

# CORPORATE GOVERNANCE

## Corporate Governance Policy

The Board of Directors places importance on Good Corporate Governance. Their vision is to have the organization function efficiently in terms of business operations, maintaining excellence in management, as well as conducting itself in a responsible, fair and auditable manner. Special emphasis is placed on stakeholders and on maximizing value for shareholders through sustainable growth. The Board put into writing a Good Corporate Governance Policy, signed by the Chairman of the Board. Furthermore, a Corporate Governance and Business Code of Conduct Handbook outlines various working practices and criteria to follow that are in accordance with international standards, and with the intent of guiding the behavior and operations of all staff members who have signed it as evidence of their acknowledgement and willingness to comply.

The communication of the content of the Corporate Governance Policy and ethics begin when staff members first join PTTGC during orientation. From there, it is continuously reinforced through various channels and activities which are held regularly to remind staff members of the Policy. Executives are expected to act as role models for their staff, with Directors, Executives and staff members each maintaining a stake in upholding the Policy. Connected transactions and conflicts of interest must be disclosed when he/she appointed to his/her position, as soon as an incident arises, and at the end of each year. Staff members are evaluated annually. In terms of parties outside the organization, a PTTGC's Supplier Code of Conduct has been published and distributed to all business partners. Furthermore, a Business Code of Conduct Handbook is handed out in 4 different languages (Thai, English, French and Chinese) so that all PTTGC business dealings both foreign and domestic companies are handled in an ethical and proper manner.

The Board has tasked the Corporate Governance Committee with the responsibility of ensuring that PTTGC operations are conducted according to the Good Corporate Governance Policy. It is also held responsible for performing annual reviews to ensure that the policy addresses the organization's needs as well as its evolving strategic vision and direction. This review is also done to make sure that the Corporate Governance Policy is in line with both international standards as well as the standards held by other listed companies. A quarterly report is made to the Board of Directors on the performance of the Corporate Governance Policy, using the principles of Good Corporate Governance as set out by the Stock Exchange of Thailand and the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) and published in the Annual Report. This is a listing of key performance indicators that relate to "Good Corporate Governance for Companies Registered in the ASEAN Region" and is aimed at continuously raising standards in the region.

Due to PTTGC's efforts in this regard, PTTGC was presented with the award for the Board of the Year 2013, issued by the Thai Institute of Directors (IOD) as well as the Stock Exchange of Thailand. This recognition demonstrates the level of commitment given by the Board of Directors to practicing Good Corporate Governance. The Company's adherence to good principles of Corporate Governance was assessed as "Board of the Year - Excellent". Furthermore, PTTGC was recognized by various organizations, both domestic and international as shown in the "Awards and Recognition".

Furthermore, a set of guidelines has been drawn up to govern compliance related to various laws, rules and regulations found both in domestic and international markets. This acts as an extension of PTTGC's Good Corporate Governance Policy, and serves to reduce the

risk of operating against related rules and regulations. The Board has formally set up this Corporate Compliance Policy, together with a Compliance Division to facilitate in the communication of this policy throughout the Organization. The details of 2013's Corporate Compliance Program have been listed below:

- ▶ Delivered copies of the Corporate Compliance Policy to all Directors, Executives and staff members of PTTGC as well as other companies wholly owned by PTTGC.
- ▶ Communicated and disseminated the information related to the Corporate Compliance Policy through the Intranet system as well as PTTGC's website. Training was provided to increase awareness of related laws, rules, and regulations. In 2013, a variety of courses and seminars were held as follows:
  1. Organized a number of different courses covering topics related to various regulatory policies. This included entry-level training for Competition and Trade Law, Anti-Corruption Law, Money Laundering Law and Intellectual Property Law. A total of 11 courses were provided covering 7 different policy areas. Guest speakers were invited to provide their expertise from the law firms Baker & McKenzie Ltd. and Allen & Overy (Thailand) Co., Ltd.
  2. Held Knowledge Sharing (KM) sessions to facilitate the exchange of information related to general Corporate Compliance processes and the Corporate Compliance Policy. Staff were invited to attend, both inside and outside of PTTGC. One of the sessions provided was "How to Comply with Anti-Trust Law", held for PTTGC management and staff as well as other subsidiaries in the PTTGC Group.
  3. Hosted the "Overview of International Securities Offering Under US Securities Law" workshop for staff in the Finance Department, as well as the "PTTGC Merger Control and Bid Rigging" workshop for staff in the Strategy and Planning Department. Guest speakers were invited to participate from the law firms of Baker & McKenzie Ltd. and Allen & Overy (Thailand) Co., Ltd.
  4. Provided "PTTGC Group Corporate Compliance Awareness" training for new staff members.
  5. Used Corporate Compliance News as a channel to inform and increase awareness of Executives and staff members of various laws, rules and regulations. Furthermore, different case studies of note were presented to members of Executives and staff so that they were able to develop a greater understanding of the importance of Corporate Compliance.
- ▶ Presented a Corporate Compliance Roadshow to various departments to help improve efficiency of the implementation of PTTGC's Corporate Compliance Policy and Corporate Compliance Program. A Corporate Compliance Overview was provided to reinforce the most important aspects of PTTGC's Corporate Compliance Policy so that the Executives and staff members could develop a greater and clearer understanding of details of PTTGC's Corporate Compliance Program.
- ▶ Drew up an Antitrust Manual to provide guidelines for staff members responsible for trade activities to follow. It outlines the steps needed to be followed when fielding complaints, as well as the complaint forms to be filled out when there is a failure to follow fair trade laws. The Antitrust Manual will be ready for use during the first quarter of 2014.

## Compliance with Good Corporate Governance According to International Standards

PTTGC complies with principles and guidelines set forth by the Stock Exchange of Thailand and has raised its standards to meet the international standards of the ASEAN CG Scorecard. The following is a list of key activities that took place in 2013.

### Rights of Shareholders

PTTGC fully respects the rights of the shareholders provided to them by law. Their right to the access of information gives shareholders the right to important, up-to-date information to be used in the decision to sell/purchase or transfer their shares. They also have the right to attend shareholders meetings to vote on matters as assigned by the Board of Directors, or to assign their votes by proxy. These matters include the appointment or dismissal of Directors, nomination of auditors, amendment of the Company's Articles of Association or Memorandum of Association, the reduction or increase of capital, the approval of special motions, connected transactions, the approval of the acquisition or the sale of particular large assets which have legal restrictions placed upon them, as well as any other important matter that might have an important bearing on the operations of PTTGC. Furthermore, shareholders have the right to share in PTTGC's disbursement of profits as well as the right to receive information related to PTTGC in a sufficient and timely manner.

