

CORPORATE GOVERNANCE

Corporate Governance Policy

The Board of Directors of PTT Global Chemical Public Company Limited places importance on Good Corporate Governance and adhering to PTTGC's Business Code of Conduct. These efforts will help PTTGC realize its vision of "TO BE A LEADING CHEMICAL COMPANY FOR BETTER LIVING". Furthermore, it will help build confidence among shareholders and stakeholders. The Board has set a policy to provide the framework of Good Corporate Governance, and has tasked the Corporate Governance Committee with ensuring that the operations of PTTGC are in line with this policy. The Corporate Governance Committee must work to develop and raise standards to that of an international level. Each year, an assessment and review of the effectiveness of the policy must be made. Following this, the Corporate Governance Committee will provide its suggestions as to how to improve this policy so that it is up-to-date with industry best practices, as well as conforming to PTTGC's strategic direction. The policy must be able to help PTTGC steer its course through the turbulent and ever-changing business environment. For example, the policy must keep PTTGC among industry leaders in terms of Corporate Governance trends. It must conform to regulations set forth by the Stock Exchange of Thailand and other relevant regulatory bodies. Additionally, it requires that there be a review of the roles and responsibilities of the Board and Charters of the Sub-Committees, to ensure that they are in line with the laws and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission (SEC), and the criteria set by the Thai Institute of Directors (IOD).

Corporate Compliance

A set of guidelines has been drawn up to govern compliance related to various Laws, Rules and Regulations found both in domestic and international. 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. PTTGC has formally set up [Corporate Compliance Policy](#), together with the Compliance

Division to facilitate in the communication of this policy throughout the organization. The Corporate Compliance Policy represents a tangible framework that oversees the Corporate Compliance Program, which has been established to efficiently govern Corporate Governance according to international standards and ensure that they are in line with PTTGC's business operations.

PTTGC's 2014 Corporate Compliance Program comprises the following.

1. Communication & Dissemination

- Continuous implementation by highlighting the "Tone at/from the top" training method among high-level executives and provided "Corporate Compliance Overview" training program as a mandatory course for 12 classes of its 365 Division Managers (94%, from a total of 387 Division Managers), from March to November 2014. At the end of the training programs, participants were also tested to evaluate their understanding, and certificates were also sent to participants who passed their respective tests.
- In 2015, PTTGC plans to provide training on Corporate Compliance for its employees and organize roadshows to its subsidiaries both in Thailand and overseas according to its Corporate Compliance Framework. The framework has been established as a guideline for Corporate Compliance enforcement within the PTTGC Group.
- Corporate Compliance has been inscribed as a key Company Policy in order to ensure all of PTTGC's business operations are always in compliance with relevant Laws Rules and Regulations. Also, through multiple communication channels, employees at all levels are kept up to date with any development in applicable Laws Rules and Regulations as well as

any relevant case studies so that they are well aware of latest developments involving with their duties. Such communication channels include Compliance E-Learning materials via the company's intranet system and through email communication.

2. Corporate Compliance Program 2013 : Standards and Policies

- PTTGC created and implemented the Antitrust Manual as a guideline for company executives and employees regarding trading and investment activities both within Thailand and overseas. In addition, a series of Antitrust Workshop activities were organized for the departments dealing with antitrust issues so that personnel working in those departments were equipped with the knowledge to perform their duties in compliance with the growth directions of the Company and PTTGC Group.
- PTTGC initiated "Whistleblower" channels to receive and respond appropriately to complaints regarding Corporate Compliance issues. This represents the Company's genuine efforts and commitment to comply with applicable Laws Rules and Regulations and to ensure transparency and traceability as well as impartiality for all stakeholder groups both within and outside the Company. In addition, such efforts also contribute to preventing, detecting, monitoring and auditing any possible violation of its Corporate Compliance Policy. Any possible misconduct or negligence of duty according to the Company's Business Code of Conduct and Corporate Compliance Policy is encouraged to be reported to the Company through this channels which have been made available. Such notification is welcomed from both PTTGC's employees and outsiders alike and they will be fully protected under 'Non-Retaliation' Policy.

3 Compliance Monitoring, Auditing and Reporting

- PTTGC annually assessed Executives and High Level Management of the Company through Compliance Health Check in order to compile a yearly database on non-comply according to the Company Compliance Program .

- PTTGC also conduct a Risk Assessment on its Corporate Compliance program on a regular basis and report it to the Company's Board of Directors in order to ensure sustainable Corporate Compliance Program in the long term.

Corporate Governance and Business Code of Conduct

The Board of Directors has approved the [Corporate Governance and Business Code of Conduct Handbook](#) to put PTTGC's Corporate Governance policy into practice. The Handbook outlines various working practices and criteria to follow that are in accordance with international standards. The Corporate Governance Committee will provide monitoring to ensure that PTTGC operations follow the 2014 Corporate Governance Plan, as well as conform to a standard and criteria of Corporate Governance that other companies listed in the Stock Exchange of Thailand follow. Throughout 2014, the Corporate Governance Committee held a series of meetings to ensure that the Corporate Governance plan was followed as decided by its Committee. Regular reports were made to the Board as well as to shareholders during the Annual General Meeting of Shareholders.

PTTGC ensures that there is clear communication of the pillars of the PTTGC's Good Corporate Governance Policy. These pillars are the Creation of Long-Term Value, Responsibility, Equitable Treatment, Accountability, Transparency and Ethics (CREATE). This communication begins as early as during new employee orientation. Instilling a deep understanding of these values is important. Staff members are required to know and follow principles of Good Corporate Governance as well as of other important criteria set forth by the Securities and Exchange Commission, the Stock Exchange of Thailand, the Thai Institute of Directors (IOD), and the Thai Investors Association. Armed with a good understanding of Good Corporate Governance, our staff members become the main driver behind raising standards to meet international levels.

Business Code of Conduct of PTT Global Chemical Group

reflects the organization's values and how they are implemented during the course of PTTGC operations. Directors, management and staff members must all move in the same direction in terms of Corporate Governance. PTTGC's Board of Directors and management must be on

the leading edge of implementing these standards. They need to act as a role model to look up to. Furthermore, they need to look after the interests of all related stakeholders. This includes respecting basic human rights, consumer rights, and fair labor practices. With management system for auditing, evaluating and review Business Code of Conduct to ensure that every employee abide and comply with Corporate Governance Policy.

The Code of Conduct is outlined in PTTGC's Corporate Governance and Business Code of Conduct Handbook. This Handbook is distributed to each of the Company's Directors, management, and staff members. Their acknowledgement and understanding of the Code of Conduct is important; they are required to sign a pledge that they will uphold these values and place them at the center of their working practices. Furthermore, the Handbook is also distributed to all business partners and stakeholders, including PTTGC customers and partners. Moreover, it is also posted on the PTTGC website under the heading of Good Corporate Governance so that all shareholders, investors, and interested parties are able to access it in a convenient manner.

Compliance with International Principles of Good Corporate Governance

The Corporate Governance Committee is tasked with the continuous development of Corporate Governance Policy to ensure that Corporate Governance criteria meet various standards and are used to execute PTTGC's strategic direction. This policy is also in place to ensure that PTTGC is ready to expand through ASEAN once the ASEAN Economic Community opens. In 2014, PTTGC was recognized by the ASEAN CG Scorecard and DJSI for its successes domestically and internationally as shown in "Awards and Recognitions" page.

