

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Dear Shareholders,

The Corporate Governance Committee is chaired by Professor Surapon Nitikraipot with Mr. Sarun Rungkasiri and Colonel Nithi Chungcharoen as Directors. These Directors were appointed on September 22nd, 2014 to replace the resigned Directors in the Committee. Police General Sombat Amornvivat and Air Chief Marshal Somchai Thean-anant both stepped down from the Committee, while Miss. Ruenvadee Suwanmongkol took assignment with the Audit Committee.

In 2014, the Corporate Governance Committee, including both the former members and new appointees, executed its mandate in a full and efficient manner, as set forth by the Board of Directors. The Corporate Governance Committee held a total of 4 meetings to follow and give updates on the progress of good corporate governance. A summary of key developments can be found below:

1. The Committee performed its tasks in full compliance with applicable regulations, laws and good practice guidelines.

- An organization plan for the 2014 Annual General Shareholders' Meeting (AGM) was issued. Suggestions were also made to ensure that meeting was carried out in an orderly, transparent and effective manner in compliance with corporate governance in accordance with every point on the AGM Checklist of the Stock Exchange of Thailand. The Company's 2014 Annual General Shareholders' Meeting was awarded full marks of 100 for distinction for the third year in a row (since 2012).
- The Committee set up principles and a timeframe for the proposal of the meeting agenda by minority shareholders, along with the list of candidates up for consideration for the Board of Directors. To promote shareholders' rights and equality, a period of more than three months was allowed (September 16th to December 31st, 2014) prior to the holding of the 2015 Annual General Shareholders' Meeting for agenda and candidate submission.
- The Committee gave its approval to the 2015 operations plan for the Corporate Governance Committee. It also presented its suggestions for improving transparent operations and increasing awareness of the Company's Corporate Governance policies. Approval was given to proceed with the Company's Antitrust Manual, Whistleblower procedures, and Governance & Compliance Guidelines for the Company's subsidiaries and entire organizations, covering both domestic and international entities.

2. Operations in compliance with the policy on good corporate governance were promoted.

- The Committee approved the Company's Corporate Governance plan for 2015 operations, as well as reviewed reports of previous year's operations. Emphasis was placed on communicating and disseminating information related to principles of good corporate governance and business code of conduct. This communication was extended to not only those departments within the Company, but also to all entities the Company invests in. Suggestions were given on how to increase the efficiency of tracking good corporate governance in an effort to continuously raise standards in this regard.
- The Committee gave consideration to the reporting of good corporate governance activities in the Company's 2014 Annual Report, ensuring that reports were done in a full manner, adhering to good corporate governance guidelines both in Thailand and international.
- The Committee approved efforts done to combat corruption and dishonest practices. It conducted its own assessment of these efforts to help support the certification of the Company according to guidelines set forth by the Collective Action Coalition project to combat dishonest practices in the private sector. These efforts were given final approval from the project sub-committee on July 4th, 2014.

- The Committee offered its suggestions and approval to changes of the Company's principles of good corporate governance, in an effort to better align them with the criteria of the IOD. Furthermore, marks from the good corporate governance assessment were recorded, as part of the Company's participation in the ASEAN CG Scorecard.
- The Committee offered its suggestions concerning corporate governance to various groups of the Company's stakeholders.

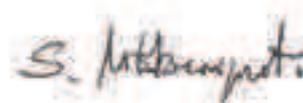
3. The Committee's performance, assessment and development

- Pre-designated annual meeting plans for the Corporate Governance Committee were issued. This enabled the Committee to acknowledge and deliberate on various matters, including future plans in order to effectively make recommendations to the management.
- Oversaw the organizing of knowledge sharing activities for Directors on topics regarding good corporate governance. New-director orientation was provided under the topic "PTTGC Business Overview & Strategic Direction".
- The Committee prepared a report of all of its 2014 corporate governance activities as performed according to its charter. This report was presented to the Board of Directors for their consideration.

The Company's focus on transparency and fairness in its corporate governance activities has received widespread praise. The Stock Exchange of Thailand recognized the Company's corporate governance as "Excellent" in 2014. The Company also received an award for being "The Best of Asia 2014 : Asia's Most Promising Company on Corporate Governance" from the publication Corporate Governance Asia. Furthermore, the Company was ranked 1st among 11 leading companies in sustainable development in the chemicals sector during 2014 by the Dow Jones Sustainability Indices (DJSI), an indicator of the efficacy of sustainable development of leading companies worldwide.

It is widely accepted that good corporate governance practices are important in supporting the Company's operations. They should be executed efficiently and set up to be sustainable. The Corporate Governance Committee understands well that it must conduct its duties strictly according to policies of good corporate governance and business code of conduct. The Committee shall endeavor to continue to develop our policies of corporate governance so that they may reflect international standards practices. Doing so will help increase the confidence our stakeholders have in our Company and its operations now and into the future.

On behalf of the Corporate Governance Committee,



(Professor Surapon Nitikraipot)

Chairman of the Corporate Governance Committee