

INTERNAL CONTROL

PTTGC recognizes the importance of internal control on an ongoing basis. Internal control helps Company operations to maintain accuracy, transparency and accountability, reducing losses from any actualized risks. The Board of Directors has tasked the Audit Committee with reviewing the Company's internal control system. It was paramount that this system was not lacking, and that it was appropriate to Company operations in 2012. The Board has therefore held a series of 12 meetings to set a variety of policies related to corporate governance and Company operations. The Audit Committee was in attendance for each meeting to review and give approval of such internal control measures.

During the Board of Directors meeting No. 2/2013 on February 15th, 2013, the Audit Committee offered up the results of an assessment of Company internal controls. It was concluded that PTTGC is conducting its internal control system in a sufficient and effective manner. The Board therefore expressed its approval with both the Company's internal control system as well as the Audit Committee. Each component of internal control is described below.

1. CONTROL ENVIRONMENT:

PTTGC's organizational structure is setup in a way to best support Company business operations in an efficient manner. PTTGC has handed out authority and responsibilities within an appropriate way, announcing policies related to good corporate governance as well as best practices, in accordance with all relevant laws. This allows Company management to operate systematically according to good corporate governance. Members of the Board of Directors, Executives, and Employees are to conduct themselves in a fair, transparent manner, and in accordance with all laws, in an effort to build maximum value for shareholders while remaining aware of the effects any actions might have on related stakeholders, as building confidence and sustainable growth is

important. Furthermore, the Board is tasked with making sure that all business goals are clear and measurable, as well as inclusive of the direction and framework governing Company operations for both the short and long-term. The Board is also responsible for reviewing Company business plans and goals, as well as offering their opinions and observations for consideration.

2. RISK ASSESSMENT:

PTTGC places importance on risk management and has a Risk Management Committee responsible for deciding policy and corporate governance over Company risk management, ensuring that it works in an appropriate and efficient way. PTTGC conducts its operations in accordance with the policies laid down by the Risk Management Committee, closely monitoring and analyzing any potential risks. These include risks that could have an effect on company earnings, goals, or project objectives. Various factors are kept in mind including the state of the current business environment and outside factors that could affect business, as well as internal factors that could have an effect on business operations as well as strategic objectives. A risk management plan has been written to prevent or reduce risks to acceptable levels. Additionally, an early warning system has been put into place, including the management of which is responsible for monitoring company operations according to the risk management plan. Their findings will be presented to the Risk Management Committee for its report to the Board of Directors on a quarterly basis.

3. CONTROL ACTIVITIES:

Overall, PTTGC has control mechanisms that are appropriate, sufficient, and effective. Policies, regulations, procedures, various powers, and budget authorities are laid out in writing for members of finance, procurement, and general management. Organizational structure provides an appropriate separation of checks and balances such as approval, financial reporting,

and the accounting of corporate assets. These internal controls are performed in a systematic way, providing a balance of various mechanisms of control (Checks and Balances).

Additionally, PTTGC employs the use of strong measures to govern transactions with Major Shareholders, Directors, Executives, or other closely related individuals. Guidelines that follow the principles of good corporate governance have been set in reporting conflict of interests. Disclosures of these conflict of interests are published in the Company's Good Corporate Governance and Business Code of Conduct Handbook. PTTGC closely monitors the operations of its subsidiaries and affiliates companies. Members of PTTGC's management have been assigned to act as Managing Directors, as well as being entrusted with Directorship roles within these subsidiaries and affiliates companies. They act as representatives on behalf of PTTGC. This allows PTTGC to have a say in the formation of policy. It also helps the Company to stay current and monitor the performance of these companies more efficiently, being able to closely track their key performance indicators.

4. INFORMATION AND COMMUNICATION:

PTTGC utilizes a system to distribute information related to Company operations. Financial reporting is done in a systematic way, according to various rules, regulations, and policies that govern internal control and Company operations. This system remains up-to-date and is easily understood. Accounting records are filed in a full and

appropriate manner. Furthermore, disclosures of important information are made available to Executives and others who require it within the Company. It is done in a format that allows these users to access the information in an efficient and effective way, so that they may best be able to do their job, with the end goal of helping PTTGC meet its goals and objectives.

5. MONITORING:

PTTGC maintains adequate processes for monitoring the effectiveness of internal control measures. These help to achieve Company goals and make timely adjustments to internal control so that they may be more appropriate to the ever changing business environment. The Board of Directors is therefore able to compare results of Company operations with Company goals in each quarter. Furthermore, an internal auditing body is responsible for ensuring the adherence to internal control measures of various departments, as outlined and approved by the Audit Committee. This allows for adequate and effective assessments to be done of internal controls, as well as allowing for reports to be organized for the consideration of the Board each quarter. The Audit Committee's findings were disclosed in the 2012 Audit Committee Plan. It was found that there were no conflict of interests, fraudulent activities, or any major defects within the internal control system. Additionally, no violations of SEC rules or regulations were found, nor was the Company found to be in violation of any related laws or requirements of the Stock Exchange of Thailand.