PTTGC has conformed to Good Corporate Governance principles for listed companies with the Stock Exchange of Thailand, ASEAN CG Scorecard and Dow Jones Sustainability Indices (DJSI), as follows:

Rights of Shareholders

PTTGC fully respects the rights and equitable treatment of its shareholders. Shareholders have the right to purchase, sell or transfer their shares. They have the right to exercise their

ownership rights to attend shareholder meetings or assign proxies. They have the right to vote on important meeting agenda items set forth by the Board of Directors. These items include the nomination and appointment of Directors, the remuneration of directors, the nomination and remuneration of independent auditors, reports of connected transactions, the approval of the acquisition or the sale of particularly large assets which have legal restrictions placed upon them, as well as other important matters that have a large effect on the operations of PTTGC. Furthermore, shareholders have the equal right to share in PTTGC's disbursement of profits, sell shares back to PTTGC, as well as the right to receive information related to PTTGC in a sufficient and timely manner. PTTGC gives shareholders additional rights that are not required by law. These rights have been summarized below:

1. **Providing Important and Pertinent Information to Shareholders:** PTTGC discloses information that is important to shareholders, even if it is not required by laws. If PTTGC determines that information would indeed be useful to shareholders, it is posted to be seen on the Company's website as well as through the Stock Exchange of Thailand's reporting system.
2. **Organization of the 2014 Annual General Meeting of Shareholders,** PTTGC held its 2014 Annual General Meeting of Shareholders on Tuesday, April 8th, 2014. It was held in Room EH 101-102 on the first floor of the BITEC Exhibition and Convention Center located on Bangna-Trat Highway in Bangkok, Thailand. Shareholders were able to comfortably attend the meeting despite the political turmoil at the time. A full accounting of the meeting has been detailed below:

Before the Meeting

- 1) PTTGC provided 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, the criteria and steps for the nomination of Directors, along with a channel to make inquiries into the Meeting's agenda, were able to be accessed between [September 25th, 2013 to December 31st, 2013](#). This information could be found under the heading of Corporate Governance / Shareholder Information / General Annual Meeting of Shareholders. In the event that a shareholder raises an item to be included on the agenda, the Nomination and Remuneration Committee will screen for suitable nominees and 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 2014, there were no agenda items brought up for consideration by any shareholder, nor did any shareholder make nominations for a Director position. The Board released these findings to the shareholders at the Annual General Meeting of Shareholders, including them in the Meeting Minutes without creating any barriers to allowing shareholders to communicate with each other about the proceedings.

- 2) In an effort to provide shareholders with clear, complete and timely information, PTTGC submits news releases to the Stock Exchange of Thailand. On February 19th, 2014, a resolution was passed by the Board of Directors to set the 2014 Annual General Meeting of Shareholders to be held on Tuesday, April 8th, 2014. The Record Date for shareholders to exercise their meeting attendance right was set to be March 5th, 2014. Also, dates for dividend receipt, closing of share transfers, and dividend payment methods were announced on PTTGC's website.
- 3) PTTGC published an invitation to the Annual General Meeting of Shareholders on its website for a period of more than 30 days before the Meeting was held. Posted alongside this invitation were documents related to the nature of the meeting, the steps in assigning a proxy, a location map of the meeting, as well as phone number. Meeting invitations were then sent out 22 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 to vote in the shareholders' stead. The following issues were given automatic shareholder consideration:

- Determining Director Remuneration – PTTGC considers all forms of remuneration during this agenda item. This includes monthly salary, meeting allowance and annual bonus. Furthermore, this consideration allows for the determination of remuneration criteria and remuneration policy. Company profits are normally used when giving consideration to the remuneration of each Director.
- Appointment and Nomination of Directors – PTTGC allows for shareholders to nominate suitable candidates for a Director position. The required information that must be provided includes the candidate's full name, age, educational history and work experience. Any directorships currently held must be disclosed and separated by category: listed company on the Stock Exchange of Thailand, private limited companies, and other organizations. For the re-nomination of Directors presently serving, consideration is given to past performance as a Director of the Board, as well as their length of service so that shareholders may make an appropriate decision that will be the most beneficial to PTTGC.
- Nomination of Auditors – Details must be given in full about nominated auditors as well as their firms. This must include the scope of their expertise, any company affiliations and the experience of individual auditors. Furthermore, shareholders are able to give consideration to audit fees as well as the ability of auditors to remain independent.
- Dividend Payments – The dividend payment policy, dividend, and the record date are made available and explained in details. The financial is also detailed to help explain the current dividend payment.

4) In the event that shareholders are unable to attend the Meeting themselves, PTTGC provides them with the opportunity to nominate a proxy. This may either be 1 of 5 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 form 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 in both English and in Thai, so that foreign investors are able to appoint proxies in a convenient manner. Furthermore, shareholders are allowed to join the Meeting after it has begun, allowing for voting on resolutions currently being discussed.

During the Meeting

- 1) PTTGC held its Annual General Meeting on April 8th, 2014. The meeting commenced at 14.00 and was held in rooms EH 101-102 on the 1st floor of BITEC Exhibition and Convention Center on Bangna-Trat Highway (Km. marker 1) in Bangkok. Due to political instability, PTTGC decided to host meeting in an easily accessible location. The BITEC Exhibition and Convention Center is in close proximity to the Bangna-Trat Highway as well as the BTS elevated light rail system. Service was provided to ferry Meeting attendees to and from the BTS station during the entirety of the Meeting. Meeting proceedings went ahead smoothly and efficiently. Furthermore, exhibitions were on display to provide information about PTTGC and its operations in front of the Meeting room. Food and drink services were also provided.
- 2) The Meeting was attended by 13 of PTTGC's 14 Directors (1 Director, Mrs. Raweeporn Kuhiran, had resigned in February 2014 when she turned 70 years old, bringing the Company's 15 Directors down to 14). Mr. Areepong Bhooncha-oom was unable to attend the Meeting as he was overseas
- 3) 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.

- 4) Before the Meeting commenced, the Chairman described the method to the shareholders in which votes would be counted/announced:
 - For resolutions to be considered, shareholders have a number of votes equal to the number of shares they control.
 - For resolutions to be considered, shareholders have the right to vote For, Against, or Abstain. Votes are to be recorded on their voting cards along with their name. PTTGC staff will count votes using a barcode system. Voting cards marked Against or Abstain are the only ones kept to speed up Meeting processes. Voting cards marked For will be kept until after the Meeting adjourns.
 - When counting votes, PTTGC will set aside all Against and Abstain votes from the total amount of votes present at that Meeting agenda item. All votes remaining will be considered as a For vote. Emphasis will be placed on recognizing the votes of proxies.
 - Votes will be counted if they are cast by a shareholder or proxy in attendance with voting rights. It is likely that there will be unequal votes cast between agenda items, as some shareholders will be joining the Meeting during its proceedings. A full accounting of votes made will be disclosed to all shareholders after the conclusion of the Meeting. In the event that counting votes for a particular agenda item might take an abnormally long amount of time, the Chairman of the Meeting might decide to consider other agenda items in the meantime to speed up the Meeting proceedings. When staff has finished their vote tabulation, a summary will be presented to those in attendance of the Meeting.
 - PTTGC provides shareholders with explanation of each agenda item in the Meeting invitation. Shareholders are able to voice their opinions, suggestions or make inquiries for each agenda item in a free manner before voting on a resolution. This allows shareholders to sufficiently gain a

thorough understanding of each issue. In the event shareholders have questions or would like to gain clarification, answers and explanations will be provided by the staff responsible for each agenda. This falls under the responsibility of the Boards. As for foreign shareholders, PTTGC has provided translator to assist as needed. Additionally, assigned staff, lawyer from independent law firm and volunteer shareholders will serve as independent proctors.

- The Chairman of the Meeting followed the agreed upon agenda order that has been set in advance. This agenda will be sent to shareholders ahead of the Meeting. The agenda order is fixed and will not include any items that were not previously disclosed in the Meeting invitation.

After the Meeting

- 1) A disclosure of resolutions made at the 2014 Annual General Meeting of Shareholders was made through the SET Portal to make the public aware of results. This disclosure was also made on PTTGC's website after the conclusion of the Meeting's proceedings.
- 2) Fourteen (April 22nd, 2014) 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, and mailed to shareholders who attended the Meeting. This report was done in both English and Thai languages. A full recording of Meeting procedures was made to detail various important items such as Director Meeting attendance, Meeting resolutions, voting results on agenda items, questions raised, and suggestions and clarifications offered. Furthermore, shareholders were 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.

Through continuous development and improvement of the Annual General Meeting of Shareholders, in 2014, Annual General Meeting-AGM Assessment evaluated the meeting's quality as "Excellent" for the 3rd 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, especially minority shareholders, regardless of their nationality, the size of their shareholdings, or their investor type. A description of these efforts is listed below:

1. **Shareholders are treated equally**, regardless of their gender, age, skin color, nationality, religion, beliefs, political views or health. PTTGC aims to protect the fundamental rights of each of its shareholders in a uniform manner. PTTGC aims to maintain strong relations with its shareholders. By operating in an efficient manner, sustainable growth can be achieved for the organization. Shareholders will receive appropriate returns for their investments. Stakeholders will be managed in a sustainable and suitable fashion through the employment of management tools that are modern and easily measurable.
2. **Participation and Engagement with Each Shareholders** 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 cg@pttgcgroup.com. Corporate Governance Directors will give specialized attention to each issue raised and present to the Board and AGM if deemed necessary and benefit PTTGC. Institutional investors can make requests for information or offer their suggestions simply by emailing ir@pttgcgroup.com, which is the contact for the Investor Relations Department.
3. **Building Strong Relationships with Shareholders** in 2014, beside AGM, PTTGC organized a number of CSR activities that were beneficial for society and the environment. This provided an additional opportunity to strengthen shareholder relations. Shareholders had an equal opportunity to participate regardless of the size of their shareholding. Events such as the "Company Visit 2014" in Rayong province for shareholders to meet with executives, visit PTTGC's plants and engage in CSR activities and the "Set in the City 2014" were examples of how PTTGC engaged with its shareholders.