Additionally, PTTGC gives to shareholders additional rights that are not required by law. This is an effort to increase shareholder confidence in PTTGC operations. These rights have been summarized below:

### ▶ The 2013 Annual General Meeting of Shareholders

1. **Preparation of Meeting Invitation Notices** PTTGC included the following information and rights that would be given to shareholders:

- (1) PTTGC must make an announcement through the Stock Exchange of Thailand to ensure that shareholders are made aware of the date the Annual General Meeting of Shareholders will be held. This announcement must be made immediately after the resolution setting the date is made. Furthermore, this announcement must also include other information such as the Record date, the registry book closing date to suspend share transfers, and the dividend and its payment dates.
- (2) PTTGC held the Annual General Meeting of Shareholders on April 4<sup>th</sup>, 2013 on the 5<sup>th</sup> floor of the Bangkok Convention Center at Central Lat Phrao in Bangkok. Meeting invitation notices were sent out along with all meeting information, and both a map and directions to help shareholders reach the meeting venue more conveniently. Furthermore, a telephone number was provided to assist those shareholders who needed to make any inquiries related to their attendance of the Meeting.
- (3) PTTGC published the invitation to the Annual General Meeting of Shareholders on its website 31 days before the Meeting was held. Physical meeting invitations were then sent out on March 14<sup>th</sup>, 2013, 21 days before the Meeting was held. Each shareholder received their invitation, which also included the meeting agenda and information that described the scope of each item as well as opinions of the Board of Directors concerning their contents. Furthermore, shareholder rights were explained in detail to let shareholders know more about their rights to registration and details

regarding attending the meeting or having a proxy attend and vote in the shareholders' stead. Other details included a list of Independent Directors who could be assign as their proxy, voting rights that concern resolutions to be made, and application forms to receive copies of the various annual reports and sustainability reports. These reports were to be distributed in the form of a hard copy as well as a CD-ROM, available in 2 languages for shareholders who would like to receive more information about PTTGC.

- (4) Meeting invitations were prepared both in Thai and in English, as they were sent out to individual and institutional investors. Shareholders were able to attend in person or assign a proxy to attend instead. A representative was made available to answer any inquiries raised by various institutional funds, both domestic funds and fund nominees. For added convenience, PTTGC also announces the details of its Annual General Meeting of Shareholders in the Kao Hoon publication (Thai) and in the Bangkok Post (English). This is done 3 days before the Meeting is held as another reminder for Shareholders to attend.
- (5) In the event that shareholders are unable to attend themselves, PTTGC provides them with the opportunity to select a proxy. This may either be one of the Independent Directors or another individual of their choosing. Paperwork necessary for the assignment of a shareholder's proxy is included in the meeting invitation. This paperwork also allows for the shareholder to select how they would like to vote, as mandated by the Ministry of Commerce. Furthermore, shareholders can download this form from PTTGC's website. Postage stamps were also made available for shareholders to use on the day of the meeting.

## 2. The Organization of the 2013 Annual General Meeting of Shareholders

**Before the Meeting:** PTTGC selected a venue that is large enough to accommodate the number of attending shareholders and proxies. The venue must be able to facilitate all attendees and provide ample room for the registration process to take place completely in the 2 hours before the Meeting. The system to manage the Meeting has been described below:

- (1) **Document Verification.** Shareholders had to bring all necessary documentation to the Meeting. Staff members from PTTGC's Legal Department, along with representatives from the law firm Baker & Mackenzie verified all documents and accepted proxy forms on the behalf of others.
- (2) **Shareholder Registration** PTTGC employed the use of a barcode scanner to verify the registration numbers of each shareholder. This increased the speed and ease of shareholder registration, as well as in recording votes. After shareholder registration had been completed, they were provided with snacks and beverages for their enjoyment. This year, there were a total of 5,470 shareholders in attendance representing 72.15% of outstanding shares.
- (3) **Other Services** PTTGC also ensured that there were adequate facilities to accommodate attending shareholders. This included various exhibition boards used to display Company information for shareholders, proxy statements, and investor relations officers from PTTGC. Food and beverages were provided along with other services to ensure that such a large amount of shareholders could be accommodated appropriately.

**During the Meeting:** The Meeting was attended by 14 Directors (1 Director had resigned in January 2013 before the end of his term). They were joined by the Chairman of the Board of Directors, the Chairmen of each of the 4 Sub-Committees, various Executives, Auditors and Legal Representatives. Before the Meeting commenced, the Chairman described the method to the shareholders in which votes would be counted.

The Chairman then opened the floor for shareholders to freely ask questions and offer opinions. Directors gave their opinions on items they were concerned with, as well as answered any related questions. Agenda items were addressed in the order they appeared on the meeting invitation. No deviations from the meeting agenda were made. Shareholders were given their rights to participate in the voting of Directors. Whenever a Director had a conflict of interest with the item being discussed, they would be asked to leave the meeting room, only to return after the item had been resolved. Furthermore, during the tabulation of votes, votes that were marked no or marked to abstain were deducted from the total of eligible votes cast.

In addition, PTTGC arranged for interpreters to be present in case that a foreign shareholder had questions that needed to be answered.

**After the Meeting:** All Company resolutions made were announced by PTTGC on the following day, April 5<sup>th</sup> 2013, to the Stock Exchange of Thailand. A summary was made available on PTTGC's website as well. Fourteen (14) days after the Meeting, PTTGC provided a report of the Annual General Meeting of Shareholders to the Stock Exchange of Thailand, with a full accounting of all details. This was done according to principles of Good Corporate Governance. A report was also made of all stakes held by Directors on those issues they gave consideration on. Focus was given to aspects that might have affected the ability for Directors to weigh in on these matters in an independent fashion. Those who

did have conflicts of interests refrained from weighing in on those matters. Furthermore, shareholders are able to view Meeting minutes at the Stock Exchange of Thailand (SET) as well as view them on PTTGC's website at [www.pttgcgroup.com](http://www.pttgcgroup.com)

Through continuous development and improvement of the Annual General Meeting of Shareholders, in 2013, AGM Assessment evaluated the meeting's quality as "Excellent" for the 2<sup>nd</sup> consecutive year since the amalgamation, receiving a perfect 100% score. The AGM Assessment is performed by the Thai Investors Association.

