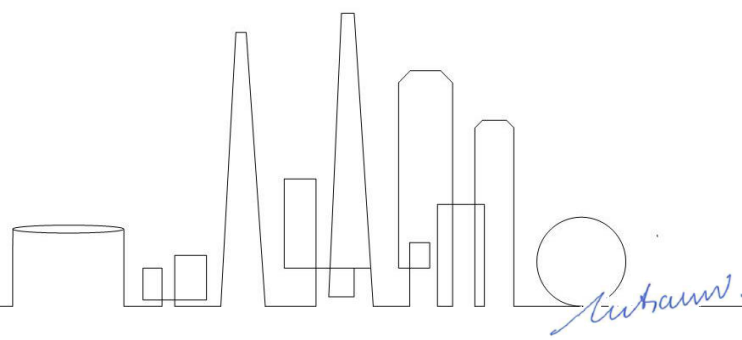
- 16 March 2020

**Education**

Master Degree	Business Administration in Technology Management Jointly the Association of Professional Engineers Scientists and Managers Australia (APESMA) and Deakin University, Australia
Master Degree	Engineering Design Loughborough University of Technology, UK
Bachelor Degree	Mechanical Engineering Manchester Polytechnic, UK

**Working experience in past 5 years**

2020 – Present	Manager of Production Unit-Processes & Utilities, SPRC
2014 - 2020	Manager of Production Unit-Movement & Dispatches, SPRC
2012 - 2014	Event Manager, SPRC

**Number of Shares held in the Company : 0.006%****Relationship to other Directors or executives in the Company : none**

**9. Ms. Chaowasri Luengratanakorn****Age 45 years****Current Position in SPRC**

- Manager of Production Unit Movement & Dispatches

**Appointment date**

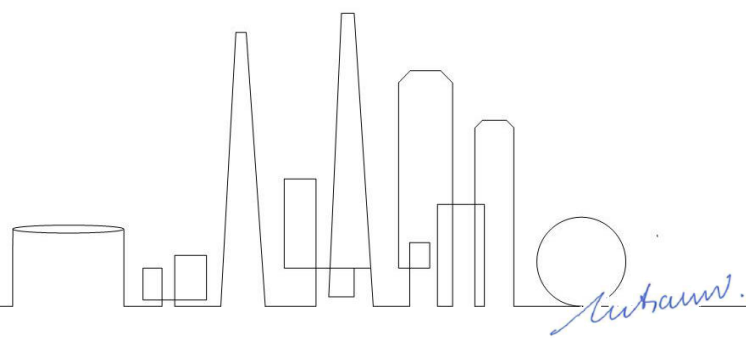
- 15 April 2020

**Education**

Bachelor Degree      Chemical Engineering  
 King Mongkut Institute of Technology Ladkrabang

**Working experience in past 5 years**

2020 – Present	Manager of Production Unit Movement & Dispatches, SPRC
2019 – 2020	Manager of Product Optimization, Value Chain Optimization (Secondment), Chevron USA, Singapore Branch
2015 – 2019	Operation Coordinator, Production Unit Process & Utilities, SPRC

**Number of Shares held in the Company : 0.001%****Relationship to other Directors or executives in the Company : none**

**10. Mr. Kittipong Nokdara****Age 48 years****Current Position in SPRC**

- Manager of Integrity & Reliability

**Appointment date**

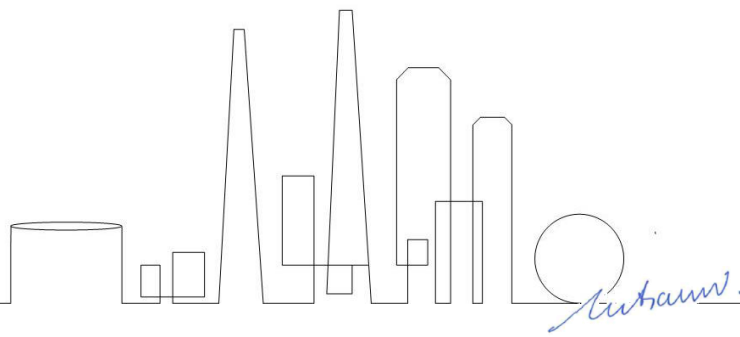
- 1 April 2020

**Education**

Master Degree	Welding Engineering King Mongkut's Technology Thonburi University, Thailand
Bachelor Degree	Mechanical Engineering Mahanakorn University, Thailand

**Working experience in past 5 years**

2020 – Present	Manager of Integrity & Reliability, SPRC
2017 - 2019	Integrity & Rotating Equipment Manager, SPRC
2013 – 2016	Engineering Manager for Event Project, SPRC

**Number of Shares held in the Company: 0.003%****Relationship to other Directors or executives in the Company : none**

**11. Mr. Akasit Rumpagaporn****Age 52 years****Current Position in SPRC**

- Manager Strategic Business Planning

**Appointment date**

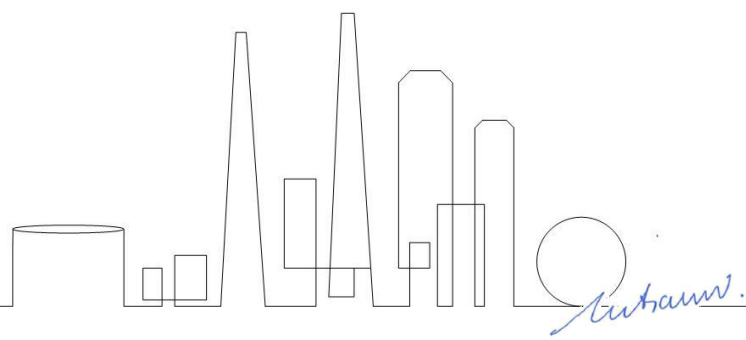
- 15 September 2020

**Education**

Master Degree	Science in Computer Engineering Management Assumption University
Bachelor Degree	Science in Chemical Engineering Chulalongkorn University

**Working experience in past 5 years**

2020 – Present	Manager Strategic Business Planning
2015 - 2020	Manager of Technology & Engineering, SPRC
2011 - 2015	Planning Manager, SPRC

**Number of Shares held in the Company : 0.005%****Relationship to other Directors or executives in the Company : none**

**12. Mr. Konlayuth Chotepatana****Age 51 years****Current Position in SPRC**

- Manager of Technology & Engineering

**Appointment date**

- 15 September 2020

**Education**

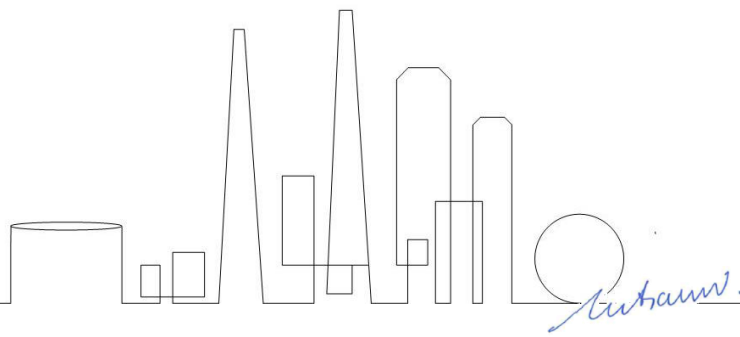
Bachelor degree      Chemical Engineering,  
King Mongkut's University of Technology Thonburi

**Working experience in past 5 years**

2020 – Present      Manager of Technology & Engineering, SPRC  
2015 – 2020      Lead Process Engineer, SPRC

**Number of Shares held in the Company : 0.001%**

Relationship to other Directors or executives in the Company : none



**13. Ms. Nattawan Khumwiwat****Age 41 years****Current Position in SPRC**

- Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

**Appointment date**

- 27 November 2013

**Education**

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

**Working experience in past 5 years**

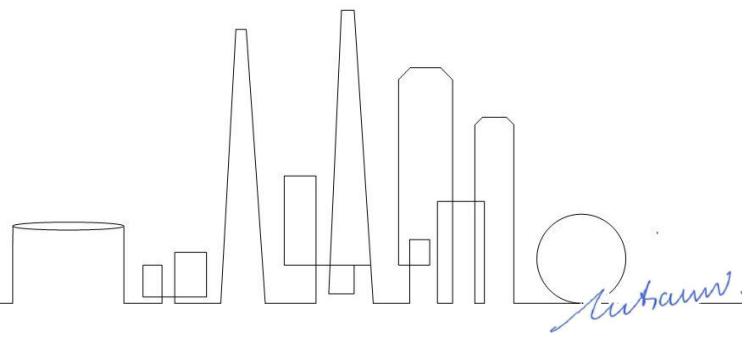
2015 - Present	Corporate Compliance Officer, SPRC
2013 - Present	Corporate Legal Counsel and Company Secretary, SPRC

**Training Courses related to Company Secretary and Compliance organized by the Thai Institutes of Directors**

- Company Secretary Program (CSP 39/2011)
- Board Reporting Program (BRP 5/2011)
- Effective Minute Taking (EMT 22/2012)
- Anti-Corruption: The Practice Guide (ACPG 28/2016)
- Corporate Governance for Executives (CGE 12/2018)

**Other Seminar and Training in 2021**

- CGR Workshop 2021 by IOD
- Legal in Action EP 31: Compliance Matters by Care Thai Business
- 2021 Annual Employment Law Forum by Tilleke & Gibbins
- Readiness Check before the effective date of PDPA by SEC
- Thailand National Conference on Collective Action Against Corruption: Spotlight on Clean Business by CAC

**Number of Shares held in the Company : 0.005%****Relationship to other Directors or executives in the Company : none**

**14. Mrs. Pornthip Viraphand****Age 56 years****Current Position in SPRC**

- Manager of Public & Government Affairs

**Appointment date**

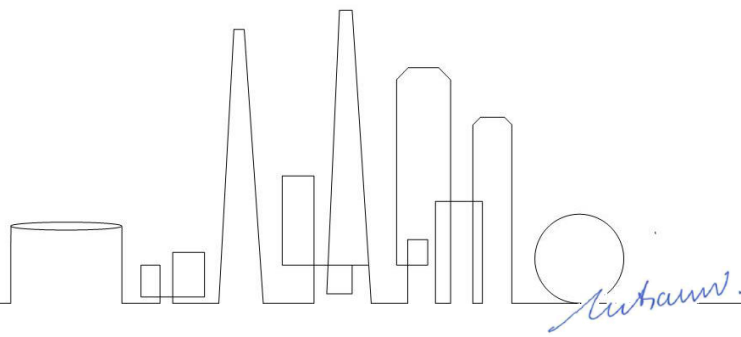
- 1 June 2014

**Education**

Master Degree	Public Administration Burapha University
Bachelor Degree	Business Administration Rajamangala University of Technology Krungthep

**Working experience in past 5 years**

2014 - Present                      Manager of Public & Government Affairs, SPRC

**Number of Shares held in the Company : 0.004%****Relationship to other Directors or executives in the Company : none**



**Profiles of the person taking the highest responsibility in finance and accounting (as of 31 December 2021)****Mr. Wichai Chunhasomboon****Age 64 years****Current Position in SPRC**

- Chief Financial Officer (resigned from the position on 31 January 2022)

**Appointment date**

- 21 April 2009

**Education**

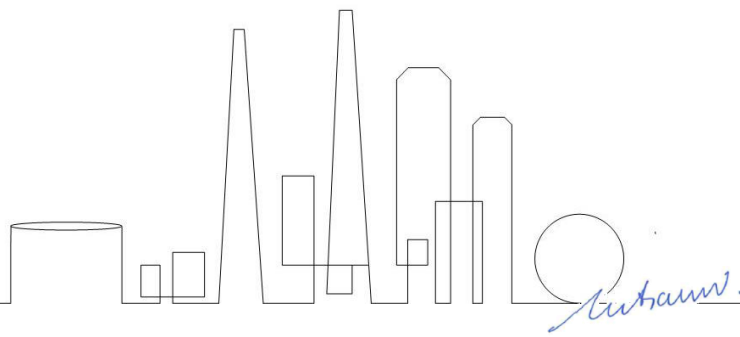
Master Degree	Business Administration in Accounting Thammasat University
Bachelor Degree	Business Administration in Accounting Bangkok University

**Working experience in past 5 years**

2009 - Present      Chief Financial Officer, SPRC

**Number of Shares held in the Company : none****Relationship to other Directors or executives in the Company : none****Training courses related to Accounting works in 2021**

- Budgeting – 3 hours
- Finance Essentials – 3 hours



**Mrs. Nutsara Somkiatweera**

**Age 52 years**

**Current Position in SPRC**

- Accounting Manager

**Appointment date**

- 1 February 2009

**Education**

Master Degree	Science (Finance) University of Houston-Clear Lake, USA
Bachelor Degree	Business Administration - Finance & Banking Assumption University
Bachelor Degree	Accountancy Sukhothai Thammathirat University

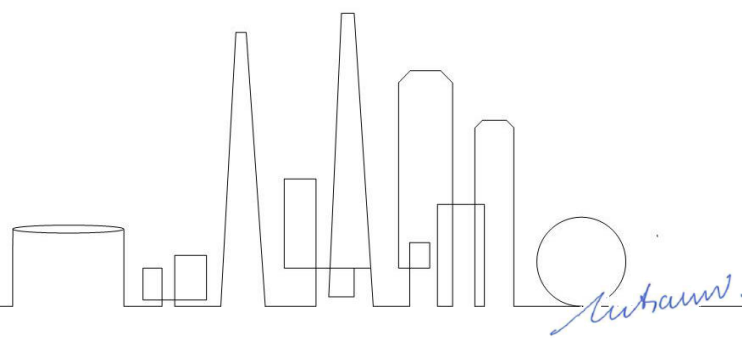
**Working experience in past 5 years**

2009 - Present          Accounting Manager (Chief Accountant), SPRC

**Training courses related to Accounting works in 2021**

- CFO Refresher (2/2564) – 6 hours
- Thai Chartered of Management Accountants (TCMA) Risk Management and Financial Strategy – 12 hours
- CFO's Orientation Course – 12 hours

\*Mrs. Nutsara Somkiatweera meets the qualifications and has Registration certificate as an Accountant with criteria specified by Department of Business Development (DBD).