Role of Stakeholders

PTTGC places importance on operating in a responsible manner in its interactions with stakeholders of all groups. This is important to maintain sustainable growth. The Board of Directors focus on the role of each stakeholder and have set systematic management principles to help ensure the rights of our various stakeholders and stakeholder groups. These principles have been put into writing in PTTGC's Corporate Governance and Business Code of Conduct Handbook. They outline our philosophy to society, the environment, and how to operate in today's turbulent business setting. Stakeholder groups are not as easy to define as in the past. Furthermore, stakeholders have higher expectations of fairness and participation. They wish to have a louder voice in decision making, especially when PTTGC operations affect them. As such, stakeholder management has become a much more important issue. PTTGC has set a "Responsibility towards Stakeholders" policy to give staff members a clear direction in terms of how to follow business processes in a way that respects the rights of stakeholders in a fair manner. Stakeholder voices must be heard and PTTGC must understand their concerns. Creative collaboration with interested stakeholders must be embraced. Furthermore, PTTGC must work to help develop society and the environment to ensure that it can operate sustainably on a truly equitable platform.

● Stakeholder Relationship Policy

PTTGC has established both policies and working practices about PTTGC and its responsibilities towards each of its stakeholder groups. They have been put into writing and published on PTTGC's website since 2011. Staff members who interact with stakeholders now have clear direction in how to handle stakeholder relations. The Board of Directors have approved this policy and made adjustments to it to ensure it is in line with what is considered appropriate stakeholder relations. PTTGC has separated its stakeholders into 8 different groups, with separate relationship principles set for different stakeholder groups. They have been outlined below:

1. **Shareholders** : Support is provided to ensure that shareholders maintain and exercise their basic rights. A focus is placed on increasing shareholder satisfaction

with an emphasis on sustainable growth, adding value to the organization, and making proper dividend payments. Business operations must be conducted according to principles of Good Corporate Governance. This includes the right of shareholders to attend and vote at the Annual General Meeting of Shareholders, set the Meeting agenda, as well as offer nominations for Director roles. Every year, PTTGC organized "Company Visit" event in Rayong province for shareholders, in 2014 from November 25-26, set up a channel for shareholders to directly contact PTTGC on website: www.pttgcgroup.com and E-mail: ir@pttgcgroup.com, cg@pttgcgroup.com .

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. In this regard, maintaining confidential information and sustainable relationships are the key. Marketing Commercial and Supply working teams are responsible for looking after both customers and business partners when they purchase feedstock or products. PTTGC wants to make sure it is the right choice for its customers. It aims to make sure its products and services are innovative. Efforts such as these are conducted according to the principles of Good Corporate Governance and Business Code of Conduct, which serve as an outline for working practices and responsibility towards customers. This outline intends to be fair, appropriate, transparent and accountable. It aims to build satisfaction and trust with not only our customers, but also members of the public who purchase our goods and services. Goods and services are to be of good quality and priced appropriately. Strong and sustainable relationships with our customers need to be maintained. PTTGC engaged in a variety of efforts in 2014 to ensure this, including:

● **Marketing Excellence** - A Marketing Back Strategy takes a Customer Centric approach in five areas: 1. Building value for customers; 2. Development of new products; 3. Pricing strategies; 4. Channel strategies; and 5. Staff development and efficiency.

● **Customer Satisfaction Surveys** - In 2014, PTTGC adjusted its performance indicators to raise customer satisfaction levels according to international and industry standards. The 6 main indicators were

Product Quality, Service Quality (Sales Rep & Tech Support), Process Quality, Value & Price, Image, and Business Relationship. Customer Satisfaction Surveys were able to reflect the success that grows out of strong customer relations.

- **Building Strong Relationships with Customers** – Site visits to customers occur on a regular basis for the purpose of gathering customer thoughts and gauging changes in their industry. It is important to find out about our customers' product order schedule, maintenance stoppages, and industry trends related to crude oil prices. Information is provided to customers so that they are able to add value to their processes. Site visits are made to factories so that customers can learn about our production processes, building trust and understanding the value of the quality of our products. Various "thank you" activities are held for customers in each of our business groups in an effort to strengthen relations with customers. This also helps to expand our network of future potential customers. Furthermore, **Customer Feedback Management** is handled in a systematic manner to ensure that customer needs are met in a timely fashion. Channels have been set up to receive customer complaints. These include PTTGC website, email, and phone numbers. Furthermore, Customer Relationship Management (CRM) software assists in improving customer relations. Processes have been established to promptly solve issues and protect against potential problems in the future. Constant monitoring and assessment is done for customer complaints. PTTGC has set its course to ensure Marketing Excellence and assess Customer Satisfaction in an effort to improve processes and plans in the future.

3. **Business Partners** : Dealings with business partners are conducted in a uniform manner, ensuring value between the parties. PTTGC operates according to applicable laws and strictly follows agreed-upon business terms. Constant efforts are made to improve the quality of our goods and services. Warranties guarantee the quality of our goods and services. PTTGC also makes regular announcements related to the quality of its goods and services. Customer relationship management assesses

the satisfaction of our business partners. Activities are organized to provide knowledge to our business partners, serving to strengthen the relationship. Code of Conducts are implemented in our procurement teams.

A **Gift Acceptance Policy** prohibits the acceptance or giving of gifts or benefits in a dishonest manner. This policy is outlined in the Corporate Governance and Business Code of Conduct Handbook. It is also detailed in the Corporate Compliance Policy, dictating that employees will conduct their responsibilities according to the laws. They will refuse all forms of corruption and bribery from entities in both the public and private sectors, both domestic and foreign. **Any action that could be construed as against the laws in this regard is strongly rejected and is not according to our policies of business conduct.** Staff members of every level must condemn corrupt practices and act in a transparent manner, as well as avoid any conflicts of interest. Furthermore, they must not support such unlawful actions by others.

Adhering to Terms of our Business Partners – Contracts with business partners are always in written form. They are adhered to strictly. Furthermore, we meet with our business partners on a regular basis in an effort to help each other develop and improve ourselves. These meetings also serve as an opportunity to discuss any adjustments that need to be made. PTTGC aims to remain flexible when any of its business partners are unable to fulfill their contractual obligations. This entails researching the root cause of the problem and evaluating the best way to overcome the problem. Solutions must be mutually agreed upon. They must be executed to completion to ensure that the problem does not arise again.

- The procurement of feedstock must be performed in a fair, transparent and efficient way. The selection of our vendors must follow principles set by the Procurement Committee. An Examination Committee will inspect feedstock to ensure that it meets any conditions set forth. Under no circumstances may the Procurement and Examination Committees be made up of the same people.

- PTTGC emphasizes the importance of our Supplier Relationship Management (SRM) and arranges a series of activities to help support Company partnerships. Activities are held each year, and a convention for our business partners is held on November. PTTGC aims to compete on a more international level, particularly with concepts such as the Green Procurement network. PTTGC participated in the Supplier Conference 2014 under the theme of “Networking – Link Us Together”. This event helped PTTGC communicate its dedication to Green Procurement to its business partners. Green Procurement will help PTTGC work in a more sustainable manner. The cooperation of PTTGC's partners has been solicited so that we can all move together in the spirit of maintaining a green network.
- Furthermore, similar efforts are being made with anti-corruption concepts when choosing trade partners or contractors, with a push being made to operate in a fair and transparent manner, opposing any practices that may be against applicable laws or regulations.
- PTTGC has implemented the principles laid out in the UN Global Compact to reaffirm our commitment to oppose all forms of corruption and graft. Implementation began in 2012 and focused on business practices that are transparent and fair. 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 also required to share the same vision in terms of safety, health, and environmental compliance. This mentality is to be extended in the compliance with laws and regulations regarding human rights and labor, to help improve the quality of life in communities and society, as well as the quality of the environment.

4. **Business Competitors** : PTTGC's dealings with its competitors are performed in a way that is in line with applicable and appropriate laws. Furthermore, PTTGC aims to interact with its competitors in a fair manner. This includes operating under the strict framework set by laws, adhering to business terms with competitors, not engaging in slander, and not infringing on the intellectual property rights of our competitors. Training is provided to our staff members so that they understand the importance of interacting with our competitors in a lawful manner.

