



Having perused The Bangkok Petroleum Plc's Corporate Governance Policy, I understand and accept this policy. I am prepared to apply this policy, as well as its principles and code of conduct, as my business guideline, to be observed strictly and completely.

Sign _____

Date _____





Message from the Chairman

The Bangchak Petroleum Plc has instituted its corporate governance policy in writing since 2003 as a result from a workshop engaging all employees where everyone played a part in contributing ideas for the Company's practical guidelines. To date, the Company has focused on cultivating an understanding of good corporate governance as well as awareness of how to apply such principles in their daily life. This has turned into a company culture in line with our "To be virtuous, knowledgeable, and contributive to society".

To further develop our corporate governance practices, the Board agreed to review and update the policy annually. In 2015 the 12th review took place on the subject of the quorum of the Board for voting in Section 3 (The board of Directors), the increase in remuneration for executives in Section 5 (the Executives), and giving more to employees in accordance with the Company's short- and long-term operation results in Section 9 (Guidelines for Directors, Executives, and Employees).

Committed to running its business under the "Working towards sustainable business development in harmony with the environment and society" approach, the Board fervently hopes that all of us will remain committed to this resolution while observing our corporate governance guidelines for sustainable growth.

(Signed) *Pichai Chunhavajira*
(Mr. Pichai Chunhavajira)
Chairman, Board of Directors





Message from the President on Anti-Corruption

Bangchak Petroleum Plc. takes corporate governance seriously, since efficient, transparent, and accountable management will foster confidence and reliability among stakeholders, as well as Bangchak's sustainable growth. It is aware that for business to experience sustainable growth, society must be free of fraud, a major problem and obstacle to development. Corruption not only undermines business competitiveness, but also inflicts damage on society and the country as a whole.

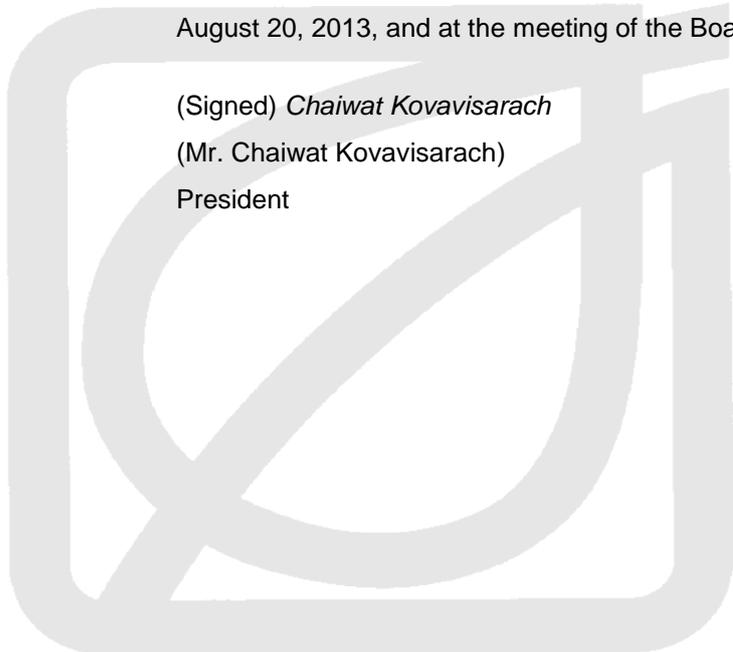
Bangchak is therefore committed to eliminating corruption. On November 9, 2010, it announced cooperation with the private sector with the common intention at "The National Meeting on Thailand's Private Sector Collective Action Coalition against Corruption" and become one of the first 22 companies to gain membership certification for CAC (Thai Private Sector Collective Action Coalition against Corruption) on October 4, 2012.

Moreover, it has defined business ethics against corruption in every form and integrated the ethics in the corporate governance policy. Every year, it has also waged a campaign to stress anti-corruption within the company through the CG Day activities. At the same time, Bangchak has integrated the anti-corruption policy into its corporate governance policy under Section 2 to reiterate its intention to operate business by abiding by the law and regulations relevant to corporate governance, refusing all forms of fraud and covering all businesses in all applicable countries and agencies. It has defined anti-corruption measures to implement the policy and has regularly reviewed them to comply with changes in laws and business circumstances and uphold Bangchak's reputation by ensuring that directors, executives, and employees implement them.

The policy applies to all Bangchak directors, executives, and employees and its subsidiaries. The relevant implementing measures apply to all affiliates and other companies that the company has control over, as well as its business agents. The Company also organized annual business partner seminar, educating them and supporting their moves to join CAC.

The policy was approved at the meeting of the Corporate Governance Committee No. 3/2556 on August 20, 2013, and at the meeting of the Board No. 9/2556 on August 27, 2013.

(Signed) *Chaiwat Kovavisarach*
(Mr. Chaiwat Kovavisarach)
President





Company Information

The Bangchak Petroleum Public Company Limited

The Company was established in 1984 following the Cabinet's resolution as a company "responsible for energy security and contribution to the well-being of Thai society". Since then, it has continued to adhere to these same principles in business operations. Bangchak's vision, mission, business culture, and employee culture all reflect its commitment to operating business responsibly for all stakeholders.

Vision

"Greenergy Excellence"

Creating an energy business that is environmentally friendly for sustainable development

Value Statement

B – Beyond Expectation

C – Continuing Development

P – Pursuing Sustainability

Mission

Stakeholder

Shareholders / business partners /
customers / creditors

Society / Community / Environment

Employees

Mission

Conduct business to steadily grow its
returns in a fair manner

Promote a business culture that is
responsible to the environment and society

Grow employees into professionals

Business Culture

Sustainable Business Development in Harmony with the Environment and Society

Employee Culture

To be virtuous, knowledgeable, and contributive to society





ARTEVE

The 6 basics of Corporate Governance

Accountability

Responsibility

Transparency

Equitable Treatment

Vision to Create Long Term Value

Ethics





Corporate Governance Policy

The Bangchak Petroleum Public Company Limited

Good Corporate Governance (CG) is a set of structures and processes of the relationships between a company's board of directors, its management and its shareholders to boost the company's competitiveness, growth and long-term shareholder value, taking into account the interests of other company stakeholders.

Committed to managing the business under good corporate governance, the Board of Directors of Bangchak Petroleum Plc has defined a policy, a management mechanism, and an oversight process to ensure efficient operation to achieve the objectives and goals on a business approach based on transparency, responsibility to all stakeholders, and social responsibility for the good of all. These are presented in 11 sections.

- Section 1 : Business Ethics
- Section 2 : Anti-corruption
- Section 3 : The Board of Directors
- Section 4 : The Sub-committees
- Section 5 : The Management
- Section 6 : Risk Management System, Internal Control, and Internal Audit
- Section 7 : The Rights and Equitability of Shareholders and the Company's roles toward stakeholders
- Section 8 : Disclosure of Information and Transparency
- Section 9 : Guidelines for Directors, Executives, and Employees
- Section 10 : Procurement Ethics
- Section 11 : Safety, Health, Environment, and Energy



Section 1: Business Ethics

Bangchak will conduct business by adhering to morality, ethics, transparency, and responsibility for all stakeholders.

Guidelines

1. Transparency and disclosure of information

Management, financial records and financial reports are properly handled to comply with laws and regulations and meet international standards. Accurate, clear and timely information is so as to ensure confidence of investors, shareholders and related lenders.

2. Equitable treatment of stakeholders

Commitment to equal treatment of all stakeholders: shareholders, customers, partners, lenders, employees and society. In addition, the Company is committed to equitable treatment of major and minor shareholders.

3. Risk management

The Company has a risk management system which deals with efficiency, effectiveness, accuracy of financial reports and is determined to follow the law, rules, guidelines and policies relating to framework of internal control while considering the risk of conducting business. Potential risk is assessed and ranked and measures are taken to reduce risk as much as possible.

4. Strive for excellence

The Company encourages business practices which ensure good results and encourages all departments to constantly improve and strive for excellence.

5. Commitment to the community

The Company conducts business with awareness for roles and responsibilities to comply with benefits of the general public, environment and plays an active role for the betterment of Thai society.

6. Moral and ethical behavior at every organization level

Morality and ethics are important elements of good corporate governance principles. It is the work ethics at every level of the organization including directors, executives and all employees. The Board recognizes that an organization that does not uphold morality and ethical practices cannot form a sustainable business.

7. Anti-corruption of all forms

Conducted business with a commitment to opposing corruption of all forms. Instituted a risk management process and scrutiny to prevent and suppress corruption and malfeasance. Supported the establishment of a company culture where people are firmly committed to integrity and ethics.



Section 2: Anti-corruption

All directors, executives, and employees will not commit or support fraud in any case and will strictly comply with anti-corruption measures. They will also structure responsible parties as well as a risk management system, internal controls, and internal audit to prevent and suppress fraud within the organization.

Guidelines

Fraud or corruption: Action or negligence of duties or abuse of power, violation of the law, ethics, regulations, or policies of the company for unlawful gains, whether through soliciting, accepting, offering, or giving properties as well as other gains from government officials or other parties in business dealing with Bangchak.

Political assistance: Assistance in the form of money or otherwise to support political activities, such as loans, personnel support, giving of articles or services, advertisements to promote or support any political party, purchase of tickets to attend a fundraising event or donation to an organization with close relationship to any political party.

1. Political neutrality and political assistance

- Bangchak is a politically neutral business entity that supports lawful operations and democracy. It does not provide direct or indirect political assistance to any political party.
- Directors, executives, and employees enjoy their political rights and freedom under the law. However, they must not deprive Bangchak of neutrality and compromise it through their involvement in politics.
- Directors, executives, and employees will not take part in any political activity within Bangchak or use its resources to do so.