**Profiles of Company Secretary****Ms. Nattawan Khumwiwat****Age 41 years****Current Position in SPRC**

- Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

**Appointment date**

- 27 November 2013

**Education**

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

**Working experience in past 5 years**

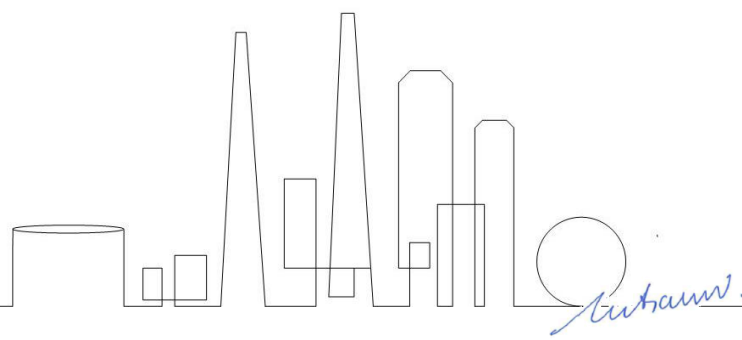
2015 - Present	Corporate Compliance Officer, SPRC
2013 - Present	Corporate Legal Counsel and Company Secretary, SPRC

**Training Courses related to Company Secretary and Compliance organized by the Thai Institutes of Directors**

- Company Secretary Program (CSP 39/2011)
- Board Reporting Program (BRP 5/2011)
- Effective Minute Taking (EMT 22/2012)
- Anti-Corruption: The Practice Guide (ACPG 28/2016)
- Corporate Governance for Executives (CGE 12/2018)

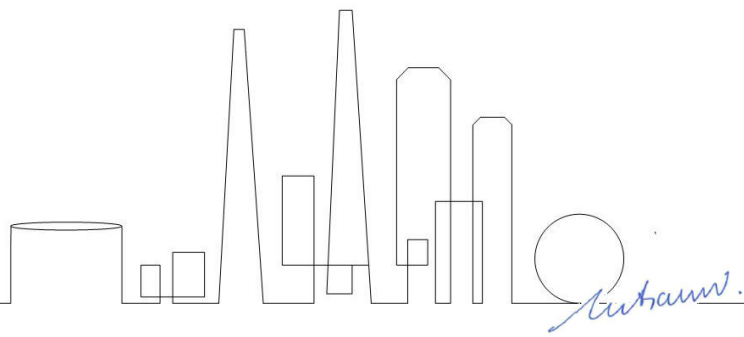
**Other Seminar and Training in 2021**

- CGR Workshop 2021 by IOD
- Legal in Action EP 31: Compliance Matters by Care Thai Business
- 2021 Annual Employment Law Forum by Tilleke & Gibbins
- Readiness Check before the effective date of PDPA by SEC
- Thailand National Conference on Collective Action Against Corruption: Spotlight on Clean Business by CAC

**Number of Shares held in the Company : 0.005%****Relationship to other Directors or executives in the Company : none**

**Attachment 2: Directors of Subsidiaries**

N/A



**Attachment 3: Head of Internal Control Office and Corporate Compliance Officer****Internal Audit Manager (Head of the internal audit function)****Ms. Sukhumal Tonpitak****Age 52 years****Current Position in SPRC**

- Internal Audit Manager

**Education**

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

Bachelor Degree: Business Administration - Accounting  
Assumption University

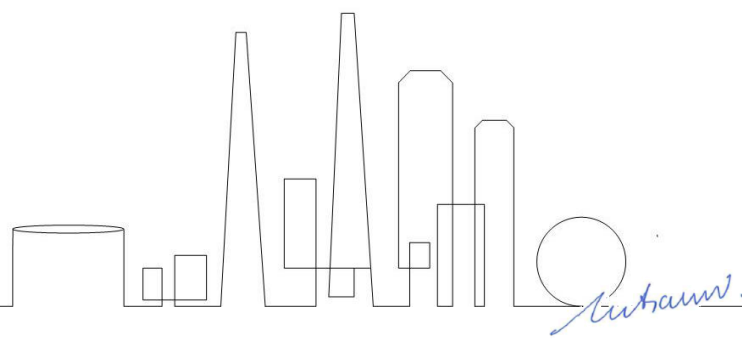
**Working experience in past 5 years**

2020 – present Internal Audit Manager, SPRC

2009 - 2019 Internal Auditor, SPRC

**Training Courses related to Audit works**

- Working paper for Better Corruption Prevention
- Financial Statements Review for Internal Auditors
- Quality Assurance of Internal Audit work
- IT Audit for Non-IT Auditor
- Framework of Internal Control COSO
- The Institutes of Internal Auditor's International Conference 2019
- Asian Confederation of Institutes of Internal Auditors Conference 2018
- Compliance Auditing
- Business Strategic Auditing
- Fraud Risk Assessment
- Anti-Corruption: The Practical Guide (ACPG)



**Corporate Compliance Officer****Ms. Nattawan Khumwiwat****Age 41 years****Current Position in SPRC**

- Corporate Legal Counsel, Company Secretary and Corporate Compliance Officer

**Appointment date**

- 27 November 2013

**Education**

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

**Working experience in past 5 years**

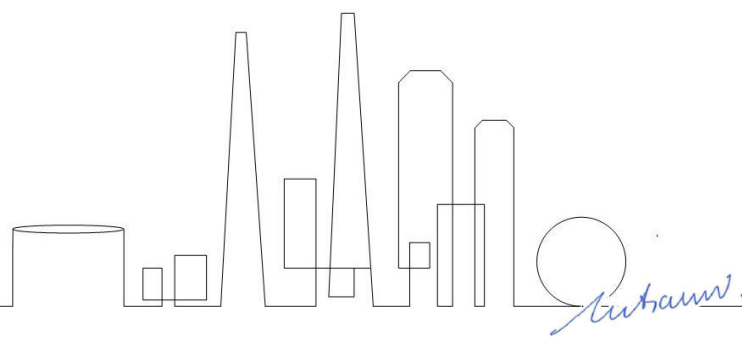
2015 - Present	Corporate Compliance Officer, SPRC
2013 - Present	Corporate Legal Counsel and Company Secretary, SPRC

**Training Courses related to Company Secretary and Compliance organized by the Thai Institutes of Directors**

- Company Secretary Program (CSP 39/2011)
- Board Reporting Program (BRP 5/2011)
- Effective Minute Taking (EMT 22/2012)
- Anti-Corruption: The Practice Guide (ACPG 28/2016)
- Corporate Governance for Executives (CGE 12/2018)

**Other Seminar and Training in 2021**

- CGR Workshop 2021 by IOD
- Legal in Action EP 31: Compliance Matters by Care Thai Business
- 2021 Annual Employment Law Forum by Tilleke & Gibbins
- Readiness Check before the effective date of PDPA by SEC
- Thailand National Conference on Collective Action Against Corruption: Spotlight on Clean Business by CAC

**Number of Shares held in the Company : 0.005%****Relationship to other Directors or executives in the Company : none**

## Attachment 4: Operating Asset and Asset Revaluation

### Operating Asset

#### The Company's Major Assets

As of 31 December 2021, the company's property, plant and equipment, which the company has the right of ownership, and its net book value after accumulated depreciation as presented in the company's financial statement are as follows:

Major assets	Book value		Obligation
	US\$ million	Baht Million	
Land	73	2,467	No
Buildings	59	1,973	No
Refinery plant & machinery	2,090	70,206	No
Furniture, fixtures and equipment	75	2,503	No
Construction in progress	2	62	No
<b>Total cost</b>	<b>2,298</b>	<b>77,210</b>	
<u>Less</u> Accumulated depreciation	(1,577)	(52,992)	
<b>Net book amount after accumulated depreciation</b>	<b>721</b>	<b>24,219</b>	

#### Land

The company's refinery is located on its own land of approximately 1,200 rai in Map Ta Phut Industrial Estate. The company also leases certain parcels of land of approximately 109 rai for the operation relating to the refinery such as the company's product piers.

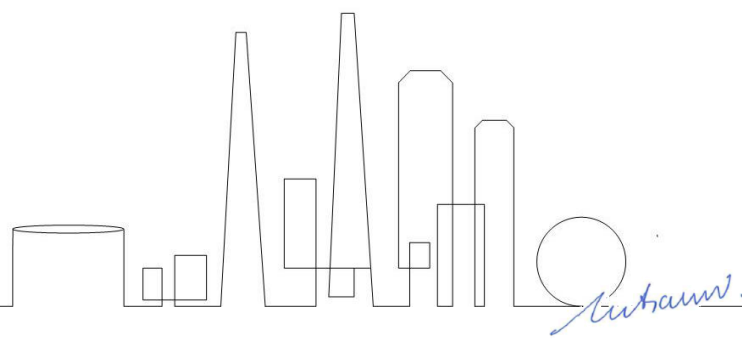
#### Refinery Plant and Machinery

The company has the right of ownership in the refinery plant and all machineries used in the company's refinery operation.

#### Detail of Insurance

The company's significant insurance policies include a "property all risks" policy, which includes coverage of material damage, machinery breakdown and business interruption for the refinery as well as the joint ownership interest in the single point mooring system. The company also carries third-party liability, marine cargo insurance and limited business interruption insurance. The company, insurance broker and shareholders review the company's insurance coverage periodically and the terms and conditions of the insurance policies are in accordance with industry norms and maintained at adequate levels.

All of the above insurance policies are subject to deductibles and are renewed annually. Some of the insurance coverage does not extend to war or acts of terrorism, among other exclusions.





## Intangible Assets

As of 31 December 2021, the company's intangible assets and its net book value after accumulated amortization as presented in the company's financial statement are as follows:

Intangible assets	Book value	
	US\$ million	Baht Million
Computer Programs	15	484
Work in progress	1	28
<b>Total cost</b>	<b>15</b>	<b>517</b>
<u>Less</u> Accumulated amortization	(12)	(420)
<b>Net book amount after accumulated amortization</b>	<b>3</b>	<b>93</b>

## Right for Use of Land in Map Ta Phut Industrial Estate and Long Term Lease

### *Agreement for Use of Land for industrial purpose in Map Ta Phut Industrial Estate*

In 1992, the Company entered into an agreement with IEAT for the use of land for a period of 30 years from 20 November 1992 to 19 November 2022. Currently, it is approximately 34.5 rai which is used for the company's marine terminal and approximately 5 rai which is used for the product pipelines.

In addition, the Company has 2 agreements for land usage for other operations relating to IEAT

- The land for approximately 15 rai for a period from 20 November 1992 to 19 November 2022 which is used for the piperack and product pipelines, and
- Executed in 2019, the land for approximately 2.5 rai for a period from 1 January 2019 to 31 December 2021 which is used for the construction of anticorrosion system for the underground crude pipeline. The agreement has been extended to 31 December 2024.

The Company has a plan to extend the agreements before they expire.

### *Long Term Lease*

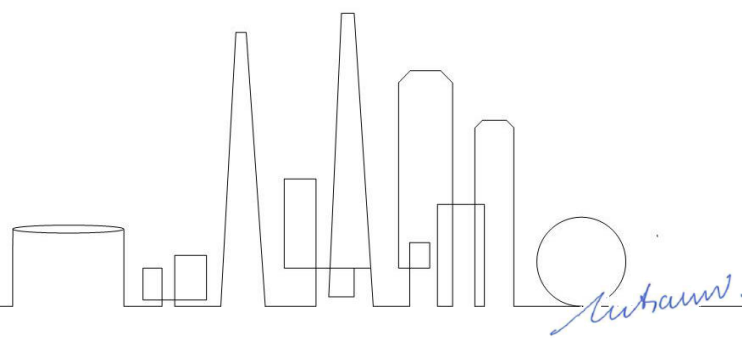
The company entered into a land lease agreement with IEAT dated 19 June 2007 for the refinery operation and power generation with an area of approximately 52 rai in IEAT area for a period of 30 years from 6 July 1995 to 5 July 2025.

## Investment Policy in Subsidiaries and Associated Companies

As of 31 December 2021 the company has no investment in subsidiaries or associated companies so the company does not have an investment policy in subsidiaries and associated companies.

## Asset Revaluation

The company has no Asset Revaluation in 2021.



## **Attachment 5: Policy and measures of Corporate Governance and Code of conduct**

### **Corporate Governance Policy**

The Corporate Governance Policy (“Policy”) recommends best practices and principles of good corporate governance of SPRC.

#### ***Introduction:***

The success of SPRC as a listed company depends upon its efficient, transparent, and auditable management systems that create trust and confidence amongst its shareholders and stakeholders.

#### ***Intent:***

SPRC commits to the principles of good corporate governance in compliance with the relevant rules, regulations and guidelines of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC), and aims to attain the highest international standards and best practices in the adoption and implementation of sound principles of good corporate governance.

#### ***Implementation:***

This Policy is in line with the Principles of Good Corporate Governance for Listed Companies, 2012, specified by the SET. SPRC’s directors, executives and employees are committed and adhere to this Policy.

This policy is categorized into five categories covering principles related to (1) rights of shareholders, (2) equitable treatment of shareholders, (3) roles of stakeholders, (4) disclosure and transparency, and (5) responsibilities of the board of directors.

### **(1) The Rights of Shareholders**

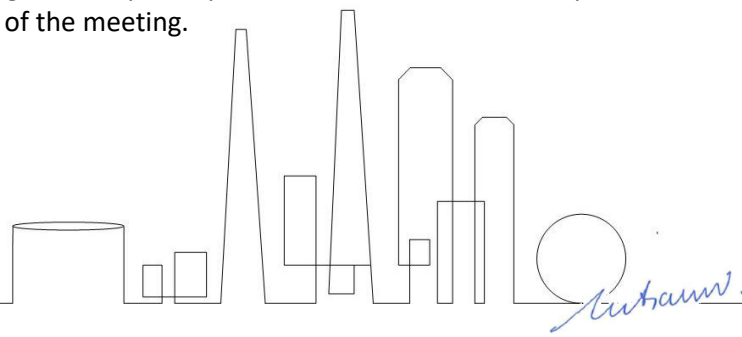
SPRC recognizes and values basic rights of shareholders on;

- right to sell, buy, or transfer shares,
- right to share in the business' profit,
- right to receive sufficient information about the business in a timely manner and on a regular basis,
- right to attend shareholders meetings to exercise the rights to vote in the appointment or removal of directors and appointment of auditors,
- right to attend shareholders meetings to exercise the right to vote in any matters affecting the Company such as allocation of dividends, specification or amendment of Articles of Association and Memorandum of Association, decrease or increase of capital, or approval of extraordinary transactions.

SPRC values the importance of the shareholders meeting where SPRC’s shareholders can exercise their rights as shareholders. For this reason, SPRC will provide notifications and hold shareholders meetings such that all shareholders may attend the meetings, gain access to adequate and timely information, pose questions or seek explanations, and exercise voting rights in an equitable and transparent manner.