Responsibility to our Business Competitors : PTTGC has a policy that dictates that its dealings with competitors should be done according to international standards, in line with applicable laws and trade rulings. Business terms will be followed in a fair manner. PTTGC organizes training for its staff to increase their understanding of laws and regulations that provide the framework for competitor interactions. This includes both domestic and international competitors. In 2014, an Antitrust Manual was created to implement principles such as these among both Company management and staff members. Workshops were held for work teams that needed to learn more about laws regarding competitors. Our goal is to feel confident that staff members are able to conduct their work duties according to the laws. Over the last year, no instances of unfair competitor practices were reported against PTTGC.

Policy and Management of Sensitive Information : PTTGC has policies in place to prevent staff members from seeking or sharing sensitive information that might provide others with a competitive advantage, including information related to pricing, discounts, production capacity, investments, research and development, inventories, cash assets, or customer lists. In the event that such information is required by a staff member, it must always be given approval by the Company's legal department first.

Not Engaging in the Slander of Competitors : PTTGC does not tolerate the slander of its competitors. Misleading information will not be provided about them. Each staff member of PTTGC must adhere to this principle.

5. **Creditors** : PTTGC makes sure to strictly comply with all terms of any loan agreement it enters into in a responsible, transparent, and timely manner.

PTTGC understand the importance of protecting the rights of its creditors. All stakeholders are treated in a uniform manner. All pertinent information is disseminated to its creditors. Special emphasis is placed on the accuracy, thoroughness, speed, and transparency of information relayed, including both financial and non-financial information.

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 the laws 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. This includes: 1) Provisions related to the repayment of investment capital or guarantees of collateral; 2) The consistent announcement of financial information; 3) Repayment in full as per agreed-upon timeline; 4) Graft, bribery, or the trading of benefits-for-favor. In terms of these aspects of our Creditor policy, no instances of non-compliance have been reported by any of our creditors.

6. **Public Sector** : PTTGC places importance on its relationship with the public sector, both domestically as well as in markets abroad. It is important that the investments made in foreign markets must be done in a way that will not have an adverse effect on general business operations. Business activities must be performed according to applicable regulations and laws. Information must be shared through collaboration with members of the public sector. This collaboration must be done in a transparent manner.

In 2014, PTTGC entered into collaboration with the Office of the Public Sector Development Commission of Thailand. The aim of this was to increase the visibility

of anti-corruption campaigns, increasing awareness of corruption and anti-corruption efforts in the public and private sectors. This campaign was launched under the theme of "You have the power to put a stop to corruption."

7. **Employees** : PTTGC strives to become an organization that values learning, constantly develops its culture, works as a team, provides fair remuneration, and protects the health and safety of employees. Importance is placed on sharing knowledge and personnel development. Suggestions and opinions are always fielded from employees in a uniform manner, regardless of their position within the organization. We work endlessly to instill a corporate culture where each of our employees feels like an important part of our organization.

- Strictly manage our operations according to applicable rules and regulations, laws, and international standards in respect to human rights, the environment, as well as employee health and safety.
- Remuneration will be provided to our employees in line with norms accepted within the industry we operate in Thailand. Regular reviews and adjustments are made to PTTGC's remuneration system to ensure that they are in line with our short-term and long-term goals. Remuneration will be provided as a retention incentive for skilled employees who help in running the business in an efficient manner. Salaries and financial incentives will be tied to work performance, attitude, and skill sets.
- PTTGC provides a fair benefits package to its employees. Special importance is placed on benefits that will improve the life and family life of our employees. A Welfare Committee has been formed and is comprised of members who have been elected by their peers. This committee meets with members of management every two months to discuss employee benefits. This is done in an effort to strike a balance between employee happiness and long-term financial performance of the Company. PTTGC was recognized for its excellent employee relations and benefits in 2014 by the Ministry of Labor. The category that PTTGC was recognized in was large-scale enterprise non-union. PTTGC was determined to have systematic

management of labor relations that was made up of both members of management as well as staff members. The result is a strong working relationship with employees that enjoy a high quality of life.

- PTTGC believes in the importance of developing and training its employees. Employees are an integral resource needed to accomplish the aims and goals of PTTGC. Regular training is provided to our employees through a variety of courses. In addition to hard skill training, such as engineering and technical knowledge, PTTGC provides opportunities for its employees to engage in self-development. Each employee has their own Key Performance Indicator (KPI) related to personal development. Courses and training are provided in which they may volunteer to join. Employees are instilled with core values so that they are able to perform their duties in a standardized manner. The end result is that PTTGC is able to leverage its skilled employees to fulfill business objectives. Our training department is responsible for overseeing continual training exercises and courses for our employees. Each year, 29.5 hours/staff of our employees engage in training exercises, totaling.
- Our Director to Management (D2M) channel was implemented into PTTGC's Intranet system to provide employees with an outlet to voice their comments and suggestions. Members of management are able to use this channel to provide employees with responses and help to address or resolve their concerns.

8. **Community, Society, and the Environment** : PTTGC operates responsibly towards surrounding communities, society and the environment. Emphasis is on maintaining safety and protecting natural resources. Energy-saving initiatives are promoted. Furthermore, systematic management of stakeholders in communities, the society, and the environment is an integral part of our business. **A Quality, Security, Safety, Occupational Health, Environmental, and Business Continuity (QSHEB) Policy** governs efforts to improve the quality of life of those in surrounding communities as well as care for the environment, including:

- Using resources in an efficient manner to maximize reductions of their impact on society and the environment.
- Raise awareness of environmental responsibility.
- Distribute a share of profits in an effort to improve affected communities, the society, and the environment
- Emphasis is placed on environmentally friendly efforts, beginning with plant construction and ranging to the choice of technologies as well as production and waste disposal processes.
- Engage in research and development efforts to provide newer and more efficient innovations.

PTTGC believes that the quality of life of those in our society provides an important basis for sustainable development. As such, PTTGC strives to execute its business plans in step with efforts to improve the quality of life of surrounding communities, as well as assists in the preservation of the environment. PTTGC prepares social responsibility and sustainable development reports. In 2014, a report was prepared using a framework provided by the Global Reporting Initiative (GRI). Sustainability was detailed and described through Communication on Progress (CoP) efforts organized by the United Nations Global Compact. Information was provided about how each group of our stakeholders has been affected in a detailed manner.

The Board provides support for a number of different projects that create value through the development of communities, society and the environment. These projects undergo constant evaluation and assessment to ensure that they are correctly addressing issues at hand and fulfilling the goals of various PTTGC policies. An example is making sure that resources are used efficiently as mandated by our **Energy Management Policy is Energy-Minded Day**. Announcement and dissemination of such information related to careful use of resources are made to employees.

Anti-Corruption

PTTGC's Board of Directors has set a policy of Good Corporate Governance along with a Good Corporate Governance and Business Code of Conduct Handbook. These provide an outline for anti-corruption efforts, expressly forbidding the acceptance or issuing of bribes.

These policies have been put in writing and state that “PTTGC does not tolerate corruption of any form, including offerings, promising, soliciting, demanding, or the giving and accepting of bribes, as well as any activity that may be construed as corruption”. Steps have been described to help employees avoid corrupt practices. Management and employees are instructed to utilize these steps as a foundation for their working processes.

PTTGC has made Ethics one of the organization's core values. Efforts have been made to instill this value among employees at all levels. PTTGC meets both domestic and international anti-corruption standards. We have joined an anti-corruption network of Thai companies, organized by the Thai Institute of Directors Association, which collectively aims to root out and banded corruption. A working group was set up to collaborate with organizations in the private sector to oppose dishonest practices. This group was joined by members of relevant departments within the organization to put together a coherent framework the policies and conduct systematic management of anti-corruption efforts. Their efforts were summarized and presented the Board of Directors for their review and approval. On July 4th, 2014, PTTGC participated in the Collective Action Coalition (CAC), organized by the Thai Institute of Directors Association. PTTGC was recognized by Mr. Pramont Suthewong, Chairman of The Thai Anti-Corruption Organization, during the 5th National Meeting held for the private sector.