### The Equitable Treatment of Shareholders

PTTGC is determined to treat all shareholders equally regardless of their nationality, the size of their shareholdings, or their investor type. A description of these efforts is listed below:

1. PTTGC provides minority shareholders the opportunity to raise items for inclusion on the Meeting agenda, as well as nominate qualified candidates to be considered for Director positions. A single minority shareholder or a group of shareholders can come together for these purposes, as long as they control a total of no less than 0.5% of shares with eligible voting rights. Through an announcement to the Stock Exchange of Thailand, and a posting on PTTGC's website ([www.pttgcgroup.com](http://www.pttgcgroup.com)), the criteria and steps for the nomination of Directors, along with a channel to make inquiries into the Meeting's agenda was able to be accessed between **October 1<sup>st</sup>, 2012 to December 31<sup>st</sup>, 2012**. This information could be found under the heading of "Corporate Governance / Shareholder Information / General Annual Meeting of Shareholders 2013". In the event that a shareholder raises an item to be included on the agenda, the Corporate Governance Committee will give consideration to the motion and present its

findings to the meeting of the Board of Directors for a final decision to be made. In 2013, there were no agenda items brought up for consideration by any shareholder, nor did any make nominations for a Director position. The Chairman of the Board released this findings to the shareholders at the Annual General Meeting of Shareholders, along with including them in the Meeting Minutes, without creating any barriers at all to allowing shareholders to communicate with each other about the proceedings.

2. Minority shareholders have the right to offer suggestions or voice their concerns directly to the Chairman of the Corporate Governance Committee (Independent Director), as well as to the Company Secretary. This can be done by emailing to [cg@pttgcgroup.com](mailto:cg@pttgcgroup.com). Corporate Governance Directors will give specialized attention to each issue raised. Institutional investors can make requests for information or offer up their suggestions simply by emailing to [ir@pttgcgroup.com](mailto:ir@pttgcgroup.com), which is the contact for Investor Relations Department.
3. Aside from holding the Annual General Meeting of Shareholders in 2013, PTTGC made additional efforts to strengthen shareholder relations. Such efforts included activities of benefit to society and the environment. All shareholders were granted equal opportunities to participate. Those activities are detailed below:

- ▶ The "Company Visit 2013" was conducted to allow shareholders to make a site visit to tour our Rayong operations. It was held from November 20<sup>th</sup>-21<sup>st</sup>, 2013. Interested shareholders could apply to take part in the visit, and they were included in a lottery to determine who was able to fill one of the limited spots. Those selected were able to make a site visit in person, welcome by our staff members, receiving information directly from PTTGC Executives and visiting PTTGC plants. During the site visit, shareholders were invited to

participate in environmental and socially-minded activities such as releasing fish into the sea and providing support to local businesses.

- ▶ Shareholder meetings were provided at "Money Expo 2013" in May at Muang Thong Thani, as well as at "Set in the City 2013" in November at Siam Paragon in Bangkok. PTTGC has staged various exhibitions and answered shareholder questions, as well as advised shareholders to know about the progress of Company operations.

### Role of Stakeholders

PTTGC has established both policies and working practices about PTTGC and its responsibilities towards each of its stakeholder groups. They are outlined in the Corporate Governance and Business Code of Conduct Handbook of PTTGC. Furthermore, emphasis is put on quality, safety and occupational health. Also, the Corporate Governance Committee has tasked management with reporting on its relations with each stakeholder group. These reports were assembled quarterly between 2012-2013. They indicated an improvement of stakeholder relations due to systematic adherence to the principles of Good Corporate Governance. PTTGC strives to make sure that all stakeholder rights are preserved. In the case of any infringement of these rights, PTTGC has created a system to make sure that fair compensation is made. This has been summarized below:

1. **Shareholders** PTTGC provides its shareholders with a fundamental set of rights, according to law as well as Company's Articles of Association. This includes the right to attend and vote at the Annual General Meeting of Shareholders, the right to voice opinions freely at the Meeting, as well as the right to receive a fair return on their investment. PTTGC also grants shareholders the right to make any inquiries and suggestions related to PTTGC operations, and this helps to ensure both operation stability and sustainability while adding maximum value to shareholders.

**2. Customers** PTTGC aims to provide the greatest benefit possible to its customers and those who use its products, encompassing aspects ranging from quality to fair pricing. Maintaining sustainable relationships is the key to this. A working unit has also been established to be responsible for providing constructive suggestions on the improvement of product and service quality. Their work ranges from providing input on improving production processes, to finding solutions to problems, and to fielding complaints from customers. This helps PTTGC to better satisfy its customers while addressing their needs. Efforts such as these are conducted according to the principles of Good Corporate Governance and Business Code of Conduct. PTTGC places special emphasis on providing solutions to customers whose products are still under warranty or time-sensitive conditions. A system is in place to receive complaints regarding PTTGC products and services to meet customer needs in an expedient and fair manner. Complaints are fielded through a number of different channels including PTTGC's Website, email and telephone. There is also a Customer Relations Management (CRM) system operated by a team dedicated to these efforts. Not only does this team work to ensure a solution is found for each complaint raised, it also ensures that the source of these complaints is eliminated and prevented from happening again. Complaint monitoring and assessments are a regular part of PTTGC operations. In addition to what has already been laid out in the Corporate Governance Handbook, additional principles apply to these efforts such as **Marketing Excellence** and maintaining a **Customer Centric** approach. **Customer satisfaction** surveys are held on a constant basis. PTTGC representatives regularly make site visits to customers to see its products

in use, while also taking notes of any customer concerns and opinions on the challenges each customer has recently been through.

**3. Business Partners** PTTGC operates within the framework of maintaining a competitive environment under Business Code of Conduct. Trade contracts are honored, and trust is maintained with PTTGC's customers. When dealing with trade partners, PTTGC operates in a transparent, uniform, and fair manner. PTTGC aims to conduct itself according to all contracts and agreements in an ethical manner, strictly following all policies and guidelines related to Business Code of Conduct.

PTTGC emphasizes the importance of our Supplier Relationship Management (SRM) and so arranges a series of activities to help support Company partnerships. Activities were held to communicate PTTGC's aims to compete on a more international level, particularly with concepts such as Green Procurement. Green Procurement will help PTTGC work in a more sustainable manner. The cooperation of PTTGC's partners has been asked so that we can all move together in the spirit of maintaining a Green network. Furthermore, similar efforts are being made with anti-graft concepts, with a push being made to operate in a fair and transparent manner. This includes the prohibition of the payment or receipt of goods or services that might be considered dishonest in business dealings. PTTGC policies are clear on the stance taken against corrupt practices. The acceptance or payment of bribes is expressly forbidden both within PTTGC as well as within its business partners. Business partners are required to sign a pledge to condemn any corrupt business practices. Furthermore, business partners are made aware of PTTGC's policy of prohibiting

inappropriate gifting, including allowing its staff members to receive special benefits or incentives. Our business partners are required to share the same vision in terms of safety, health, and environmental compliance. This mentality is to be extended as well to all laws and regulations regarding human rights and labor laws, to help improve the quality of life in communities and society, as well as the quality of the environment.