SPRC’s Directors and Management are required to attend the shareholders meetings to answer questions and listen to comments and suggestions of shareholders for appropriate consideration and further process.

SPRC shall allocate sufficient time for the meeting and the shareholders shall be notified of the meeting’s rules and voting processes. The minutes of the meeting shall be publicly available on website in timely manner but no later than fourteen days from the date of the meeting.



## **(2) Equitable Treatment of Shareholders**

It is SPRC's policy to equitably and fairly treat and protect the rights of all shareholders, whether an executive or non-executive, Thai or non-Thai, major or minor shareholder. The shareholders have the rights to nominate candidates for directors and to authorize independent directors or other persons as proxies who may attend the meeting and vote on behalf of the shareholders in accordance with the rules to be specified by the board of directors and notified to the shareholders in advance.

SPRC's directors, executives and employees as well as spouses and minor children of such persons are prohibited from the improper use of inside information. SPRC's directors and executives shall regularly report the holding of SPRC's securities by them, their spouses, and their minor children, as well as the change in such holdings to SPRC and the SEC.

SPRC's directors, executives and employees as well as spouses and minor children of such persons are prohibited from seeking personal benefits from engaging in business with SPRC. If such a transaction is unavoidable, it shall be carried out with transparency, strictly on a commercial arm's length basis and always taking into consideration, on balance, the best interest of SPRC. SPRC's directors, executives and employees having an interest in such transactions must not take part in its approval process.

## **(3) Roles of Stakeholders**

SPRC values the rights of stakeholders and promotes cooperation between SPRC and the stakeholders as well as other concerned parties including shareholders, employees, customers, trade partners, government agencies, communities, and society in order to create sustainability of our business.

SPRC's directors, executives and employees are required to comply with SPRC's Business Conduct Policy which has been established to ensure SPRC exhibits fairness, honesty, and integrity in all our dealings with stakeholders.

## **(4) Disclosure and Transparency**

SPRC is committed to disclosing accurate, complete, and transparent information, both in terms of financial reports and general information, in accordance with the rules of the SEC and the SET, as well as essential information that may impact the price of SPRC's shares or which may affect the decision-making process of investors and stakeholders of SPRC so that all relevant parties have equal access to such information. All information disclosed to investors shall be accurate, adequate for decision-making by the investors, and should not cause any misunderstanding.

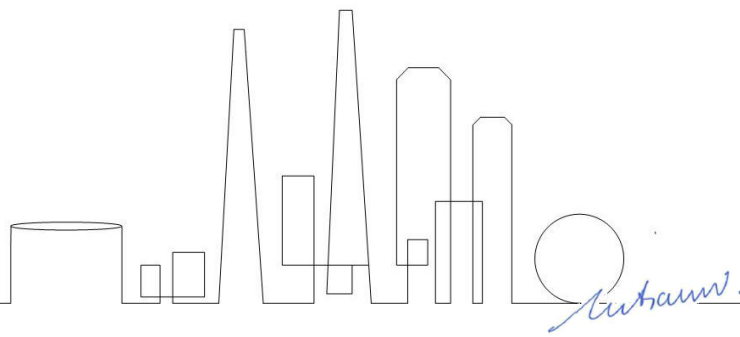
Apart from disclosure of information in accordance with the rules specified and through the channels of the SET, SPRC has established a website to disseminate up-to-date information to shareholders and stakeholders in both Thai and English.

The Board of Directors is required to present its responsibilities concerning SPRC's financial statements in SPRC's annual report by specifying that the financial statements are prepared in accordance with generally accepted accounting standards and the accounting policies are appropriately applied.

## **(5) Responsibilities of the Board of Directors**

The Board of Directors is accountable to the shareholders for both business operation and corporate governance to deliver superior business and operational performance and long term growth in shareholder value.

The Board of Directors have a number of important responsibilities and accountabilities to shareholders under the Public Limited Companies Act, the Securities and Exchange Act, the SET and SEC listing rules and guidelines, SPRC's Article of Association, the resolutions of shareholders' meeting, as well as the Board of Directors Charter, and shall execute these responsibilities and accountabilities with due care and integrity.



## Business Conduct Policy

### 1. Policy

The Business Conduct Policy (“**Policy**”) helps us understand how SPRC’s core values are implemented in everyday practices. The Policy provides guidelines for the operation of SPRC’s business, recognizing the importance of honest, fair, and transparent business operations, as well as ensuring operations are in compliance with all applicable laws, and regulations.

### 2. Scope

This Policy applies to SPRC’s directors, management, employees, agents, and representatives (“**Personnel**”). All Personnel are required to comply with the Business Conduct Policy at all times.

### 3. Purpose

The purpose of this Policy is to clearly set forth SPRC’s expectations of its Personnel in the manner in which it conducts its business.

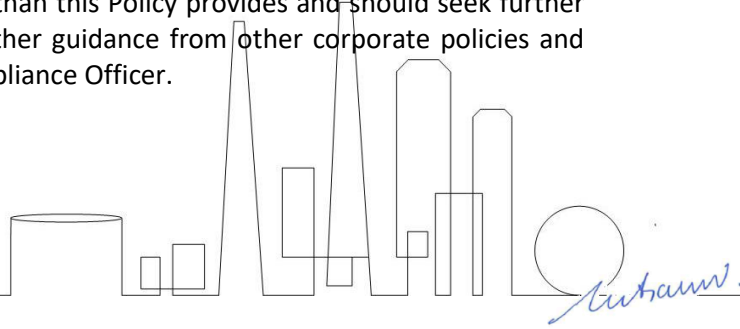
### 4. Roles and Responsibilities

SPRC’s Personnel are required to read through, understand and strictly adhere to this Policy.

- a) The Board of Directors shall regular review this Policy.
- b) Supervisor and manager are responsible for monitoring and ensuring that SPRC’s employees comply with this Policy, including identifying and assigning appropriate training on subjects or specific relevant matters within the Standard of Business Conduct for the employees to attend.
- c) Corporate Compliance Officer (“**CCO**”) shall be appointed from one of its senior Personnel and has responsibilities to:
  - Develop and promote the compliance programs and to have overall responsibility within SPRC for activities related to the proper implementation of compliance program with support from the relevant departments. Compliance programs will be developed emphasizing employee’s awareness, communication of management’s expectations and employees’ responsibilities.
  - Report to the Board of Directors through the Audit Committee on the compliance program ensuring that the report addresses such requirements as may be determined by the Board of Directors or the Audit Committee.
  - Ensure that SPRC enforces its compliance program in a consistent way relative to disciplinary action(s) against Personnel whose conduct is not in line with the principles.
  - Arrange overview of Business Conduct training to new employees at an orientation and refresh to all employees every 3 years.
- d) SPRC’s employees are responsible to read through the entire Policy and think about how the Policy applies to your job and consider how you might handle situations to avoid improper, illegal or unethical actions. If you have questions, seek advice from your supervisors, manager or Corporate Compliance Officer.

### 5. Ethical Decision-Making

This Policy provides the concept in principle as well as spirit of the subject matter. No policy can provide complete details and answers to all questions. Therefore, all Personnel must rely on good judgment and spirit of what SPRC’s high standards require. Personnel, depending on job function and level of responsibility, may require more detailed knowledge than this Policy provides and should seek further guidance. When in doubt, Personnel should seek further guidance from other corporate policies and procedures, supervisors, managers, or Corporate Compliance Officer.



Nevertheless, this is the general guideline for ethical decision-making. Some decisions are obvious and easy to make; others are not. When faced with a difficult situation, asking ourselves the questions below can help us to make the right ethical decisions.

Four “yes” answers are required to qualify an action as ethical.

**a) Is it legal?**

If you think an action may be illegal, do not proceed. If you need information about which laws apply in a given situation, talk with your supervisor, manager, Corporate Compliance Officer or Corporate Legal Counsel.

**b) Is it consistent with SPRC’s Policy?**

If the proposed action does not comply with SPRC’s policy, you should not do it.

**c) Is it consistent with SPRC’s Core Values?**

If the proposed action is not consistent with SPRC’s core values, you should not do it.

**d) If it were made public, would I be comfortable?**

Ask yourself if you would make the same decision if you knew that it would be reported in public.

## 6. Violation

Each Personnel must always obey the letter and spirit of this Policy. Failure to do so may result in disciplinary action, up to and including termination. Likewise, any supervisor or manager who does not properly report and correct a known violation will be subject to similar consequences.

If conduct of Personnel is contrary to the principles in the Standard of Business Conduct, or violates applicable laws, SPRC will take all reasonable steps to respond appropriately and to prevent similar conduct from re-occurring.

## 7. Whistleblowing / Reporting of Violation Channel

SPRC’s Personnel are expected to promptly report to their supervisor, manager, Internal Auditor, Corporate Compliance Officer, or director any potential violations of the Policy. SPRC encourages to choose the channel of communication that you feel most comfortable with in making a timely and complete disclosure of the potential violation.

There is no special reporting format and you should use whatever you feel is appropriate to the circumstances so long as it serves to encourage the reporting person to make a free, full and timely disclosure. Reports may be made anonymously, either orally, by mail, by facsimile message, or by email to [CorporateCompliance@sprc.co.th](mailto:CorporateCompliance@sprc.co.th) addressed to “Corporate Compliance Officer”.

SPRC undertakes to protect SPRC’s Personnel who report such behavior from any form of retaliation, if the report is made in good faith. Along with protecting a reporting party from any retaliation, care will be taken to ensure, to the extent possible, that reports shall be and remain confidential, consistent with SPRC’s demonstrated need to investigate and resolve all instances of reported wrongdoing.

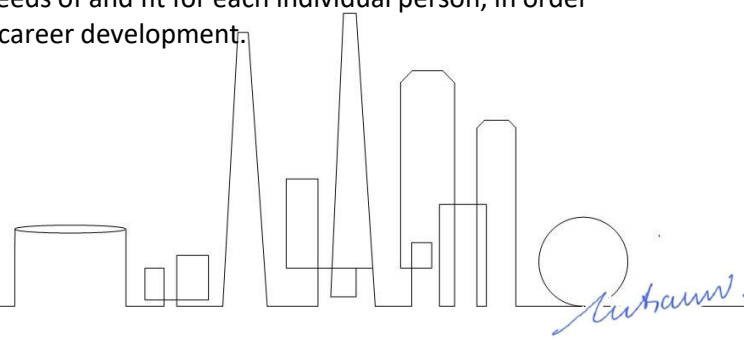
## 8. Standard of Business Conduct

### I. OUR EMPLOYEES

*SPRC values the uniqueness of individuals and the various perspectives and talents they provide.*

Employees are SPRC’s most valuable resource and are essential to its success. SPRC’s core values would be meaningless if SPRC did not have the highest quality workforce possible and continuously work to develop its employees.

SPRC promotes competency enhancement based on needs of and fit for each individual person, in order to enhance performance and create opportunities for career development.



### **We value Diversity and Inclusion**

Diversity means all the ways we differ. It refers to the mix of people in SPRC. Inclusion means that the differences are valued. It refers to getting the mix of people in SPRC to work together.

Diversity and Inclusion are fundamental values at SPRC. SPRC promotes diversity within its workforce and has an inclusive environment, that values the uniqueness and diversity of individual talents, thought processes, perspectives, experiences and ideas, to allow each of us to have the opportunity to contribute to, and be recognized for, SPRC's success.

### **We provide Equal Opportunity**

It is our policy that no one at SPRC should ever be subject to discrimination on the basis of race, religion, color, national origin, age, sex, gender identity, gender expression, genetic information, disability, veteran status, political preference and sexual orientation, membership or non-membership in any lawful organization or other basis prohibited by laws and regulations.

SPRC's policy against discrimination aligns with the position on diversity. SPRC follows the laws that prohibit discrimination in employment practices. It is SPRC's policy to provide equal employment opportunities and to treat applicants and employees without illegal bias. SPRC will ensure fairness in hiring new employees, transferring employees, and determining remuneration for employees, taking into account qualifications, suitability for the position, nature of work, and performance.

### **Employee Compensation**

SPRC has a "pay-for-performance" philosophy. SPRC administers wages, salaries and benefits to maintain its competitive position in the industry. This allows SPRC to attract and retain high-caliber personnel, provide incentive, and reward excellence.

### **Controlled Substances and Drugs**

SPRC prohibits the manufacture, use, possession, distribution, purchase or sale of controlled substances on its premises and while its Personnel are conducting business for SPRC elsewhere. Controlled substances include:

- illegal drugs and narcotics
- prescription drugs obtained or used without a legal prescription, or
- other unlawful mind altering or related substances or materials.

### **Alcohol**

SPRC prohibits the consumption, use, possession, distribution, purchase or sale of alcohol on its premises and while its Personnel are conducting business for SPRC elsewhere. Any person under the influence of alcohol is prohibited from entering SPRC's premises.

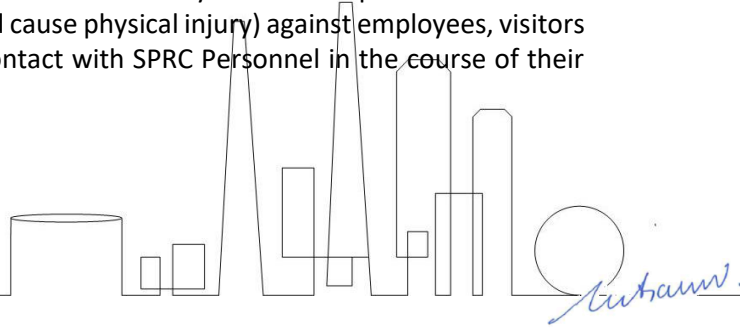
Any drink of alcohol or any use of drugs or other substances that causes or contributes to unacceptable job performance or unusual job behavior is also prohibited.

Where it does not violate the law, SPRC may conduct searches and tests for drug and alcohol use on its premises.

### **Preventing Workplace Violence and Harassment**

Harassment means engaging in a course of vexatious comments or conducts against anyone that is unwelcome. This includes unwelcome words or actions that are known or should be known to be offensive, embarrassing, humiliating or demeaning.

SPRC has zero tolerance for workplace violence or harassment of any kind. SPRC prohibits actual or threatened violence (physical force that causes or could cause physical injury) against employees, visitors or anyone else who is either on its premises or has contact with SPRC Personnel in the course of their duties.





If you are confronted with violence, threatened violence, or harassment, you should report your concern to your manager, your supervisor, the Corporate Compliance Officer, or the Human Resource Department as appropriate. As appropriate and at the discretion of SPRC, the reports may be made to the police.

## II. HUMAN RIGHTS

*Respecting human rights is a fundamental value of SPRC.*

Human rights are generally defined as basic standards of treatment to which all people are entitled, regardless of nationality, gender, race, language, religion, economics status or any other status.