Additionally, PTTGC executed its anti-corruption policies into concrete form through the following efforts:

- PTTGC communicated its anti-corruption policies internally and externally through PTTGC's Intranet and public website. Directors, management and employees all participated in ethics training and activities, either classroom or net-based. A “PTTGC Collectively Fights Against Corruption: Know the Tricks so You can Protect Yourself” workshop was hosted for employees and management. Also, an event “PTT Group CG Day 2014 : The Power is in our Hands” was held under the theme “We can work together creatively as PTT Group to help confront and oppose corruption”. Staff and management of PTT Group also participated in this workshop.
- PTTGC communicated its anti-corruption efforts to individuals and organizations outside of the Company, outlining the lawful framework of operation that it operates under. The target audience included countries that PTTGC is actively investing in. Efforts were outlined in the Code of Conduct Handbook and distributed in 4 different languages (Thai, Chinese, English and French). It was distributed to business partners, customers, and members of our joint ventures so that they can align their anti-corruption conduct with ours. Our No-Gifting policy was provided to the Company's business partners at our Supplier Conference, which is held each year. Furthermore, our procurement and marketing teams collaborated to draw up a letter expressly forbidding gifting during the New Year holidays in an effort to build understanding of the PTTGC's policies.
- An internal control system has been put into place to fight corruption and protect against corruption within PTTGC. It has set policy, criteria, and control processes. This includes limiting autonomy in writing various Company reports. It also details various internal control steps such as the approval of considerations, payment approvals, payments, accounting, auditing and monitoring standards. Systematic controls for product and service distribution has been set up to ensure that distribution is handled in a proper and efficient manner. Audits are held on a regular basis to reinforce efficient and effective systematic management of anti-corruption activities.
- Regulations have been set to help control and protect against corruption. These regulations have been put into practice by the formation of a Whistleblower Policy. Whistleblowers from inside and outside the organization are able to offer their testimony or proof of inappropriate behavior, and violations of the Corporate Governance & Business Code of Conduct and/or the Corporate Compliance Policy.
- The organization's risk management policies have included the cost of dishonest and corrupt practices. These threats could end in the realization of losses. Steps have been put into place to follow related regulations to ensure that activities are conducted according to the laws.
- A risk management working group has been established to assess the potential of risk realization of any aspect, including corruption. The framework of PTTGC's risk

management systems is based upon principles approved by the Risk Management Committee. The scope of the organization's internal control systems extends to cover the risk of corruption. An assessment of these systems is conducted on a yearly basis to ensure that PTTGC's internal control systems are adequate and appropriate to the operations of PTTGC.

- A review of anti-corruption compliance measures is conducted annually. This review looks into the possible improvements and developments of these compliance measures to be more properly in line with various circumstances and risks. This review is presented to the Corporate Governance Committee, the Audit Committee, and the Board of Directors.

Additionally, PTTGC has joined the United Nations Global Compact (UNGC), an organization with the scope of collaborating with members of every sector worldwide to achieve sustainable economic development. A focus on business responsibility is split into four key areas: 1) The promotion of human rights; 2) Standards in hiring; 3) Environment protection; and 4) Anti-corruption.

● Whistleblower

PTTGC has set a whistleblower policy to be open-minded when fielding complaints. This policy represents a commitment and readiness to listen to comments, suggestions, questions or complaints that are related to Corporate Governance or Governance practices. PTTGC field inquiries from stakeholders from all sectors, whether it comes from within or outside the organization. Whistleblowers are handled with transparency, fairness, confidentiality, and in good faith. Protection and measures are in place to protect the complainant. Complainants are treated in good faith both during the investigation as well as after the investigation. Monitoring and auditing activities are important to PTTGC. It is necessary for these activities to be conducted in an efficient manner. They stress the importance of fielding complaints from all groups of stakeholders. These complaints act as a sort of surveillance tool to track or monitor business. Moreover, they act as an early warning mechanism that can help ward off other damages that would have otherwise been realized by our stakeholders.

Complainants will be protected. A policy of non-retaliation has been implemented and meets international standards. Complainants will not be subject to any adverse treatment by PTTGC Whistleblowing will not constitute grounds for dismissal or sanctions. According to our Whistleblower Policy, employees will be able to freely report misconduct through set channels. Upon receiving the complaint, the investigation process will be conducted in a confidential manner to protect the identity of the complainant. The Whistleblower channel has been published on PTTGC's website in the Corporate Governance / Whistleblower section. Complaints will be forwarded to the Chairman of Corporate Governance as well as the Corporate Secretary.

Disclosure and Transparency

● Disclosure of Information

PTTGC understands the importance of properly disclosing information, as it affects the decisions of shareholders, investors and stakeholders. Therefore, it is necessary to have set controls and definitions of clear procedures on how both financial and non-financial information should be disclosed in accordance with the laws. Information will be disclosed in an adequate, reliable, straightforward and timely manner both in Thai and English. It will be disclosed through the SET Portal system hosted by the Stock Exchange of Thailand, as well as via the website www.pttgcgroup.com. All disclosures of information will be governed by regulations set forth by the Securities and Exchange Commission as well as the Stock Exchange of Thailand. It will also strictly abide the laws set by the State. Changes to applicable laws and regulations will be tracked closely to ensure that PTTGC is operating according to up-to-date procedures. Implementing an accurate, transparent and straightforward Investor Relations (IR) system has enabled PTTGC to secure the confidence of its shareholders. Furthermore, the Corporate Governance and Corporate Secretary Department make sure to provide accurate information and answer all questions put forward.

During 2014, PTTGC's important financial and non-financial information was properly reviewed and audited by certified auditors. GAAP principles were used by auditors before the information was approved by the Board of Directors. Following this, the information was disclosed to the shareholders and to the general public. Furthermore, this information was

included in PTTGC's annual and quarterly reports. Non-financial information was disclosed according to principles set forth by the Stock Exchange of Thailand and the Securities and Exchange Commission. Management's discussion and analysis of risk management and Corporate Governance are reported in the Annual Report as well as the 56-1 form.

In addition, PTTGC has provided all other important information for viewing on PTTGC's website. This includes all activities which have been conducted to date. Shareholders, investors, and the general public are able to use this information as a reference in a convenient and timely manner. This information includes useful information about current projects as well as the development of new innovations. Information about various investments and their performance are presented on a quarterly basis. Furthermore, information is also provided about the schedule for road shows and presentations as well as other news and public relations pieces.

The Board of Directors follows PTTGC's Disclosure Policy pursuant to rules and regulations defined by the Office of the Securities and Exchange Commission, The Stock Exchange of Thailand and other state agencies. A systematic and rigorous system is in place to track changes to these regulations to ensure that PTTGC is operating according to the most recently updated set of laws and regulations. This practice has helped to gain the confidence of shareholders, investors, stakeholders and the public who are now able to rely on transparent, accurate and straightforward information that is properly disclosed.

1. The operating structure of PTTGC includes the companies under PTTGC, subsidiaries, joint venture companies, and affiliates. This information is disclosed along with the Company's shareholding structure, including shares held by major investors and institutional investors. This numbers makes up more than 5%. Shares held in Free Float make up more than 40% (51.07%)
2. A policy exists mandating that Directors and Executives must report their connected transaction as well as the stakeholdings of individuals closely related to them. Their shareholdings in PTTGC as well as its subsidiaries must be reported. Furthermore, when individuals are nominated for Director positions or Executives positions for the first time,

they must also do a full disclosure of their shareholdings in PTTGC. Furthermore, they must report changes in their shareholdings on a monthly basis to the Board of Directors as well as make a disclosure each year in the Annual Report.

3. Preventing Conflicts of Interest - Directors or Executives may not engage in activities that could create conflicts of interest. They are prohibited from setting meeting agenda items and also participating in the discussion of said agenda items. In the event that they must provide information regarding such agenda items, they must refrain from voting on the item. The Corporate Secretary or the Secretary of that Sub-Committee will record any associations that Directors or Executives have in writing. This will be included in the meeting minutes. Policies regarding conflicts of interest are included in the Good Corporate Governance Handbook. Each Director, Executive and employee must follow these regulations. Furthermore, designated personnel at each level of PTTGC is tasked with the duty of reporting suspected potential conflicts of interest within PTTGC. Disclosures of potential conflicts of interest must be reported upon initial appointment to their position, as well as at the end of the year and when conflicts arise. This represents the commitment that PTTGC has towards working transparently and avoiding conflicts of interest.

In 2014, PTTGC organized its conflict of interest reporting system online in an effort to reduce paper and also to increase the convenience of storing records. Additionally, supervisors and employees can record entries more conveniently as well.

4. 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 2014.
5. Disclosures are made of policies related to Director and Executives' 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.