4. **Business Competitors** PTTGC has a policy to operate in an upright and transparent manner in dealings with its business competitors. The framework of this policy has been shaped by related laws and regulations, as well as concepts related to Business Code of Conduct. The collection of a business competitor's inside information is expressly prohibited. The policy further prohibits the infringement of intellectual property rights and trade secrets. Furthermore, it includes provisions that prohibit the slandering of business competitors.
5. **Creditors** PTTGC makes sure to strictly comply with all terms of any loan agreement it enters into in a responsible and transparent manner. PTTGC will not conceal any information or hide any facts that might possibly result in the realization of losses for its creditors. In the event that PTTGC is unable to meet any of the criteria it agreed to, it will make immediate notification to that particular creditor to allow for a course of action to be taken to rectify the situation. There will be full disclosure of this type of information to all stakeholders, in particular bondholders and other creditors. The issuing of any debentures will be made strictly according to law and any notices made by the Securities and Exchange Commission, as well as the policies and resolutions agreed upon at the Shareholders

Meeting. Furthermore, measures are in place in case any stakeholder might realize losses from the actions of PTTGC's failure to act totally in compliance with the agreed-upon provisions.

6. **Public Sector** PTTGC places importance on its relationship with the public sector. As one of PTTGC's stakeholder groups, guidelines on contact with the public sector, both foreign and domestic, have been laid out in the Good Corporate Governance Handbook. These guidelines assist PTTGC to avoid acting unethically in its dealings with the public sector. Constant cooperation and information-sharing exists between PTTGC and the public sector in an appropriate and transparent manner. Staff members adhere to all related laws and regulations, helping to build up a strong long-term relationship with various government agencies, including other members of the public sector such as the academic community.
7. **Employees** PTTGC places importance on its relationship with all employees and values them as important assets of PTTGC. It is committed to ensuring that employees feel pride and have confidence in their relationship with the organization. Professional development is provided for all employees, helping to continuously and sustainably increase their productivity.
  - ▶ PTTGC adheres to all principles laid out by the United Nations Global Compact (UNGC) in terms of respecting labor and human rights. A Quality Security, Safety, Occupational Health and Environment Policy has been designed to protect employees safety and security, as well as their property at the workplace. Health and safety training is provided to each employees. They also receive various health care benefits available

onsite in an effort to improve staff member health and wellbeing.

- ▶ PTTGC has set clear policies related to providing appropriate levels of compensation and benefits to its employees. These levels are determined based on an annual survey of compensation offered by companies within the PTT Group as well as companies in similar fields. A Performance Management System has been implemented to assist in the distribution of employee's compensation. Policies have been drawn up to provide employees and their families with a set of benefits, with the aim of improving the quality of work-life balance. [PTTGC Welfare Committee](#) from both management and staff jointly monitor and offer suggestions about benefits, making sure that they are provided sufficiently and appropriately. This policy extends to outside contractors that work onsite, ensuring that this practice does not violate related labor laws. All of this has been detailed in the Good Corporate Governance and Business Code of Conduct Handbook, as well as the Corporate Compliance Policy. These policies are communicated to employees through regular training.
- ▶ PTTGC has provided for employees to directly communicate with the management through a variety of different channels, including a ["Management Site Visit"](#) where staff members directly meet management to discuss various issues and problems as well as to receive good advice and encouragement concerning their work.
- ▶ Activities were held to encourage relationship building between management and staff members, in an effort to strengthen understanding and familiarity between them in an efficient manner. These activities allow

for staff members to relax after work and enjoy an environment where all employees are treated equally. PTTGC's Compliance Policy states PTTGC's intentions to enforce its Human Rights Policy, guaranteeing the right to freedom and quality.

- ▶ A communication channel has been provided for [Whistleblowers](#) to make complaints under the ["Bring the Best"](#) project administered by the Internal Audit Department. All complaints raised and backed by sufficient evidence will be given fair and transparent consideration to all parties involved. Whistleblower identity will be protected to prevent any level of harassment both during and after the investigation.

#### 8. [Community, Society and the Environment](#)

PTTGC conducts its business in an ethical manner in its dealings with members of the community, society-at-large and the environment. Careful attention is given to ensuring that they are not adversely affected by PTTGC operations. Information concerning these operations is shared fully and accurately with surrounding communities. Suggestions and options from these communities are welcomed to help create a sustainable relationship. Furthermore, efforts are made to help with the development of communities and society. [PTTGC has set its Core Values as "GC-SPIRIT" with the letter "R" representing "Responsibility for Society"](#). PTTGC's operations plan outlines a strategic vision for PTTGC to focus on social development and investment in communities so that they are impacted only minimally from PTTGC operations. Sustainable development concepts have been implemented according to various international standards such as DJSI, UNGC, GRI, as well as ISO26000 as detailed in Sustainable Development.

- ▶ PTTGC operates according to the principles of sustainable development and reports on these principles, as well as implements those social responsibility concepts that meet international standards. Reports describing these efforts are made separately from the Annual Report, and they are made available to shareholders and stakeholders that wish to learn more about and gain increased confidence in PTTGC business operations. They detail various societal and environmental factors related to sustainable development. The year 2013 was the 3<sup>rd</sup> year in which the reports had been produced, and it also marked the year such reports had been recognized for their accuracy, completeness, and clarity of guidelines by the Global Reporting Initiatives (GRI) for two consecutive years. In 2013, PTTGC was also granted several recognitions of its success in sustainable development by various institutions including UNGC / Advanced Level, Responsible Care, World Business Council for Sustainable Development and Global Reporting Initiatives GRI G4 Guidelines at Core level. Moreover, PTTGC was ranked one of nine world's leading petrochemical companies highly regarded by worldwide investors from [Dow Jones Sustainability Indices \(DJSI\)](#).
- ▶ Information disclosed through the SET Community Portal
- ▶ Information disclosed through PTTGC's Website at [www.pttgcgroup.com](http://www.pttgcgroup.com). Such information includes regular updates and provides links to enable contact Directors and various departments.
- ▶ Information disclosed to all stakeholders through various channels such as the Better Living publication, newspaper announcements, press releases, emails, exhibits and other communication activities.