2. Donation for charity and support fund

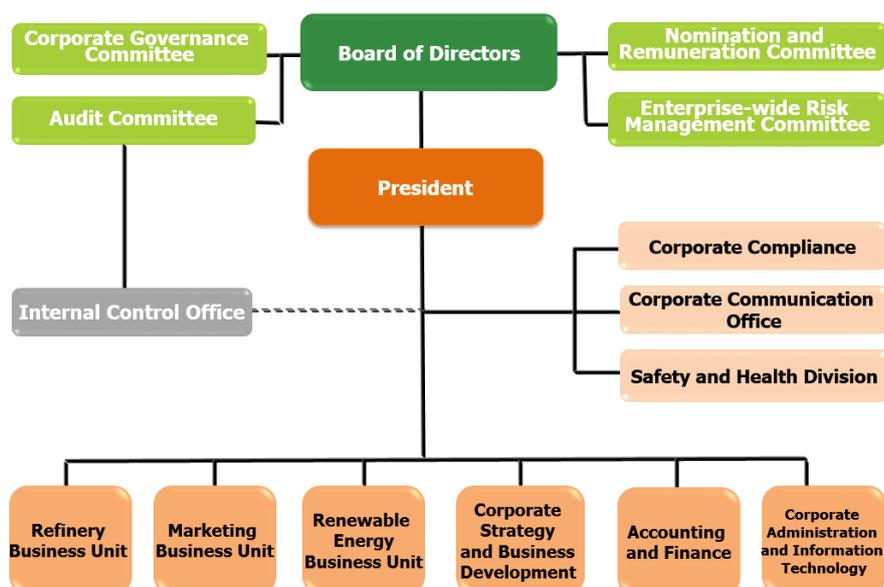
Bangchak supports community and social development to upgrade the quality of life, enhance the economy, and strengthen communities and society through business processes or donation for charity used for public charity only. Moreover, the support fund for Bangchak's business must not be used as a pretext for fraud, but must have a clear proof of documents in compliance with Bangchak's regulations.

3. Entertainment, gifts, and other expenditure

Directors, executives, and employees must refrain from accepting or organizing entertainment, gifts, and other expenditure in an excessive, improper fashion with government officials or persons in business dealing with Bangchak. If given gifts of excessive value during traditional occasions of gift exchange, they must refuse such gifts and report to their respective superiors.



Structure



Board of Director

- The Board of Director duty has to comply with the Anti-corruption policy and assign management team to action
- The Board of Director assigns 3 subcommittees in order to regulate good corporate governance and to monitor works related to good corporate governance and anti-corruption which is Corporate Governance Committee, Enterprise-wide Risk Management Committee and Audit committee.

Corporate Governance Committee

- Monitor the operation of the company to be comply with the company good corporate governance and Anti-corruption policy
- Review and revise good corporate governance and Anti-corruption policy to the Board of Director

➤ The Secretary to the Board of the Directors Office

- The office under the Corporate Compliance will monitor good corporate governance practice domestically and internationally in order to improve company corporate governance policy and to report operation though work plan to Corporate Governance Committee every quarter
- Support and promote directors, executives and employee to compliance with company Good corporate Governance and Anti-corruption policy

Enterprise-wide Risk Management Committee

- Regulate policy, strategy and goal for Enterprise-wide Risk management and develop Enterprise-wide Risk management.



- Look after the company to have appropriate and effective Enterprise-wide Risk management and report to the Board of Director.

➤ Corporate Strategy and Risk Management Division

- The division under the Corporate Strategy and Business Development
- Support and promote directors, executives and employee to have effective risk management and assess corruption risk.

Audit Committee

- Verifies and reviews Bangchak's corporate governance practices so that they are adequate and conform with policies, requirements, and applicable laws
- In conducting its duties, if they discover questionable items or actions potentially impacting Bangchak's financial standing and performance outcomes to a significant degree, including corrupt practices, the committee will report these to the Board, which will correct them within suitable periods proposed by the committee.

➤ Internal Control Office

- Reporting directly to the Audit Committee, this independent unit audits the performance of every internal unit against the defined regulations and assesses the efficiency and adequacy of internal control through the application of corporate governance.

Guidelines

1. The Board, executives, and employees must conform to the corporate governance policy and anti-corruption regulations. To this end, the Board assigns the management to communicate anti-corruption measures and enforce them.
2. The Board, executives, and employees who violate the corporate governance policy and anti-corruption regulations are subject to punishment by law or company regulations, or both. Bangchak will not, however, demote, punish, or harm those that refused to take part in corruption even though their refusal may deprive the company of business opportunities.
3. Bangchak must communicate the corporate governance policy, anti-corruption measures, and whistleblowing channels for frauds and complaints within the company through various channels, including orientation for directors and employees, annual seminars promoting internal control and corporate governance, continuing seminars, the intranet, CG Day activities, and President Meets Employees activities. This way, such measures may be seriously implemented to ensure that supporting functions have enough resources and skilled personnel to enforce the measures.
4. Bangchak must communicate the corporate governance policy, anti-corruption measures, and whistleblowing channels for frauds and complaints to the public, subsidiaries, associates, other companies under its control, business representatives, relevant business partners, and stakeholders through various channels, including the website,



annual report, corporate governance policies of subsidiaries, directors representing Bangchak, letters to service station operators, and Bangchak business contact manuals. This way, all parties may become aware and apply such measures in earnest.

5. Employees must annually acknowledge the corporate governance policy through the e-HR System of their understanding and preparedness to seriously apply the principles and code of conduct under the corporate governance policy to their business conduct throughout the company.
6. Employees annually take a test on the corporate governance policy through the Knowledge Management System so as to assess their understanding and develop communication for the policy and anti-corruption regulations for greater efficiency.
7. Bangchak has established disbursement regulations by defining financial limits, approval authorities, objectives, and recipients, all of which require clear supporting documents to prevent unlawful political help and ensure that charitable donations do not go to corrupt purposes, business support funds are not excuses for corrupt practices, and receptions, gifts, and other expenses conform to the policy. Also in place is an audit process issued by Internal Control Office.
8. Bangchak has regularly established processes for auditing sales and marketing, purchasing, and contract administration concerning risk to corrupt practices to conform to disbursement regulations and purchasing regulations. To this end, Internal Control Office provides its comments and explores for suitable corrective actions.
9. Bangchak has put in place a personnel administration process that underscores its commitment to anti-corruption measures, ranging from selection, training, performance assessment, compensation, to promotion.
10. Bangchak has established internal control for finance, accounting, data recording, and other company processes related to anti-corruption measures, together with control self-assessment for consultation about the findings of internal control.
11. Bangchak has established risk management to ward off and suppress frauds and malfeasance, by analyzing business risks, defining the importance of risks and proper measures for assessed risks, and regularly tracking the progress of risk management plans.
12. Bangchak has put in place internal audit to ensure that the defined internal control system and risk management can help it achieve goals, and to audit all units' work against requirements and regulations. Internal audit also helps detect weaknesses and provides advice on the development of business processes for greater efficiency and effectiveness under the approach of corporate governance.
13. Internal Control Office can instantly report issues discovered to the President and the Audit Committee for further reporting to the Board.
14. Bangchak has put these measures into writing as required by the internal control principles and in line with its policy and regulations.



Whistleblowing or complaint-making

The Board has established measures for whistleblowing or complaint-making against unlawful or unethical action or behavior that may be regarded as malfeasance or fraud by any person in the organization, whether employees or stakeholders, as well as inaccurate financial reports or a faulty internal control system. Bangchak has also set up a protection mechanism for whistleblowers so that stakeholders may contribute to more efficient stewardship for Bangchak's benefit.

Matters for which whistleblowing or complaint-filing applies:

- Unlawful practices, frauds against company regulations, or violation of the code of conduct by directors, executives, and employees
- Irregularities of financial reports or defects in the internal control system
- Matters affecting Bangchak's interests or reputation.

Channels to report or complain

E-mail: ico@bangchak.co.th

Mail: Internal Control Office

The Bangchak Petroleum PLC.

210 Sukhumwit 64 Rd., Bangchak, Phra Khanong, Bangkok 10260

Tel : 0-2335-4566

Whistleblower protection mechanisms

- Set up a database for confidential information of whistleblowers and, if such information is disclosed, set up punitive measures for responsible people
- This database must be made accessible to executives at the level of Senior Executive Vice President only.
- It falls under the authority of the superiors or supervisors of all those accused to give proper directives to protect whistleblowers, witnesses, and those who handed evidence to the investigation to keep them out of danger, trouble, or unfairness due to their making complaints, serving as witnesses, or giving information.

Questions or recommendations

Any question or recommendation on corporate governance and anti-corruption policies should be addressed to the Secretariat to the Board of Directors, CG Hotline: 4050.



Section 3 The Board of Directors

Directors must perform with responsibility, care, integrity, and compliance with laws, objectives, regulations, and Board/shareholders' resolutions. They must also contribute to corporate governance for Bangchak's best interests, leading to long-term growth and supplementing long-term value for shareholders. Accountable to stakeholders, they are independent of the management.