6. Disclosures are made of PTTGC's investment structure, as well as any changes to the investment structure. These disclosures are made through various channels so that shareholders, investors, members of the media and other related entities can be made aware of them in an accurate and transparent manner. These channels also allow for stakeholders and the general public to contact and provide their suggestions to PTTGC. It can be found on PTTGC's website under "Contact Us" , in both Thai and English languages. Queries may be sent to Public Relations, Good Corporate Governance, Products and Services, Investor Relations, or to the Social Responsibility Departments.

The following is a list of channels that PTTGC releases disclosures to in both [Thai and English languages](#):

- The SET Community Portal hosted by the Stock Exchange of Thailand
- Website www.pttgcgroup.com, information on website is constantly updated. It provides an outlet for Directors and various departments to be contacted in a direct manner.
- News is released to various stakeholders through the Better Living journal, newspaper announcements, press releases, email, various publications, and during different events and activities.

● Investor Relations

PTTGC maintains an [Investor Relations Department](#) to handle 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 – in both Thai and English. Our Investor Relations Department can be contacted directly through our website www.pttgcgroup.com or by email at 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 to ensure that all shareholders are treated equally.

Investor Relations Events

Overseas Investors Meetings	10 times
Domestic Investors Meetings	4 times
Fixed Income Roadshow	1 time
SET Opportunity Day	4 times
Meetings with Financial Analysts	4 times
On-Site Investor Meetings	73 times
Telephone Investor Meetings	20 times

Disclosures of Information

Disclosures Made via SET Portal and PTTGC Website	54 times
Investors' Newsletter ("The Better Living")	4 issues

Activities

Exhibitions (e.g., SET in the City)	1 time
Bondholders Site Visit	1 time
Bankers Site Visit	1 time
Analysts/Fund Site Visit	3 times
Shareholders Site Visit	1 time

In 2014, 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.

Investors or other interested individuals can make information inquiries through the following 4 channels:

- 1) By Mail : PTT Global Chemical Public Company Limited, Department of Investor Relations
555/1 Energy Complex Center Building A, Floors 14th-18th
Vibhavadi Rangsit Road, Chatuchak District, Bangkok 10900
- 2) By Phone : 66(0) 2265-8574, 66(0) 2140-8712, 66(0) 2140-8714, 66(0) 2265-8327, 66(0) 2265-8533, 66(0) 2140-8713
- 3) By E-mail : ir@pttgcgroup.com
- 4) Fax : 66(0) 2265-8500

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, including shareholders, investors or the public, can use it to directly contact the Chairman of the Corporate Governance Committee or Company Secretary. The email address is cg@pttgcgroup.com

Board Responsibility

PTTGC's Board of Directors is at the heart of Good Corporate Governance. It fulfills its mission and various responsibilities as described in "Management Structure" page and in the following:

1. Setting Business Strategy, Policy, and Direction

The Board performs important responsibilities such as determining and reviewing the organization's vision, mission, strategy, operations plans and budget. It must adapt to a quickly evolving business environment. The Board must approve important aspects of PTTGC's operations such as its vision, mission, strategy, financial goals, risk tolerance, operational plans and budget at least once a year. In 2014, the Board reviewed at its meetings on August and November. The Board must also guide President & CEO and strive to achieve company goals, while maintaining a balance between business, society and the environment in order to develop sustainable growth in the future.

2. Good Corporate Governance and Business Code of Conduct

The Board has set Good Corporate Governance and Business Code of Conduct for Directors, Executives and each employee to follow. It acts as a means of guiding the operations of PTTGC to the highest standards of ethics, transparency, efficiency and accountability. It protects the rights of shareholders, who should be treated in a fair manner to build confidence in PTTGC. The Corporate Governance Committee is tasked with overseeing the Corporate Governance activities of PTTGC. It ensures that PTTGC is in strict compliance with all applicable laws, regulations and resolutions made by shareholders. It determines regulations, policies and internal controls. Regular reviews are made on an independent basis to ensure that PTTGC information is up to date, as well as to assist in protecting the interests and rights of all shareholders equally. Furthermore, it raises awareness of how to follow the Good Corporate Governance policies of PTTGC.

3. Internal Control and Internal Audit Systems

The Board understands the importance of internal controls and internal audits. PTTGC and companies under PTTGC must have effective internal controls that are consistent with the level of risk that they are exposed to. The Audit Committee and Internal Audit Department are responsible for performing reviews and monitoring internal audits on a regular basis. It must ensure that operations are conducted in compliance with all laws, rules and regulations. Furthermore, it must build confidence among Executives, investors, and other stakeholders by implementing an internal control system that meets international standards. Emphasis needs to be placed on potential risks that could have an effect on PTTGC's operations. Communications need to be done both internally and externally. An adequate and reliable tracking system must be executed regularly. It has been described in the "Internal Control" section.

4. Risk Management

The Board oversees PTTGC's risk management systems. Risk is a barrier to achieving PTTGC's strategic objectives. The Risk Management Committee is tasked with determining

the policies and framework of risk management. Risk management must be conducted in an efficient manner. It must assess both organizational and project risks. It must monitor, assess, and make adjustments to the risk management system to decrease exposure to risk to an acceptable level. Furthermore, it must provide risk management reports to the Board on a regular and prompt basis. These reports will be disclosed under the section of "Risk Management and Risk Factors."

5. Conflicts of Interest

PTTGC has set guidelines regarding conflicts of interest in the Good Corporate Governance and Business Code of Conduct Handbook for Directors, Executives and staff to comply with. Executives of the level of Executive Vice President and upwards, as well as financial controllers, must satisfy requirements set forth by the Securities and Exchange Commission. Directors, Executives and staff must make reports of personal conflicts of interest as well as those of entities they are closely related to on an annual basis. In the event a conflict of interest does arise, parties involved must make an immediate and detailed report to PTTGC.

PTTGC is very cautious in ensuring it complies with this policy. Transactions must not be conducted if they are in violation of the rules of the Stock Exchange of Thailand or the Securities and Exchange Commission.

PTTGC has set the following standards to prevent improper conflicts of interest:

- 1) Directors, Executives, staff members and related entities must avoid financial transactions with entities outside the organization if this would result in an adverse effect in which PTTGC would lose benefit or a conflict of interest would arise.
- 2) Directors, Executives, employees and stakeholders who may have conflicts of interest must make their superiors aware of such transactions. They must report these conflicts of interest or otherwise withdraw from any participation of the process related to the conflict of interest.

Board of Directors and Sub-Committees

Board of Directors

Directors are appointed by a vote of the shareholders at the Annual General Meeting of Shareholders. Each of the Directors must be highly qualified, knowledgeable and experienced in fields such as petroleum, petrochemicals, energy, management, accounting and finance, laws, security, and 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 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 laws and adhering to all regulations and rules, as well as principles of Good Corporate Governance. It must avoid any actions that would be against the best interests of PTTGC, and avoid conflicts of interest with PTTGC that would decrease efficacy. The Board 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. In 2014, PTTGC adjusted the structure and requirements of the Board. These adjustments have been recorded in the Good Corporate Governance Handbook as well as disclosed on PTTGC's website.

The Board has the power to assign one or many Directors to run the operations of PTTGC as well as to oversee special projects. This will be done under the supervision of the Board or the aforementioned person assigned to overseeing such tasks. The Board may revoke or modify this authorization at any time.

Sub-Committees

The Board has selected individuals with specialized expertise to serve on our various Sub-Committees that have been authorized by the Articles of Association. These Directors assist in working under the scope set for each Sub-Committee. They fulfill the roles and responsibilities of their Sub-Committee according to the charter of each Sub-Committee. Members of the Audit Committee must all serve as Independent Directors. The majority of members of the Nomination and Remuneration

Committee and Corporate Governance Committee must serve as Independent Directors. Furthermore, the Chairman of the Board of Directors must not serve as the Chairman or as a member of any of the Sub-Committees. Each Sub-Committee must be chaired by an Independent Director, with the exception of the Risk Management Committee. Member of the Risk Management Sub-Committee must have an appropriate amount of expertise in that particular field of petrochemical and refining industries, therefore the Board resolved that the composition of the Risk Management Committee is to be comprised of at least one Independent Director. Sub-Committees will provide a report of their activities to the meeting of the Board of Directors, as well as provide a report at the Annual General Meeting of Shareholders using the 56-1 form and annual report.

At the present moment, PTTGC has 4 separate Sub-Committees. They are: the 1) Audit Committee; 2) Nomination and Remuneration Committee; 3) Corporate Governance Committee; and 4) Risk Management Committee. Information related to details of Sub-Committee Directors, their responsibilities and meeting attendance may be found under the section of "Management Structure".