The Board of Directors strictly adheres to PTTGC's Disclosure Policy, which is based on relevant laws, rules and regulations from the Securities and Exchange Commission, the Stock Exchange of Thailand, and other government organizations. Constant revisions of this policy are made to ensure the accurate representation of related laws, rules and regulations. This assists in providing security for shareholders, investors, and the public, as well as other stakeholders. The disclosure of information allows PTTGC to operate in a full transparent, accurate, and straightforward manner, acting to prevent danger from any losses that may otherwise occur.

1. Disclosure is made regarding the details concerning PTTGC's operating structure, including various companies in the PTTGC Group, as well as subsidiaries, joint ventures, and partner companies. Such disclosure extends to information related to major shareholders and the size of their holdings, as well as the holdings of different institutional investors.
2. Disclosure of financial and non-financial information is made in accordance with Generally Accepted Accounting Principles, and is also subject to scrutiny from an independent, accurate, and complete audit.

## Disclosure and Transparency

PTTGC places importance on the full disclosure of information as it is necessary to allow various stakeholder groups make decisions appropriate to their situation. Disclosure is performed according to various standards and controls that govern how different types of information, such as financial and non-financial, is processed. The essence of these standards is that these disclosures should be done in a reliable, complete, accurate, and timely fashion, both in Thai and in English.

3. A policy exists that mandates the disclosure of connected transaction of positions held in PTTGC by its Directors and Executives, as well as other connected individuals. This applies not only to the management of PTTGC, but also that of its subsidiaries. Below is a list of criteria and procedures for reporting:

- ▶ Report upon acceptance of any new Director or Executive position.
- ▶ Report upon any changes in information.
- ▶ Annual report at the end of the year.

4. To prevent conflicts of interests, Directors or Executives are prohibited from being involved in transactions or agenda items they have potential vested interests in. If their presence at the meeting is required to provide necessary information, they will abstain from voting or giving any opinion on such matters. The Company Secretary or the Secretary of the Sub-Committee involved will take note of any involvement of a Director or Executive and include such information in the meeting minutes. Guidelines for managing connected transaction and conflicts of interest have been included in the Corporate Governance and Business Code of Conduct Handbook. All Directors, Executives, and staff members are required to follow these guidelines. Personnel at all levels are required to report any possible act or doubt in regard to conflicts of interest via the Conflict of Interest Disclosure Form. This form must be filled out at least three times - firstly when they are appointed to their position; secondly, every year end; and thirdly, as soon as an incident arises that may lead to a possible conflict of interest.

In 2013, PTTGC has continued to improve an online system to provide a channel for all staff members of PTTGC Group to report conflicts of interest. This was done in an effort to reduce paper waste, as well as to facilitate the tracking,

storage and retrieval of information. This system also enables supervisors in PTTGC to be better informed about any possible act their subordinates could be engaged in which might lead to a potential conflict of interest.

5. The Board will prepare a report regarding financial accountability to be submitted along with an audit report in each of the Annual Reports.
6. PTTGC made full disclosure of the process it used to nominate and appoint Directors, as well as the processes it used in evaluating working processes and the results of the Board of Directors during 2013.
7. Disclosures are made of policies related to Director and Executive remuneration, including the exact nature of the remuneration made as well as the amount paid out to each set of Directors serving on different Sub-Committees. These disclosures include a full history of the accomplishments of the Sub-Committees as well as attendance records for each of their Directors. Furthermore, information related to individual remuneration for each Director is disclosed as well.
8. Disclosures are made of major investment activity and any issues that might have considerable effect on current investments. These disclosures are made through a variety of channels to provide shareholders, investors, members of the media and other related parties informed with accurate information and on a transparent basis.

PTTGC maintains an [Investor Relations Department](#) to be responsible for handling communications with shareholders and institutional investors, as well as various analysts and regulatory agencies. This

ensures that communication with PTTGC is made in a convenient manner with a focus on accuracy, completeness, speed, and fairness. Our Investor Relations Department can be contacted directly through our website [www.pttgcgroup.com](http://www.pttgcgroup.com) or by email at [ir@pttgcgroup.com](mailto:ir@pttgcgroup.com), as well as by phone. This year, PTTGC established "[Investor Relations Code of Conduct](#)" to define the role and guidelines of investor relations officers of all types. It has been included on PTTGC's website.

In 2013, PTTGC hosted a number of events where the President and Chief Executive Officer along with Executives were made available to be met by shareholders, institutional investors and analysts. A summary of what was discussed in terms of operations, budgeting, and financial positions were explained in the Management Discussion & Analysis. Also, future trends that outline Good Corporate Governance were included in the Annual Report as well as on PTTGC's Website.

Additionally, PTTGC maintains an email address that is convenient for use as a direct line to PTTGC. It is listed on PTTGC's Website under the section "Good Corporate Governance". This means that anyone, be they from shareholders, investors or the public, can use it to directly contact the Chairman of the Corporate Governance Committee, or contact the Company Secretary. The email address is [cg@pttgcgroup.com](mailto:cg@pttgcgroup.com)

## Control of the Use of Inside Information

The Board of Directors has placed great importance on disclosure and transparency. Policies related to this can be found in the Corporate Governance and Business Code of Conduct Handbook, as well as on PTTGC's website. They are available not only for shareholders to read, but also as Directors, Executives and staff members of their responsibilities. The details have been summarized:

- (1) Directors and Executive—according to the definition of SEC, are to conduct their work according to SEC regulations. They have signed an agreement to report any changes to their shareholdings in PTTGC within 3 days of any transaction. This responsibility is assumed upon their appointment to their position. The Company Secretary will make an organized list of these transactions to be included as an agenda item at each meeting of the Board of Directors.
- (2) Notifications are issued to both the Directors and Executives to remind them of the policy prohibiting the purchase or sale of stock 45 days before the disclosure of quarterly/annual financial reports, as well as before any major decisions are disclosed that may have an effect on the price of PTTGC's stock. Furthermore, they are also prohibited from purchasing or selling stock until after 24 hours has passed since any such event has been published to the public.
- (3) A Confidentiality of Information Policy has been set. This policy applies to all Executives and staff members. They have responsibility to ensure that confidential information remains secret at all times. They are also required to prevent others from accessing such information concerning PTTGC, its customers or business partners, or any other personal information. They need to also comply with those measures safeguarding confidential and non-public information for the benefit of business operation and compliance with all of the legal requirements regarding the standard of information confidentiality both in Thailand and overseas.