Guidelines

Composition and appointment

- 1) The Board of Directors is composed of a minimum of 5 and a maximum of 15 members. Not less than half of the Board must be residents in Thailand. Each director must be qualified by the law and Company regulations without sex discrimination.
- 2) The Board consists of at least five independent directors, each of whom must
 - Hold no more than 0.5% of total eligible voting shares in the Company, affiliated companies, associated company, subsidiary company or person(s) with potential conflicts of interest.
 - Take no part in the administration, including not being an employee, personnel, permanent advisor, professional advisor to the Company such as an auditor, lawyer or authorized person of the Company, affiliated companies, associated company, subsidiary company or person(s) with potential conflicts of interest and with no invested interest for no less than two years and can attend the Directors' meetings with independent opinions.
 - Have no business connection, no vested interest, whether directly or indirectly, financially or administratively, including not being a client, partner, supplier, trade or creditor/debtor of the Company, affiliated companies, associated company, subsidiary company, or person(s) with potential conflicts of interest and thus lacking independence.
 - Are not close relatives of the Executives or major shareholders of the Company, affiliated companies, associated company, subsidiary company or person(s) with potential conflicting interests and not appointed as a representative to protect the interest of Directors and/or major shareholders.
- 3) The Board consists of directors who are knowledgeable, skillful, and experienced in the oil business, retail sales business, energy business, other related businesses (like petroleum exploration and production, power generation, and alternative energy), international business, accounting and finance, internal control, law, organizational development, social / environmental / safety matters, and risk and crisis management. At least one of them must be adequately knowledgeable or experienced in accounting and finance. The Board of Directors shall elect one of the directors to be the Chairman of the Board. In case the Board of Directors deems appropriate, the Board may elect one or several directors to be Vice-chairman. And the Board has power to appoint any director or any person to be a Managing



Director of the Company and also has power to remove him/her. In case a Managing Director is a Company's director, he/she shall be called a President. President shall be a secretary of the Board.

- 4) The Chairman of the Board must not be the same person as the President. Additionally, the Chairman must not hold any position in the appointed Sub-committee (sometimes called Committee) in view of clear-cut responsibilities and duties.
- 5) Appointment of directors must follow a specifically defined agenda, with a focus on transparency and clarity. Nomination of directors for election must be accompanied by their personal profiles, with adequate details for the benefit of effective recruitment.
- 6) All directors' personal profiles must be detailed for public information, particularly with each change in directorship.

Qualifications

- 1) Qualified by Article 68 of the Public Company Limited Act of 1992
- 2) Being ethical and integrity leader and should possess good background experience as well.
- 3) Interest in the Company's business and able to devote sufficient time to the Company
- 4) Recruited and nominated by the Nomination and Remuneration Committee
- 5) Not operating any business of similar nature with the Company and which is in competition with the Company for neither a personal nor other person interests; an exception applies when this engagement has been declared to a shareholders' meeting before appointment.

Director nomination

To nominate Directors, the Company focuses on people with knowledge, capability, experience, sound career profile, leadership, vision, morality, ethics and good attitude toward the organization, who can dedicate adequate time for the Company's benefit. Moreover, consideration was also given to Board Diversity and Board skill matrix in order to nominate the directors qualifications by considering skills which has been without expertise and also appropriate qualifications in compliance with the structure of Directors and in line with the Company's business strategies and will use Director Pool from the Thai Institute of Directors (IOD) as a part to nominate directors through transparent procedures to bolster the confidence of shareholders.

Roles and responsibilities

- 1) Each newly elected Director must attend an orientation course on the Company's business.
- 2) Carry out duties under laws, objectives and regulations of the Company as well as resolutions of shareholders' meetings with honesty, protect the Company's benefit and have accountability to the shareholders.
- 3) Define the Company's policy and direction and monitor and supervise management so that they may work efficiently and effectively according to the Company's policy and regulations under corporate governance practices so as to maximize economic value and shareholders' wealth.



- 4) Follow-up on the Company's activities at all times and act according to the laws and regulations pertaining to the Company's contracts by assigning management to report the Company's performance and important matters to the Board of Directors at its monthly meeting so that the Company's business may run effectively.
- 5) Regularly and truthfully report to the shareholders on the Company's situations, including the Company's future trends, whether positively or negative, with sufficient rationale.
- 6) Ensure that the Company possesses an effective and reliable accounting system, financial report, internal controls and internal audit.
- 7) Regularly review the corporate governance policy.
- 8) Play an important role in risk management through appropriate and sufficient risk management guidelines and measures, with regular monitoring.
- 9) Ensure that management treats all stakeholders ethically and equally.
- 10) Independent and external Directors are prepared to express their opinions freely formulating strategies, management, use of resources, appointment of Directors and business standard as well as to disagree with other Directors or the administration in conflicts that affect the equality of all shareholders.
- 11) If necessary, the Board of Directors may seek professional opinions from external advisers on Company performance at the expense of the Company.
- 12) Appoint a Company Secretary according to the Securities and Exchange Act to prepare and maintain documents and other matters as determined by the Capital Market Supervisory Board as well as to facilitate the Board's and the Company's business, such as meetings of the Board and shareholders, regularly provide the Directors and the Company with legal advice and remind them of the various regulations that they need to know and comply with, as well as ensuring that Directors and the Company disclose correct, complete and transparent information.
- 13) Provide a code of corporate conduct, business ethics, code of ethics as working guidelines for directors, executives and employees within the Company.
- 14) Undertake no securities transactions at least one month prior to announcement of financial statements and at least three days after such announcement.
- 15) Report on one's own portfolio of securities, as well as those of their spouses and children not yet of legal age in the Company and affiliated companies to the monthly Board of Directors' meeting and must report to the Company without delay in the following cases:
 - Have vested interests, whether direct or indirect, in any of the Company's contracts within the accounting year.
 - Hold shares or debentures in the Company or the subsidiary companies.
- 16) Attend at least one training course organized by Thai Institute of Directors Association (IOD), such as Director Accreditation Program (DAP) or Director Certification Program (DCP) or equivalent, to increase expertise at work.
- 17) The Directors who are not executives must annually evaluate the General Manager/President.



- 18) The Directors who are not executives and Independent Directors may convene among themselves as necessary at least twice a year to discuss relevant management problems without the management's attendance and report the findings of the meeting to the President.
- 19) Each Director cannot hold the position of Director in a listed company in the Stock Exchange of Thailand (SET) and subsidiary company more than four companies.

Terms of Directorship

In every Annual General Meeting (AGM), one-third of the Directors must retire; moreover, if this number is not a multiple of three, then the number nearest to one-third. The directors who have completed their terms may be re-appointed. The appropriate term for directorship is no more than three consecutive terms (from 2008 onward) except for when a director is deemed suitable to hold the position for a longer period. The Board will consider the independence and effectiveness of the director who is under consideration and defend their decision to the shareholders.

Other than the completion of term, a Director may retire for to the following reasons:

- death
- resignation (effective from the date the Company receives the letter of resignation)
- lack of qualifications according to Article 68 of the Public Company Limited Act 1992
- decision of the shareholders' meeting to resign according to Article 76 of the Public Company Limited Act 1992
- court order

Board meetings

- 1) The Board of Directors meets at least once a month and as necessary, with meeting dates set in advance for a given year.
- 2) In calling a meeting, the Company sends meeting notices to the directors or their representatives at least 14 days ahead of each meeting; in urgent cases, to maintain the Company's rights or benefit, the Company may call a meeting by other means and set an even earlier date. The management must provide suitable and timely information to the directors. The Chairman ensures that the directors get relevant information at least seven days ahead of each meeting to adequately study, deliberate, and prudently decide on assorted matters at Board meetings. The Chairman also ensures that the minutes of each meeting are ready for directors' review within seven days of that meeting before adopting them at the next one.
- 3) Each Board meeting should be attended by at least three-quarters of all directors. Additionally, at least three-fourths of all board members are needed to vote on an issue.
- 4) Each year, directors should attend no less than 75% of all Board meetings. (Directors should attend the meeting at least 9 of 12 times a year)
- 5) The Chairman, in consultation with the management, approves agenda items for each meeting. In so doing, the management deliberates requests made by directors to add other significant businesses as matters for deliberation at future meetings.



- 6) The Chairman allocates adequate time for the management's presentation of documents and for directors' discussion of significant issues.
- 7) At each meeting, the Chairman provides a summary for each agenda item for the directors' deliberation and supports each director's expression of views before compiling of such views and issuing of Board resolutions.
- 8) In deliberating agenda items in which certain directors may have vested interests, such directors hold no voting rights and must stay away from their deliberation.
- 9) The directors have access to information, advice, or necessary services for business management from the management and can seek independent views from external advisers.

Board assessments

- 1) The Board of Directors set up an evaluation form for the Board's performance at least once a year. The Board conducted the evaluation in three forms, namely individual evaluation (self-evaluation), individual evaluation (cross-evaluation) and group evaluation. The findings are made available to the Board by the management and publicized in the annual report.
- 2) The Board has instituted a systematic performance standard against which its performance is periodically compared.

Board remuneration

The Company remunerates its Directors with consideration to the duties and responsibilities carried out and at a comparable rate to other listed companies which is in a similar industry and business size. The remuneration is sufficient to attract qualified directors who can complete their duties to achieve a desirable goal and direction for the Company. The remuneration process is transparent and creates shareholders' confidence.

Board remuneration

- 1) The Board's remuneration comes in three forms: monthly (retainer) remuneration, meeting allowances, and bonus. Such remuneration, made comparable to those of the same industry, is linked to the performance of the Company and individual directors.
- 2) Directors with additional responsibilities, including subcommittee service, shall receive additional remuneration in proportion to such responsibilities.
- 3) In line with good corporate governance, the Board has instituted the reporting of individual directors' remuneration and the management's remuneration – which includes disclosure of the remuneration of directors or executives, or both, if they are appointed to other positions in subsidiaries – in the annual report.



Section 4 The Sub-committees

To ensure corporate governance, the Board appoints subcommittees (committees) to perform specific jobs in support of certain investigations/screening under the responsibility of the Board.