Nomination and Appointment of Directors and Executives

1. Nomination and Appointment of Directors and Independent Directors

In an effort to conduct the nomination and appointment of Directors in a principled and transparent fashion, policies of Good Corporate Governance are strictly followed. The Board of Directors nominated 3 Directors to serve on the Nomination and Remuneration Committee. These Directors are responsible for determining the nomination criteria, as well as performing the nomination of Company Directors. The Nomination and Remuneration Committee is responsible for allowing the majority shareholder and minority shareholders to nominate individuals for Directorships. The suitability of these individuals is determined based on how they match criteria set forth by PTTGC as well as the Stock Exchange of Thailand and Directors' Pool database from the State Enterprise Policy Office. 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 that the Board may currently be lacking. Potential conflicts of interest are also considered and may disqualify a candidate. The Nomination and Remuneration Committee will qualify the characteristics of the candidate to ensure that only the most suitable and appropriate individuals are selected for Company Directorships. This process will be conducted in a full and thorough manner, with an emphasis on transparency. The different positions to be nominated and appointed are listed below:

1.1 Directors

- **Nomination of New Directors** : Consideration encompasses the suitability of the nominee, as well as their compliance to related laws and regulations. Nominees will be judged on the basis of their expertise and the benefit this expertise would bring to the organization's structure. A Skill Matrix is used to assess suitability related to the operations of PTTGC. Furthermore, conflicts of interests and connected transactions that may affect PTTGC are also considered.
- **Nomination of Directors Presently Serving** : Consideration will take into account past performance of the Directors.

1.2 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 31st, 2014, of the 15 Directors, 9 of them are Independent Directors, exceeding the requirement mandated by the Securities and Exchange Commission as well as meeting the requirements listed under the section "Management Structure". Independent Directors are defined as having the quality of being independent, as explained in the Good Corporate Governance Handbook and listed on PTTGC's website.

In the event an Independent Director needs to be nominated and appointed to replace a position not vacated by expiry of term, the Nomination and Remuneration Committee must be casted by no less than $\frac{3}{4}$ of the votes. The term of

service for replacement Directors may be no longer than the length of service remaining for the Directors they replaced.

2. Nomination and Appointment of 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. Furthermore, any conflict of interest must be considered and approved by the Board. These are detailed under "Succession Plan".

In 2014, the Board nominated and appointed Mr. Supattanapong Punmeechaow as Chief Executive Officer. A fully qualified individual according to the criteria set by the Nomination and Remuneration Committee in replacement of Mr. Bowon Vongsinudom, who retired, as of October 1st, 2014. The criteria that was set forth by the Nomination and Remuneration Committee, as detailed below:

- Serving as a Director of the Company, as per the Company's Charter
- Knowledgeable and skilled in business operations
- Experienced in business, energy, petroleum and petrochemicals
- Experienced in organizational leadership
- Strong leadership skills
- Well-recognized by leading organizations in the industry

Directors' Term of Office and Number of Directorships

- The Board of Directors rotate out of their position one-third at a time during the Annual General Meeting of Shareholders, as per PTTGC's Charter. There shall not be more than 15 Directors at any one time and their term should be 3 years.
- Independent Directors should not serve more than 3 consecutive terms (counting from 2014 AGM for a total of 9 years). The purpose of this is to ensure that the independent nature of the Director be suitable and variable to provide PTTGC with the greatest benefit.
- In an effort to gain the highest benefit for PTTGC, the Company will not limit the number of terms to be served by its Directors to fully leverage their experience, expertise and knowledge. The Nomination and Remuneration Committee will be responsible for determining the suitability of potential nominees and present the benefits they will bring to PTTGC and its shareholders. [At the present moment, there are no Directors (including Independent Directors) that have been serving 3 consecutive terms or 9 consecutive years.
- PTTGC has determined basic qualifications that Directors must have. Directors must not hold directorship in 5 or more other companies. Furthermore, the nature of directorship relations must be disclosed to PTTGC. (At the present moment, no PTTGC Director is serving as a Director or Executive of more than 5 other companies listed on the Stock Exchange of Thailand). The President & CEO does not serve more than 3 companies.
- In regards to PTTGC's various Sub-Committees including the Audit Committee, Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee, the term of service is 3 years. At meeting No. 9/2014 held on September 22nd, 2014, the Board passed the resolution to re-appointed all the Sub-Committee members who is due to ended 3 years term on October 2014.

The Board understands the value of experience gained from serving as a Director in other sectors. However, providing service in this capacity must not diminish the participant's role in the operations of PTTGC. The act of serving as a Director for another organization must first be approved by PTTGC's Board of Directors. Any such service must not compromise the business operations of PTTGC or any companies under PTTGC. Furthermore, it must be reported and disclosed in "Management Structure" section.

Roles of the Chairman, President and Chief Executive Officer

The Chairman of the Board, the President and Chief Executive Officer are all positions to be elected and filled by separate individuals. The roles they execute are different as well. The Chairman of the Board does not interfere with the day-to-day operations of PTTGC. His responsibilities lie in ensuring the efficient operation of the Board of Directors. He assists in determining the agenda of the Board along with the President and Chief Executive Officer. He also assists in determining the smooth running of the meeting of the Board and the Annual General Meeting of Shareholders. Furthermore, the Chairman of the Board may not serve on any of PTTGC's Sub-Committees. Instead, the Chairman assists in ensuring that the roles and responsibilities of PTTGC's Sub-Committees are clearly stated in an effort to ensure that their responsibilities are clear and appropriate. Furthermore, it is the job of the Chairman to strengthen the independent nature of Independent Directors. The Chairman must exhibit strong leadership capabilities and have a thorough understanding of petroleum, petrochemicals and Good Corporate Governance. He must also be well respected among leading organizations in the petrochemical industry.

The **President & Chief Executive Officer** is nominated and appointed by the Board from one of the Directors. He is responsible for the management of PTTGC under the authority granted by the Board of Directors. This is detailed in the PTTGC's Articles of Association and is disclosed on PTTGC's website in both Thai and English languages (www.pttgcgroup.com). PTTGC's Articles of Association also stated that, at the highest level of the PTTGC's management, the President & CEO will be awarded compensation and other benefits in addition to that received as a Director.

Board of Directors 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. In 2014, scheduled on the 2nd Friday of each month and special meetings (urgent) will be held if the need arises. During 2014, there were a total of 12 meetings held, with an additional 2 special meetings conducted. The Board received copies of their invitations, minutes of meeting drafts, and information pertaining to agenda items at least five days before each meeting was held.

The Chairman 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 or meeting for Non-Executive Directors.

The Chairman is responsible for and presides over meetings, providing every Director with an opportunity to openly voice his/her 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. In 2014, importance was 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.

Meetings of the Independent Directors was held once. This meeting allowed Independent Directors to exchange opinions and suggestions on how to best maintain their independence as an Independent Director. No members of management were in attendance to avoid the creation of conflicts of interest between PTTGC and its stakeholders. Independent Directors need to execute internal controls and risk management principles in a suitable and efficient manner.

Throughout 2014, PTTGC implemented an E-Meeting system to manage the dissemination of information and meeting minutes to Directors. iPads are given to each Director to increase convenience and speed in this manner, as well as reduce the use of paper. Transmission is done to ensure protection of the data. The mobile phone application LINE is used to create a Group LINE channel for the Board of Directors and the Corporate Secretary to communicate more easily and notify of important information's such as news related to PTTGC, articles on the medias, and notification to SET.

Assessment of the Board of Directors

● 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's remuneration consideration. The assessments are presented to the Board of Directors. Then it is used accordingly to draw up a set of guidelines that would improve the future performance of the Board in an efficient and concrete fashion.

1. **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 an excellent level with an average score of 97.5%

2. **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 95.9%

3. **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 97.7%

● Assessment of Sub-Committees

1. **Audit Committee** : Through an analysis of results of assigned tasks and responsibilities, the Audit Committee received an average score of 98%.
2. **Nomination and Remuneration Committee** : Through an analysis of results of assigned tasks and responsibilities, the Nomination and Remuneration Committee received an average score of 99%.
3. **Corporate Governance Committee** : Through an analysis of results of assigned tasks and responsibilities, the Corporate Governance Committee received an average score of 98.9%.
4. **Risk Management Committee** : Through an analysis of results of assigned tasks and responsibilities, the Risk Management Committee received an average score of 95%.