## Board Responsibility

The Board of Directors operates as the core of Good Corporate Governance. The Board performs important responsibilities such as determining and reviewing the organization's vision, mission, strategy, operations

plans and budget. These duties must be performed in a cautious and upright manner, in accordance with all related laws and regulations. Principles of Good Corporate Governance and Business Code of Conduct have been set to help guide Directors, Executives and all staff members. Furthermore, the Board of Directors pays close attention to reports of PTTGC operations. PTTGC holds Board meetings each month.

Each of the Directors must be highly qualified, knowledgeable and experienced in fields such as petroleum, petrochemicals, energy, management, accounting and finance, law, security, or auditing. The combination of these skills and qualities is aimed to bring the greatest benefit possible to PTTGC. The devotion of their time and effort is essential to their duties. The Board of Directors must provide PTTGC with strong leadership, vision and independence in decision making processes so as to maximize shareholder value. It must understand its responsibilities in upholding the law and adhering to all regulations and rules, as well as principles of Good Corporate Governance. It must avoid any actions which would be against the best interests of PTTGC and avoid conflicts of interest with PTTGC that would decrease efficiencies. The number of Board Directors must always be kept at an appropriate level as determined by the size of the organization as well as the approval given at the Shareholders Meeting.

**Chairman of the Board.** The Chairman must not be the same person as the President and Chief Executive Officer, nor one of their family members. The Chairman does not participate in the normal management of PTTGC, nor can the Chairman participate as a member of one of the various Sub-Committees which are responsible for policy writing, operations assessment, and the daily management of PTTGC.

The Chairman is responsible for providing oversight as well as safeguarding the efficiency of Directors. The Chairman must always act as an independent arbiter between different areas of management. The Chairman

must set agenda items together with the President and CEO to be discussed in the meeting of the Board of Directors. The Chairman must preside in an efficient manner over meetings with the Board as well as with shareholders, ensuring that Directors follow the principles of Good Corporate Governance and Business Code of Conduct, as well as act independently according to the policies set forth by the Board. This is all done to produce the greatest benefit for PTTGC, its shareholders, and the Thai nation.

Principles of Good Corporate Governance require that the Chairman should act as an Independent Director, although this is not the case presently. However, the Chairman is a highly knowledgeable and experienced individual who is recognized both domestically and internationally for his ability to perform his duties independently, and this will help PTTGC to be more secure and progress in an efficient way.

## Nomination and Appointment of Directors, Independent Directors and Chief Executive Officer

In an effort to conduct the nomination and appointment of Directors in a principled and transparent fashion, concepts of Good Corporate Governance are strictly abided by. The Board of Directors nominated 3 Directors to serve on the Nomination and Remuneration Committee. These Directors are Independent Directors, responsible for determining the nomination criteria, as well as performing the nomination of Company Directors. Nominations are to be made to find individuals that are appropriately qualified according to Company's Articles of Association, have a high level of expertise, and are experienced in various related fields. These findings are presented to the Board of Directors for their consideration. Furthermore, the Nomination and Remuneration Committee is also responsible for allowing minor shareholders to nominate qualified individuals for consideration to fill these Directorships. Consideration

will be given only to candidates that give consent to their nomination and are able to verify their credentials.

To help ensure that only the most qualified individuals are considered for Directorships and Executive positions, the Nomination and Remuneration Committee have set forth the following criteria:

### Directors

- ▶ **Nomination of New Directors:** Various factors are considered including: history of compliance with related laws and regulations, as well as expertise in areas required by the Board, such as in the fields of petroleum, petrochemicals, energy, management, accounting and finance, law, security, and auditing. Furthermore, conflicts of interest and connected transactions that may affect PTTGC are also considered.
- ▶ **Nomination of Directors Presently Serving:** Consideration is given to past performance as a Director of the Board, including their time devoted, participation, and their relationships with other Directors as well as Executives. Furthermore, a Skill Matrix used to evaluate the performance of Directors is also used during consideration.

### Independent Directors

The nomination and appointment of Independent Directors begins by determining the number of Independent Directors that are necessary to meet criteria set forth by the Securities and Exchange Commission. As of December 31<sup>st</sup>, 2013, of the 15 Directors, 9 of them are Independent Directors, exceeding the requirement mandated by the Securities and Exchange Commission. Aside from meeting all of the above requirements, additional consideration is given to the ability of candidates to remain independent in their duties as stated in Company's Articles of Association. The qualifications of Independent Directors are clearly detailed in the Corporate Governance and Business Code

of Conduct Handbook and on PTTGC's Website. These criteria are based on the criteria set by the Securities and Exchange Commission. Independent Directors must not hold more than a 0.5% share (SEC regulations prohibit shareholdings of more than 1%). Furthermore, the candidate's prior and present experience and positions will be taken into account as well. Their current relationship with PTTGC will be evaluated to see if it will have any effect on their ability to function independently and uniformly.

According to SEC regulations, Independent Directors must not have any prior business dealings with and must not provide services to the Companies they represent upon assuming Directorship. All changes to the status of any of these conditions must be reported annually.

### Chief Executive Officer

When making the nomination and appointment of Chief Executive Officer, the Nomination and Remuneration Committee makes sure to propose the most qualified individual by evaluating their qualifications, skills, experience, management and leadership skills, as well as their performance at the posts held previously. Furthermore, consideration is given to other important aspects such as the time and effort they have available to devote to their position, ensuring that PTTGC receives the highest amount of benefit from any individual who assumes this position.

### Corporate Governance Policy for PTTGC and its Subsidiaries

The Board of Directors has approved PTTGC's Corporate Governance Policy for companies it holds ownership stakes in. This policy is meant to ensure that the same standards (PTTGC Business Principles) apply to the management and operations of those entities, helping to increase their efficiency. The Board of Directors has tasked the Chief Executive Officer with the duty of establishing the policy, its

criteria, and its mechanisms of enforcement. In terms of the responsibilities of individuals nominated to serve as Directors for PTTGC's subsidiary companies, this policy states that those individuals have the duty and responsibility to act in the best interest of the company they serve as a Director. Furthermore, the Board of Directors has determined that important policies set by its subsidiaries must adhere to all restrictions and regulations set forth by the Securities and Exchange Commission.

Additionally, the Board of Directors provides supervision for various policies of its subsidiaries including Management Policies, Corporate Governance Policies, Corporate Compliance Policies, Accounting and Finance Policies, Health Safety and Environment Policies, Social Responsibility Policies, Personnel Management Policies, as well as other various important policies. Such supervision is provided to make sure that they are in compliance with the requirements of the Securities and Exchange Commission as well as of other related rules and regulations.

