

-TRANSLATION-

No. 10210/052/2566

10 October 2023

Subject: Incorporation of a Subsidiary Company (Revised)

To: The President
 The Stock Exchange of Thailand

Bangchak Corporation Public Company Limited (“BCP”) would like to inform that BCP has incorporated one new subsidiary company, in which details as follows:

Name of company : Refinery Optimization and Synergy Enterprise Company Limited) (“ROSE”)

Date of incorporation : 3 October 2023

Objectives: : To provide planning, including management services to the refinery business of BCP and Esso (Thailand) Public Company Limited (“ESSO”), in order to achieve the best efficient operation, minimize cost, and maximize profit with fairness and transparency to all stakeholders, including supply and production planning, logistics planning, price risk management, sales management and other tasks related to the oil trading business.

Furthermore, BCP and ESSO are considering the establishment of ROSE for the abovementioned objective in order to ensure that there will be clarity and transparency regarding the working team, enhancing efficiency in managing the group, and reducing the potential conflicts of interest.

Registered capital : THB 1,000,000
 divided into 100,000 ordinary shares, with a par value of THB 10 per share.

Shareholding structure :

No.	Shareholder	Number of shares	Percentage (%)
1.	Bangchak Corporation Public Company Limited	50,000	50.00
2.	Esso (Thailand) Public Company Limited (which is a direct subsidiary company as BCP holds 65.99 percent of the total shares)	50,000	50.00

resulting in that ROSE becoming BCP’s subsidiary. The above shareholding structure is for the best benefit of both shareholders, and will not cause conflicts of business interests in the future.

Source of Fund : Working capital of BCP

Directors of company : The Board of Directors of ROSE consists of representatives from BCP and ESSO together with an independent chairman who is not affiliated with BCP and ESSO. The details are as follows:

1. Mr. Bowon Vongsinudom (Chairman, Independent Director)
2. Mr. Thamarat Paryoonsuk (Director representing BCP)
3. Miss Kittima Wongsaeen (Director representing BCP)
4. Mr. Anuwat Rungruangrattanagul (Director representing ESSO)
5. Mr. Warakorn Kosolpisitkul (Director representing ESSO)

The Board of Directors of ROSE is responsible for overseeing the overall operations of the management, who is responsible for conducting analysis based on world market data and processing it for BCP and ESSO to carry out production planning for the best benefit, and informing the said planning to BCP and ESSO in carrying out production according to the said planning according to the ROSE's recommendations.

Operation details and nature of business : ■ ROSE will be responsible for providing Shared Service for the related planning activities and providing recommendations regarding BCP and ESSO oil refinery business. The main scope of services is as follows:

1. To plan refining using Single Linear Programming (Single LP) to optimize the refineries of BCP and ESSO.
2. The results from making the Single LP will be used in the selection and procurement of crude oil, raw materials, and other products, including related transportation planning.
3. Production planning for each refinery will be carried out by the management of each refinery.
4. Synergy Benefits arising from the Single LP will be divided between BCP and ESSO in a fair and transparent manner.
5. To provide advice to BCP and ESSO in managing oil price risk (Hedging) according to the market situation.

- Revenues and Expenses schemes** :
- ROSE Revenues: revenues from service fees in the terms of Cost + Margin.
 - Expenses: employee expenses
 - ROSE's Key Performance Indicators (KPIs) will be determined by evaluating the actual Synergy Benefit, with the pro forma accounting, which reflects the operating results of both companies.
- Mechanism for potential conflicts of interests prevention**
- Although ROSE provides recommendations to both companies, decisions related to each company's normal business will be at the discretion of the management of each company. Generally, each company shall conduct its activities in accordance with ROSE's recommendation. However, in some circumstances, it is unlikely, that each company will not follow ROSE's recommendation due to uncontrollable factors e.g., crude and fuel product price fluctuation in the global market, and the readiness of production unit in the refinery at that time. In such circumstances, the management of each company will provide feedback to ROSE as the database for an adjustment to the future recommendation.
 - For ROSE's Board of directors, representative directors from BCP and ESSO shall be equal.
 - ESSO's representative directors shall be senior managements in the refinery and marketing business, or equivalent, as deemed appropriate by ESSO's Board of Directors in order to ensure that the representative directors can oversee the sharing of Synergy Benefits that occur between BCP and ESSO in a fair and transparent manner.
 - Any changes in the structure of ROSE's directors shall require ROSE's shareholder approval (comprising BCP and ESSO). The directors of each BCP and ESSO must provide their opinion for its proxy to cast a vote in such matter. As for ESSO, ESSO Directors who are representatives of BCP are considered as having a special interest. Thus, at ESSO Board of Directors meeting considering such matters, such ESSO Directors who are representatives of BCP shall not attend the Board of Directors meeting and shall not vote when the Board of Directors meeting is discussing and casting vote in such agenda item.

- In nominating a director candidate for election at the expiry of the director's term or to fill vacancies, including vacancies created as a result of resignation, and/or other matters, which Nominated BCP Directors and Nominated ESSO Directors are required to obtain prior endorsement from BCP's or ETL's Board of Directors (as the case may be), Esso Directors who are representatives of BCP are considered as having a special interest. Thus, at the ESSO Board of Directors meeting considering such matters, such ESSO Directors who are representatives of BCP shall not attend the Board of Directors meeting and shall not vote when the Board of Directors meeting is discussing and casting vote in such agenda item.

This transaction is not a connected transaction, and the transaction size does not require any disclosures under regulations on the acquisition and disposition of assets of the listed companies.

Please be informed accordingly.

Sincerely yours,

-Signature-

(Miss Wannasiri Trongtrakulwong)

Acting Executive Vice President,

Corporate Compliance and Company Secretary