Director and Executive Development

● 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 the Company's strategic plans, Articles of Association, Memorandum of Association, Annual Report, rules and regulations, Good Corporate Governance and Business Code of Conduct Handbook and Corporate Compliance Policy. 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 they 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.

In 2014, PTTGC Directors attended the Anti-Corruption for Executive Program (ACEP) held by the Thai Institute of Directors. The two PTTGC Directors in attendance were from the Audit Committee and were interested in information related to anti-corruption efforts. Additionally, the majority of other Directors had already received the training.

Directors/ IOD Courses

1. Mr. Amnuay Preemonwong
Anti-Corruption for Executive Program (ACEP)
Class 13/2014
2. Police Lieutenant General Prawut Thavornsiri
Anti-Corruption for Executive Program (ACEP)
Class 13/2014

New Directors have already arranged their 2015 training schedule. PTTGC has also applied to support the Thai Institute of Directors (IOD) to gain benefits related to increasing knowledge. Whenever PTTGC receives training materials or documents, it will be sent on to PTTGC Directors so that they may study and learn from them. A full listed of training courses attended/to be attend by PTTGC Directors, showed in the table below.

In 2014, the Board of Directors attended a number of domestic events to raise standards of Good Corporate Governance. These events were used as a platform to exchange ideas with regional leaders. They include plant visits, which were utilized to inspect operations within and outside of the country. PTTGC Directors need to have a thorough understanding of PTTGC's operations to provide the greatest benefit during their tenure.

Training Courses of the Board of Directors as of January 31st, 2015

Names	DCP	DAP	ACP	RCP	FND	UFS	FSD	RNG	PDI	ACEP	CSP	CMAL	SJA
1. Mr. Prasert Bunsumpun		26/2004		28/2012									Class 3
2. Mr. Somchai Kuvijitsuwan	76/2006	56/2006		28/2012		3/2006							Class 9
3. Mr. Vasin Teeravechyan	115/2012	94/2012						5/2013					
4. Mr. Anon Sirisaengtaksin	73/2006	52/2006											Class 1
5. Professor Surapon Nitikraipot	102/2008			25/2011									Class 4
6. Mr. Sarun Rungkasiri	61/2005				19/2005						8/2004		
7. Mr. Siri Jirapongphan	77/2006												
8. Mr. Samerjai Suksumek	204/2015	117/2015											
9. Miss. Ruenvadee Suwanmongkol	127/2010												Batch 15
10. Mr. Amnuay Preemonwong	80/2006		38/2012				11/2011			13/2014			
11. Mrs. Boobpha Amornkiatkajorn	152/2011												
12. Mrs. Watanan Petersik		83/2010											
13. Colonel Nithi Chungcharoen	200/2015												
14. Mr. Veerasak Kositpaisal		80/2006			30/2006								
15. Mr. Supattanapong Punmeechaow	131/2010			30/2013						Class 12			

DCP : Director Certification Program

ACP : Audit Committee Program

FND : Finance for Non-Finance Director Program

FSD : Financial Statements for Director

PDI : Corporate Governance Program for Directors and Executives of State Enterprises and Public Organizations

CSP : Company Secretary Program

DAP : Director Accreditation Program ACP: Audit Committee Program

RCP : Role of the Chairman Program

UFS : Understanding the Fundamental of Financial Statement

RNG : Role of the Nomination and Governance Committee

ACEP : Anti-Corruption for Executive Program

CMAL : Capital Market Academy Leadership Program

SJA : The Programme of Senior Executives on Justice Administration

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. They must be able to support business expansion and the changing nature of PTTGC'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.

Additionally, succession planning has been implemented to ensure the smooth replacement of vacancies created through retirement as well as vacancies created in the organizational structure during PTTGC's planned domestic and international expansion. The Nomination and Remuneration Committee is responsible for deciding the proper plan of succession. It will take into account the qualifications, knowledge, skills and experience needed for future vacancies. When a list of possible successors has been made, PTTGC will decide on both a short and long-term individual development plan to ensure that the successor is ready to serve when the time comes.

Governance Policy for PTTGC and Companies under PTTGC

The Board 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 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 companies under PTTGC are listed in the HR Rules and Regulations Policy](#), this policy states that those individuals have the duty and responsibility to

act in the best interest of the company in which they serve as a Director. Furthermore, the Board 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 provides supervision for various policies of its subsidiaries, including Management Policies, Corporate Governance Policies, Corporate Compliance Policies, Accounting and Finance Policies, Safety Health 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.

PTTGC's Board of Directors has mechanisms to help oversee the company. Policies are set and executed. [Guidelines are in place for regulatory and investment policy by PTT Global Chemical Public Company Limited](#). Subsidiaries of PTTGC are required to conduct their business strategy and operations according to the policies of PTTGC. Management and oversight of PTTGC is done in a systematic manner. PTTGC will appoint representatives to attend shareholder meetings of PTTGC's subsidiaries and PTTGC joint ventures to ensure that management is conducted in an efficient, transparent and fair manner.

Representatives from PTTGC must ensure that subsidiary companies operate according to PTTGC regulations as well as report connected transactions to PTTGC. They must ensure that information is reported and stored properly, as well as make sure that financial statements are accountable and consolidated in a timely fashion.

Control of the Use of Inside Information

The Board 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 to reinforce the

responsibilities of Directors, Executives and staff members. The details have been summarized, as follows:

(1) Directors and Executives (including Executive Vice President of Finance and Accounting) are responsible for conducting 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 Corporate Secretary will make an organized list of these transactions to be included as an agenda item at each meeting of the Board of Directors.

Furthermore, the Board ensures that constant monitoring of the use of inside information is being conducted. Whenever it needs to be used, a copy of a report needs to be sent to the Corporate Secretary. Reports are also sent to the Board during their meetings for their acknowledgement. Disclosures of changes in shareholding need to be made at the beginning, middle and end of the year in the annual report. The Corporate Secretary is responsible for monitoring compliance with the Business Code of Conduct on a very close basis. Reports of this are made to the Board for their acknowledgement during Board meetings.

(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 operations and compliance with all of the legal requirements regarding the standard of information confidentiality, both in Thailand and overseas.

(4) Rules and policies related to the use of inside information are communicated to Executives and employees on a regular basis. This notification is executed through various channels to ensure that PTTGC's rules and policies are known and followed, as well as to prevent the exploitation of information by Executives, employees or other individuals. Disciplinary actions are made known and suggested to supervisors. In recent years, there have been no reported instances of improper use of inside information. The trading of securities is prohibited during specific given periods.

Compliance with other Principles of Good Corporate Governance

PTTGC understands the importance of practicing Good Corporate Governance and Business Code of Conduct to an international standard. In doing so, each stakeholder group will be treated in a uniform and equal manner. PTTGC strives to exceed the requirements of Good Corporate Governance set by the Stock Exchange of Thailand. Examples of this have been detailed as follows:

- Independent Directors may not serve more than three consecutive terms, or 9 consecutive years without exception (their tenure begins at the Annual General Meeting of Shareholders in 2014), in order to allow PTTGC to nominate Directors with varied qualities, as appropriate, for the highest benefit.
- Restrictions are made on Directors that maximize the value of their benefits to PTTGC. Directors are limited from serving on the Board of more than 5 other companies. Details of information related to the directorship of those companies must be made as well.

- Directors serving on Sub-Committees are limited to terms of 3 years. This restriction is limited to the Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee. The Chairman of the Nomination and Remuneration Committee and Chairman of the Corporate Governance Committee must be Independent Directors, While the Audit Committee must be composed entirely of Independent Directors.
- The majority of Directors must be Independent Directors.
- No restrictions will be made on the gender of Directors. Currently, 3 of the Directors for PTTGC are female.
- Invitation letters are sent out to shareholders in advance, allowing them an appropriate amount of time to study agenda items. Invitation letters to the Annual General Meeting of Shareholders are sent out 22 days prior to the meeting. Furthermore, a posting of the notice will be made on PTTGC's website more than 30 days in advance.

Head of Internal Audit and Corporate Compliance

• Head of Internal Audit

At the Audit Committee Meeting No. 4/2013, held on July 5th, 2013, Mr. Adisorn Vichaikatka received approval to be appointed as Vice President - Internal Audit, the Head of the Internal Audit Department effective as of August 1st, 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.

• Head of Corporate Compliance

PTTGC has appointed Mrs. Warawan Tippawanich - Senior Vice President - Corporate Affairs, 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, per the Corporate Compliance Policy, so that operations are conducted according to all related laws, rules and regulations.