Guidelines

The Board of Directors elected Sub-committees (or Committees) to facilitate the Company's business undertaking, with four sub-committees as follows:

1. Audit Committee

The Board is committed to the value of a good corporate governance process under transparent business management in accordance to the law, marked by integrity and honesty to the shareholders, business partners, and customers. The Audit Committee is therefore an integral tool of the Board in ensuring good corporate governance to foster stakeholders' confidence in the Company's adherence to the terms and code of conduct while maintaining an effective internal control system that is free from conflicts of interest and frauds. To this end, the Board has defined the following charter for the Audit Committee.

Composition

- 1) The Board appoints the Audit Committee.
- 2) The Audit Committee must be made up of independent directors.
- 3) At least three independent directors form the Audit Committee, and at least one of them must be adequately knowledgeable or experienced in accounting, finance, or audit to review the credibility of financial statements.
- 4) The Chief Audit Executive shall serve as secretary to the Audit Committee.

Scopes, Duties and responsibilities of the Audit Committee

1. To ensure accuracy and adequacy of the Company's financial reporting according to the Accounting Principles governed by laws.
2. To ensure that the Company has suitable and efficient internal control system and internal audit and to assure the efficiency and adequacy of the risk management system.
3. To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the Exchange or laws relating to business of the Company.
4. To review a connected transaction or transaction that may lead to conflict of interest or acquisition and disposition of assets transaction to ensure compliance with the laws and regulations of the Stock of Exchange, are reasonable and bring the highest benefit to the Company.
5. To inspect and consider with the management on the defects that have been found out and on the responses from the management.



6. To empower the auditing and investigating all related party under the authorization of the Audit Committee and also to authorize in hiring an expert so as to audit and investigate in compliance with the Company's regulations.
7. To prepare a report of the Audit Committee and disclose it in an annual report of the Company, and have such report signed by Chairman of the Audit Committee.
8. To consider, select, nominate the person who is independent to be the Company's auditor, recommend remuneration of the Company's auditor, recommend the removal of the Company's auditor and, at least once a year, attend the private meeting with an auditor without management.
9. To consider auditing scopes and plans of the external auditor and the internal control office so that they are contributory to each other and to reduce double operations as concerns financial auditing.
10. To approve Charter, audit work plans, budget, training plans and manpower of the Internal Control Office
11. To appoint, transfer, dismiss, and undertake annual evaluation of the Chief Audit Executive and review the independence of Internal Control Office.
12. To review the efficiency and effectiveness of internal control and risk management focusing on the issue of information technology.
13. In performing the duty of the Audit Committee, if there is transaction or act which could extremely affect the Company's financial status and the Company's performance, namely
 - (1) Transaction which lead to conflict of interest
 - (2) Dishonest, extremely unusual or remiss Internal Control system
 - (3) Breaking the securities and exchange law, regulations of the exchange or laws relating to business of the Company

The Audit Committee has to report the Company's Board of Directors so as to modify and revise within prescribed time. If the Audit Committee or executives does not modify and revise within prescribed time, the Audit Committee is able to report this transaction or act to the Securities and Exchange Commission or the Stock Exchange of Thailand.

14. To perform any other act assigned by the Board of Directors with approval of the Audit Committee.

Terms of office

1. The Audit Committee has a three year term, which includes the appointment and removal of members.
2. Members who have completed their terms may be re-appointed as seen suitable by the Board.
3. A member completes his or her term when he or she
 - Completes the three-year term
 - Is no longer a director of the Company
 - Resigns



- Dies
 - Lacks qualifications under this charter or SET's criteria
 - Is dismissed by the Board.
4. The resignation of a given member must be submitted to the Chairman of the Board at least 30 days ahead of the effective date. If the Board approves such resignation, it will send a copy to SET for acknowledgment.
 5. If a vacant position on the committee occurs for reasons other than term completion, the Board must appoint a qualified person in place of the resigned member and inform SET for acknowledgment. This replacement shall remain in office for the remaining term of the replaced member.

2. Nomination and Remuneration Committee

The Board appoints the Nomination and Remuneration Committee.

Composition

- 1) The Nomination and Remuneration Committee is made up of at least three persons, and more than half must be independent directors. At least one member must be knowledgeable or experienced in personnel management.
- 2) The Chairman of the committee must be an independent director.
- 3) A member of this committee is to be appointed its secretary.

Scopes, duties and responsibilities of the Nomination and Remuneration Committee

1. Define qualifications needed for potential Directors and President.
2. Recommend qualified candidates for the positions of Directors and President to the Board of Directors.
3. Define criteria of remuneration for Directors and the President/General Manager.
4. Submit the remuneration for Directors to the Board of Directors and then for the shareholders for approval.
5. Submit the remuneration for the President/General Manager to the Board of Directors for approval.
6. Review and summarize the President/General Manager's succession plan every year and report it to the Board of Directors.
7. Perform other tasks assigned by the Board of Directors.

Terms of office

1. The Nomination and Remuneration Committee has a three year term.
2. Members who have completed their terms may be re-appointed as seen suitable by the Board.
3. If a vacant position on the committee or the Board occurs, the Board must appoint a qualified director in its place. This replacement shall remain in office for the remaining term of the replaced member.



3. Enterprise-wide Risk Management Committee

The Board appoints the Enterprise-wide Risk Management Committee (ERMC).

Composition

- 1) The ERMC is made up of at least three members, at least one of whom must be an independent director and knowledgeable in risk management.
- 2) Qualified external parties can serve as members.
- 3) The President serves as a member and secretary.

Scopes, duties and responsibilities of the Enterprise-wide Risk Management Committee

1. Set policy, strategies and objectives of the Enterprise-wide risk management.
2. Develop Enterprise-wide risk management system in view of continuous efficiency.
3. Promote Enterprise-wide risk management at all levels of the organization.
4. Ensure that the Company has appropriate and efficient risk management.
5. The Chairman of the Enterprise-wide Risk Management Committee reports the findings to the Board of Directors' next meeting.
6. Perform other tasks as assigned by the Board of Directors.

Terms of office

1. The ERMC has a three year term.
2. Members who have completed their terms may be re-appointed as seen suitable by the Board.
3. If a vacant position on the committee or the Board occurs, the Board must appoint a qualified director in its place. This replacement can remain in office for the remaining term of the replaced member.

4. Corporate Governance Committee

The Board appoints the Corporate Governance Committee.

Composition

- 1) The Corporate Governance Committee is made up of at least three directors, and at least one of whom must be knowledgeable in corporate governance practices by international standards.
- 2) An independent director must serve as Chairman of this committee.
- 3) The President serves as a member and secretary.

Scopes, duties and responsibilities of Corporate Governance Committee

1. Recommend the implementation of corporate governance to the Board of Directors.
2. Monitor the work of the Committee and the management in compliance with the principles of corporate governance.
3. Review the implementation of corporate governance by comparing it with international standards and recommend it to the Board of Directors for continual follow-ups.



4. Give the policy of corporate governance to the Company's corporate governance working team.
5. Perform other tasks as assigned by the Board of Directors.

Terms of office

1. The Corporate Governance Committee has a three year term.
2. Members who have completed their terms may be re-appointed as seen suitable by the Board.
3. If a vacant position on the committee or the Board occurs, the Board must appoint a director in its place. This replacement shall remain in position for the remaining term of the replaced member.





Section 5 The Management

Executives must perform with responsibility, care, integrity, and compliance with laws, Bangchak's objectives and regulations, and Board/shareholders' resolutions, while doing their best to preserve Bangchak's and shareholders' interests.

Guidelines

Scopes, duties and responsibilities of the Executive Management

The Board of Directors defines the roles, duties and responsibilities of the Executive Management as follows:

1. Manage the Company's daily operations in compliance with the Company's policy, action plans, objectives, regulations and rules as set by the Board of Directors.
2. Manage operations according to the resolutions of the meetings of the Board of Directors with the allocated budget with sternness, honesty, protecting the best interest of the Company and the shareholders.
3. Regularly report performance and update on the work according to the resolutions and the Company's important performance to the meeting of the Board of Directors at least once a month.
4. Manage the Company' activities in compliance with corporate governance practices as set by the Board of Directors.
5. Refrain from running the business or participate in similar businesses in competition with the Company's business, whether for one's own interest for interest of others, with the exception that one's respective superior and the Internal Control Office have been informed and approves such activity.
6. The President's service as director of other companies or any other position in a business organization must have a prior approval of the Board. Similarly, other executives from vice president upward must have a prior approval of the President. An exception to this is directorship in a joint-venture company, which must have a prior approval of the Board.
7. All senior executives including the first four senior-most executives after the President, and all those who hold the equivalent position to the fourth senior-most executive, as well as the executive in accounting and finance at the same level as the vice president, must refrain from securities trading at least one month before the announcement of the Company's financial statements and at least three days after such announcement. They have to report the ownership of securities of their own, those of their spouse and their children not yet of legal age, held in the Company and subsidiaries to the Board of Directors every month and must promptly report to the Company in the following cases:



- Direct and indirect vested interests with any contract concluded by the Company during the accounting year.
 - Possess shares or debentures of the Company and its affiliated companies.
8. Must participate in courses related to the Company's business and daily operation at the Company's expense, to enhance knowledge and skills to perform duties. As for the Senior Executive Vice Presidents, the Board of Directors encourage them to participate in the Director Certification Program (DCP) organized by the Thai Institute of Directors Association (IOD) or equivalent to enhance understanding of the Director's roles and responsibilities that would lead to effective management of the Company.