SPRC affirms our long-standing support for universal human rights, following the spirit and intent of the United Nations Universal Declaration of Human Rights. SPRC recognizes the responsibility to respect human rights and to contribute to positive human rights impacts in the communities where we operate.

### Our Commitment

SPRC is committed to respecting fundamental human rights in our operations, our value chain, and in the communities where we operate. Our commitment to operating with respect for human rights is reflected in all aspects of business operations and is integrated in our company policies and relevant procedures.

- **Employees:** SPRC respects the human rights of all employees. Our commitment is embedded in policies and our culture. SPRC promotes the right to security, a safe and healthy workplace, and treats our employees with dignity and respect. It is every employee's responsibility to maintain a work environment that reflects respect for human rights and is free from all discrimination and harassment.
- **Communities:** SPRC engages with communities to build understanding of human rights to enhance the benefits of our projects and operations.
- **Suppliers and Contractors:** SPRC expects our suppliers and contractors to treat their employees, and interact with communities, in a manner that respects human rights.

If any employee has a concern on human rights violation, you should report your concern to your manager, your supervisor or the Corporate Compliance Officer, as appropriate.

## III. COMPANY RECORDS AND INTERNAL CONTROLS

*Fair and accurate books and records are essential for managing SPRC's business.*

Fair and accurate books and records are essential for managing SPRC's business and maintaining the accuracy and integrity of SPRC's financial reporting and disclosure. The commitment to this integrity is fundamental to the accuracy of financial reports which SPRC makes to the public.

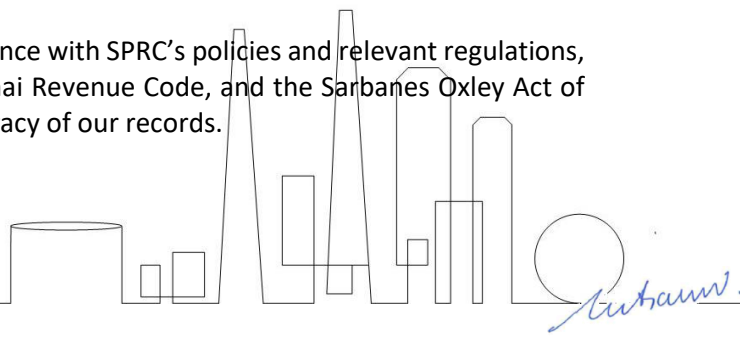
### Shared Responsibility

SPRC's books and records must be prepared accurately and honestly, both by SPRC's accountants who prepare records of transactions and by any of us who contribute to the creation of records, for example, by submitting expense reports, job logs, measurements and time sheets.

All SPRC's books and records must be supported by sufficient documentation to provide a complete, accurate, valid, and auditable record of the transaction.

Any attempt to conceal or misstate information in SPRC's records is a serious offense and may result in disciplinary action and criminal prosecution. Each employee is responsible for reporting any suspected violations of SPRC's accounting policies and procedures. You should report any suspected violation of these policies to your manager, your supervisor, the Internal Auditor or the Corporate Compliance Officer as appropriate.

SPRC's books and records must be prepared in accordance with SPRC's policies and relevant regulations, such as the Thai Financial Reporting Standards, the Thai Revenue Code, and the Sarbanes Oxley Act of 2002 (SOX), which require the completeness and accuracy of our records.





SOX applies to all publicly traded companies in the United States. Its purpose is to review legislative audit requirements and to protect investors by improving the accuracy and reliability of corporate disclosure. SPRC is subject to fully comply with the requirements of the SOX as its books and records are required to be consolidated with SPRC's majority shareholder, a US based and owned company. Audits will reflect such compliance.

### **Internal Controls**

Reliable internal controls are critical for proper, complete and accurate accounting and financial reporting. Each employee must understand the internal controls relevant to his/her roles and responsibilities, and follow the policies and procedures related to those controls. Employees are encouraged to talk to their supervisors or managers immediately if they ever suspect that a control does not adequately detect or prevent inaccuracy, waste or fraud.

### **Audits**

Audits performed by internal and external auditors help ensure compliance with established policies, procedures and controls. Audits also help identify potential weaknesses so they may be corrected promptly. All employees are required to cooperate fully with internal and external auditors. This means always providing clear and truthful information and cooperating fully during the audit process.

### **Fraud**

Engaging in any scheme to defraud anyone – of money, property or honest services – violates SPRC's policies and the law and carries severe penalties. Those consequences apply to any dishonest or fraudulent activities, including misusing or stealing SPRC's assets or falsifying a travel and entertainment expenses report, among other violations. SPRC relies on its internal controls and the personal integrity of all its employees, contractors and directors to protect SPRC's assets against damage, theft and other unauthorized use.

## **IV. AVOIDING CONFLICTS OF INTEREST**

*SPRC expects all Personnel to act in the best interests of SPRC. Avoiding conflicts of interest in all business decisions is essential to our integrity and trust.*

SPRC expects all Personnel to act in the best interest of SPRC. This means that business decisions should be made free from any conflict of interest. They should also be made based on sound business reasoning and appear impartial.

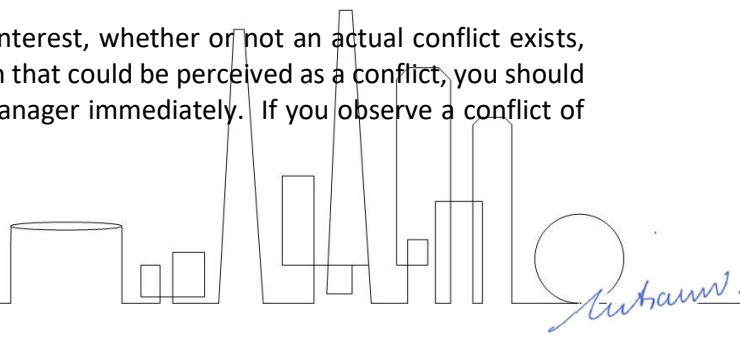
Conflicts of interest may occur when an individual's outside activities or personal interests conflict or appear to conflict with his or her responsibility to SPRC. An outside activity would be considered a conflict of interest if it:

- has a negative impact on SPRC's business interests,
- negatively affects SPRC's reputation or relations with others, or
- interferes with an individual's judgment in carrying out his or her job duties.

SPRC's Personnel including members of their immediate families and their close relatives, must never:

- compete against SPRC,
- use their position or influence to get an improper benefit for themselves or others,
- use SPRC's information, assets or resources for their personal gain or the improper benefit of others, or
- take advantage of inside information or their position with SPRC.

Any activity that has the appearance of a conflict of interest, whether or not an actual conflict exists, must be avoided. If you think you may be in a situation that could be perceived as a conflict, you should disclose the potential conflict to your supervisor or manager immediately. If you observe a conflict of



interest at SPRC, you must report to your manager, your supervisor or the Corporate Compliance Officer as appropriate.

### **Avoid Accepting or Giving Gifts, Fees, Favors or Other Advantages**

It is a conflict of interest for any SPRC's Personnel to give or receive gifts or entertainment of more than nominal value, or cash in any amount to or from people or companies doing or seeking to do business with SPRC. Therefore, in order to avoid conflict of interest, SPRC's Personnel must not:

- accept fees or anything in value in exchange for contracts or services provided on behalf of SPRC,
- provide or accept gifts or entertainment from anyone doing or seeking business with SPRC, or
- give a gift or entertainment to anyone for the purpose of improperly influencing him or her to take action in favor of SPRC.

For the customary, traditional or special occasion, such as New Year, SPRC expresses our desire not to receive any gifts or any favors of any value. Business entertainment is considered as inappropriate unless SPRC share in the cost of these types of events, and any form of cash or cash equivalence is strictly prohibited.

### **Related Party Transaction**

Any intended financial or other commercial transaction between SPRC and any Related Party should be entered into and conducted strictly on a commercial arm's length basis and always take into consideration, on balance, the best interest of SPRC.

Related Party shall be defined in accordance with the SEC's regulations, which include;

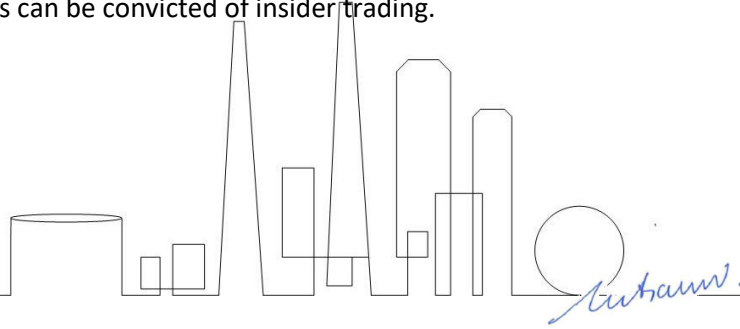
- A. directors, executives, major shareholder(s) or other persons or entities directly or indirectly having a controlling or substantial interest in SPRC
- B. spouses, minor children, adopted minor children or close relatives of individuals identified in A. above
- C. a person or an entity under the control of persons or entities identified in A. or B. above
- D. a person or an entity which persons or entities identified in A. or B. above has substantial interest
- E. a person or an entity who will gain financial benefits from entering into a transaction with SPRC with understanding that persons or entities identified in A. through D. above will also gain financial benefits from such transaction.

If you may be involved in the proposal or approval of a transaction which would fall under or even appear to fall under what has been defined as a Related Party Transaction, you must promptly consult with Corporate Legal Counsel or the Company Secretary by disclosing the basis on which you believe the matter may be a Related Party Transaction for a determination whether it would in fact be a Related Party Transaction and if so, seek guidance and consult regarding the appropriate governance and approval procedures.

### **Insider Trading Is Prohibited**

It is illegal to purchase or sell SPRC securities if you have material information about SPRC when such information is still nonpublic ("material non-public information"). It is also illegal to purchase or sell securities of other companies if you have material non-public information about that company.

We must never use material non-public information about SPRC or other companies those doing business with SPRC for personal gain. We must never pass material non-public information on to others who may purchase or sell SPRC securities or other company's securities. If you provide this information ("a tip") to someone who then buys or sells securities, both parties can be convicted of insider trading.



Material non-public information means any information concerning SPRC's business, operations and financial results which, if disclosed inappropriately, might influence investor decisions to buy or sell SPRC's securities and have an impact on the price of the securities. Material non-public information includes information that a reasonable investor would consider important in making decision to buy, hold or sell securities, such as;

- financial statements, dividend payments, form 56-1, and the annual report
- margins, operating costs and forward-looking information
- major operational changes or incidents, and refinery utilization
- major capital project milestones and capital expenditures
- information on mergers, acquisitions, disposals of assets, repurchases of stock, stock splits, and commercial negotiations

If you are in doubt as to whether non-public information you have is material, you should seek guidance from your supervisor, your manager, Investor Relations, or the Company Secretary.

## **V. OPERATIONAL EXCELLENCE**

**(workforce safety and health, process safety, reliability and integrity, environment, efficiency, security and stakeholders)**

*SPRC's policy is to protect the safety and health of people, its assets and quality of the environment and to conduct its operations reliably and efficiently.*

SPRC is committed to working in a way that places the highest priority not only on Personnel and Process Safety, but also on the safety and health of its workforce and members of the communities, including protection of assets and the environment. SPRC is also committed to efficient use of resources and to prevent and/or mitigate the environmental impact due to our operations.

All of SPRC's Personnel are responsible for complying with laws, regulations, and SPRC's policies and procedures, as well as fully committing to the requirements of the Operational Excellence Policy in our work activities.

Each of SPRC's Personnel has the authority and responsibility to stop – or not start – any work activity if hazards or risks pose a threat to safety.

## **VI. PROTECTION OF INFORMATION AND INTELLECTUAL PROPERTY**

*We all have a responsibility to understand the risks when our information assets are compromised.*

SPRC's information assets are vital resources. They include both SPRC's paper and electronic records and the systems that store, process, or transmit SPRC's information. SPRC's intellectual property, which includes SPRC's trade secrets, patents, trademarks, and copyrighted material, is also a key SPRC's information assets.

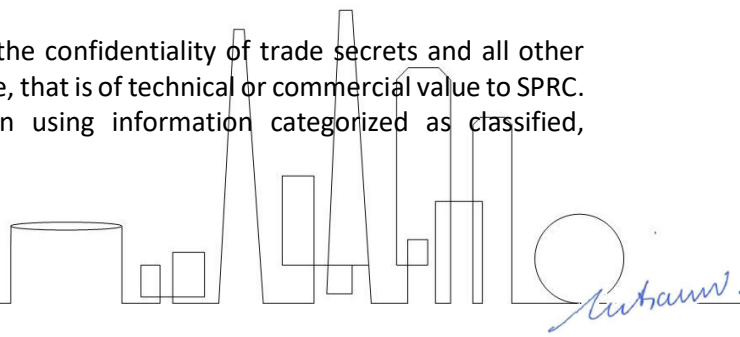
### **Proper Access and Use**

SPRC's policy is to safeguard its information assets against theft, unauthorized disclosure, misuse, trespass and careless handling.

Improper handling of information may be grounds for disciplinary action, including termination, and criminal prosecution. Examples of improper handling include unauthorized viewing, copying, distributing, damaging, altering and removing information from the premises, including downloading to an external storage device, personal email, or non-company cloud storage without written authorization.

### **Handling Sensitive or Proprietary Information**

All SPRC's Personnel are responsible for maintaining the confidentiality of trade secrets and all other information, whether intellectual property or otherwise, that is of technical or commercial value to SPRC. All Personnel must be cautious and discreet when using information categorized as classified,



confidential or restricted access. Such information should be shared only with other employees who have a legitimate “need to know”. Outside parties should only have access to such information if they are under binding confidentiality agreements and have a “need to know”. Similarly, when handling sensitive information that has been entrusted to us by others, we must always treat it with the utmost care.

All Personnel must also comply with all laws, regulations and contractual commitments regarding the valid and enforceable intellectual property rights of third parties, including patents, copy rights, trade secrets and other proprietary information. SPRC will not knowingly infringe on or misuse the valid and enforceable intellectual property rights of third parties.

For using of copyrighted material such as articles, charts, maps, films, photo and music, Personnel must receive the permission of the copyright owner, unless such activities are allowed under the “fair use” provisions of the copyright laws.