#### » Board of Director Meetings

The Board of Directors will determine the dates of its meetings over a year in advance, as well as set a clear agenda to be discussed each month. On the 2<sup>nd</sup> Friday of each month, special meetings (urgent) will be held if the need arises. During 2013, there were a total of 13 meetings held, with additional 2 special meetings conducted. The Board of Directors received copies of their invitations, meeting drafts, and information pertaining to agenda items at least five days before each meeting was held.

The Chairman of the Board and the President and Chief Executive Officer are normally responsible for setting the Meeting Agenda. However, Directors are entitled to make suggestions as well. In an effort to better conform to practices of Good Corporate Governance, PTTGC has established that Board Meetings must be attended

by at least two in three Directors before a quorum can be attained. High-level Executives and members of management are invited to attend the meetings and provide useful information directly to the Board. Exceptions to this are when agenda items concern specific issues related to special committees which need to be given independent consideration.

The Chairman is responsible for and presides over meetings, providing every Director an opportunity to openly voice his/her own opinions. Meeting resolutions are then decided by a majority vote. Each Director is entitled to one vote except for anyone who has conflicts of interest with the agenda item being discussed. In the event that the final vote ends in a tie, the Chairman will cast the deciding vote. Through the Chairman's encouragement, Director attendance was at a level of 95% during meetings held in 2013.

Furthermore, importance is given to the reduction of conflicts of interest. Efforts are made to operate in a careful, fair and transparent manner. Full disclosure is made of any conflicts of interest. In the event a Director might have a conflict with an agenda item being discussed, that Director must abstain from engaging in consideration of the matter.

After the conclusion of the meeting, the Company Secretary is responsible for preparing the meeting minutes and presenting them at the following meeting for approval as the meeting's first agenda item. The minutes are to be signed off by the Chairman, verifying their accuracy. Minutes are stored in a systematic fashion with all necessary confidential information protected. PTTGC's electronic storage system allows for ease in reference or searching.

In 2013, the Independent Directors meeting was assembled twice, inviting expert speakers from outside the organization to share their information which related to "Business Overview (Refreshment)". These meetings

allowed Independent Directors to exchange opinions and suggestions how best to maintain their independence as an Independent Director. No members of management were in attendance.

## » Director Development

PTTGC places importance on continuing development of the Directors. Policies have been to encourage Directors to undergo development and increase areas of expertise related to their roles and the responsibilities of their directorship. The Company Secretary is also instrumental in overseeing a variety of training courses that assist in continuously improving operations.

### ▶ Orientation for New Directors

PTTGC's New Director Orientation is detailed below:

- (1) A briefing is given about the nature of PTTGC's business, information about PTTGC, as well as various guidelines and business practices. It includes information about related regulations, Good Corporate Governance and Business Code of Conduct. The orientation is performed by high-level Executives and also includes information that will be useful for Directors during their tenure.
- (2) Manuals and various documents are distributed to new Directors. They include information about strategic company plans, the Company's Articles of Association, rules and regulations, and the Good Corporate Governance and Business Code of Conduct Handbook. This literature is constantly kept up-to-date and is intended to help Directors perform their duties.

### ▶ Director Training

PTTGC Directors are knowledgeable, skilled, and are constantly seeking more information about developments in the Company's industry. PTTGC is supportive in providing extra training to Directors to help them better perform their duties. Almost all

of the Directors have completed training programs organized by the Thai Institute of Directors (IOD).

Additionally, Directors attend various events on the national and regional levels to promote and raise standards of Good Corporate Governance, as well as to exchange thoughts and experiences. One event was the National Director Conference 2013, organized by the IOD. A Conference in 2012 for Nomination and Remuneration Directors was also attended. It focused on remuneration of Directors. Plant visits were organized for Directors to inspect company operations at both domestic plants and at overseas joint-ventures. Directors were able to get hands-on experience so that they may be able to better contribute to improvements in PTTGC operations.

### ▶ Assessments of the Board of Directors

PTTGC requires the annual performance evaluation of the Board of Directors. These reviews are made to assess the working operations, problems and obstacles that had been dealt with over the year. Three types of assessment are performed: assessments on the Board as a whole, as well as individual self-assessments, and cross-assessments. Criteria of appropriate standards are used. Results of assessments are then examined during Director remuneration consideration. The assessments were presented to the Board of Directors at Meeting No.13/2013, held on December 16<sup>th</sup>, 2013. They were used accordingly to draw up a set of guidelines that would improve the future performance of the Board in an efficient and concrete fashion.

### » Assessment of the Board as a Whole

focused on six main areas: 1. Board Policy, 2. Board Performance, 3. Board Structure, 4. Board Style, 5. Board Meetings, and 6. Board Development.

**Overall Board assessment results concluded that performance was at excellent level with an average score of 95.9%**

#### » Individual Self-Assessment of Directors

focused on three main areas: 1. Business Code of Conduct and Ethics Compliance, 2. Duties and Responsibilities, and 3. Self-Development and Teamwork

**Overall entire individual self-assessment results concluded that the performance was at an excellent level with an average score of 96.2%**

#### » Cross-Assessment of Individual Directors

focused on three main areas: 1. Independence, 2. Time Devoted and Meeting Attendance, and 3. Knowledge and Specialized Expertise

**Overall cross-assessment of individual Directors results concluded that their performance was excellent with an average score of 97.9%.**

#### ▶ Assessment of Sub-Committees

**Audit Committee** Through an analysis of results of assigned tasks and responsibilities, the Audit Committee has been assessed as operating in full compliance.

**Nomination and Remuneration Committee** Through an analysis of results of assigned tasks and responsibilities, the Nomination and Remuneration Committee has scored at the level of excellence.

**Corporate Governance Committee** Through an analysis of results of assigned tasks and responsibilities, the Corporate Governance Committee has scored in the level of excellence.

**Risk Management Committee** Through an analysis of results of assigned tasks and responsibilities, the Risk Management Committee has scored as very good.

#### » Anti-Corruption

PTTGC participated in the Collective Active Coalition, a private-sector movement hosted by the Thailand Institute of Directors (IOD) to combat graft and corruption. Other

participants were the Thai Chamber of Commerce, the Thai Bankers Association, the International Chamber of Commerce, and the Thai Listed Companies Association. The aim of the coalition was to establish common standards of business ethics to present a united front against corruption and dishonest practices.

In 2013, PTTGC assigned staff members from related departments to an IOD Seminar to learn more about Self-Evaluation Tools. Staff were also sent to take an "Anti-Corruption: The Practical Guide" course. PTTGC is currently in the process of assessing and reviewing its anti-corruption measures and will look to endorse its findings soon.