Executives' remuneration

1. Executives shall receive short-term remunerations, i.e. salary and bonus, and long-term ones—including employee stock option program (ESOP) and employee joint investment program (EJIP)—which the Board will consider on a case by case basis. These payments serve to motivate executives, are on par with the industry practice, and correlate to each person's key performance index (KPI).
2. Executives who serve as a director in a joint venture will be compensated according to the Company's regulations on the appointment of directors of joint ventures. As for the President who is tasked with additional roles and responsibilities, as a subcommittee member for instance, will be paid according to the Board's decision based on merit of that task or responsibility.
3. The Board has ordered a report on the remuneration of executives—including the disclosure of payments made to executives who are appointed a role in a subsidiary—to be included in the Company's annual report in compliance with the Good Governance Policy.

The Board's terms on the succession planning and development of executives

The Board of Directors sets a policy to nominate the President/General Manager with appropriate qualifications which any person whether external or internal the Company can apply. The rationale is to suit the Company's situations at that particular time. The qualified person is selected by the Nomination and Remuneration Committee, which sets a succession plan.

In addition, for the maximum benefit of recruiting the President/General Manager, the Board has assigned the management to appoint the Personnel and Management Committee to take charge of training and the development of then competency of qualified executives. Moreover, the Board has laid down an additional guideline of the rotation of duties of qualified executives to acquire better understanding, experience and readiness in general organizational management. Any qualified executive vice president upward can apply for recruitment as President/General Manager.



Section 6 Risk management, internal control, and internal audit systems

Bangchak has established risk management and internal control systems to enable business to achieve its objectives, while complying with related laws and regulations and lowering corruption-related risks. An internal audit system is in place to ensure achievement of Bangchak's goals.

Guidelines

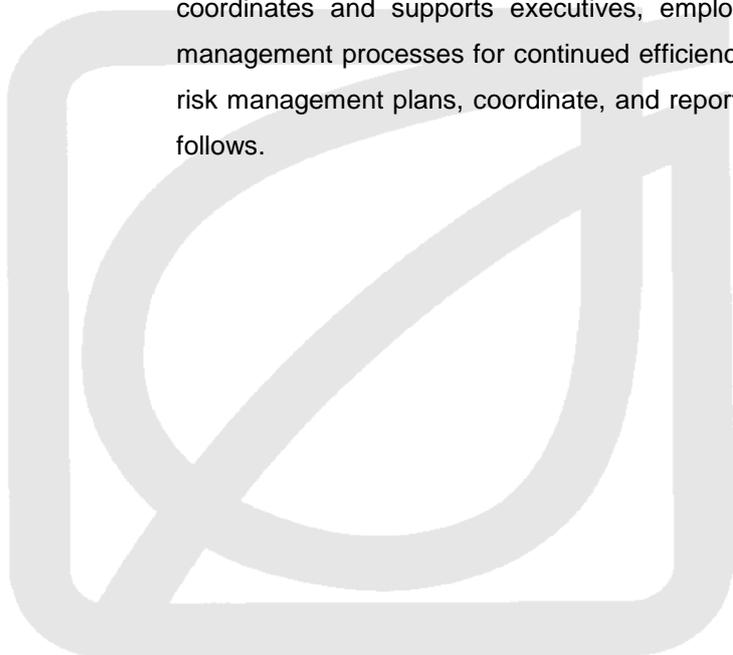
1. Risk management system

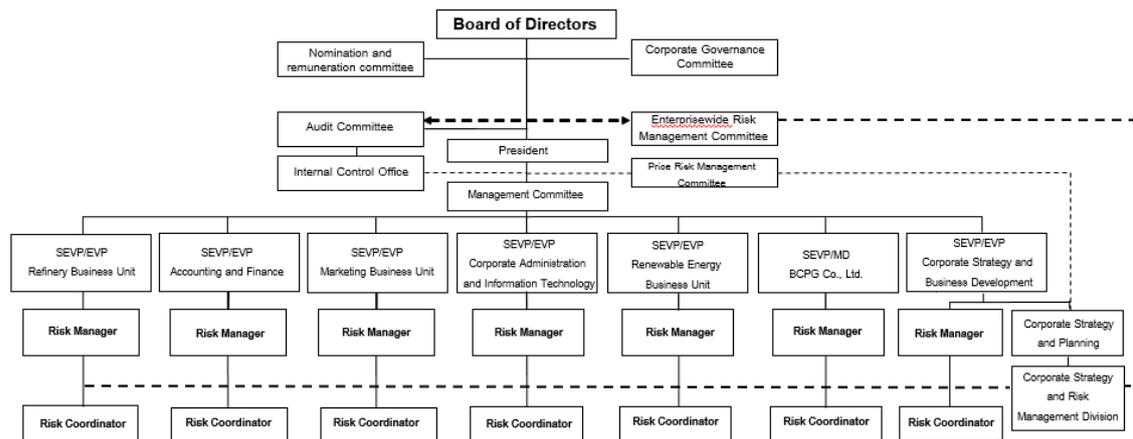
Risk management

Bangchak has constantly established Enterprise-wide risk management practices to ensure achievement of the defined goals and supplement success in conformance to corporate governance while sustaining current business settings in a volatile and extremely competitive environment. The Enterprise-wide Risk Management Committee (ERMC), made up of directors and senior executives, defines management approaches, develops an efficient Enterprise-wide management system, drives for cooperation from all levels of the organization, and controls overall risk management practices to manageable levels. The scope encompasses strategic, operation, financial management, compliance, and other key risks related to Bangchak's business.

Enterprise-wide Risk Management Structure

The Enterprise-wide Risk Management structure consists of directors, executives, and all units of Bangchak. Appointed by the Board, ERMC oversees an efficient risk management system so that executives and employees may recognize risks potentially affecting the organization and ensure that proper actions are taken to deal with such risks. A Price Risk Management Committee (PRMC) monitors and manages risks particularly arising from factors related to prices and exchange rates. To this end, Corporate Strategy and Risk Management Division (CSD) coordinates and supports executives, employees, and various units in proceeding with risk management processes for continued efficiency. Risk managers and risk coordinators look after risk management plans, coordinate, and report the progress of business groups and divisions as follows.





Note

Risk Manager – Vice President or is assigned to

Risk Coordinator – Assigned by Senior Executive Vice President/ Executive Vice President

Report Line

— Functional

- - - Risk Communication

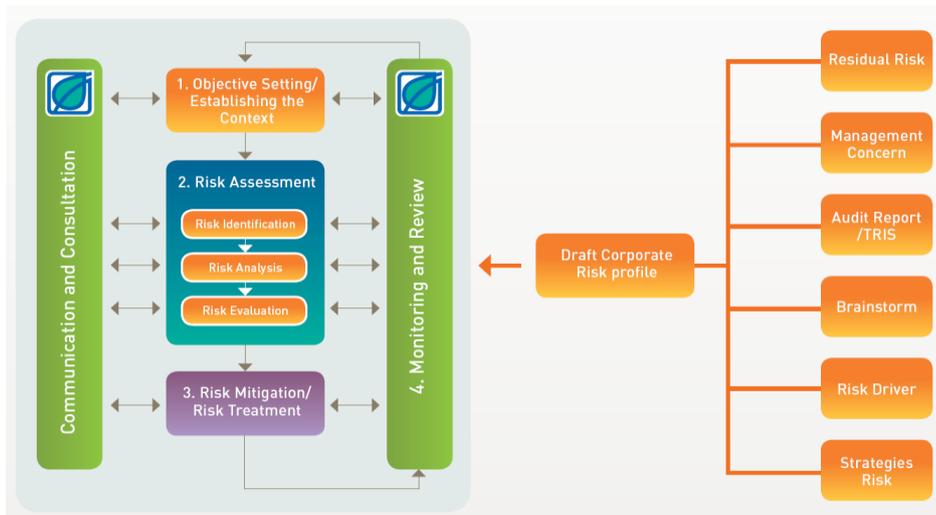
Enterprise-wide Risk Management Process

Bangchak's Enterprise-wide risk management process is patterned after COSO ERM (Enterprise Risk Management) and ISO 31000, with the application of these to develop implemented processes through the Board, executives, and all employees. To elaborate, they identify, analyze, assess, and rank risks affecting the achievement of the objectives of individual units or the entire organization. In deciding risks for each year, they analyze and compile outcomes of short-term and long-term (five-year) corporate business strategic plans; economic outlooks for the world and Thailand for the following year; external and internal risk factors; opinions of the Board's, ERCM's, and Audit Committee's meetings; and the outcomes of risk management or remaining risk factors in the previous year. Then approaches and measures are defined for the control of risks, which are monitored so that they may be manageable, while fostering confidence of achieving the objectives.

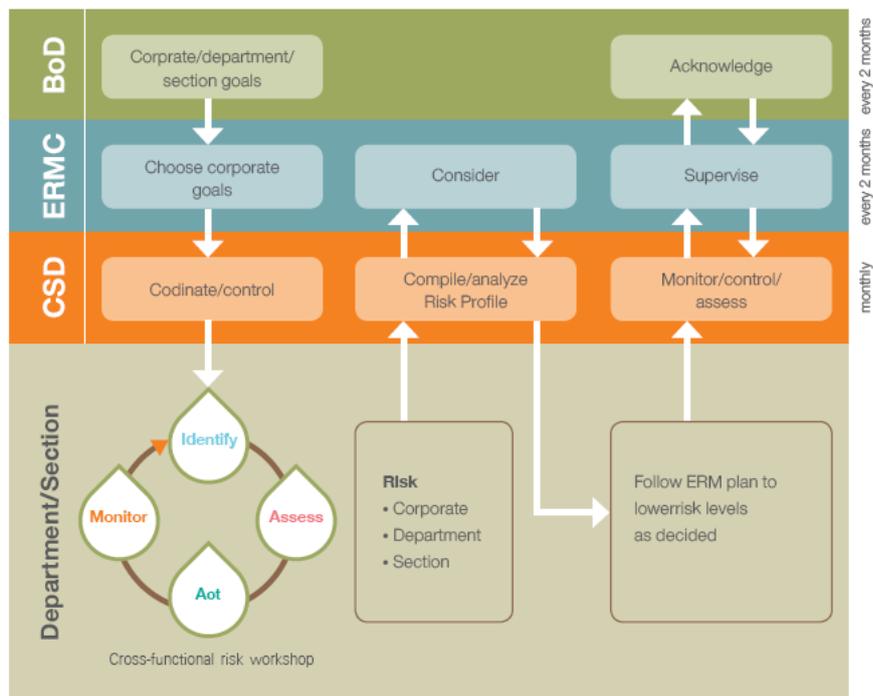




BCP ERM Process



Bangchak has established systematic reporting of assessment monitoring under the Enterprise-wide risk management system, as shown in this figure.