#### **Retaining or Discarding the Company’s Records**

A company record may serve one of many purposes. It may:

- satisfy operating requirements (for example, maintenance logs, service contracts),
- document a company holding (for example, a lease or deed),
- protect the company’s interest in legal action (for example, a product quality test), or
- show compliance with governmental regulations (for example, financial and injury reports)

Company records must be kept for the set period required by the applicable retention schedule and consistent with requirements of applicable laws. Company records may be retained for varying periods of time (some of which are of essentially unlimited duration), depending on the type of record, the purpose for retention and the applicable legal obligations.

#### **Retrieving Information for Litigation Purposes**

Sometimes during the course of litigation, we might be instructed by SPRC’s legal counsel to provide documents or other evidence. We must always comply with such instructions and consult legal counsel if we have any questions, and report non-compliance if we suspect it. We are expected to treat this process as a high priority assignment.

#### **Using Computer Systems and Other Technical Resources**

All Personnel are responsible to ensure SPRC’s computer systems and other technical resources are used appropriately. We must keep access codes (for example, passwords, SmartBadge, personal identification numbers, etc.) in a secure place and not share them with others. Anyone with a system identity and access code is responsible for activities performed under that identity.

Unauthorized use of password, access code, computer systems or programs may be grounds for disciplinary action, including termination of employment.

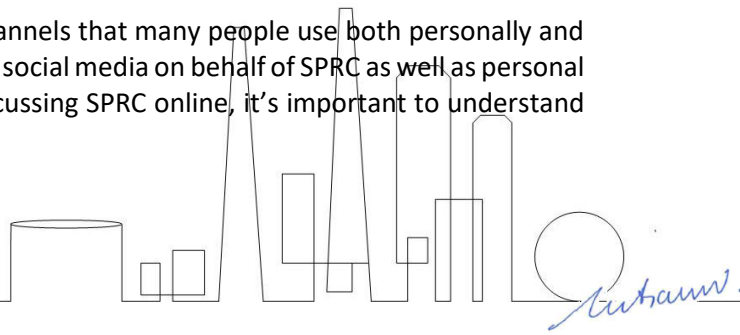
#### **Using Email, Internet, Computer and Communications devices**

All Personnel must ensure that computer and telecommunication systems are used only for SPRC’s business. Occasional or incidental use for personal purposes is permitted as necessary and reasonably acceptable. We should not assume that any use of SPRC’s communications devices or systems is private. Usage of these may be monitored by SPRC or subject to applicable laws and regulations.

#### **Using Social Media**

“Social media” is referred to a variety of online communities such as social networks, blogs, chat rooms and forums.

Social media sites are highly visible communication channels that many people use both personally and professionally. This policy applies to professional use of social media on behalf of SPRC as well as personal use of social media when referencing SPRC. When discussing SPRC online, it’s important to understand



the implications of social media use on the reputation of the company, to protect company and market-sensitive information, and to act in accordance with SPRC's policies.

We should be aware that SPRC may observe content and information made available by us through social media. We should be aware of the effect or reactions may have on posting material. We should use the best judgment in posting material that is neither inappropriate nor harmful to SPRC as "Protecting SPRC is part of our job."

## VII. DATA PRIVACY

*All employees must exercise care and discretion in handling personal data.*

Personal Data is information that can directly or indirectly identify an individual, including employees, contractors, directors, shareholders, customers, and anyone else with whom SPRC does business. Personal data is an important asset, and the way we handle this data is critical to SPRC success, demonstrates respect and promotes trust.

SPRC must comply with the requirements of Thailand's Personal Data Protection Act B.E. 2562 (as amended) and relevant regulations in case of cross-border transfer of personal data. SPRC's personnel who handle personal data are responsible to understand their roles and responsibilities as well as the applicable obligations such as collection, using and disposal of personal data as required by the law.

For handling of personal data, Personnel should keep several important principles in mind. Personal data should only be processed if there is a legitimate business reason to do so, such as complying with a legal requirement or in order to fulfill a contractual commitment. Otherwise, consent should be obtained. Personnel should not use more or different personal data than needed for the task at hand. Finally, Personnel should keep all personal data secure and follow SPRC's Information Protection guidelines. SPRC respects the confidentiality of personal data, in both paper and electronic form. This information may not be used or disclosed improperly or by someone who is not authorized to do so.

If anyone has a concern on SPRC's proper handling of your personal data, you can raise it to [DataPrivacy@sprc.co.th](mailto:DataPrivacy@sprc.co.th).

## VIII. ANTITRUST/COMPETITION LAWS

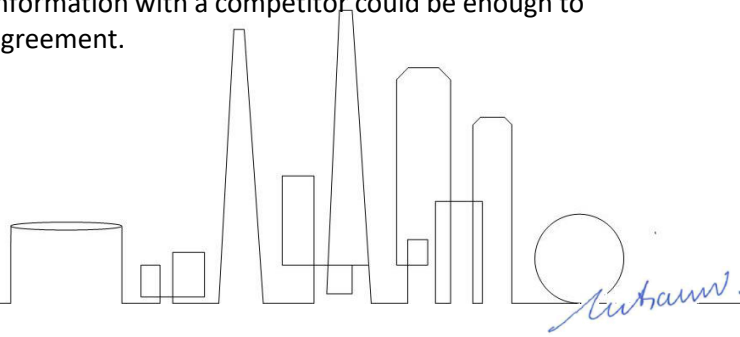
*SPRC supports free and fair market competition system.*

The statutory basis of antitrust law in Thailand is the Trade Competition Act B.E. 2560 (as amended). It is also known internationally as antitrust law, competition law or anti-monopoly law. The common purpose is to:

- prevent and restrain monopolistic conducts, unreasonable restraint of trade and unfair trade practices,
- promote free and fair market competition, and
- safeguard the interests of consumers in general.

SPRC and its Personnel must comply with the Trade Competition Act and applicable antitrust/competition laws of other jurisdictions. SPRC will comply with applicable laws when we have any contact with our competitors. Antitrust/competition laws prohibit any agreement with competitors that might "restrain trade". Examples of activities which violate of those laws are agreements by competitors to: fix prices or terms of sale; allocate customers, territories or markets; allocate or limit production, refining or sales; boycott suppliers or customers to prevent them from competing; and the exchange of current or prospective pricing-related information.

A formal agreement with a competitor is not a prerequisite to proving the existence of an illegal arrangement. A general discussion or exchanging any information with a competitor could be enough to give rise a concern or show the existence of an illegal agreement.



Legitimate trade association activities involving competitors are not prohibited. However, membership in trade associations or participating in its activity must be approved by your supervisor or manager.

The consequences of violating antitrust/competition laws can be extremely serious for SPRC and its personnel. Violation can lead to fines and imprisonment for the individuals involved and to heavier fines for the company. In addition to criminal prosecution, SPRC may be subject to very costly civil suits as well.

Whenever Personnel has any doubt as to whether an action we are considering raises issues under these laws, Personnel should seek advice from Corporate Legal Counsel.

## **IX. GOVERNMENT AFFAIRS AND POLITICAL INVOLVEMENT**

*SPRC operates its business with transparency and the highest ethical standards.*

SPRC seeks to be a responsible citizen in the community in which it carries on business and to be a working, sharing partner in community life. SPRC is proud that it has been able to adapt successfully to Rayong community in which it operates without sacrificing its high moral, ethical and business principles. For example, SPRC does not permit or condone the making of illegal payments or bribes to any government official nor does it engage in any political activity contrary to the laws of Thailand or of the United States. At the end of each year, the Management is required to execute detailed certifications attesting to their, as well as SPRC's, compliance with the Standards of Business Conduct and, in particular, those relating to anti-corrupt practices.

### **Engaging in Lobbying Activities**

Lobbying is an activity aimed at influencing public policy decisions by providing verbal or written information to officials and their staff. Lobbying activities include both direct communication with government officials and providing support to any person who engages in such communication. Prior to engaging in lobbying activities, any SPRC's Personnel must obtain guidance from their supervisor or manager.

### **Providing Gifts to Government Officials**

Under certain circumstances, SPRC may provide gifts to government officials. Such gifts must always be in strict compliance with the laws of Thailand, SPRC's Business Conduct Policy, SPRC's Anti-Corruption Policy and the Foreign Corrupt Practices Act of the United States.

Laws regulating "gifts" typically define that term as anything of value, including meals, gift vouchers, travel expenses, event tickets or honoraria, etc. Any payment made to a third party for or on behalf of a government officials, such as a payment to a hotel for a hotel room used by a government official, is also considered as a gift to the government official. Certain gifts may be prohibited by law, create reporting obligations or create conflicts of interest.

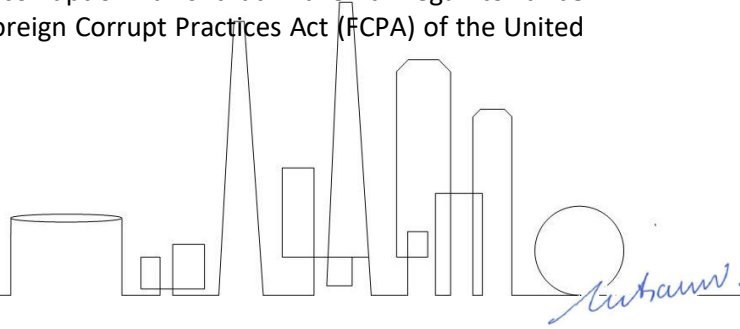
SPRC's Personnel shall comply with the SPRC's Anti-Corruption Policy and must seek guidance and pre-approval from the Corporate Compliance Officer before committing to provide any gifts to government officials. In addition, the gift or payment regarding charitable contribution or donation must also be endorsed by Manager Corporate Affairs.

### **Bribery is always Prohibited**

Bribery of government official in any country is strictly prohibited under SPRC policy, even if the refusal to make such payment would result in the company losing a business opportunity.

Almost every country prohibits the bribery of its own officials. In Thailand, the relevant laws are including but not limited to the Criminal Code and the Organic Act on Anti-Corruption B.E. 2561 (as amended).

In addition, many countries have anti-bribery/anti-corruption laws that make it illegal to bribe government officials of other countries, such as the Foreign Corrupt Practices Act (FCPA) of the United States.





The FCPA is a United States law that prohibits U.S. citizens and U.S. entities from bribing or corruptly promising to pay or give or actually paying or giving money or anything of value to a foreign government official for the purposes of gaining influence over the official's acts or decisions, inducing the official to act contrary to lawful duty, or inducing the official to exercise influence over a government so as to affect its acts or decisions in order to assist the payer to obtain or retain business. The FCPA also requires the maintenance of accurate books and records and a system of internal controls sufficient to, among other things, provide reasonable assurances that transactions are executed, and assets are accessed and accounted for in accordance with management's authorization.

The FCPA is applicable worldwide and extends specifically to publicly traded companies and their personnel, including officers, directors, employees, shareholders, and agents. Agents can include third party agents, consultants, distributors, joint-venture partners, and others. Since SPRC's ultimate major shareholder and certain of its directors and/or Management, as the case may be, are U.S. citizens, SPRC is subject to follow and be in compliance with the FCPA.

Some payments may be permissible as considered according to SPRC's Anti-Corruption Policy, relevant Thai laws and FCPA. If they are made, they must be properly reflected in the company's books. In any case, no such payment should ever be made without prior approval from the Corporate Compliance Officer or the Chief Executive Officer as necessary.

Payments or promises to pay to any person, the payer knowing that all or part of same will be offered or given to one of the recipients as above described, and for a prohibited purpose, are likewise illegal. Such person may be investigated or accused of corruption in which case it may be grounds for disciplinary action, including termination of employment.

The violations of the Organic Act on Anti-Corruption and the FCPA are serious and can result in both criminal penalty and civil enforcement actions against entities and their personnel for violations. Under no circumstance will SPRC reimburse any Personnel for any financial penalty imposed due to violations of the Organic Act on Anti-Corruption and/or the FCPA.

SPRC Personnel are expected to promptly report any suspected or potential violation of this Policy, the SPRC Anti-Corruption Policy or other related laws to their supervisor, manager, the Corporate Compliance Officer or other whistle-blowing channels. All such reports will be kept anonymous.

### **Making Political Contributions**

Corporate contributions whether monetary or nonmonetary (such as allowing an employee to work on a campaign during working time) for political elections are restricted by Thai and US laws under most circumstances and should not be made. Quite obviously, SPRC and its Personnel must scrupulously adhere to the letter and spirit of these laws.

### **Engaging in Political Activities on Our Own**

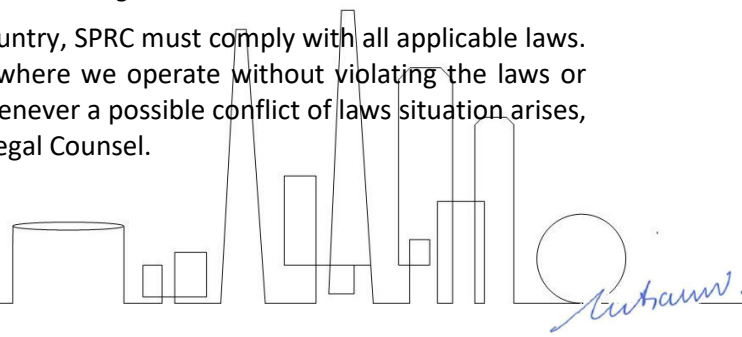
Whether SPRC's Personnel make or do not make political contributions is a personal matter, having no bearing on the employee's employment relationship with SPRC. Employee participation in political campaigns is viewed in the same light; however, such participation during working hours or when using company resources (such as email, phone and meeting rooms) or even when wearing the clothes with SPRC's logo may be considered a prohibited "in kind" contribution by SPRC. Generally, such participation is inappropriate and shall never be undertaken without prior the management's approval, based upon advice from Corporate Compliance Officer.

Under no circumstance will SPRC reimburse any employee for making a personal political contribution.

## **X. MULTINATIONAL OPERATIONS**

*SPRC respects and complies with all applicable laws and regulations.*

When business transactions involve more than one country, SPRC must comply with all applicable laws. SPRC shall follow the laws and customs of Thailand where we operate without violating the laws or customs of another country where it is applicable. Whenever a possible conflict of laws situation arises, we should always seek guidance from our Corporate Legal Counsel.





Thai laws restrict or otherwise require licensing for the export or import of certain goods and services to other countries and to certain parties. In addition, the Thai Government may adopt the United Nation's sanctions or impose various kinds of trade sanctions or embargoes against other countries or persons.

The scope of trade sanctions or trade embargoes may vary widely from country to country. They may range from specific prohibitions on trade in a specific commodity to a total prohibition of all commercial transactions. Due to the complexities of these international trade laws, Personnel must seek guidance from Corporate Compliance Officer before exporting or importing goods or services or engaging in transactions that might be affected by trade sanctions.