#### » Internal Control and Audit Systems

##### 1. Internal Control

The Board of Directors has been given sufficient power to establish efficient and appropriate internal control systems, reducing risk and environmental risk to an acceptable level. The following is a list of internal control measures in place:

- ▶ Policies are set to put internal control efforts into writing, describing various internal control processes in the Good Corporate Governance and Business Code of Conduct Handbook.
- ▶ Set policies and provide oversight over internal control systems, including appropriate risk management measures. Risk will be reduced to an acceptable level without affecting the operations of PTTGC.
- ▶ The Board of Directors assigned an Audit Committee with the responsibility of performing audits and enforcing internal control measures as mandated in the Charter of the Audit Committee. Furthermore, the Audit Committee is responsible for reporting to shareholders in the Annual Report.
- ▶ Upper-level management followed policies laid out by the Board of Directors by implementing Internal Control systems and instilling a culture of discipline and a positive attitude about internal control.

- ▶ Middle-level management has organized internal control systems for work they were responsible for. Systematic assessment has been given to these systems resulting in systematic improvements being made.
- ▶ All staff members followed the laws, rules, regulations, mandates, standards, and internal control systems.

## 2. Internal Audit

PTTGC's structure ensures that its internal audit mechanism is working independently and report directly to the Audit Committee. It is the responsibility of the Audit Committee to make it possible for such internal audit mechanisms to function independently, impartially and ethically as specified in the Charter of the Internal Audit and in accordance with professionally accepted standards. Such internal audit is necessary to assess the sufficiency and the efficiency of internal control measures, in order to ensure that all departments are working in the same direction to achieve its goals, and that adequate risk management is implemented to handle the ever-changing business situations.

The internal audit mechanisms cover both long-term and short-term internal audit, and are in line with the business strategies and risks. Internal audit aims to recommend measures to mitigate possible risks, as well as, to improve existing procedures in an effort to add value to PTTGC. A report on compliance with recommendations of the Audit Committee is also prepared every quarter, and the Audit Committee is required to report the adequacy of the internal audit to the Board of Directors at least once a year.

The Internal Audit Department emphasize on the development of the internal audit system to be in line with the international standard. The development strategy to improve the work of internal audit including risk management and plan to reduce such risk are:

- ▶ Knowledge development

- ▶ Improvement in internal audit system to be in line with international standards
- ▶ Develop internal audit officers to perform their duties according to the standards and as expected by the Executives and the Audit Committee.
- ▶ Assist the Audit Committee in performing its statutory and fiduciary duties according to the Audit Committee code of conduct published by SEC.

## » Risk Management

The Board of Directors has overseeing the policies and processes related to risk management as outlined in the Good Corporate Governance and Business Code of Conduct Handbook. Furthermore, the Board has defined the roles and responsibilities of the Risk Management Committee as having to consider all potential risk factors that might actualize and has designated a comprehensive system to mitigate these risks. Oversight will be provided to make sure that management follows systematic processes to limit risk in an efficient way, as well as seek out business opportunities that may arise from the presence of risk. The Risk Management Committee must also set policy to efficiently limit risks in the operations. The constant monitoring and assessment of risk management practices will be made to ensure confidence in the sufficiency and adequacy of existing risk management mechanisms. Summaries of this assessment will be reported on a quarterly basis. Whenever risks are determined to affect PTTGC operations, it will be brought to the attention of the Board of Directors and report in the Annual Report.

## » Head of Internal Audit

At Audit Committee Meeting No. 4/2013, held on July 5<sup>th</sup>, 2013, Mr. Adisorn Vichaiatka received approval to be appointed as the Head of the Internal Audit Department effective as of August 1<sup>st</sup>, 2013. His appointment was made due to his extensive knowledge and experience with PTTGC's internal audit systems. He has been working with the Internal Audit Department since 2005. He was provided with

an extensive course of training related to internal audit systems. The Audit Committee is the body responsible for the appointment, removal, and transfer of managers of the Company's Internal Audit Department, as specified by the Charter of the Audit Committee. (The qualification of the Head of the Internal Audit Department page 111.)

### » Head of Corporate Compliance

PTTGC has appointed Mrs. Warawan Tippawanich to be the Head of the Company's Corporate Compliance. Her roles and responsibilities include promoting and supporting compliance activities among Executives and staff members of PTTGC and its subsidiaries so that operations are conducted according to all related laws, rules, and regulations. (The qualification of the Head of the Company's Corporate Compliance page 111.)

### » Channel for Whistleblowers

PTTGC has designed a Whistleblower Policy, along with a channel for whistleblowers from both inside and outside the organization, to support and promote the PTTGC's ethical values. This Policy is detailed below:

**Internal:** A channel has been provided for staff members to make any complaints concerning unethical business practices. This policy was advertised on PTTGC's Bring the Best, Intranet. Processes are in place to classify and store complaints and to prepare documents. The Internal Audit Department will compile a report on the issue and submit it to the Chairman of the Board, the Audit Committee, and the Board of Directors for their consideration.

**External:** A channel has been provided to allow various stakeholders and people in general to make contact or give suggestions. This channel can be located on PTTGC Website in the "Contact Us" section. Various different subject headings can be used, as detailed below: Public Relations, Good Corporate Governance, Products and Services, Investor Relations, Social Responsibility

▶ This channel has been provided to collect opinions,

suggestions, and feedback. It can also be used to submit information related to unethical practices on the PTTGC's Website on the "Good Corporate Governance" page under the heading of Contact the Chairman of the Corporate Governance Committee and Company Secretary.

The Board of Directors has set up various mechanisms to increase stakeholder participation in PTTGC's Operations. Information is disclosed in a transparent manner and stakeholder concerns can be addressed through meetings with management or the compliance department as well. Different channels are used to disseminate information in an effort to increase a sustainable level of confidence in the PTTGC's operations. Furthermore, channels exist to facilitate the lodging of complaints about illegal practices, unethical practices, financial irregularities, as well as internal control deficiencies. Mechanisms have also been incorporated to safeguard whistleblowers, including processes to govern investigations into complaints. These efforts aim to increase stakeholder involvement in PTTGC in a most efficient manner.

### » Succession Plan

PTTGC has designed its succession plan to work in a systematic manner that is able to evaluate management performance. Consideration is given to competency, personal attitude, organizational knowledge, experience and also to leadership. Candidates must have vision and be able to execute growth plans that have been laid out by the Board of Directors. They must be able to support business expansion and the changing nature of the Company's organizational structure. As members of senior management retire, this succession plan helps to ensure continuity in management. It also helps to prepare candidates for succession to help PTTGC meet its strategic goals in the future in an efficient manner.