To avert and lower the impacts of risks, Bangchak has adopted the portfolio view of risk in parallel with individual risk factor management, thus enabling the organization to achieve the defined objectives corresponding to financial goals; customer goals; reputation goals concerning social responsibility and stewardship of communities, the environment, and safety; business/operation process goals; and personnel goals. Bangchak's key risks have to do with the volatility of oil prices and exchange rates, risks associated with distillation unit operation, marketing business



risks, risks arising from new investment, and so on. Selection of risk management measures, based on cost-benefit analysis, is systematic.

Revising its risk management manual so that it may always be current, Bangchak leverages the manual as a practical guideline for forging a common understanding among all related parties. The manual is downloadable at Bangchak's KM Website. The company improves risk assessment practices throughout its work processes for internal control for greater efficiency, and constantly campaigns on ensuring that risk management accompanies business operation to the point of becoming a corporate culture, which is made possible by publicizing and staging activities to promote knowledge and understanding, as well as inducing an ambience of risk management among executives and employees through assorted methods like training and the intranet.

2. Internal control system

1. Significance

Instituted by the management, the internal control system bolsters reasonable confidence in goal achievement in three aspects:

1. Effectiveness and efficiency of operations
2. Reliability of financial reporting
3. Compliance with applicable laws and regulations.

2. Components

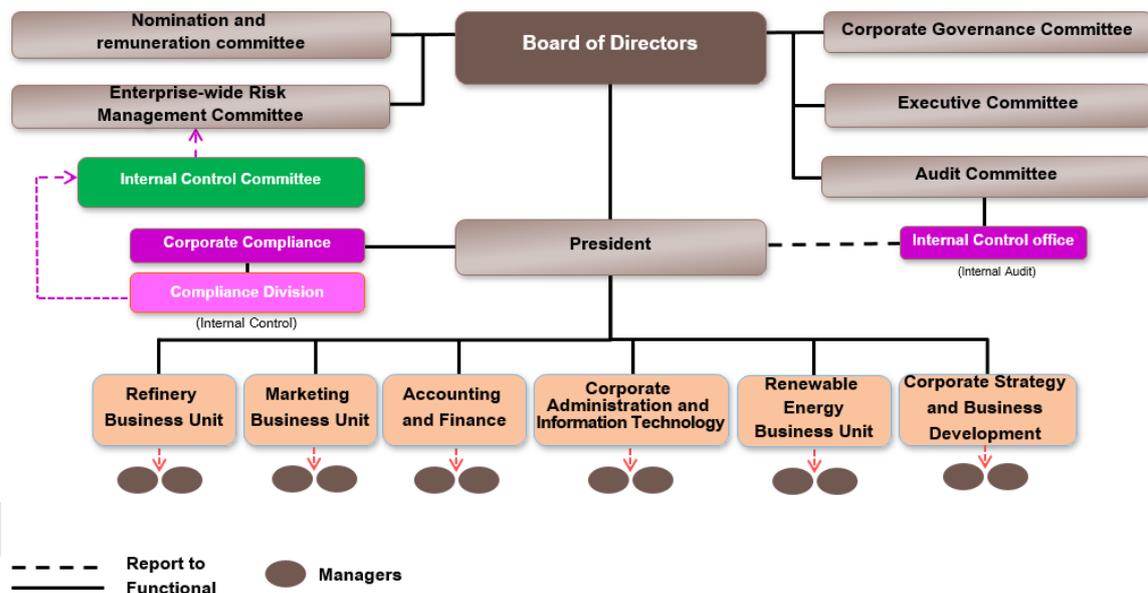
Below are the five components of BCP's internal control system:

1. Control environment: This is the senior management-defined work atmosphere that governs the basic performance of all employees, including
 - Defining of regulations or employee ethics
 - Oversight by a corporate committee and the Audit Committee
 - Corporate structuring and delegation of authority
 - Human resource management policy.
2. Risk assessment: This practice defines the degrees of risks faced by BCP, the operating stage and the work process, and impacts on corporate goal achievement. These will benefit planning of risk management to avoid impacts on corporate objectives. Risk management also entails addition of good management plans like the defining of clear approval authority, inspection of operating procedures, and how control self-assessment can cut down on repetitive mistakes or operating risks at a given stage. Risk management is related to internal control because risks call for control, and risk levels in work processes determine control activities.



3. Control activities: Consisting of the policies, measures, and procedures employed by the management to ensure the ability to reduce or control risks, these include:
 - Policies and plans
 - Management review
 - Physical control
 - Performance indicators (KPIs)
 - Documentation.
4. Information and communication: These consist of news and information (both internal and external) meaningful to the performance of employees and executives in their instruction and planning, and are used to guide their performance of duties and responsibility. Good information must suit its application and must be accurate, complete, updated, timely, accessible by related parties, and safely applied.
5. Monitoring and assessment: Regular monitoring and revision of the internal control system must be in place for reporting to executives. Should a defect be found, corrective actions must be taken in time.

Internal Control System



BCP's internal control structure consists of the Board, the management, and all units. The Internal Control Committee ensures its efficiency and effectiveness of operation, credibility of financial and accounting reports, and compliance with relevant legislation and regulations. The committee reports its actions to the Enterprise-wide Risk Management Committee (ERMC). BCP has put in place a Compliance Division (CLD) under the Corporate Compliance to coordinate and assess outcomes to ensure compliance with its internal control development plans. To achieve this, RMD develops, inspects, and assesses the outcomes of the internal control system, while continually coordinating and supporting executives, employees, and all units in compliance with



internal control processes for efficiency. All division managers are responsible for their respective internal control systems.

3. Internal audit system

Internal audit is essential to BCP's business management because of its role in good governance, which ensures shareholders, the Board, and the management of goal achievement.

BCP's independent Internal Control Office mentors other units and audits internal control systems to ensure suitable and regular compliance; audits all units' performance against rules, regulations, and laws; detects shortcomings and weaknesses; and mentors units on the improvement of work processes for efficiency and effectiveness. Thanks to the defined structure, the Internal Control Office has performed its duties independently while reporting directly to the Audit Committee at all times.

The Board requires auditor rotation every three years to provide internal control with greater stability and confidence that the external auditor can review and audit the Company's financial statements independently.





Section 7 Rights and Equitability of Shareholders and the Company's Roles toward Stakeholders

1. Rights of shareholders

The shareholders are entitled to Bangchak's ownership by exercising their rights to appoint directors to perform on their behalf and the rights to make decisions on key changes. The Board recognizes and values such rights by promoting such exercise and refraining from violating or depriving their rights.

Guidelines

1. The Board of Director safeguards the basic rights of all shareholders:
 - The right to receive share certificates, the right to transfer shares and access to adequate and timely information in appropriate form for making decision that would affect the interests of the Company and oneself.
 - The right to attend meetings and cast votes at the Annual General Meeting (AGM) to make important decisions about the Company's significant policy, and to facilitate and support institutional investor to attend the meeting on shareholders' right that require the Board to obtain approval from the AGM.
 - The right to appoint and remove Directors and to appoint an external auditor.
 - The right to dividend.
2. The Shareholder receives meeting invitations containing the venue and time which are properly arranged, also agenda details and related appendices. In the agenda to pay dividend, the Company must disclose a comparison between payment amount and dividend policy, then delivers such invitation to the shareholders and the registrar no less than 14 days prior to the meeting, advertises the meeting appointment in the newspaper for three consecutive days no less than three days prior to the meeting date, as well as making the information available on the Company website at least 1 month before the meeting.
3. In the agenda to appoint a Director, the shareholder can vote for individual nominees. The shareholder's vote is proportional to the number of the shares held.
4. According to the laws and the Company's articles of association, the Shareholder can submit a request to the Board for an item to be added to the meeting agenda and may ask questions, ask for explanations and express their opinions in an appropriate manner.
5. The Chairman, Directors and related executives are responsible for attending the AGM to answer shareholders' questions.
6. After the AGM, the shareholder can access information to find out the results of the ballots and matters considered.



Section 8 Disclosure of Information and Transparency

Bangchak discloses key information, whether financial or non-financial, in an accurate, complete, timely, and transparent manner through readily accessible channels that are equitable and credible.

Guidelines

Scope of Conduct

This policy on disclosure of information forms part of the Company's good corporate governance policy. The Company is committed to the fair disclosure of information to the shareholders, financial institutions, securities companies, investors, those needing financial information, and the general public. It highly values communication practices that are open, complete, accurate, timely, and regular for past information and future value addition without bias against positive or negative information. The Company recognizes the need to maintain sensitive information for critical business information and operating strategies. This policy aligns with the SET and SEC criteria and terms for information disclosure.

The policy on disclosure of information covers all modes of communication the Company utilizes, including annual reports, quarterly performance reports, news releases, press conference documents, letters to the shareholders, and its website in addition to verbal communication at group briefings and one-on-one meetings, phone conversations with analysts and investors, provision of information through the website or other media, interviews given to the mass media, and press conferences. The Company is committed to applying this policy to those individuals that, as stated by law, influence its management, and encourages them to apply this policy.