SPRC will periodically issue a sanctioned country list to assure awareness and compliance with these complex laws and regulations. All employees, and particularly those involved in transnational trading activities, are expected to know and follow these instructions and to understand their individual and SPRC's obligations, as well as all applicable foreign laws and regulations of which they are clearly advised by management. In cases of doubt, the advice of the Corporate Compliance Officer or Corporate Legal Counsel should be obtained.

### **U.S. Antiboycott Laws**

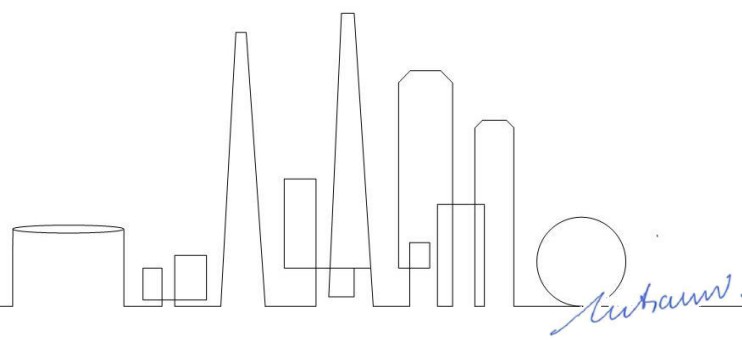
Certain U.S. laws govern international operations of U.S. companies, its affiliates and U.S. persons. The U.S. antiboycott laws prohibit their people and businesses from participating in or cooperating with its trade embargoes or sanctions, and put penalty on U.S. companies, if they or their subsidiaries or affiliates participate or cooperate with international boycotts not supported by the United States.

The consequences of violating the U.S. antiboycott laws can be extremely serious. Companies subject to United States law which engage in activities prohibited for boycott-related reasons subject themselves or their parent companies to severe civil and criminal penalties, including loss of export privileges, and fines or punitive damages for willful violations. Additionally, certain individuals are subject to a jail sentence for each conviction. Further, pursuant to U.S. tax legislation, non-U.S. entities which held shares by U.S. entities, such as SPRC, that participate in or cooperate with an international boycott can subject their parent companies to severe tax-related penalties in the form of loss of certain tax benefits, including the foreign tax credit and deferral of certain income of foreign subsidiaries.

In certain circumstances, what might otherwise appear to be routine business activities are proscribed by the U.S. antiboycott laws for example, the furnishing of a certification that goods were not produced in a particular country or by a blacklisted person prohibited under the U.S. antiboycott laws is required.

The U.S. laws also impose extensive reporting obligations relating to the receipt of boycott requests by certain foreign affiliates of U.S. companies, including SPRC. Any personnel receiving a request of this sort should inform Corporate Compliance Officer immediately.

All employees engaged in activities relating to present or potential operations in boycotting or boycotted countries should be familiar with the foregoing. Because of the complexity of the antiboycott laws, the severity of their penalties and the sensitivity of boycott matters, it is crucial that employees obtain prompt advice from the Corporate Legal Counsel when questions arise so that SPRC's position can be immediately and fully evaluated, in a timely way, before any action is taken.



## Attachment 6: Report of the Audit Committee Internal Control Assessment

### AUDIT COMMITTEE REPORT

To the Shareholders,

This Audit Committee report provides a summary of the duties under the Audit Committee Charter for the year ended 31 December 2021.

Appointed by the Board of Directors, the Audit Committee comprises 4 independent directors as follows:

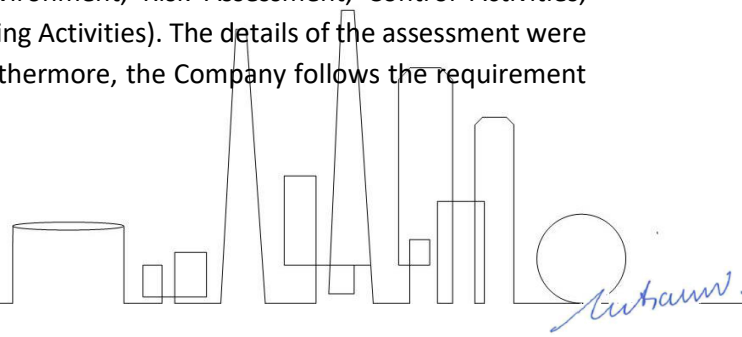
- Ms. Kamonwan Wipulakorn (Chairperson of the Audit Committee)
- Mr. Pliu Mangkornkanok
- Mr. Robert Stair Guthrie
- Mr. Verapong Chaiperm

Mr. Verapong Chaiperm was elected by the 2021 Annual General Meeting of Shareholders as an independent director to replace the vacancy and he was appointed by the Board of Directors Meeting No. 1A/2021 to be a member of the Audit Committee, with effective on 10 April 2021.

All 4 Audit Committee members are the Company's independent directors, who are qualified and meet the requirements of the securities and exchange laws, the notification of the Capital market Supervisory Board and the notifications, regulations and rules of the Stock Exchange of Thailand (SET). The Audit Committee members have extensive knowledge and experience to perform the Audit Committee's roles and responsibilities as provided in the Audit Committee Charter and assigned by the Board of Directors. In addition, at least one audit committee member possesses sufficient knowledge and experience in accounting to be able to inspect the credibility of the Company's financial statements.

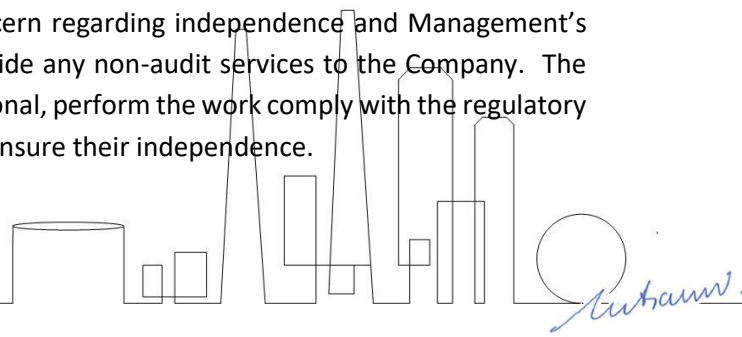
In 2021, the Audit Committee held 4 electronic meetings with full attendance by the members. The Audit Committee performed activities according to its duties and responsibilities identified in the Audit Committee Charter, which can be summarized as follows:

10. **Review Company's Financial Reports:** The Audit Committee performed the review of quarterly and year ended 2021 financial statements and discussed with the Chief Financial Officer and the external auditor (PriceWaterhouseCooper). The review included the accounting policies and practices, key audit matters and compliance with Thai Financial Reporting Standards and requirement of the Securities and Exchange Commission, Thailand (SEC). The external auditor presented their independent and opinion of the financial statements. The Audit Committee was satisfied that the Financial Report of year ended 2021 was fair, balanced and understandable. The Audit Committee recommended the Audited Financial Reports for the year ended 31 December 2021 be endorsed by the Board of Directors for further approval at the Annual General Meeting of Shareholders.
11. **Review the Company's Internal Control System:** The Audit Committee reviewed and endorsed the result of the assessment on the sufficiency of internal control performed by management and internal auditor. The assessment based on the COSO's framework with 17 principles, categorized into 5 components (Control Environment, Risk Assessment, Control Activities, Information and communication, and Monitoring Activities). The details of the assessment were described in the Internal Control Section. Furthermore, the Company follows the requirement



of the U.S. Sarbanes-Oxley Act 2020, Section 404 Management Assessment of Internal Control. The Audit Committee satisfied with the Company's adequacy of Internal Controls process.

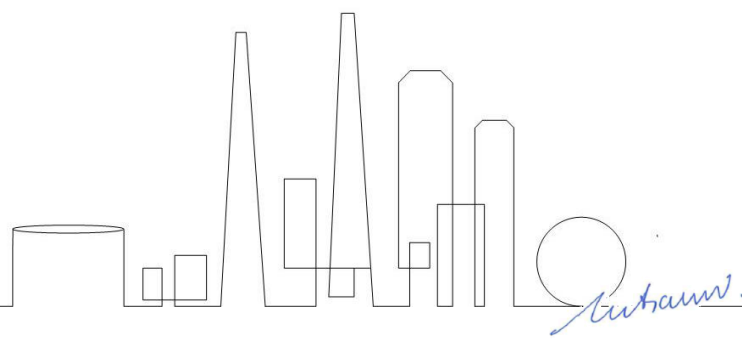
12. **Review the Company's Risk Management:** SPRC has established the Risk Management Committee to regular review and monitor company's risks. The Audit Committee met with the management and reviewed the annual risk assessment, monitor of mitigation actions on a quarterly basis. The Audit Committee was satisfied and found the risk management process is effective and the mitigated action plans were taken.
13. **Review the Company's Corporate Governance:** The Board of Directors has established Company Business Conduct Policy. The Corporate Compliance Office (CCO) had been appointed by the Board of Directors to responsible for developing and promoting Business Conduct to ensure all staff were aware, understand and strictly adhere to the Business Conduct Policy. The CCO reported the compliance program to the Audit Committee on quarterly basis. The report included compliance activities and transactions on the Anti-Corruption Policy and U.S. Foreign Corrupt Practice Act (FCPA). The Audit Committee, via AuditCommittee@sprc.co.th, is one of the whistle-blowing channels for anyone who discovers or suspects violation or potential violations to Business Conduct Policy. The Audit Committee reviewed and noted the company has sufficient process for good corporate governance, comply with applicable law and regulation, comply with Business Conduct Policy and Anti-Corruption Policy.
14. **Review of Company's Related Party Transactions (RPT):** The Audit Committee consider related party transactions with likely conflict of interest and ensure that they are in accordance with the laws and regulations of the SET. The Company's Related Party Transaction mainly are the purchase of crude and feedstock, product sales and technical service transactions with Chevron. The Internal Audit has examined the Related Party Transaction and report to the Audit Committee on quarterly basis. The Audit Committee has acknowledged that the Related Party Transactions were entered into the ordinary and usual course of business. They were made under normal commercial terms on an arm's length basis and in the best interest of the Company. The Related Party Transactions were executed and complied with the terms and conditions in the agreement. The details were described in the Related Party Transactions section pf this annual report.
15. **Review of Internal Audit Functions:** The Audit Committee has reviewed Internal Audit Charter annually to ensure the roles and responsibilities of internal audit functions are appropriate. In addition, the Audit Committee has annually reviewed and approved the annual audit plan and audit's Key Performance Indicators (KPI). The Internal Auditor reported and discussed the audit finding, audit's KPI and the follow up on Management's actions of the recommendations to the Audit Committee on quarterly basis. The Audit Committee has evaluated and satisfied that the internal audit functions were performed independently, effectively and follow Standards of the Institute of Internal Auditor.
16. **Review of Company's External Auditor:** The Audit Committee has discussed and reviewed the financial statements provided by PriceWaterhouse Coopers ABAS Ltd (PwC). PwC reported on the scope and result of financial statements for the interim quarterly and year ended 31 December 2021. On quarterly, the Audit Committee held private meeting with the Internal Auditor and PwC to discuss any areas of concern regarding independence and Management's interaction. In year 2021, PwC does not provide any non-audit services to the Company. The Audit Committee satisfied with PwC's professional, perform the work comply with the regulatory requirements and best practices designed to ensure their independence.



17. **Appointment of the External Auditor and Remuneration of year 2021:** The Audit Committee has considered the objectivity, qualifications, skill, performance and independence of PwC. The Audit Committee is satisfied and proposed to re-appoint of PwC and the remuneration fee for the Board's concurrence and the shareholder's approval at the 2021 AGM. The 2021 Annual General Meeting of Shareholder has approved PwC to be the company's external auditor.
18. **Audit Committee Self- Assessment:** The Audit Committee completed a self-assessment annually in the areas of a) committee structure and qualification, b) committee meeting, c) roles and responsibilities on financial report, internal control, risk management, governance, internal and external audit functions. The self-assessment result of year 2021 validated the committee's effectiveness in fulfilling the Audit Committee Charter as delegated by the Board of Directors, applicable to legal and regulatory requirements and in accordance with good corporate governance codes.

As a result of their works during the year 2021, the Audit Committee has completed their roles and responsibilities according to the Audit Committee Charter with skill, competent and due professional care. The Audit Committee opined that the company has operated business with good corporate governance, sufficiency internal control system, effective risk management system, and complied with laws and regulations to meet company's objectives.

On behalf of the Audit Committee  
Ms. Kamonwan Wipulakorn  
(Chairperson of the Audit Committee)



## 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 COSO<sup>1</sup> (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.

<sup>1</sup> 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)

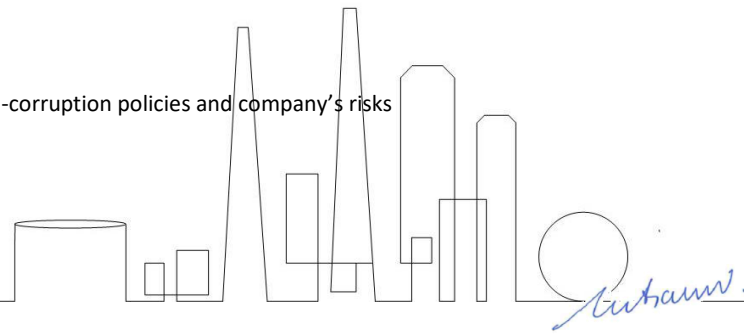


## Control Environment

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

Question	Yes	No
<p>1.1 Board of Directors and management set business direction which are based on principle of good ethics in carrying out operations, which cover:</p> <p>1.1.1 Execution of day-to-day responsibilities and decision-making of various tasks</p> <p>1.1.2 Interaction with partners, customers, and external parties</p> <p>The Board of Directors has established and approved the Business Conduct as the guideline on how to conduct our business, providing guidelines for the operation of SPRC's business, recognizing the importance of honest, fair, and transparent business operations, as well as ensuring operations are in compliance with all applicable laws, rules, and regulations.</p>	✓	
<p>1.2 Statements that are clearly written out for management and employees to carry out and comply with ethics that cover:</p> <p>1.2.1 A suitable code of conduct for management and employees.</p> <p>The Board of Directors, Management and all staff are required to comply with the Business Conduct Policy at all times.</p> <p>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 organization<sup>2</sup></p> <p>The Company's Business Conduct has as entire section dedicated to Conflict of Interest. This includes (1) avoiding accepting or giving gifts, fees, favors or other advantage. (2) setting framework for entering into Related Party Transactions and (3) Prohibiting insider trading.</p> <p>1.2.3 Suitable penalties in place if violate above procedures</p> <p>Failure to comply could result in disciplinary actions as further described in the Staff Manual</p> <p>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.</p> <p>All new staff are trained on the Business Conduct Policy when they start working at the Company. All employees are required to read and acknowledge the Business Conduct Policy. The Business Conduct was communicated to 3rd parties as refer to term and condition of contract template.</p>	✓	

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

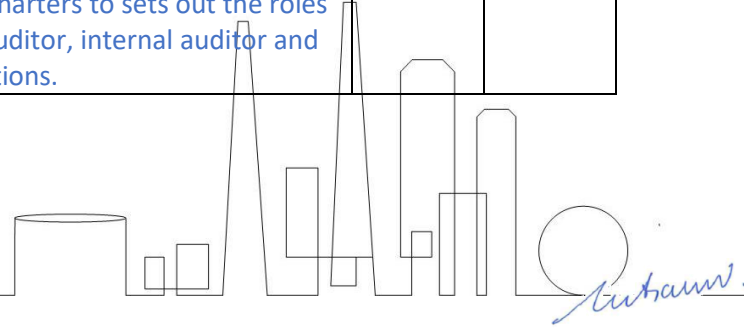


## 56-1 One Report 2021

Question	Yes	No
<p>1.3 Processes in place to monitor and assess compliance with Code of Conduct:</p> <p>1.3.1 Monitoring and assessment by internal audit unit or compliance unit</p> <p>The Board of Directors appoints the Corporate Compliance Officer to have primary oversight responsibility to ensure the Company operates the business in accordance with guidelines and policies provided in the Business Conduct Policy.</p> <p>Internal auditor assesses the compliance with Business Conduct Policy on regular basis.</p> <p>1.3.2 Self-assessment of management and employees</p> <p>1.3.3 Assessment by independent external experts</p> <p>PwC ensure Company has Business Conduct Policy and randomly assess staff's awareness and know the channel to report of non-compliance issue.</p>	✓	
<p>1.4 Timely response if non-compliance in relation to honesty and ethics is observed</p> <p>1.4.1 Processes in place detect violations within a suitable time period</p> <p>1.4.2 Processes in place that create ability to penalize or deal with violations in a suitable manner and on a timely basis</p> <p>1.4.3 Corrective response in place for actions that conflict with honesty and ethics</p> <p>The Company has process in place to detect non-compliance in the timely manner. Failure to do so may result in disciplinary action, up to and including termination. Likewise, any supervisor or manager who does not properly report and correct a known violation will be subject to similar consequences. If conduct of Personnel is contrary to the principles in the Standard of Business Conduct, or violates applicable laws, the Company will take all reasonable steps to respond appropriately and to prevent similar conduct from re-occurring.</p>	✓	

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

Question	Yes	No
<p>2.1 Clearly distinguish roles and responsibilities of Board of Directors versus management by clearly specifying reserved matters for Board of Directors</p> <p>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 Management.</p>	✓	
<p>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</p> <p>The Board of Directors reviews and approves the business plan, which includes the Company's goals (KRA and KPI) on yearly basis.</p>	✓	
<p>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.</p> <p>The Board of Directors has established the relevant charters to sets out the roles and responsibilities of the Board, audit committee, auditor, internal auditor and CFO in compliance with the relevant laws and regulations.</p>	✓	

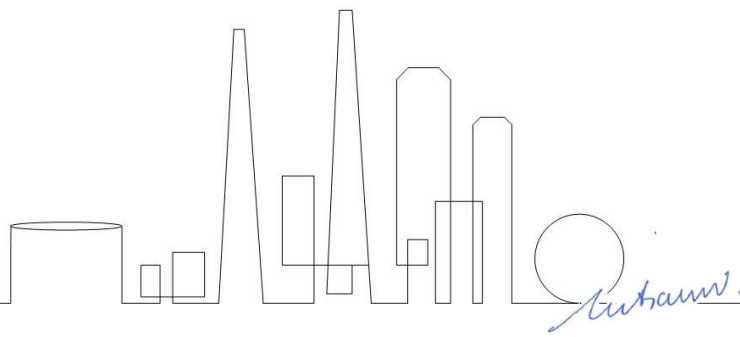




Question	Yes	No
<p>2.4 Board of Directors are knowledgeable of the business and have expertise that can benefit the company or are able to ask for recommendations from experts in the related field.</p> <p>The Company's Board of Directors consists of directors who have knowledge ability, and experience in a variety of fields; can leverage their experience, knowledge, and ability to effectively develop and determine the direction, policy, and strategy of the Company with honesty, transparency, and care for the best interest of the Company.</p>	✓	
<p>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.</p> <p>In year 2021, the Company has four independent directors who are qualified to be an independent director pursuant to the definition specified by the Stock Exchange of Thailand (SET) and the Company. They are knowledgeable, capable, trustworthy, and are independent with regards to carrying out their duties. None of them have business relationship with the company.</p>	✓	
<p>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.</p> <p>The Board of Directors delegates the authority, duties and responsibilities to the Audit Committee to ensure that the Company implements internal controls appropriately and effectively.</p>	✓	

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

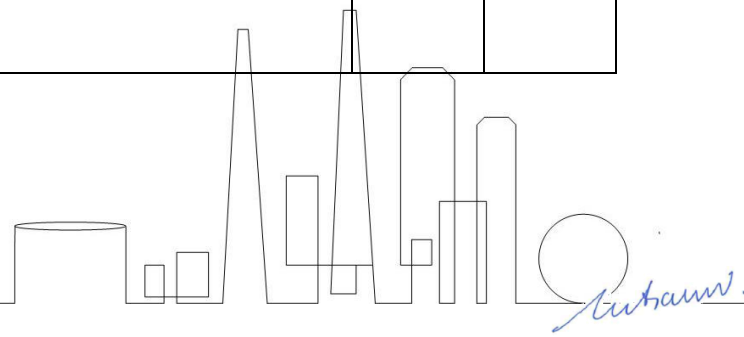
Question	Yes	No
<p>3.1 Senior management determines organization structure that supports attaining objectives of the company by analyzing the suitability of both the business and regulations as well as creating control efficiently. For example, separate responsibilities for important tasks which create checks and balances, create internal inspection work that reports to Audit Committee, and create a line for reporting that is transparent</p> <p>The Chief Executive Officer (CEO) is empowered at his discretion to delegate such authority to other levels in the organization. In principle such delegation facilitate the business efficiency with effective control.</p>	✓	
<p>3.2 Senior management determines lines for reporting for the company by taking into account suitability of authority, duties, responsibilities, and communicating information.</p> <p>The Company has established the clear organizational structure and reporting lines to enable execution of authorities and responsibilities and flow of information to manage the activities of the Company.</p>	✓	



Question	Yes	No
<p>3.3 Ability to suitably determine, assign, and limit authority and responsibility between Board of Directors of the company, senior management, management, and employees.</p> <p>The Manual of Delegated Authorities (MODA) was established to determine the delegated authority and segregation of duties at the various level of the organization.</p>	✓	

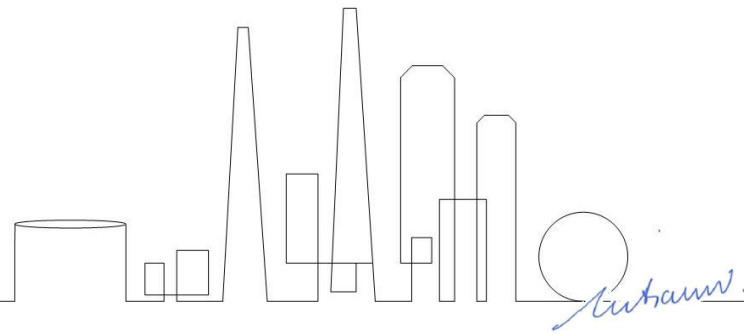
**4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives**

Question	Yes	No
<p>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.</p> <p>The Company established procedures of recruiting, developing and retaining competent employees. The Company fully encourage employees to improve their skill, knowledge and competency in both functional skills and general skills, by supporting both internal and external training.</p>	✓	
<p>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.</p> <p>The Company has in place performance evaluation mechanism called Performance Charter and Performance Appraisal (PCPA). PCPA is a process to evaluate employees on demonstrating personnel commitment to achieve SPRC Core values, personal contributions to achieving Company's Key Result Area. The performance evaluation, rewarding and penalizing were clearly communicated to individual employees.</p>	✓	
<p>4.3 The company has procedures for timely preparation of and timely reaction to a shortage of competent employees.</p> <p>On yearly basis, the Company review manpower competency and take actions to ensure no shortage of competence employees. The key position had been identified and successor had been developed career path.</p>	✓	
<p>4.4 The company has procedures for recruiting, developing and retaining all management and employees alike, such as mentoring programs, training and seminars.</p> <p>The Company established the procedures for recruiting, developing and retaining all management and employees. The Company promote development of personnel through training, first-hand experience and on the job training that matches each of the employee's needs in order to improve work efficiency and the opportunity to progress in one's career.</p>	✓	
<p>4.5 The company sets material succession plans and procedures.</p> <p>The Company established procedures to identify successors for key positions at middle and senior management level to ensure a back-up resource in case of vacancy.</p>	✓	



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

Question	Yes	No
<p>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).</p> <p>Each position has a Job Description to identify roles and responsibility. The Company has developed system procedures and work instructions of each work process to ensure that all staff responsible for internal control and process improvement.</p>	✓	
<p>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.</p> <p>The Company's KPI is yearly reviewed and set out to measure various aspects of performance. Performance is measured in relation to the achievement of objectives and engaged all employee to achieve the same goals by linkage the KPI with the Team Reward.</p>	✓	
<p>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.</p> <p>KPI had been measured various aspects of performance which related to internal control process. The performance included the process safety indicator, a number of environment incident, operational availability, process utilization, margin improvement and milestone achievement.</p>	✓	
<p>5.4 Board of Directors and management consider not creating too much pressure in implementing duties on staff.</p> <p>The Company cultivates "One Family" to continuously improve our working environment. All staff work together and support and care for each other. Happy workplace program has been developed to provide a good quality of life for all our SPRC employees.</p>	✓	



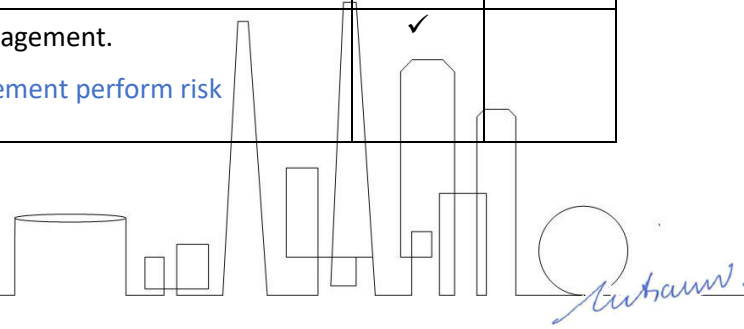
### Risk Assessment

**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. The Company prepare the Financial Statements comply with Thai Accounting standards and International Financial Reporting Standards (IFRS.) The Accounting principle selected are appropriate in the circumstances.	✓	
6.2 The company defines material financial reporting by considering important factors such as users of financial report, transaction size and trends of business. The factors on materiality of financial reporting was considered such as company's environment, users of financial report and trends affecting the business.	✓	
6.3 The company's financial reports truly reflect the operational activities of the company. The Company's financial report was prepared in accordance with applicable accounting standards. Financial reporting reflects the transactions and events on operational activities.	✓	
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. The Board of Directors approved Risk Management Policy. Management communicate risk management policy to all employees.	✓	

**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**

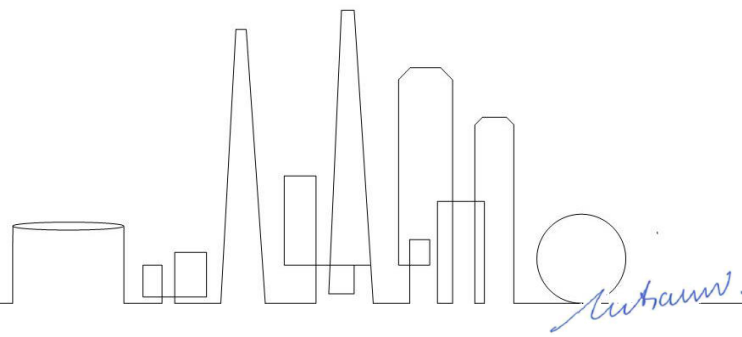
Question	Yes	No
7.1 The company identifies all types of risks which may affect the business entity, subsidiaries, divisions, operating units and functional levels. The Company identifies risks which may affect the business entity included Strategic risks, business risks, operational risks, financial risks, project risk, trading risk and compliance risks.	✓	
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. The Company conduct the strategic workshop on yearly basis to identify risks both internal and external factors which may impact to the Company.	✓	
7.3 Management of all levels are involved in risk management. On yearly basis, Leadership team and Middle Management perform risk assessment of their own area.	✓	



Question	Yes	No
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 matrix on the likelihood and Impact was considered to prioritize risks and implement actions.</i>	✓	
7.5 The company has measures and action plans to manage risks by acceptance, reduction, avoidance or sharing. <i>Following the risk assessment, the action plans had been identified to manage risk such as accepting, reducing, avoiding or sharing risk. The develop a set of actions aligned with the company's risk tolerances and risk appetite.</i>	✓	

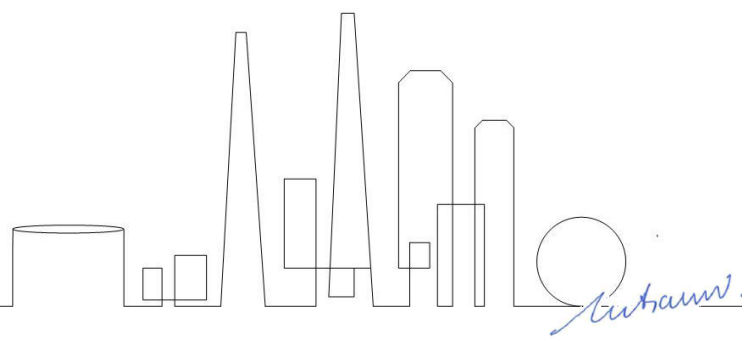
**8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.**