Authorized spokesperson

It is through the authorized spokesperson that the Company communicates with investors, analysts, investment-related parties, and shareholders. This spokesperson is the vice president in charge of investor relations, whose main duties consist of contacting and coordinating with analysts, investors, and other parties needing financial information, performance results, the Company's status, and transactions affecting the Company.

The President and/or the Senior Executive Vice Presidents, Accounting and Finance, may delegate senior management team members the task of giving interviews and communicating with the mass media, provided that the contents are related to business performance and related matters, general information, past financial information, and matters related to publicity. However, these people are not entitled to discuss matters with analysts or those involved in investment. Other officers are not permitted to discuss business or Company information privately except when such discussion is carried out through a unit in charge of information disclosure or when disclosing information for business purposes under a confidentiality agreement.

Regular information

Such information includes Company objectives, financial status, Audit Committee reports, performance and analysis, shareholding and management structure, risk factors, and corporate governance policy etc. The Board also includes a discussion report in the annual report to detail key complex matters while explaining additional key policies on operation and financial risk management. Finally, the Board discloses the attendance records for individual directors or subcommittee members, or both, against the total meetings of the Board or committees, or both.



Material information

The Company does not disclose material information that has yet to be made public to unauthorized employees or other parties (including investors, the mass media, and analysts) until such information has been made public. When it is necessary for business purposes to disclose such information to related parties, the external auditor, underwriters, banks, legal advisers, or other advisers, the Company ensures that such parties exercise caution in maintaining sensitive information. Should any sensitive information be somehow publicized, the Company must immediately publicize it in line with SET's rules about issuing news releases and other regulations. If necessary, it informs SET to suspend trading of its shares.

Under certain circumstances, if the Company's business negotiation being jeopardized by such disclosure, public disclosure of information may need to be delayed for business reasons until a proper time.

Quiet period

The Company's policy is to avoid giving performance information that affects share prices or benefits any particular party during the so-called quiet period, that is, the period from the end of a given quarter to the formal announcement of that quarter's performance through SET's news transmission system. An exception applies when an issue or event occurs that causes the Company's performance projection to so substantially deviate that the information user may be misled; in this case the Company discloses such information to SET.

Analyst models and reports

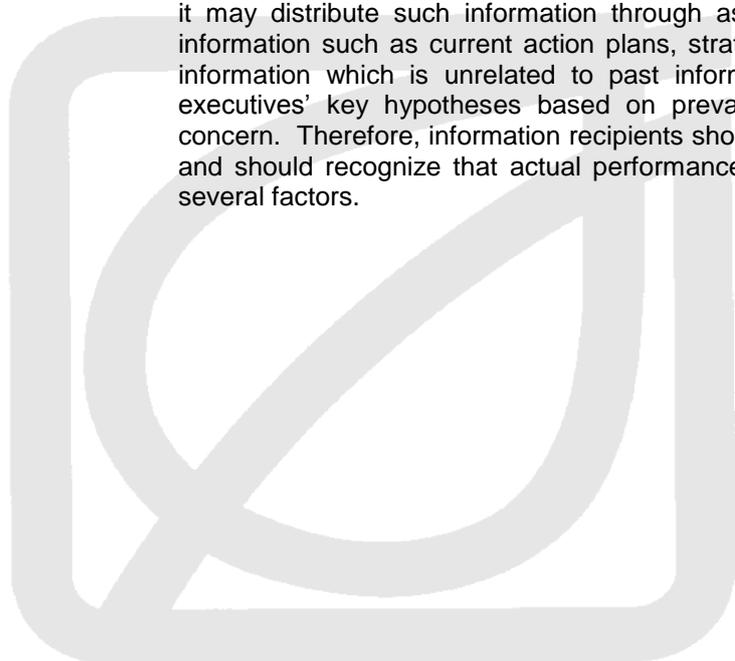
Since models, projections, and hypotheses differ, the Company's policy is not to assess the suitability of analysts' numerical projections, but instead explain to analysts that may have misconstrued facts so much that their projection differ significantly and cause widespread repercussions on analysts who read such models and reports.

IR webpage

The Company's main webpage (www.bangchak.co.th) contains an Investor Relations page, which provides access to investors and the general public to assorted information in the same way it does institutional analysts or investors. The Company tries its best to ensure the website's readiness for use and updated information. However, the information format or appearance on the website may differ from disclosed information, subject to the website's limitation. At any rate, there is no significant difference in the main contents.

Guidance and forward-looking information

If an announcement has been made on the Company's short-term performance estimate to SET, it may distribute such information through assorted means, which includes related additional information such as current action plans, strategic plans, and projections. As for the projected information which is unrelated to past information, the Company bases its estimates on its executives' key hypotheses based on prevailing information at the time, assuming a going concern. Therefore, information recipients should exercise discretion in studying such information and should recognize that actual performance may differ markedly from projections, subject to several factors.





Section 9 Guidelines for Directors, Executives, and Employees

Directors, executives, and employees must be committed to good practices under this policy as their business guidelines for Bangchak's sustainable growth.

Guidelines

Guidelines for directors and executives

1. Protecting Company effectiveness and efficiency

They define Company vision, mission, common values, objectives, policies, and key strategies for the added long-term of parties of common interests. They manage risks affecting objectives or goals by using suitable processes and formats considered suitable under commonly accepted practices.

2. Good corporate governance

They promote sound and virtuous business management in accordance with international standards; forge positive, suitable relationships with parties of common interests; bolster trust and confidence among related parties in society and nationally; ensure the Company's business compliance with the law and regulations; and transparently disclose accurate, clear, and updated information.

3. Commitment to righteousness and ethics

They manage the Company with a commitment to righteousness and ethics while promoting such qualities across the Company. They provide oversight and manage potential conflicts of interest in the Company.

4. Accountability

They perform their duties with integrity, making decisions with fairness to all shareholders in the best overall interests of the shareholders.

5. Property stewardship

They ensure that properties are used to the maximum benefit, avoid damages and unrelated.

6. Monitoring and assessment

They review and concur with key strategies and policies, including financial objectives, financial targets and plans while ensuring the management's compliance with defined plans and regularly assessing executive performances.

7. Treatment of employees

They should treat employees in the following way:

- Treat all employees fairly, without sexual discrimination



- Provide suitable short-term compensation (bonus) that goes hand in hand with the Company's operation results and a long-term benefit known as provident fund that serves as financial security for them.
- Ensure a workplace that is safe for lives and properties of employees
- Appoint and transfer subordinates, including rewarding and punishing, in good faith, basing actions on employees' knowledge, competence, and suitability
- Value the development of knowledge, competence, and skills with equality and regular opportunities
- Strictly comply with laws and regulations concerning employees.

Guidelines for employees

1. Conduct and behavior among employees

- Carry out all duties with integrity, attentiveness, and seriousness to foster quality, efficiency, and development of the Company toward excellence
- Refrain from slandering executives and others
- Refrain from giving gifts to superiors or accept gifts from subordinates
- Respect others' rights, including those of the management
- Superiors should be respectable to employees while employees should refrain from showing disrespect to superiors
- Jointly forge and maintain unity among the workforce.

2. Compliance with relevant laws and regulations

Comply with relevant laws, rules, regulations, and criteria and refrain from aiding, supporting, or agreeing to aid violation of such laws, rules, and regulations.

3. Preparation of financial reports and financial statements

Accounting entries and preparation of financial reports and financial statements must reflect actual transactions under generally accepted accounting principles. Disclosure of information must be accurate, clear, and updated so that relevant parties may examine it.

4. Acceptance of benefits and improper payments

Refrain from requesting, accepting, agreeing to accept, undue extra benefits or improper payment with customers, business partners, contractors, agents, and sellers of products and services to the Company, or from any parties engaging in businesses with it; refrain from giving special treatment with any dealer that others could mistake for displays of unfairness and therefore avoid doing business with the Company – negatively affecting the Company's image.

5. Maintaining confidential information



Refrain from disclosing the Company's confidential information – whether in the form of information, documents, technology, technical knowledge, rights, copyrights, patents, or inventions – which could harm the Company's competitiveness or affect its image or reputation detrimentally.

6. Stewardship of property

Make the best use of Company property, jointly care for them against defects and losses, and refrain from using them for other businesses. Such property consist of tangible and intangible ones, including personal property, real-estate, technology, technical knowledge, rights, patents, copyrights, and confidential information not made public, namely business plans, financial projections, and human resource information as well as respect others' property.

“Property” means tangible/intangible properties such as movable/real property, Technology, academic knowledge, document of right, intellectual property, including confidential information such as business plan, financial forecast, and human resource data.

7. Entertainment and acceptance of gifts

Refrain from accepting or giving gifts, tokens, or from accepting or organizing entertainment for customers, business partners, contractors, suppliers, vendors, or government officials in an excessive fashion on traditional occasions when gifts are exchanged. If employees receive gifts of excessive value, they must report them to their respective supervisors.

8. Conflicts of interest

Refrain from any act posing conflicts of interest with the Company, that is, any act potentially depriving the Company of its fair interests, or from sharing benefits with the Company.

8.1 Competition with the Company

Refrain from engaging in any business or investment that could potentially compete so with the Company.

8.2 Personal gains from private business dealing with the Company

Disclose businesses or enterprises, whether these are owned privately, by the family, relatives, or by those under their parental care, that could lead to conflicts of interest, including

8.2.1 Joint investment or benefit-sharing with the Company's business partners.

8.2.2 Holding any position or advisory position in the Company's business partners or customers.

8.2.3 Directly or indirectly engaging in trading of goods or services through the Company or its affiliates.

8.3 Abuse of Company information for personal gains

Refrain from seeking personal gains for themselves or others by using the Company's or its affiliates' sensitive information, including plans, revenue, resolutions, business projections, experiment outcomes, and bidding for their benefits, regardless of the Company's actual losses from such acts.