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>The risk assessment includes the fraud risk assessment such as the fraudulent financial reporting, management override of internal control, misappropriation of assets, and corruption.</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>The Company's Key Result Areas and Key Performance Indicators are not focused on financial figures. There are related to operational activities on safety, environment, integrity, and reliability which are reviewed to ensure the potential of achieving.</i>	✓	
8.3 The audit committee considers and inquires management of the possibility of fraud occurrences and relevant preventive and corrective measures. <i>The corruption risk including the fraudulent risk is assessed and reported to Audit Committee on yearly basis.</i>	✓	
8.4 The company communicates policies and procedures to all employees. <i>All policies and procedures were kept in EDMS (Electronic Document Management System) and in SMART program which allow all employee access to those policies and procedures.</i>	✓	



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

Question	Yes	No
<p>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.</p> <p>On yearly basis, the Company conducts the strategic workshop to assess the external factors such as regulatory change which may impact its business operations, internal controls and financial reporting.</p>	✓	
<p>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</p> <p>The risk on changing of business models are assessed to ensure that it will not impact to business operations, internal controls and financial reporting.</p>	✓	
<p>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.</p> <p>There is an assessment and preparation plan in place to avoid impact from change in leadership. SPRC maintain the process of succession plan and handover plan which will reduce the impact of changes of organizational leaders on business operations.</p>	✓	



### 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
<p>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.</p> <p><i>There is internal control on each work process to mitigate the risks.</i></p>	✓	
<p>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</p> <p><i>The Internal Control is in place of each work process. The Manual of Delegated Authorities (MODA) had been established to maintain effective internal control on the disbursement of Company funds and delegation authority for contract and procurement.</i></p> <p><i>The Contracting and Procurement Procedure (CPP) had been established to provide the role and responsibility and segregation of duties for purchasing process.</i></p> <p>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</p> <p><i>There is process in place to monitor Related Party Transactions. The Company keeps records of RPTs in SAP system. Accounting and Legal department determine whether transactions is considered RPT. Internal Audit review RPT transactions and report to AC quarterly.</i></p> <p>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)</p> <p><i>Manual of Delegation Authorities (MODA) provide the guidance and authorities on entering into Related Party Transactions.</i></p>	✓	
<p>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</p> <p><i>The Company sets the internal control system for both manual and automate controls. Automated control include User Access Review, application control (configuration setting in the system). Manual Control include supervisor review and approve the document, reconciliation process and physical check of assets.</i></p>	✓	

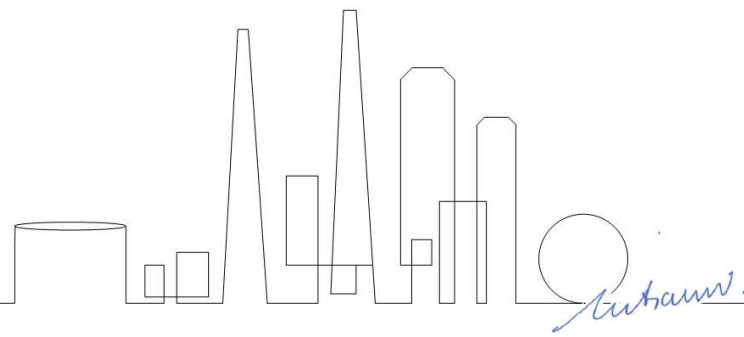




Question	Yes	No
<p>10.4 The company sets internal control systems in all levels of the organization such as group company, business unit, business section, department or process.</p> <p>Internal Control system was set in each business process. Employees were trained and understand the internal control of their own processes.</p>	✓	
<p>10.5 The company completely separates responsibility of the following three duties in order to monitor each appropriately:</p> <p>(1) duty of approval; (2) duty of recording accounting transactions and information; and (3) duty of managing property</p> <p>The Company consider and develop control activities on segregation of duties to segregated among different job functions to reduce the risk. The segregation of duties divide the responsibility for recording, authorizing and approving transactions.</p>	✓	

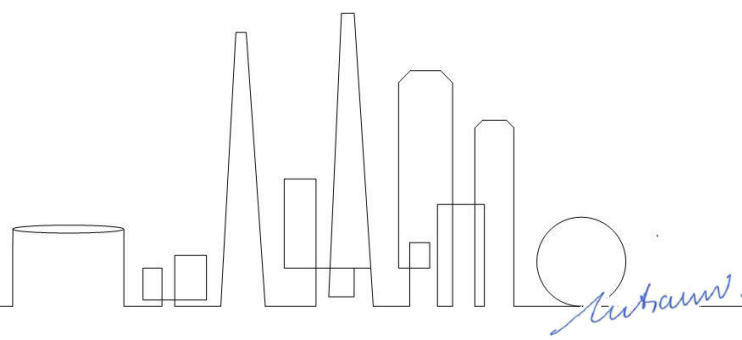
**11. The organization selects and develops general control activities over technology to support the achievement of objectives**

Question	Yes	No
<p>11.1 The company should govern the relationship between information technology for process implementation and methods for control of information technology systems</p> <p>The Company uses technology for processing. There is process in place for application control such as IT security management.</p>	✓	
<p>11.2 The company should set methods for controlling infrastructure information technology appropriately.</p> <p>There is the process in place on IT security, user policy and guideline to ensure the controls over IT infrastructures. For example, the batch scheduling for mainframe computer, mobile wireless devices.</p>	✓	
<p>11.3 The company should set methods for controlling security information technology appropriately</p> <p>The Company developed the control activities over the security information technology such as who has access to the system, protects from inappropriate access and unauthorized use of the system.</p>	✓	
<p>11.4 The company should establish information technology control activities over the procurement process, the development process and technology system maintenance process appropriately.</p> <p>The company set the control activities over the procurement process. The authority is configured according to MODA and segregation of duty for procurement process. Purchase Order need approval prior to submit to vendors. Buyer who issue Purchase Order cannot receive the materials. Accounting process for invoicing. There is the review process on User Access Review (UAR) and Segregation of duties (SOD) semi-annually.</p>	✓	



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

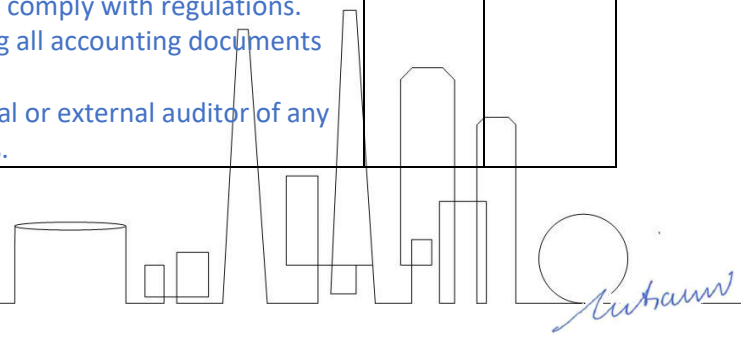
Question	Yes	No
<p>12.1 The company has a secure policy for monitoring related party transactions of major shareholders, directors, management and related persons. The transaction must be approved in accordance with stated approval procedures such as Articles of Association, the Stock Exchange of Thailand regulations, Securities Exchange Commission, etc. in order to prevent opportunities for exploiting the company for personal benefit.</p> <p>The Company follow the guideline set by SEC and SET. Manual of Delegated Authorities (MODA) set the scope and approval limit of Related Party Transaction.</p> <p>Related Party Transaction had been monitored by Internal Auditor and reported to Audit Committee on quarterly basis.</p>	✓	
<p>12.2 The company has a policy for considering approval of transactions by persons without interests in the transactions.</p> <p>The approval should be made free from any conflict of interest. In the meetings 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.</p>	✓	
<p>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.</p> <p>The Related Party Transaction are considered to strictly on a commercial arm's length basis and the best interest of SPRC. The Audit Committee will review the transaction to ensure that it is executed on the arm's length basis and for the best benefits of the Company.</p>	✓	
<p>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)</p>	N/A	
<p>12.5 The company sets roles and responsibilities for implementing policies and procedures by management and employees</p> <p>All management and employees have clear role and responsibilities to follow policies and procedures.</p>	✓	
<p>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.</p> <p>Responsible personnel perform control activities in a timely manner as defined by the procedures.</p>	✓	
<p>12.7 The company regularly reviews policies and procedures to ensure they are suitable.</p> <p>The procedures have been audited and reviewed regularly to determine the procedures and practices are continued relevance and update when necessary.</p>	✓	



### 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
<p>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.</p> <p>The Company has process in place to identify the information required and expected to support the achievement of objectives. The Operational Excellent (OE) dashboard provides the real time Operation information to management and employee.</p>	✓	
<p>13.2 The company considers costs and benefits the company will receive including the amount and accuracy of the information.</p> <p>The Company considers the benefits and the costs to obtain and manage information.</p>	✓	
<p>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.</p> <p>In proposing any matter to the Board of Directors for consideration, the management provides sufficient information with explanation to the Board for consideration.</p>	✓	
<p>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.</p> <p>The Company sends the invitation letters, the meeting agendas and meeting documents to the Board of Directors not less than 7 days prior to the meeting.</p>	✓	
<p>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.</p> <p>Upon conclusion of the meeting, the Company Secretary prepares the minutes of the meeting, containing important matters considered, resolution, as well as the opinions expressed in the meeting, proposes the draft minutes to the directors for their preliminary review, proposes the minutes in the next Board of Directors meeting for Board's approval and certification by the Chairman of the Board of Directors.</p>	✓	
<p>13.6 The company has procedures as follows:</p> <p>13.6.1 Keeping records of important documents in a group.</p> <p>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.</p> <p>Each department is responsible for keeping records to comply with regulations. The accounting department is responsible for keeping all accounting documents in orderly manner within the legal timeframe. The Company has never been informed by the internal or external auditor of any material deficiency in keeping accounting documents.</p>	✓	

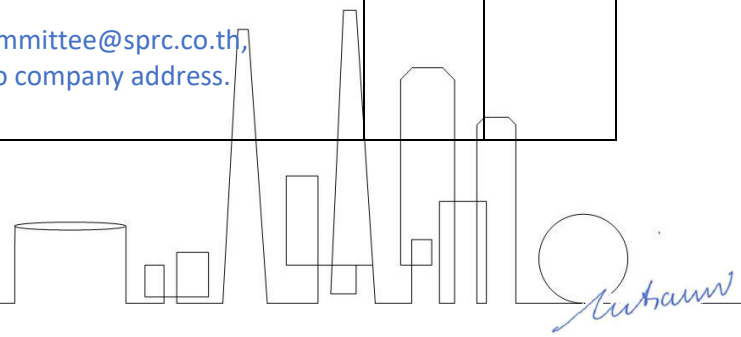


**14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.**

Question	Yes	No
<p>14.1 The company has an effective process for communicating information internally and has appropriate communication channels for supporting the internal control.</p> <p>The Company has the process in place to communicate required information internally to enable that all employees understand. The internal communications include e-mail, quarterly staff presentation, CEO's announcement.</p>	✓	
<p>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.</p> <p>The communication between the Board of Directors and Management is sufficient to enable the board of directors to understand the results on the achievement of objectives. Board of Directors can direct access to management and employees.</p>	✓	
<p>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.</p> <p>The Company has set up multiple whistle-blowing communication channels for anyone to report if they discover or suspect bribes or violation of the Anti-Corruption.</p> <p>Sending to the Board of Director by e-mail to CompanySecretary@sprc.co.th, Sending to the Audit Committee by e-mail to AuditCommittee@sprc.co.th, Sending to the CCO by e-mail to CorporateCompliance@sprc.co.th or sending letter to company address.</p>	✓	

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

Question	Yes	No
<p>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.</p> <p>The Company successfully delivered the Company's information through various channels including new releases, conference calls, quarterly presentations, Analyst meetings, SPRC's website, annual reports, Investor Relation's materials. The company also has Corporate Affairs Department to disseminate corporate information to media through press release when there is an important business activity.</p>	✓	
<p>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.</p> <p>The Company has set up multiple whistle-blowing communication channels for anyone to report if they discover or suspect bribes or violation of the Anti-Corruption.</p> <p>By E-mail to CompanySecretary@sprc.co.th, AuditCommittee@sprc.co.th, CorporateCompliance@sprc.co.th or sending letter to company address.</p>	✓	



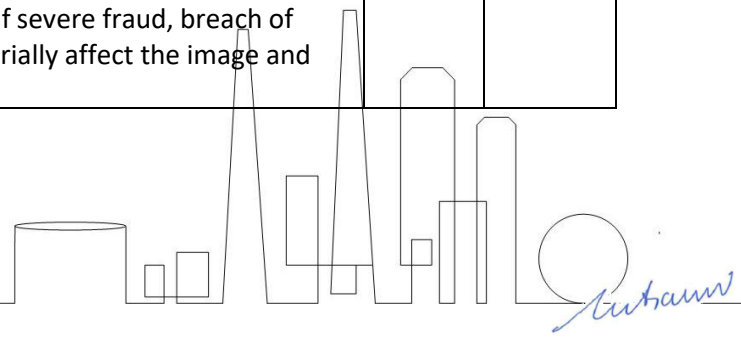
### Monitoring Activities

**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
<p>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.</p> <p>The Company monitor the compliance of business conduct and report to Audit Committee on quarterly basis.</p>	✓	
<p>16.2 The company organizes the internal control system audit by self-audit and/or independent internal auditor.</p> <p>The Company has the independent internal auditor report to Audit Committee. The internal auditor monitors internal control system.</p>	✓	
<p>16.3 The frequency of monitoring and evaluation is appropriate to the change of the Company.</p> <p>The annual audit plan was developed which 3-5 year audit cycle. The audit cover the business process and also seek on concern areas from management and Audit Committee.</p>	✓	
<p>16.4 Monitoring and evaluating the internal control system by knowledgeable and capable persons.</p> <p>The internal control system has been monitored by the internal auditor who has an experience on the internal audit functions.</p>	✓	
<p>16.5 The company has set the internal control unit to report directly to the audit committee.</p> <p>The internal audit function direct report to the Audit Committee.</p>	✓	
<p>16.6 The company encourages internal audits to be performed in accordance with International standards for the professional practice of Internal Auditing (IIA).</p> <p>The Internal audit process follow guideline on the international standards for the professional practice of Internal Auditing.</p>	✓	

**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
<p>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.</p> <p>The internal auditor evaluates and communicates the weakness of internal control to responsible parties for taking corrective actions and quarterly report to the Audit Committee.</p>	✓	
<p>17.2 The Company has reporting policies as follows:</p> <p>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.</p>	✓	



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<p>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</p> <p>17.2.3 Report the progress of the improvement on material weakness to the board of directors/audit committee.</p> <p>The management immediately report any suspicion of severe fraud, breach of laws, or unusual actions.</p> <p>Internal Auditor report any weakness and complete of corrective actions to Audit Committee on quarterly basis and/or within a reasonable timeframe.</p>		
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