8.4 Refrain from holding shares in the Company's business competitors if such behavior causes affects their duties, causing them to take of refrain from acting to accomplish their duties. If they have obtained such shares before becoming employees or before the Company enters such business, or if they inherit such shares as part of a will, they must report them to their supervisors.

9. Trading of the Company's shares and abuse of inside information

Avoid using inside information for trading in the Company's shares and avoid giving such information to other parties for benefits in trading in the Company's shares.

10. Maintaining the Company's reputation

Refrain from any act that could potentially harm the Company's reputation or pose problems for it, and uphold their own dignity in society.

11. Treatment of customers and product quality

Deliver products of quality, meeting or exceeding customers' expectations, under fair terms and provide accurate, adequate, and timely information about the products and services to customers to lead them to proper understanding of the quality, quantity, or condition of such products and services. In addition, maintain customer information confidentiality, refraining from using the aforementioned for personal gain for themselves or others' undue personal or others' gains.

12. Treatment of business partners and creditors, or both

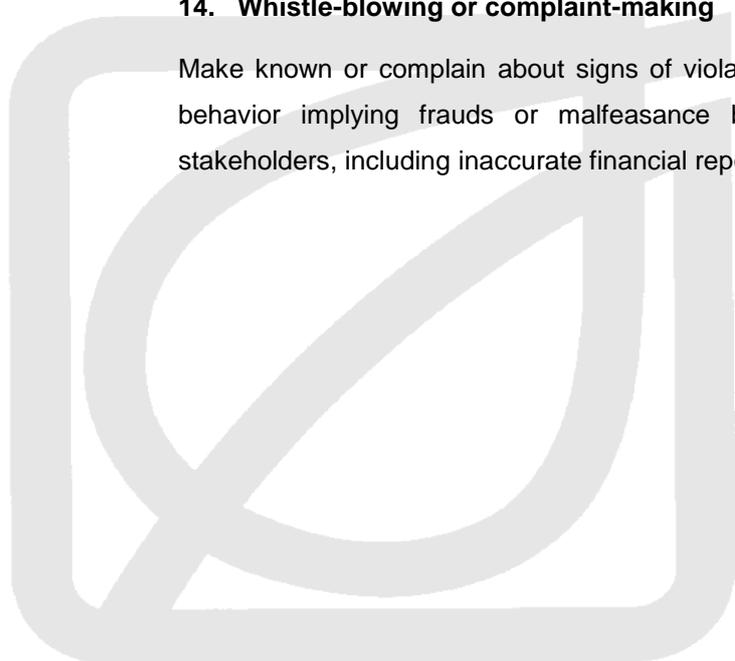
Treat these parties fairly for mutually fair benefits and strictly honor contracts or agreed conditions. If they cannot observe any condition, they must inform these parties in advance in order to jointly find solutions.

13. Treatment of business competitors

Observe the rules of fair competition by not seeking confidential information of business competitors through dishonest or improper means, including bribing competitors' employees etc., and refrain from slandering business competitors.

14. Whistle-blowing or complaint-making

Make known or complain about signs of violations of the law or the code of conduct, or about behavior implying frauds or malfeasance by people in the Company – employees and stakeholders, including inaccurate financial reporting or defects in the internal control system.





Policy on Connected Transactions

To enable transactions between the Company and related parties or businesses to proceed properly and transparently, and to be ready to disclose such matters adequately, the Company has defined the following policy and approaches for connected transactions.

1. Company directors and management* are required to inform the Company about the relationship or connected transactions of potential conflicts of interest.
2. Company directors and management must avoid engagement in connected transactions of potential conflicts of interest with the Company. If it is necessary to undertake irregular transactions or those with different commercial conditions from transactions with customers in general or external parties, such transactions can proceed only after Board approvals have been given by votes of at least three-quarters – in the absence of connected directors or connected executives during their deliberation and without irregular conditions or terms.
3. If the Company conducts connected transactions under SET's and SEC's regulations, it must strictly observe such regulations.
 - For such transactions under the approval authority of the management, the relevant units are responsible for deliberating such items under approval procedures specified by Company regulations. With each management approval, the units must submit the approval to the Audit Committee for a review of its sensibility.
 - For such transactions under the approval authority of the Board or the shareholders, the relevant units are responsible for submitting the details, necessity, and sensibility of such items to seek approvals from the Audit Committee, which will in turn table them before the Board for transaction engagement or submit them to the Board for concurrence with submission to shareholders' meetings for ultimate approval.
4. The Company discloses information on transactions of potential conflicts of interest or connected transactions under SEC's and SET's criteria in the annual disclosure forms, the annual report, or other forms, and discloses connected transactions to SET under the latter's criteria along with Company-relevant items as required by accounting standard criteria.
5. The Internal Control Office reviews connected transactions under its inspection plans and reports them to the Audit Committee. In place are measures to control, inspect, and randomly review such transactions to ensure accuracy under defined agreements, policies, or conditions.

* "Management" means the President/General Manager or the next four senior-most executives, all those with positions equivalent to the junior-most executive, and vice presents upward in accounting and finance



Section 10 Procurement Ethics

For hiring and procurement practices to proceed appropriately and efficiently while constantly preserving Bangchak's sound reputation, the company has defined rules for the code of conduct for hiring and procurement as practical guidelines across the company.

Guidelines

1. Acceptance of gifts, tokens, entertainment, and preferential treatment

1.1 Acceptance of gifts or tokens

Considered a violation of the code of procurement ethics and implies bribery, this implies bribe-taking. However, giving gifts or tokens of low value on traditional occasions, including calendars, diaries, or stationery items normally considered nominal tokens, is not an issue.

1.2 Acceptance of Entertainment

Acceptance of entertainment must take into account suitability and, unless necessary, should be avoided. Otherwise, the expenses should be split. Acceptance of entertainment paid for by business partners is a violation of the code of conduct.

1.3 Preferential treatment

Employees must avoid getting excessively friendly with one particular supplier or vendor that others could mistake for bias and therefore avoid bidding against those preferred. In addition, the know of the improper behavior; can harm the Company's reputation.

2. Injustice arising from procurement and hiring processes

2.1 Procurement should not be based on the specifications of any particular product or deliberately biased toward such products unless adequately justified and necessary.

2.2 Invitations to bid should be properly planned by choosing good prospective suppliers or vendors. Inviting others less qualified, simply to fulfill the number requirement and without regard to their ability to comply with the obligations, deprives the Company's procurement of quality and fairness to both the Company and other good suppliers or vendors.

2.3 All suppliers or vendors must receive the same written details, information, and conditions in writing. If verbal description is given, it must be confirmed in writing.

2.4 If a decision is made not to buy or hire after a bid has taken place, suppliers or vendors should be informed. And if another bidding round takes place, all former bidders must receive equal opportunities.

3. Conduct toward suppliers or vendors

3.1 The relationship between buyers and sellers should bolster mutual confidence through goodwill and justice, with continuous treatment toward each other.



- 3.2 Company-defined rules and procedures must be immediately given to suppliers and vendors once they apply to do business with the Company, and proper notification must be made with each change.
- 3.3 Inspection of materials and work, together with disbursement of funds, should be made promptly, cautiously, and in a fair manner to suppliers and vendors. Deliberate delays to these steps are regarded as violations of the code of conduct.
- 3.4 Improper assistance to suppliers and vendors to help them avoid paying due taxes must be avoided.

4. Purchasing priority

- 4.1 Locally available products must receive first priority. In addition to supporting domestic industries, buying such products is less costly.
- 4.2 Unless absolutely necessary, the Company shall buy products available from the Company and its affiliates and available in the market, except when those items are unavailable at the spot to be supplied or when essential characteristics give other products a greater value.





Section 11 Safety, Health, Environment, and Energy

Bangchak values the stewardship of safety, occupational health, the environment, and energy so as to ensure that all activities fall under an international-standard management system that does not harm the environment, society, and communities.

Guidelines

The Company is committed to raising its management excellence by the approach of the Thailand Quality Awards, which values social responsibility; protection of health, safety and the environment; and business conduct and employees. In addition, the Company values resource conservation, which encompasses all activities, products and services—all with key business roles; loss prevention; and compliance with the law and public regulations. Viewing these regulations as opportunities for improvement over and beyond what need to be complied with, the Company devises the SHEE policy, and all executives and rank-and-file employees—including all contractors working on behalf of the Company—are held directly responsible for the following:

1. Complying with SHEE laws as well as company regulations as a minimum.
2. Working safely in every processes without undue impacts on themselves, related parties, property, community or the environment.
3. Preventing losses and illnesses potentially arising from accidents and minimizing impacts potentially leading to pollution, leaks and oil losses.
4. Allocate Manage the necessary resources and information, as well as find and train employees in accordance with objectives and goals.
5. Making the best use of resources (energy, water and chemicals), continually raising the efficiency of company resource consumption, suiting the size of the business and efficiently managing waste and use it to its full potential.
6. Supporting reasonable procurement of products and services while taking into account safety and being environmentally friendly by reducing waste and saving energy.
7. Researching, developing and sourcing products and services that are safe, save energy, reduce waste and socially responsible to the environment and communities; developing modern and continual SHEE management systems.
8. Encourage subsidiaries and business partners to implement policies on stability, safety, health, the environment, and energy; bringing about a greener society.

Under this health, safety, environmental and energy policy, executives are to serve as role models for all employees, who must understand and obey it in all stages of work so as to achieve objectives and goals.